

**KRS Services Limited**

**Company number 6473775**

**Report and Financial Statements**

**Year Ended**

**31 December 2018**

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# **KRS Services Limited**

## **Annual Report and Financial Statements for the year ended 31 December 2018**

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### **Directors**

Simon Thompson  
Robert Scott

### **Registered office**

Baines House  
Midgery Court  
Fulwood  
Preston  
PR2 9ZH

### **Company number**

6473775

### **Independent auditors**

PricewaterhouseCoopers LLP, No 1 Spinningfields, Hardman Square, Manchester, M3 3EB

# KRS Services Limited

## Strategic report for the year ended 31 December 2018

In the financial statements for the year ended 31 December 2017, the accounts were incorrectly prepared in accordance with the special provisions applicable to the small company's regime within Part 15 of the Company's Act 2006. As such, no strategic report was prepared. The Directors present their strategic report for the year ended 31 December 2018.

### Business review and future developments

The principal activity of the Company is that of a service company providing support functions for other companies within the Key Retirement Group ("Group"). During the year, the Company transferred all employees to a central payroll provided by KRS Finance Ltd (KRS Services' immediate parent company). The costs of employing these individuals was then recharged back to KRS Services for the remainder of the financial year. From 2019 these support services will be provided by KRS Finance directly.

Financial key performance indicators ('KPIs') are not relevant for this Company due to the nature of its operations.

### Results and performance

The result of the Company for the year, as set out on page 7, shows a loss before tax of £1,320k (2017: £338k). The net liabilities of the Company were £1,910k (2017: £547k). No interim dividends were paid.

Turnover reduced marginally to £11,973k (2017: £12,391k).

### Principal risks and uncertainties

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. Compliance with regulation, legal and ethical standards is a high priority for the Company. The Compliance team and Finance department take on an important oversight role in this regard, with the Audit, Risk and Compliance Committee (ARCC) providing Group level oversight.

The Board annually reviews and approves a risk appetite statement. The ARCC regularly reviews risk management activities to ensure focus on managing not only existing risks but also identifying emerging risk areas. The Company has business continuity plans in place which it regularly reviews and tests as part of this ongoing review process.

The principal business risks, including financial risks, to which the Company is exposed are considered to be:

- operational risk, which is associated with the Company's internal processes and systems and the potential for these not to function properly;
- regulatory risk, which is the risk that changes in laws or regulations, such as Solvency II, have an adverse impact on the equity release market in which the Group operates and the risk that the services provided by the Company fail to comply with requirements laid down by the FCA;
- economic risk, which is the risk that changes in the economy, e.g. interest rate changes, impact market conditions and reduce the Group's ability to compete;
- strategic risk, which relates to the pursuit of an inappropriate strategy or that the risks associated with its implementation are not fully recognised; and
- liquidity risk, which concerns the Company's ability to meet its financial obligations as they fall due.

On behalf of the board

R Scott

Director

Date: 31 July 2019

# **KRS Services Limited**

## **Directors' report for the year ended 31 December 2018**

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The Directors present their report together with the audited financial statements for the year ended 31 December 2018.

### **Matters covered in the strategic report**

An indication of the likely future developments of the business and details of financial risk management are included in the strategic report.

### **Results and dividends**

The Statement of Comprehensive Income is set out on page 7 and shows the loss for the year.

The Directors do not propose the payment of a dividend.

During the year the company invested heavily in computer software.

### **Principal activities**

The principal activity of the Company, which has not changed during the year, is that of a service company providing support functions for other companies within the Key Retirement Group ("Group"). These functions encompass Compliance, Change, HR & Training, Finance, Information Technology, Facilities, Corporate Sales and Marketing & Operations.

### **Directors' and officers' insurance**

The Company's ultimate parent company, Theo Topco Limited, maintains cover with respect to Directors' and officers' indemnity insurance. This insurance covers them in their roles as Directors of this Company. This insurance was in place throughout the year and up to the date of signing the financial statements.

### **Directors**

The Directors of the Company who served during the year and up to the date of signing the financial statements are:

Simon Thompson

Robert Scott

Dean Mirfin (resigned 30 March 2018)

Richard Overson (resigned 30 March 2018)

## KRS Services Limited

### Directors' report for the year ended 31 December 2018 (Continued)

#### Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

#### Going Concern

The Group has confirmed its intention to provide financial support to the company for at least twelve months from the date of approval of these financial statements.

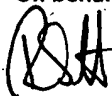
#### Disclosure of information to auditors

Each of 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 auditors are unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### Independent auditors

The audit was put out to tender in 2018 as a result of which PwC were appointed to replace our previous auditors, BDO. The auditors, PricewaterhouseCoopers LLP, were appointed and will continue in office and a resolution concerning their re-appointment will be proposed at the annual general meeting.

