

Age Partnership Group Limited

Annual report and financial statements

Registered number 09073284

31 December 2020

FRIDAY



AADP0QAJ

A22

24/09/2021

#276

COMPANIES HOUSE

Contents

Officers and Professional Advisers	1
Strategic Report	2
Directors' Report	5
Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements	7
Independent auditor's report to the members of Age Partnership Group Limited	8
Consolidated Statement of Profit and Loss and Other Comprehensive Income	11
Statement of Financial Position	12
Statement of Changes in Equity	13
Consolidated Cash Flow Statement	15
Notes	16

Officers and Professional Advisers

Directors:

A R Thirkill
T J Loy
J P Simpson (resigned 9 March 2021)
D P Wing (resigned 6 January 2021)
S Auckland (appointed 23 April 2020)
J A A Thirkill (appointed 23 April 2020)
M W Bellamy (appointed 1 March 2021)
S E Thirkill (appointed 1 May 2021)

Secretary:

J P Simpson (resigned 30 April 2021)
M W Bellamy (appointed 30 April 2021)

Registered Office:

2200 Century Way
Thorpe Park
Leeds
LS15 8ZB

Registered Number:

09073284 (England and Wales)

Auditor:

Mazars LLP
5th Floor
3 Wellington Place
Leeds
LS1 4AP

Legal Advisor:

Walker Morris LLP
33 Wellington Street
Leeds
LS1 4DL

Banker:

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 group for the year ended 31 December 2020. The Company is the ultimate parent of a group including the results of the following companies ("Group");

- Age Partnership Group Limited (non-trading holding company)
- Age Partnership Limited (equity release mortgage broker)
- Age Lifetime Limited (equity release mortgage broker)
- Age Partnership Wealth Management Limited (retirement income broker)
- Age Assist Limited (wills, power of attorney and collection of medical data)
- The Marketing Lab Limited (web development)
- Equity Release Associates Limited (equity release network, commenced trading in September 2020)

The Directors of Age Partnership Group have acted in accordance with their duties codified in law, which include their duty to act in the way in which would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006. See Directors Report on pages 5-6 for more details.

In this Strategic Report, the Directors' aim is to present a balanced and comprehensive review of the development and performance of the business during the year, its position at the year end, together with an assessment of the future outlook. The review is consistent with the size and complexity of the businesses and highlights the risks and uncertainties faced by the Group.

Review of business

During the year, Group income decreased to £42.0m (2019: £47.9m) representing a reduction of £5.8m or 12.2% compared to prior year. With the impact of the COVID-19 pandemic this is seen as a strong outturn. Administrative expenses reduced by £4.7m to £44.1m (2019: £48.8m), representing a cost reduction of 9.6% compared to prior year. After financing expenses of £0.2m (2019: £0.2m), the group produced a consolidated loss before tax for the year of £2.2m (2019: £1.1m loss).

The Equity Release and associated businesses started 2020 strongly. However, from late March onwards, the COVID-19 pandemic led to structural reduced demand for the core equity release advice service (as potential customers deferred spending decisions) and substantial delays in completing the existing pipeline of business (as the UK housing market temporarily closed for a 13 week period due to national lockdown restrictions imposed by the UK Government). Whilst the Group remained open for business throughout the year, seamlessly transitioning to remote working, it proved necessary to work closely with all stakeholders within the equity release supply chain to safely recommence the post application process.

The Wealth Management business was also impacted during the year by COVID-19 due to further delays in customer financial decision making which had a further significant effect on the business's ability to generate revenue.

The Group was able to mitigate the impact of reduced turnover experienced in Q2 through ongoing careful cost control throughout the rest of the year. This enabled the Group to start to recommence additional investment into marketing to promote growth in 2021.

In the Directors' opinion the result for 2020 was adversely affected by a number of non-recurring items of expenditure which are summarised below:

Strategic report (continued)

	2020	2019
	£'000	£'000
Operating Loss	(2,025)	(922)
Add Back: Depreciation	924	812
Amortisation	248	210
	(853)	100
Non-recurring costs		
Redundancy costs	444	-
Goodwill impairment	214	-
Start up losses in new business	144	-
Legal & Professional Fees in relation to non-recurring activities	123	-
	72	100
Underlying EBITDA (before non-recurring costs)		

In response to the COVID-19 situation it was necessary to embark on a number of staff redundancies – in spite of the Job Retention Scheme which the Group successfully accessed.

The impairment of goodwill relates to The Marketing Lab Limited, which has become dormant.

Start up costs (losses) were incurred in relation to Equity Release Associates Limited, the adviser network which commenced trading towards the end of the year and is expected to break through into profit in the coming year.

The Directors are pleased to note that, having adjusted for these non-recurring costs and in spite of the most challenging trading conditions, the group is able to report a positive EBITDA for the year.

In terms of cashflow, the Group generated positive operating cashflow during the year of £2.3m (2019: £0.7m cash outflow), and after investing and financing activities the net increase in cash and cash equivalents was £1.3m (2019: £3.2m decrease). The Group ended 2020 with £2m cash and cash equivalents (2019: £0.7m) and no bank borrowings.

All the companies in the Group are consolidated into the financial statements of Age Partnership Group Limited. No other Group companies prepare consolidated accounts.

Key performance indicators

Underlying EBITDA, which is considered by the Board to be a core measure of performance remained stable at £0.1m (2019: £0.1m). There are also some non-financial KPIs which management focus on, including customer satisfaction and complaints.

