

5591985

**KRS Investment Holdings Limited**

**(formerly Precis (2562) Limited)**

Report and Financial Statements

Period Ended

31 December 2006



# **KRS Investment Holdings Limited**

## **Report and financial statements for the period ended 31 December 2006**

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### **Directors**

J R Clark  
P E H Wilson  
D R Mirfin  
C Taylor  
R J Overson

### **Secretary and registered office**

S Kilgallon, Second Floor, Harbour House, Port Way, Preston, Lancashire, PR2 2PR

### **Company number**

5591985

### **Auditors**

BDO Stoy Hayward LLP, Commercial Buildings, 11-15 Cross Street, Manchester, M2 1WE

## KRS Investment Holdings Limited

### Report of the directors for the period ended 31 December 2006

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The directors present their report together with the audited financial statements for the period ended 31 December 2006

#### Results

The profit and loss account is set out on page 5 and shows the loss for the period

The directors do not recommend the payment of a dividend

#### Principal activities

The principal activity of the company is that of a holding company

The company was incorporated on 13 October 2005 as PreciS (2562) Limited. The company subsequently changed name to KRS Investment Holdings Limited on 16 November 2005. On 16 November 2005 the company purchased the whole share capital of KRS Finance Limited.

#### Directors

The directors of the company during the period and their interests in the ordinary share capital of the company were

		B Ordinary Shares		C Ordinary Shares	
		£	£	£	£
		31 December 2006	13 October 2005	31 December 2006	13 October 2005
Penegrine Secretarial Services Limited	(appointed 13 October 2005 and resigned 15 November 2005)	-	-	-	-
J R Clark	(appointed 15 November 2005)	-	-	-	-
P E H Wilson	(appointed 1 February 2006)	20	-	72	-
D R Mirfin	(appointed 1 February 2006)	20	-	72	-
C Taylor	(appointed 1 February 2006)	40	-	144	-
R J Overson	(appointed 1 February 2006)	20	-	72	-

## KRS Investment Holdings Limited

### Report of the directors for the period ended 31 December 2006 (*Continued*)

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#### Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial period which 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO Stoy Hayward LLP were appointed as auditors during the period and have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

#### By order of the board

S Kildallon



Secretary

Date

17-5-2007

## **KRS Investment Holdings Limited**

### **Independent auditor's report**

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#### **To the shareholders of KRS Investment Holdings Limited**

We have audited the financial statements of KRS Investment Holdings Limited for the period ended 31 December 2006 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### *Respective responsibilities of directors and auditors*

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### *Basis of audit opinion*

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**KRS Investment Holdings Limited**

**Independent auditor's report (*Continued*)**

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*Opinion*

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements



**BDO STOY HAYWARD LLP**  
*Chartered Accountants*  
*and Registered Auditors*  
Manchester

Date 24/5/07

**KRS Investment Holdings Limited****Profit and loss account for the 14 1/2 months ended 31 December 2006**

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		<b>14 1/2 months ended 31 December 2006 £</b>
<b>Turnover</b>		-
Administrative expenses		<u>46</u>
<b>Loss on ordinary activities before and after taxation for the financial period</b>	<b>2</b>	<b>(46)</b>

All amounts relate to continuing activities

All recognised gains and losses in the current period are included in the profit and loss account

There are no movements in shareholders' funds in the current period apart from the loss for the period

The notes on pages 7 to 12 form part of these financial statements

**KRS Investment Holdings Limited****Balance sheet at 31 December 2006**

	Note	31 December 2006 £	31 December 2006 £
<b>Fixed assets</b>			
Fixed asset investments	4		1
<b>Current assets</b>			
Debtors	5	459	
Cash at bank and in hand		494	
		—	
<b>Net current assets</b>			953
			—
<b>Total assets less current liabilities</b>			954
			—
<b>Capital and reserves</b>			
Called up share capital	6		1,000
Profit and loss account	7		(46)
			—
<b>Shareholders' funds</b>	8		954
			—

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The financial statements were approved by the board of directors and authorised for issue on 17-05-07



C Taylor  
Director

The notes on pages 7 to 12 form part of these financial statements



**1 Accounting policies**

The financial statements have been prepared under the historical cost convention

The following principal accounting policies have been applied

*Consolidated financial statements*

The company is exempt from the requirement to prepare consolidated financial statements by virtue of section 248 of the Companies Act 1985 as the group it heads qualifies as a medium sized group. These financial statements therefore present information about the company as an individual undertaking and not about its group.