#### On behalf of the board



R Scott  
Director

Date: 31 July 2019

**Independent auditors' report to the members of  
KRS Services Limited**

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**Report on the audit of the financial statements**

**Opinion**

In our opinion, KRS Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2018; the Statement of Comprehensive Income, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

**Conclusions relating to going concern**

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

**Independent auditors' report to the members of  
KRS Services Limited  
(Continued)**

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**Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

***Strategic Report and Directors' Report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

**Responsibilities for the financial statements and the audit**

***Responsibilities of the directors for the financial statements***

As explained more fully in the Statement of Directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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

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

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

**Independent auditors' report to the members of**  
**KRS Services Limited**  
*(Continued)*

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***Use of this report***

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

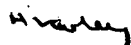
**Other required reporting**

**Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.



Heather Varley (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Manchester  
31 July 2019



# KRS Services Limited

## Statement of Comprehensive Income for the year ended 31 December 2018

	Note	2018 £	2017 restated £
Turnover		11,973,215	12,390,591
Administrative expenses		<u>(13,291,769)</u>	<u>(12,735,459)</u>
<b>Operating loss</b>	<b>4</b>	<b>(1,318,554)</b>	<b>(344,868)</b>
Finance income	6	65	(315)
Finance costs	7	<u>(1,437)</u>	<u>7,662</u>
<b>Loss before tax</b>		<b>(1,319,926)</b>	<b>(337,521)</b>
Tax on loss	8	<u>(43,752)</u>	<u>(111,132)</u>
<b>Loss for the financial year</b>		<b><u>(1,363,678)</u></b>	<b><u>(448,653)</u></b>

The prior year revenue has been restated to include management recharges which was previously included within other operating income.

The results stated above are all derived from continuing operations.

The notes on pages 10 to 17 are an integral part of these financial statements.

# KRS Services Limited

## Statement of Financial Position as at 31 December 2018

	Note	2018 £	2018 £	2017 £	2017 £
<b>Fixed assets</b>					
Intangible assets	9	644,820			
Tangible assets	10	<u>151,878</u>		<u>-</u>	
			796,698		
<b>Current assets</b>					
Debtors	11	11,029,620		6,616,739	
Cash at bank and in hand		<u>45,418</u>		<u>94,136</u>	
		11,075,038		6,710,875	
<b>Creditors: amounts falling due within one year</b>	12	<u>(13,782,046)</u>		<u>(7,257,507)</u>	
<b>Net current liabilities</b>			<u>(2,707,008)</u>		<u>(546,632)</u>
<b>Net liabilities</b>			<u>(1,910,310)</u>		<u>(546,632)</u>
<b>Capital and reserves</b>					
Called up share capital	14		2		2
Profit and loss account			<u>(1,910,312)</u>		<u>(546,634)</u>
<b>Total equity</b>			<u>(1,910,310)</u>		<u>(546,632)</u>

The notes on pages 10 to 17 are an integral part of these financial statements.

The financial statements on pages 7 to 17 were approved by the Board of Directors and authorised for issue on 31 July 2019 and were signed on its behalf by:



**R Scott**  
**Director**

Company registration no: 6473775

## KRS Services Limited

### Statement of Changes in Equity for the year ended 31 December 2018

	Note	Share capital	Accumulated losses	Total equity
		£	£	£
<b>Balance at 1 January 2017</b>		2	(140,766)	(140,764)
<b><i>Comprehensive expense</i></b>				
Loss and total comprehensive expense for the year		-	(448,653)	(448,653)
Capital Contribution		-	42,785	42,785
<b>Balance at 31 December 2017 and at 1 January 2018</b>	14	2	(546,634)	(546,632)
<b><i>Comprehensive expense</i></b>				
Loss and total comprehensive expense for the year		-	(1,363,678)	(1,363,678)
<b>Balance at 31 December 2018</b>	14	2	(1,910,312)	(1,910,310)

The notes on pages 10 to 17 are an integral part of these financial statements.

# KRS Services Limited

## Notes to the Financial Statements for the year ended 31 December 2018

### 1 Basis of preparation

KRS Services Limited is a private company limited by shares and is incorporated in the United Kingdom and is registered in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the Company's operations and its principal activities are set out in the Directors' report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006. These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

In the financial statements for the year ended 31 December 2017, the accounts were incorrectly prepared in accordance with the special provisions applicable to the small company's regime within Part 15 of the Company's Act 2006. As such, no strategic report was prepared. A Strategic report has been included at 31 December 2018.

#### *Going concern*

After reviewing the Company's forecasts and projections to December 2020, the Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future, notwithstanding the net liabilities. The Group has confirmed its intention to provide any necessary financial support to the Company for a period of at least twelve months from the date of approval of these financial statements. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

### 2 Principal accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### *Financial reporting standard 102 – reduced disclosure exemptions*

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 paragraph 1.12:

- the requirement to prepare a Statement of Cash Flows (paragraph 3.17(d) and section 7);
- disclosures in respect of the Company's financial instruments (paragraphs 11.41(b), 11.41(c), 11.41(d), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c));
- disclosures in respect of the aggregate remuneration of the key management personnel (paragraph 33.7).

This information is included in the consolidated financial statements of Theo Topco Limited as at 31 December 2018 and these financial statements may be obtained from Companies House.

In addition, the Company has taken advantage of the related party transaction disclosure exemption available to it under FRS 102 paragraph 33.1A, not to disclose transactions between the Company and other wholly owned members of the Group headed by Theo Topco Limited.