In terms of customer satisfaction, the Group maintained a healthy Happy Customer Index (based on the principles of the “Net Promoter Score”) of 78.49 (2019: 81.31). The Happy Customer Index is viewed as a good measure of satisfaction at all stages of the advice process and provides the Group with a real-time flow of customer feedback to fuel business improvements. The Group is committed to providing the best customer outcomes and customer satisfaction through a holistic approach to advice, and is always seeking ways in which both its advice and customer experience can be improved.

Customer experience is also independently audited by ‘Investor in Customers’ who independently assessed the service provided to customers as ‘Exceptional’ during the year – awarding its highest possible ‘gold rating’ for the seventh year in succession.

The Group’s compliance department investigates all complaints from its customers in accordance with regulatory guidelines. The level of complaints received by the Group is small given the size of the business.

Strategic report (continued)

Outlook

After a number of years of significant growth in the equity release market, uncertainty around the after-effects of Brexit and then COVID-19 have seen market growth flatten over the last couple of years and current pandemic uncertainty continues to take the edge off front end demand into 2021. It is expected that the COVID-19 headwinds will ease throughout the year as opportunities for consumer spending return and government aid is withdrawn and, as such, it is expected that the equity release market will be well placed to provide a solution for a growing number of customers. Nearly all plans allow some level of repayments without penalty, this combined with the current low interest rates, means that as payment holidays for traditional mortgages unwind, equity release should once again become the only later life mortgage offering customers the safety net of not losing their home should they not be able to afford the repayments. As such many market commentators are expecting significant growth of the market in the coming years.

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 should also be expected to increase awareness of equity release and grow the market once the COVID-19 issue has receded. The Group sees the acceptance of equity release to be positive step for the market and expects to expand its Partnerships proposition by strategically partnering with further blue-chip third party brands in the coming year to help drive market growth.

Annuity rates further declined in 2020, continuing a trend of deterioration that has resulted in the guaranteed source of income lose value in five out of the past six years. Industry commentators predict a long and very slow recovery for annuity rates due to low interest rates, gilt yields and high life expectancy levels. It is anticipated that a modest improvement in performance is attainable in 2021 and as the business sees the benefit of the recent restructure there is a likelihood of a return to profitability in the year.

Indications at the date of this report are encouraging as the business delivers sustained profitability.

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 Group also has business continuity plans in place which it regularly tests and reviews.

Following the cost realignment in H2 2020 the company has proven that it can operate profitably in a lower volume environment. The outlook for customer demand, the housing market and long term interest rates continue to be impacted by the uncertainties surrounding what the post COVID-19 world looks like and the Directors will continue to 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 during 2021.

The Group is regulated by the Financial Conduct Authority and is therefore subject to regulatory changes which are monitored closely and considered at board meetings in order to determine any impact upon the Group and to ensure continued compliance. The Group also monitors its capital position against the regulatory capital requirements on an ongoing basis.

Finally, I would like to personally thank all colleagues for their hard work in 2020 in enabling the group to have such a positive outturn for a period of unprecedented uncertainty and to our new CEO, Mr Steve Auckland who commenced in June 2020. We look forward to 2021 with much optimism.

By order of the board



Andrew Thirkill
Director

2200 Century Way
Thorpe Park
Leeds
LS15 8ZB
31 August 2021

Directors' Report

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

Proposed dividend

Dividends paid by the Group during the year comprise interim dividends in respect of the year ended 31 December 2020 of £nil per share (2019: £26 per share). Total distribution of dividends for the year ended 31 December 2020 was £nil (2019 - £1.3m).

Directors

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

A R Thirkill
 T J Loy
 J P Simpson (resigned 9 March 2021)
 D P Wing (resigned 6 January 2021)
 S Auckland (appointed 23 April 2020)
 J A A Thirkill (appointed 23 April 2020)
 M W Bellamy (appointed 1 March 2021)
 S E Thirkill (appointed 1 May 2021)

Political contributions

The Company made no political donations or incurred any political expenditure during the year.

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 Group 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 1.3.

Energy and Emissions report

The directors present its energy consumption, carbon emissions and intensity ratio statistics below:

	2020	2019
Scope 1 Energy Consumption (kWh)	1,170,356	2,094,486
Scope 2 Energy Consumption (kWh)	786,352	866,972
Scope 1 Carbon Emissions (tCO ₂ e)	238	469
Scope 2 Carbon Emissions (tCO ₂ e) – Location Based	183	222
Scope 2 Carbon Emissions (tCO ₂ e) – Market Based	-	136
Intensity Ratio 1 (tCO ₂ e/Turnover £m)	11.44	16.19
Intensity Ratio 2 (tCO ₂ e/Floor Area m ²)	0.13	0.21
Intensity Ratio 3 (tCO ₂ e/No of Employees)	0.87	1.35

In common with many businesses, in response to the Covid-19 pandemic, the company transitioned to a home working model during periods of national lockdown and following government guidance to work from home wherever possible. The embedding of this practice and advances in paperless processes has enabled the company to adopt a hybrid working model in the future such that it is anticipated that no more than 50% of staff will be on

Directors' Report (continued)

site at any time. This, and the reduced office footprint requirement has the potential to save an estimated 268 tonnes of CO₂ (tCO₂e) per year.

As part of a planned office refurbishment during 2021 the company will seek further opportunities to reduce its energy consumption and emissions where it a beneficial to do so.

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 4. For the year ended 31 December 2020, the company accounts are prepared under International Financial Reporting Standards as adopted by the EU.