*Valuation of investments*

Investments held as fixed assets are stated at cost less any provision for impairment. Investments held as current assets are stated at the lower of cost and net realisable value.

*Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

**2 Loss on ordinary activities**

Audit fees are charged to Key Retirement Solutions Limited.

The directors of the company were the only employees during the period and are remunerated by Key Retirement Solutions Limited.

## KRS Investment Holdings Limited

Notes forming part of the financial statements for the period ended 31 December 2006 (*Continued*)

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### 3 Taxation on loss on ordinary activities

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below

	14 1/2 months ended 31 December 2006 £
Loss on ordinary activities before tax	(46)
	<hr/>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 19%	(9)
Effect of Increase in tax losses carried forward	9
	<hr/>
Current tax charge for period	-
	<hr/>

At 31 December 2006 the company had tax losses of £9 to be carried forward for offset against future profits

# KRS Investment Holdings Limited

Notes forming part of the financial statements for the period ended 31 December 2006 (*Continued*)

## 4 Fixed asset investments

	Shares in group undertakings £
<i>Cost or valuation</i>	
Additions and at 31 December 2006	1

### *Subsidiary undertakings, associated undertakings and other investments*

The principal undertakings in which the company's interest at the period end is 20% or more are as follows

	Class of share capital held	Proportion of share capital held	Nature of business
<i>Subsidiary undertakings</i>			
KRS Finance Limited	Ordinary	100%	Holding company
Key Retirement Solutions (Holdings) Limited	Ordinary	100%	Holding company
Key Retirement Solutions Limited	Ordinary A Ordinary B	100% 100%	Financial Services - mortgage brokers
Lifetime Advisory Services Limited	Ordinary	100%	Financial Services - broker information
More 2 life Limited	Ordinary	100%	Financial Services - mortgage lender

On the 16 November 2005 the company acquired the entire share capital of KRS Finance Limited for a cash consideration of £1

Unless otherwise stated, the following figures have been extracted from audited financial statements for the period ended 31 December 2006

	Aggregate share capital and reserves 31 December 2006 £	Profit for the period 31 December 2006 £
<i>Subsidiary undertakings</i>		
KRS Finance Limited	(1,027,024)	(1,027,025)
Key Retirement Solutions (Holdings) Limited	(1,239,163)	(919,062)
Key Retirement Solutions Limited	1,167,656	(201,307)
Lifetime Advisory Services Limited	20,219	20,119
More 2 life Limited	(23,657)	(23,757)

# KRS Investment Holdings Limited

Notes forming part of the financial statements for the period ended 31 December 2006 (Continued)

## 5 Debtors

31 December  
2006  
£

Amounts owed by group undertakings and undertakings in which the company has a participating interest

459

All amounts shown under debtors fall due for payment within one year

## 6 Share capital

	Authorised 31 December 2006 £	Allotted, called up and fully paid 31 December 2006 £
54,000 A Ordinary shares of £0 01 each	540	540
10,000 B Ordinary shares of £0 01 each	100	100
36,000 C Ordinary shares of £0 01 each	360	360
	<hr/>	<hr/>
	1,000	1,000
	<hr/>	<hr/>

The company was incorporated with an authorised share capital of £100 divided into 100 Ordinary shares of £1 each, of which 2 subscriber shares were issued at par

On 1 February 2006 the authorised share capital was increased to £1,000 by the creation of 900 Ordinary shares of £1 each. The company's authorised share capital was then subdivided into 100,000 Ordinary shares of £0 01 each. Immediately following the sub-division 54,000 Ordinary shares were redesignated as 'A' Ordinary shares of £0 01 each, 10,000 Ordinary shares were redesignated as 'B' Ordinary shares of £0 01 each, and 36,000 Ordinary shares were redesignated as 'C' Ordinary shares of £0 01 each.