Section 172(1) Statement

Age Partnership Group is an over 50's money specialist that depends on the confidence of its stakeholders to operate sustainably in the long term. The Group seeks to develop its wider relationships with its primary concern being its customers' best interests. It also invest in its employees, supports local communities, maintains good relationships with suppliers and strives to generate sustainable profits for shareholders.

Section 172 considerations are embedded in decision making at Board level and throughout the Group. The Group's success in its engagement with customers, as well as the risks it faces along with the mitigating actions taken, are set out on page 4 in the Strategic Report.

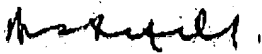
The Group is committed to providing the best customer outcomes and customer satisfaction, as set out on page 2 of the Strategic Report. It regularly engages throughout the customer journey and the Board measures the effectiveness of the advice provided by closely monitoring the Happy Customer Index.

The Board also recognises the importance of engaging with the Group's employees, ensuring that they remain informed of relevant information regarding Group values and performance. Quarterly updates from the Chief Executive, providing access to a suite of internal learning and development opportunities and being open and transparent in all undertakings, are just some of the ways in which the Group supports its employees, allowing them to in turn, provide a gold standard of service to its customers.

Auditor

The Company appointed Mazars LLP as its auditors during the year in accordance with Section 487 of the Companies Act 2006.

By order of the board



Andrew Thirkill
Director

2200 Century Way
Thorpe Park
Leeds
LS15 8ZB
31 August 2021

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 group and parent company financial statements for each financial year. Under that law they have elected to prepare the group and the parent company financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 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 parent company and of their profit or loss for that period. In preparing each of the Group and Parent Company 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 international accounting standards in conformity with the requirements of the Companies Act 2006;
- 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 parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its 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 group and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Age Partnership Group Limited

Opinion

We have audited the financial statements of Age Partnership Group Limited for the year ended 31 December 2020 which comprise the Consolidated Statement of Profit or Loss or Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity (Group and Company), the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and:

- 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 loss for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the parent company financial statements, as applied in accordance with the provisions 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 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 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 director's 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.

In connection with our audit of the financial statements, 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 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 7, 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 the financial statements.

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. Based on our understanding of the group and the parent company and their industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of regulatory requirements of the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the group which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit 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.



David Allen (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

Mazars LLP
5th Floor
3 Wellington Place
Leeds
LS1 4AP

31 August 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income
for year ended 31 December 2020

	Note	2020 £000	2019 £000
Revenue	1	40,858	47,857
Other income	2	1,168	-
Administrative expenses		(44,051)	(48,779)
Operating loss		(2,025)	(922)
Finance income	6	-	4
Finance expenses	6	(172)	(218)
Net financing expense		(172)	(214)
Loss before taxation		(2,197)	(1,136)
Taxation	7	292	263
Loss for the year		(1,905)	(873)
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive income for the year		(1,905)	(873)

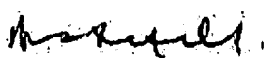
The accompanying notes on pages 16-35 form an integral part of these financial statements.

Statement of Financial Position
at 31 December 2020

	Note	Group 2020 £000	2019 £000	Company 2020 £000	2019 £000
Non-current assets					
Property, plant and equipment	8	3,599	5,193	-	-
Intangible assets	9	636	528	-	-
Goodwill	9	-	214	-	-
Investments in group companies and associated undertakings	10	-	-	220	220
		<u>4,235</u>	<u>5,935</u>	<u>220</u>	<u>220</u>
Current assets					
Trade and other receivables	12	1,907	2,207	-	-
Amounts owed from parties under common control		-	600	-	-
Tax receivable		281	90	-	-
Cash and cash equivalents		2,017	702	-	-
Deferred Tax asset	11	288	-	-	-
		<u>4,493</u>	<u>3,599</u>	<u>-</u>	<u>-</u>
Total assets		<u><u>8,728</u></u>	<u><u>9,534</u></u>	<u><u>220</u></u>	<u><u>220</u></u>
Current liabilities					
Amounts owed to parties under common control	13	-	-	-	-
Trade and other payables	13	6,142	3,853	-	-
Lease liabilities less than one year	16	326	517	-	-
		<u>6,468</u>	<u>4,370</u>	<u>-</u>	<u>-</u>
Non-current liabilities					
Deferred tax liabilities	11	-	18	-	-
Amounts owed to parties under common control	18	1,000	850	-	-
Lease liabilities greater than one year	16	2,659	3,790	-	-
		<u>3,659</u>	<u>4,658</u>	<u>-</u>	<u>-</u>
Total liabilities		<u><u>10,127</u></u>	<u><u>9,028</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Net (liabilities)/assets		<u><u>(1,399)</u></u>	<u><u>506</u></u>	<u><u>220</u></u>	<u><u>220</u></u>
Equity attributable to equity holders of the parent					
Share capital	14	50	50	50	50
Merger reserve		-	-	561	561
Retained earnings		(1,449)	456	(391)	(391)
Total equity		<u><u>(1,399)</u></u>	<u><u>506</u></u>	<u><u>220</u></u>	<u><u>220</u></u>

The accompanying notes on pages 16-35 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 31 August 2021 and were signed on its behalf by:



Andrew Thirkill

Director

Company registered number: 09073284

Statement of Changes in Equity

Group

	Share capital £000	Retained earnings £000	Total equity £000
Balance at 1 January 2020	50	456	506
Total comprehensive income for the period			
Loss for the year	-	(1,905)	(1,905)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	(1,905)	(1,905)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2020	50	(1,449)	(1,399)
	<hr/>	<hr/>	<hr/>
	Share capital £000	Retained earnings £000	Total equity £000
Balance at 1 January 2019	50	2,549	2,599
Effect of adoption of IFRS 16 leases	-	80	80
	<hr/>	<hr/>	<hr/>
Balance at 1 January 2019 (adjusted)	50	2,629	2,679
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period			
Loss for the year	-	(873)	(873)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	(873)	(873)
	<hr/>	<hr/>	<hr/>
Transactions with owners, recorded directly in equity			
Dividends	-	(1,300)	(1,300)
	<hr/>	<hr/>	<hr/>
Total contributions by and distributions to owners	-	(1,300)	(1,300)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2019	50	456	506
	<hr/>	<hr/>	<hr/>

The accompanying notes on pages 16-35 form an integral part of these financial statements.

Statement of Changes in Equity *(continued)*

Company

	Share capital £000	Merger reserve £000	Retained earnings £000	Total equity £000
Balance at 1 January 2020	50	561	(391)	220
Total comprehensive income for the period				
Profit for the year	-	-	-	-
Total comprehensive income for the period	-	-	-	-
Balance at 31 December 2020	50	561	(391)	220
	Share capital £000	Merger reserve £000	Retained earnings £000	Total equity £000
Balance at 1 January 2019	50	561	(391)	220
Total comprehensive income for the period				
Profit for the year	-	-	1,300	1,300
Total comprehensive income for the period	-	-	1,300	1,300
Transactions with owners, recorded directly in equity				
Dividends	-	-	(1,300)	(1,300)
Total contributions by and distributions to owners	-	-	(1,300)	(1,300)
Balance at 31 December 2019	50	561	(391)	220

The accompanying notes on pages 16-35 form an integral part of these financial statements.

Consolidated Cash Flow Statement
for year ended 31 December 2020

	<i>Note</i>	2020 £000	2019 £000
Cash flows from operating activities			
Loss for the year		(1,905)	(873)
<i>Adjustments for:</i>			
Depreciation, amortisation and impairment		1,386	1,014
Loss on Fixed Asset disposals		38	-
Financial income		-	(4)
Financial expense		172	218
Taxation	7	(292)	(263)
		(601)	92
(Increase)/decrease in trade and other receivables		900	(1,085)
Increase in trade and other payables		2,289	333
		2,588	(660)
Interest paid		(49)	(17)
Tax paid		(200)	10
		2,339	(667)
Net cash from operating activities			
Cash flows from investing activities			
Acquisition of property, plant and equipment	8	(96)	(289)
Acquisition of intangibles	9	(3)	-
Capitalised development expenditure	9	(353)	(394)
Right of Use Assets		729	-
Adjustment to investment in TML		-	(9)
		277	(692)
Net cash from investing activities			
Cash flows from financing activities			
Payment of finance lease liabilities		(602)	(754)
Right of Use Assets		(849)	-
Amounts paid by related parties		150	250
Dividends paid	14	-	(1,300)
		(1,301)	(1,804)
Net cash from financing activities			
Net increase in cash and cash equivalents		1,315	(3,163)
Cash and cash equivalents at 1 January		702	3,865
		2,017	702
Cash and cash equivalents at 31 December			

The accompanying notes on pages 16-35 form an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Age Partnership Group Limited (the “Company”) is a company incorporated, domiciled and registered in England in the UK. The registered number is 09073284 and the registered address is 2200 Century Way, Thorpe Park, Leeds, LS15 8ZB.

Both the parent company financial statements and the Group financial statements have been prepared and approved by the directors in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. On publishing the parent company financial statements here together with the Group financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement and related notes that form a part of these approved financial statements.

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

1.1 *Change in accounting policy*

The Company has not adopted any new IFRSs in these financial statements.

1.2 *Measurement convention*

The financial statements are prepared on the historical cost basis.

1.3 *Going concern*

The Group’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 parent 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 a plausible downside stress case as well as cash flow forecasts under a base case.

The severe downside stress scenario specifically focused upon the impacts on the business of COVID-19, including reducing the number of applications received, reducing achieved fee rates and underlying loan values. These changes concentrated the impact were applied over the going concern period although there is a 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. Age Partnership Limited have entered into an agreement with Pure Retirement Limited for a subordinated loan facility of £3m of which £1m has been drawn. Age Partnership Group Limited also has an agreement with its bankers to have unrestricted access to an overdraft of £375k 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.

Notes (continued)

1 Accounting policies (continued)

1.4 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.5 Financial instruments

Financial instruments comprise investments in equity, trade and other receivables, cash and cash equivalents, loans and borrowings with other group entities, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value, adjusted for any transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, net of any loss allowances.

Interest income is calculated using the effective interest method and is recognised in profit and loss. Changes in fair value are recognised in profit and loss when the asset is derecognised or reclassified.

Where trade receivables do not contain a significant financing component, as per IFRS 15, these are measured at the transaction price.

Trade and other payables

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

Interest expense is calculated using the effective interest method and is recognised in profit and loss. Changes in fair value are recognised in profit and loss when the liability is derecognised or reclassified.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less impairment. Any dividends received are recognised in profit or loss unless these clearly represent a recovery of part of the initial cost of investment.