On 1 February 2006, 53,800 'A' Ordinary shares of £0 01 each, 10,000 'B' Ordinary shares of £0 01 each and 36,000 'C' Ordinary shares of £0 01 each were issued at par.

Until 'A' Ordinary shareholders and 'C' Ordinary shareholders have received a specified return target the 'B' Ordinary shareholders shall not be entitled to any dividend on the 'B' Ordinary shares and the profits that the Company may determine to distribute shall be distributed 60% to 'A' Ordinary shareholders and 40% to 'C' Ordinary shareholders. Once the 'A' Ordinary shareholders and 'C' Ordinary shareholders have received the return target, any profits the Company may determine to distribute shall be distributed 54% to 'A' Ordinary shareholders, 10% to 'B' Ordinary shareholders and 36% to 'C' Ordinary shareholders.

In the event of a winding up of the Company, firstly the 'A' Ordinary shareholders and 'C' Ordinary shareholders shall receive a sum equal to all unpaid arrears or accruals of any dividend. Second, the 'A' Ordinary shareholders and 'C' Ordinary shareholders will receive the specified return target distributed

# KRS Investment Holdings Limited

## Notes forming part of the financial statements for the period ended 31 December 2006 (Continued)

### 6 Share capital (continued)

60% and 40% respectively. In the event the 'A' Ordinary shareholders and 'C' Ordinary shareholders receive an amount that is less than the specified return target the 'B' Ordinary shares shall automatically convert into Worthless Deferred shares and the holders of such Worthless Deferred shares shall have the right to receive, in priority to payments to the 'A' Ordinary shareholders and the 'C' Ordinary shareholders, an aggregate of 1p, but shall have no further right to participate in distributions from the company. Once the 'A' Ordinary shareholders and 'C' Ordinary shareholders have received the return target, the balance (if any) of the assets of the Company shall be distributed first, in paying the 'B' Ordinary shares the amount paid up or credited as paid to each such share and second in distributing the balance 54% to 'A' Ordinary shareholders, 10% to 'B' Ordinary shareholders and 36% to 'C' Ordinary shareholders.

Each 'A' Ordinary shareholder and 'C' Ordinary shareholder shall be entitled to attend and vote at general meetings of the Company. Each 'B' Ordinary shareholder shall be entitled to attend general meetings of the Company but shall not be entitled to vote on any resolution. Worthless Deferred shareholders will have no right to receive notice of, or to attend and vote at, general meetings of the Company.

No general meeting shall be quorate unless there is or at present thereat, in person or by proxy or by corporate representative, a majority of the 'A' Ordinary shareholders. A quorum must be present throughout the whole meeting.

### 7 Reserves

	Profit and loss account £
Loss for the period	(46)
	—
At 31 December 2006	(46)
	—

### 8 Reconciliation of movements in shareholders' funds

	14 1/2 months ended 31 December 2006 £
Loss for the period	(46)
Issue of shares	1,000
	—
Net additions to, and closing shareholders' funds	954
	—

## **KRS Investment Holdings Limited**

**Notes forming part of the financial statements for the period ended 31 December 2006 (*Continued*)**

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### **9 Related party disclosures**

#### *Related party transactions and balances*

During the period the Company provided a loan of £459 to its subsidiary KRS Finance Limited. At 31 December 2006, the full amount of this loan was outstanding.

### **10 Ultimate parent company and parent undertaking of larger group**

At 31 December 2006 the company's ultimate parent company was Cabot Square Partners Holdings Limited.

The company's immediate parent was CS Capital Partners II LP, by virtue of their majority shareholding.