Cash and cash equivalents

Cash and cash equivalents comprise all cash balances and call deposits which, under IFRS 9, are measured using the amortised cost basis net of impairment allowances. Any such impairment has been calculated using a forward looking lifetime expected loss model.

Interest-bearing borrowings with other group entities

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

Interest income or expense is calculated using the effective interest method and is recognised in profit and loss. Changes in fair value are recognised in profit and loss when the asset or liability is derecognised or reclassified.

Notes (continued)

1 Accounting policies (continued)

1.6 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

- Short leasehold improvements - 4 years, 25% per annum
- Fixtures and fittings - 4 years, 25% per annum
- Computer equipment - 4 years, 25% per annum

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date. Right of use assets have been discussed at 1.14.

1.7 Intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. The estimated useful lives are as follows:

- Software and Development costs - 4 years, 25% per annum

1.8 Impairment of financial assets (including receivables)

The impairment of financial assets is assessed using the lifetime expected credit loss model. This takes account of expected credit losses that result from all possible default events over the life of the financial instrument.

Expected credit losses are calculated by identifying scenarios in which a loan or receivable may potentially default, estimating the cash shortfall that would be incurred in each scenario and then multiplying the loss by the probability of the default.

In calculating any lifetime expected credit loss, the following factors are taken into consideration:

- An unbiased evaluation of a range of possible outcomes and their probabilities of occurrence
- Discounting for the time value of money
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions

Expected credit losses are recognised in profit and loss within the period in which they occur. When a subsequent event causes the amount of the expected credit loss to decrease, the decrease is reversed through profit and loss.

1.9 Impairment of non-financial assets excluding inventories

The carrying amounts of the Company's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU").

Notes (continued)

1 Accounting policies (continued)

1.9 Impairment of non-financial assets excluding inventories and deferred tax assets (continued)

Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.10 Revenue

Revenue represents net invoiced sales of services, excluding value added tax. Revenue incorporates the following for the various business lines of the Group:

- Equity Release - commissions and packaging fees from equity release as well as advice fees received from customers and are recognised as part of revenue at the point of completion of the agreement.
- Retirement Income - commissions on customer selected retirement products (non-advised sales) from pension income providers as well as advice fees received from customers and are recognised as part of revenue at the point of completion of the agreement.
- Estate Planning - administration fees relating to setting up of lasting power of attorney and are recognised as part of revenue at the point of invoice or completion of works, whichever is the latter.
- Administration of medical questioning for pension trustees – administration fees in relation to the collection of medical data for pension trustees and are recognised as part of revenue at the point of invoice or completion of works, whichever is the latter
- Other income relates to the monies received through the Coronavirus Job Retention Scheme and is treated as a government grant received

1.11 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Notes (continued)

1 Accounting policies (continued)

1.12 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.

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.

1.13 Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

For acquisitions on or after 1 January 2010, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquired; plus
- the fair value of the existing equity interest in the acquired; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

On a transaction-by-transaction basis, the Group elects to measure non-controlling interests, which have both present ownership interests and are entitled to a proportionate share of net assets of the acquiree in the event of liquidation, either at its fair value or at its proportionate interest in the recognised amount of the identifiable net assets of the acquiree at the acquisition date. All other non-controlling interests are measured at their fair value at the acquisition date.

Notes (continued)

1 Accounting policies (continued)

1.14 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies section 1.9 above.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date unless the interest rate implicit in the lease is readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Lease liabilities (Note 16).

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

1.15 Government grants

The Group recognises grants only when there is reasonable assurance that (a) the entity will comply with any conditions attached to the grant, and (b) the grant will be received.

Grants are recognised in profit or loss over the period necessary to match them with the related costs for which they are intended to compensate, on a systematic basis, and as accrued income where related costs have been incurred but the assistance subsidising them has not yet been received. The Group has opted to recognise government grants relating to income as 'other income' rather than deducting them from the related expense as set out in IAS 20 – Government Grants.

Notes *(continued)*

1 Accounting policies *(continued)*

1.16 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 1 January 2021). 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 1 January 2022). 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: Classification of liabilities as current or non-current (effective date 1 January 2023). To promote consistency in application and clarify the requirements on determining if a liability is current or non-current, the IASB has amended IAS 1. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2023 and is not expected to have a significant impact on the Group's financial statements.

1.17 Accounting estimates and judgements

Certain critical accounting judgements in applying the Company's accounting policies include whether the long term incentive plan (LTIP) for the directors is a share-based payment as defined in IFRS 2, or an employee benefit within the scope of IAS 19. There is a further judgement as to whether to recognise a charge for the LTIP.

In January 2017, a long term incentive plan (LTIP) for the directors was put in place. It is designed to pay out should the company participate in a future corporate transaction. Having considered the terms of the agreement it is the view of the directors that the LTIP does not meet the definition of a share based payment under IFRS 2 Share-based Payment due to the mechanism for calculating the payments that would be due under the LTIP. As a result, the LTIP has been considered under IAS 19 Employee Benefits. The directors are of the view that the LTIP does not have a realisable value at the balance sheet date and therefore there has been no provision made within these financial statements

2 Government grants

The Group received government assistance during the period as part of the Coronavirus Job Retention Scheme ('CJRS') in the form of direct cash payments, recognised as other income through profit or loss and as accrued income where related costs have been incurred but the payments subsidising them have not yet been received.

	2020	2019
	£000	£000
Other income	1,168	-

An amount of £63k is included in Prepayments and accrued income in respect of the CJRS claim for the final month of the year which had not been received at year end.

Notes *(continued)*

3 Expenses and auditor's remuneration

Auditor's remuneration:

	2020 £000	2019 £000
Audit of these financial statements	7	4
Amounts receivable by the company's auditor and its associates in respect of:		
Audit of financial statements of subsidiaries of the company	46	47
Taxation compliance services	-	12
All other services	-	-
	46	69

4 Staff numbers and costs

The average number of persons employed within the Group (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2020	2019
Directors	4	4
Administration	476	508
	480	512

The aggregate payroll costs of these persons were as follows:

	2020 £000	2019 £000
Wages and salaries	14,706	16,163
Social security costs	1,500	1,758
Other pension costs	386	387
	16,592	18,308

Notes (continued)

5 Directors' remuneration

	2020	2019
	£000	£000
Directors' remuneration	862	727
Company contributions to money purchase pension plans	41	89
	862	816

The aggregate of remuneration of the highest paid director was £161,958 (2019: £188,085), and Company pension contributions of £9,628 (2019: £11,096) were made to a money purchase scheme on his behalf.

	Number of directors	
	2020	2019
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	5	4
The number of directors who exercised share options was	-	-

6 Finance income and expense

	2020	2019
	£000	£000
Finance income		
Interest income on unimpaired financial assets	-	4
Total finance income	-	4
Finance expense		
Interest expense on financial liabilities measured at amortised cost	49	34
Lease liability discounting	123	184
Total finance expense	172	218

Notes *(continued)*

7 Taxation

Recognised in the income statement

	2020	2019
	£000	£000
<i>Current tax expense</i>		
Current year	(28)	(243)
Adjustments for prior years	42	(48)
	<hr/>	<hr/>
Current tax charge	14	(291)
	<hr/>	<hr/>
<i>Deferred tax expense</i>		
Origination and reversal of temporary differences	(330)	28
Reduction in tax rate	-	-
Adjustments for prior years	24	-
	<hr/>	<hr/>
Deferred tax expense	(306)	28
	<hr/>	<hr/>
Total tax expense recognised in the income statement	<u>(292)</u>	<u>(263)</u>

Reconciliation of effective tax rate

	2020	2019
	£000	£000
Loss for the year	(1,905)	(874)
Total tax credit	(292)	(263)
	<hr/>	<hr/>
Loss excluding taxation	(2,197)	(1,137)
Tax using the UK corporation tax rate of 19% (2019: 19%)	(417)	(216)
Expenses not deductible for tax purposes	62	2
Fixed asset differences	7	2
Group income	-	-
Adjust closing deferred tax to average rate of 19.00%	2	(2)
Adjust opening deferred tax to average rate of 19.00%	-	(1)
Adjustments for prior years	42	(48)
Other differences	2	-
Temporary differences not recognised in computation	10	-
	<hr/>	<hr/>
Total tax credit (including tax on discontinued operations)	<u>(292)</u>	<u>(263)</u>

Notes (continued)

8 Property, plant and equipment - Group only

	Leasehold £000	Fixtures and Fittings £000	Computer Equipment £000	Right-to-use assets £000	Total £000
Cost					
Balance at 1 January 2020	25	1,482	1,047	5,099	7,653
Reclassification from intangibles	-	35	21	-	56
Acquisitions	-	28	67	2,958	3,053
Disposals	-	-	(77)	(4,809)	(4,886)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2020	25	1,545	1,058	3,248	5,876
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Depreciation and impairment					
Balance at 1 January 2020	19	949	651	841	2,460
Reclassification from intangibles	-	35	21	-	56
Depreciation charge for the year	2	204	185	533	924
Depreciation on disposals in the year	-	-	(41)	(1,122)	(1,163)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2020	21	1,188	816	252	2,277
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book value					
At 31 December 2019	6	533	396	4,258	5,193
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2020	4	357	242	2,996	3,599
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	Leasehold £000	Fixtures and Fittings £000	Computer Equipment £000	Right-to-use assets £000	Total £000
Balance at 1 January 2019	19	1,207	952	-	2,178
Adoption of IFRS 16	-	-	-	5,099	5,099
Reclassification to intangibles	-	-	(55)	-	(55)
Acquisitions	6	279	199	-	484
Disposals	-	(4)	(49)	-	(53)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2019	25	1,482	1,047	5,099	7,653
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Depreciation and impairment					
Balance at 1 January 2019	18	800	488	-	1,306
Adoption of IFRS 16	-	-	-	305	305
Reclassification to intangibles	-	-	39	-	39
Depreciation charge for the year	1	149	126	536	812
Depreciation on disposals in the year	-	-	(2)	-	(2)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2019	19	949	651	841	2,460
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book value					
At 31 December 2019	6	533	396	4,258	5,193
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes *(continued)*

8 Property, plant and equipment – Group only *(continued)*

At 31 December 2020, property, plant and equipment includes right-of-use assets as follows:

	Land & buildings £000	Computer Equipment £000	Total £000
Right-of-use asset			
At 31 December 2020	3,184	64	3,248
	<u> </u>	<u> </u>	<u> </u>
Balance at 31 December 2019	5,035	64	5,099
	<u> </u>	<u> </u>	<u> </u>

9 Intangible assets – Group Only

	Software & Development costs £000	Goodwill £000	Total £000
Cost			
Balance at 1 January 2020	1,688	214	1,902
Reclassification to PPE	(55)	-	(55)
Acquisitions	356	-	356
	<u> </u>	<u> </u>	<u> </u>
Balance at 31 December 2020	1,989	214	2,203
	<u> </u>	<u> </u>	<u> </u>
Amortisation and impairment			
Balance at 1 January 2020	1,160	-	1,160
Reclassification to PPE	(55)	-	(55)
Amortisation for the year	248	-	248
Impairment	-	214	214
	<u> </u>	<u> </u>	<u> </u>
Balance at 31 December 2020	1,353	214	1,567
	<u> </u>	<u> </u>	<u> </u>
Net book value			
At 31 December 2019	528	214	742
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2020	636	-	636
	<u> </u>	<u> </u>	<u> </u>

Notes (continued)

9 Intangible Assets – Group only (continued)

	Software & Development costs £000	Goodwill £000	Total £000
Cost			
Balance at 1 January 2019	1,303	205	1,508
Reclassification from PPE	55	-	55
Acquisitions	389	9	398
Disposals	(59)	-	(59)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2019	1,688	214	1,902
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Amortisation and impairment			
Balance at 1 January 2019	916	-	916
Reclassification from PPE	39	-	39
Amortisation for the year	210	-	210
Amortisation on disposals in the year	(5)	-	(5)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2019	1,160	-	1,160
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book value			
At 31 December 2018	387	205	592
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2019	528	214	742
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Amortisation and impairment charge

The amortisation and impairment charge is recognised in the following line items in the income statement:

	2020 £000	2019 £000
Administration expenses	248	210
	<hr/> <hr/>	<hr/> <hr/>

10 Investments in subsidiaries

The Company has the following investments in subsidiaries. The registered address of all entities is 2200 Century Way, Thorpe Park, Leeds, LS15 8ZB

Subsidiary	Class of shares held	Ownership	
		2020	2019
Company			
Age Partnership Limited	Ordinary	100%	100%
Age Partnership Wealth Management Limited	Ordinary	100%	100%
Group			
Age Partnership Limited	Ordinary	100%	100%
Age Partnership Wealth Management Limited	Ordinary	100%	100%
Age Assist Limited	Ordinary	100%	100%
Age Lifetime Limited	Ordinary	100%	100%
Equity Release Associates Limited	Ordinary	100%	100%

Notes (continued)

10 Investments in subsidiaries (continued)

The investment in The Marketing Lab Limited was fully impaired during the year due to the pending cessation of the business. The impairment amounted to cost plus unamortised goodwill of £308,795.

11 Deferred tax assets and liabilities - Group

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2020	2019	2020	2019	2020	2019
	£000	£000	£000	£000	£000	£000
Property, plant and equipment	1	-	-	23	1	(23)
Provisions	6	5	-	-	6	5
Tax credit and loss carried forward	342	-	-	-	342	-
Pension and post-retirement benefits	-	-	43	-	(43)	-
Other taxable temporary differences	-	-	18	-	(18)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net tax (assets) / liabilities	349	5	61	23	288	(18)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Movement in deferred tax during the year

	1 January 2020	Recognised in the income statement	31 December 2020
	£000	£000	£000
Property, plant and equipment	(23)	24	1
Provisions	5	1	6
Tax credit and loss carried forward	-	342	342
Pension and post-retirement benefits	-	(43)	(43)
Other taxable temporary differences	-	(18)	(18)
	<u> </u>	<u> </u>	<u> </u>
	(18)	306	288
	<u> </u>	<u> </u>	<u> </u>

12 Trade and other receivables

	Group 2020	2019
	£000	£000
Trade and other receivables	1,076	855
Prepayments & accrued income	725	1,352
Amounts owed to parties under common control	106	-
	<u> </u>	<u> </u>
	1,907	2,207
	<u> </u>	<u> </u>

Notes *(continued)*

13 Trade and other payables

	2020	2019
	£000	£000
Trade payables	4,477	2,288
Non-trade payables	-	50
Accruals and deferred income	1,306	1,363
Taxation and social security	359	152
	6,142	3,853
	6,142	3,853

14 Capital and reserves

Share capital

	2020	Ordinary shares 2019
Shares on issue at 1 January	50,000	50,000
Issued for in a share-for-share exchange	-	-
	50,000	50,000
	50,000	50,000
	2019	2018
	£000	£000
<i>Allotted, called up and fully paid</i>		
50,000 shares of £1.00 each	50	50
	50	50
	50	50

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:

	2020	2019
	£000	£000
£nil (2019: £26) per qualifying ordinary share	-	1,300
	-	1,300
	-	1,300

Notes (continued)

15 Financial instruments – Fair Values & Risk Management

Fair values of financial instruments

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

Financial instruments

The Group is exposed through its operations to one or more of the following financial risks:

- Capital and Liquidity risk
- Market price risk
- Interest rate risk
- Credit risk

Policy for managing these risks is set by the Risk Committee. The policy for each of the above risks is described in more detail below.

Capital and Liquidity risk

Capital and liquidity risk is the risk that the Group will have difficulty in meeting its financial obligations as they fall due and retains sufficient capital within the Group. Age Partnership Limited and Age Partnership Wealth Management Limited are regulated by the FCA and so are required to meet the minimum capital requirements as set out by the FCA. In order to ensure continued compliance with these requirements the liquidity of the Group is monitored and managed centrally. With the only structured debt being finance leases the main liquidity risk arises from the Group's management of working and regulatory capital. The Group and Company currently have sufficient capital and liquid resources to meet the requirements of the business and their future plans.

Maturity of financial liabilities

The carrying amounts of financial liabilities (excluding unamortised finance costs), all of which are UK based and exposed to cash flow or fair value interest rate risk, are repayable as follows:

	On demand	Long term		Long term
	2020	borrowing	On demand	borrowing
Group	£000	£000	2019	2019
			£000	£000
Less than one year	4,477	-	1,437	-
More than one year	-	1,000	-	850

Market price risk

Given the low level of external debt the market price risk arises from wider macro-economic factors which may affect the strength of the equity release market such as house price inflation and interest rates. The Group's customer base is entirely within the UK so changes in exchange rate pose no significant risk.

Interest rate risk

The Company finances its operations through equity and a small amount of finance leases at a fixed rate. Therefore the Company does not have exposure to interest rate risk

Notes (continued)

15 Financial instruments – Fair Values & Risk Management (continued)

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 2020 was as follows:

Group	2020 £000	2019 £000
Gross trade receivables	1,125	880
Provision for trade receivables	(49)	(25)
	<hr/>	<hr/>
Net trade receivables	1,076	855
	<hr/>	<hr/>
Cash and cash equivalents	2,017	702
	<hr/>	<hr/>

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:

Group	Gross 2020 £000	Impairment 2020 £000	Gross 2019 £000	Impairment 2019 £000
Not past due	664	17	447	-
Past due 0-30 days	40	5	49	-
Past due over 30 days	421	27	384	25
	<hr/>	<hr/>	<hr/>	<hr/>
	1,125	49	880	25
	<hr/>	<hr/>	<hr/>	<hr/>

Notes *(continued)*

15 Financial instruments – Fair Values & Risk Management *(continued)*

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Group	Group
	2020	2019
	£000	£000
Balance at 1 January	25	201
Impairment loss reversed	(25)	(201)
Impairment loss recognised	49	25
	49	25
Balance at 31 December	49	25

The Group’s maximum credit risk is equal to the carrying value for trade receivables, loan to a related party and cash and cash equivalents.

Despite the reasonably high level of provisions for impairment, the directors consider the Group’s credit quality to be good. This is due to the fact that the vast majority of payments are received shortly after the point of sale and are due from recognised mortgage lenders and solicitors’ client accounts.

Capital

The Company’s capital is held within its group companies. The Group considers its regulatory capital to comprise of its net assets less intangible assets and any subordinated loans to companies within the Group. The Company is not a regulated entity under the FCA.

The Group’s capital requirement is assessed at individual regulated company level and the board ensure that it has sufficient capital at all times throughout the year.

Notes *(continued)*

16 Lease liabilities

	2020	2019
	£000	£000
At 1 January	4,307	4,567
Additions	2,930	205
Disposals in the year	(3,779)	-
Interest & Payments	(473)	(465)
	2,985	4,307
At 31 December	2,985	4,307
Current	326	517
Non-current	2,659	3,790
	2,985	4,307
Total	2,985	4,307

17 Ultimate parent company and parent company of larger group

The Company is the ultimate parent company of the Group. The ultimate controlling party is A R Thirkill as chairman and majority shareholder of Age Partnership Group Limited.

This is the only group in which the results of the Company are consolidated. No other group financial statements include the results of the Company.

18 Related parties

Group

Identity of related parties with which the Group has transacted

During the year the Group was controlled by A R Thirkill as chairman and majority shareholder of the Group.

The Group had transactions in the year with other group companies and jointly controlled entities Pure Retirement Limited, ATP Advertising and Marketing Limited, and Advise Wise 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 that company. Inter-company balances are eliminated on consolidation.

Pure Retirement Limited

- The Group received commission as a broker from Pure Retirement Limited, commission received during the year was £5,831,265 (2019: £6,543,044). There was a balance outstanding at 31 December 2020 of £74,431 (2019: £131,750) in relation to these services.
- In addition the Group also received funds from Pure Retirement Limited for a proportion of shared services including rental and personnel costs. The amount received from Pure Retirement in 2020 in respect of these items was £479,411 (2019: £452,697). There was a balance outstanding at 31 December 2020 of £17,215 (2019: £32,558) in relation to these services.
- In addition to these transactions Pure Retirement Limited provided financial support to the Company in the form of a £3,000,000 subordinated loan facility, at the 31 December 2020 the amount drawn on this facility was £1,000,000 (2019: £850,000).

Notes *(continued)*

18 Related parties *(continued)*

ATP Advertising and Marketing Limited

- During the year the Group received marketing, media buying and printing services from ATP Advertising and Marketing Limited. The total paid for these services during the year was £2,106,397 (2019: £3,943,347). The balance outstanding at 31 December 2020 was £nil (2019: £7,272).
- In addition the Group also received rental income from ATP Advertising and Marketing Limited for the subletting of a section of the Group's head office. The total funds received during the year in respect of this was £51,840 (2019: £64,800). The balance outstanding at December 2020 was £nil (2019: £2,880).

Advise Wise Limited

- During the year, the Group provided administrative services to Advise Wise Limited totalling £37,051 (2019: £18,765). At 31 December 2020 the balance amount outstanding was £31,389 (2019: £18,765).

Company

- The total amount of related party dividends paid in the period was £nil (2019: £1.3m)

	2020	2019
	£000	£000
A R Thirkill	-	734
T Loy (& family)	-	417
C Neave	-	65
P Mitchell (& family)	-	52
S Warhurst	-	32
	-	1,300
Total dividends	-	1,300

19 Subsequent events

No material events have been noted subsequent to the balance sheet date.