#### *Turnover*

Turnover represents management charges for services provided to fellow Group companies for the period covered by the financial statements.

# KRS Services Limited

## Notes to the Financial Statements for the year ended 31 December 2018 (Continued)

### 2 Principal accounting policies (continued)

#### *Turnover (continued)*

Turnover of £12,391k in 2017 has been restated to include management charges which was previously included in error within other operating income. As a consequence the prior year financial statements were incorrectly prepared in accordance with the special provisions applicable to the small company's regime within Part 15 of the Company's Act 2006

#### *Pension costs*

Contributions to the Company's defined contribution pension scheme are charged to the Income Statement in the year in which they become payable. The assets of the scheme are held separately in an independently administered fund. Any amounts outstanding at the year-end are shown as a separately identifiable asset or liability in the Statement of Financial Position.

#### *Taxation*

The charge for taxation is based on the profit for the year and taking into account taxation deferred.

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the date of the Statement of Financial Position.

#### *Deferred taxation*

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the date of the Statement of Financial Position except for deferred tax assets which are only recognised 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.

#### *Holiday pay accrual*

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the date of the Statement of Financial Position, and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the date of the Statement of Financial Position.

#### *Leased assets*

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant asset is charged to the Income Statement over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the Income Statement over the period of the lease; and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital element reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the Income Statement on a straight-line basis over the term of the lease.

# KRS Services Limited

## Notes to the Financial Statements for the year ended 31 December 2018 (Continued)

### 2 Principal accounting policies (continued)

#### Leased assets (continued)

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard (1 January 2014) to continue to be charged over the period to the first market rent review rather than the term of the lease.

For leases entered into on or after 1 January 2014, reverse premiums and similar incentives received to enter into operating lease agreements are released to profit or loss over the term of the lease.

#### Reserves

The Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

### 3 Employee numbers and expense

The average number of persons employed by the Company (excluding Directors) during the year, analysed by category, was as follows:

	2018 No.	2017 No.
Management	15	11
Sales staff	-	3
Administration staff	99	125
	<u>114</u>	<u>139</u>

	2018 £	2017 £
Wages and salaries	3,945,047	3,972,360
Social security costs	449,018	430,181
Other pension costs	152,960	134,333
	<u>4,547,025</u>	<u>4,536,874</u>

The aggregate payroll costs of these persons were as follows:

### 4 Operating loss

	2018 £	2017 £
Operating loss has been derived after charging:		
Auditors' remuneration: audit of the Group's annual accounts	120,000	49,000
Hire of land and buildings - operating leases	-	138,919

# KRS Services Limited

## Notes to the Financial Statements for the year ended 31 December 2018 (Continued)

### 4 Operating loss (continued)

#### Auditors' remuneration

Fees of £120,000 (2017: £49,000) payable to the Group's auditors are borne by the Company. In the Directors' opinion a reasonable allocation of the audit fee to KRS Services Limited would be £5,000 (2017: £3,150).

### 5 Directors' remuneration

No Directors received any remuneration from the Company during the current or prior year.

The emoluments of the directors are paid by the parent company which makes no recharge to the company. The directors are directors of the parent company and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, the above details include no emoluments in respect of the directors. Their total emoluments are included in the aggregate of directors' emoluments disclosed in the financial statements of the parent company.

### 6 Finance income

	2018 £	2017 £
Other interest receivable/(payable)	65	(315)
	<u>65</u>	<u>(315)</u>

### 7 Finance costs

	2018 £	2017 £
Other interest payable/(receivable)	1,437	(7,662)
	<u>1,437</u>	<u>(7,662)</u>

### 8 Tax on loss

	2018 £	2018 £	2017 £	2017 £
<i>Current tax</i>				
UK corporation tax on loss for the year	-		107,467	
Adjustments in respect of previous periods	-		<u>1,042</u>	
Total tax charge				<u>108,509</u>
<i>Deferred tax</i>				
Origination and reversal of timing differences	40,735		1,857	
Adjustments in respect of previous periods	<u>3,017</u>		<u>766</u>	
Movement in deferred tax provision		<u>43,752</u>		<u>2,623</u>
Tax on loss		<u>43,752</u>		<u>111,132</u>

# KRS Services Limited

## Notes to the Financial Statements for the year ended 31 December 2018 (Continued)

### 8 Tax on loss (continued)

The tax assessed for the year is higher (2017: higher) than the standard rate of corporation tax in the UK. The differences are explained below:

	2018 £	2017 £
Loss before tax	(1,319,926)	(337,521)
Tax on loss at the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	(250,786)	(64,973)
Effects of:		
Expenses not deductible for tax purposes	18,042	84,396
Income not taxable for tax purposes		(136,654)
Group relief surrendered/(claimed)	278,271	226,974
Adjustments to tax charge in respect of previous periods	-	1,042
Adjustments to tax charge in respect of previous periods (deferred tax)	3,017	766
Adjust closing deferred tax to average rate of 19.00%	(4,792)	572
Adjust opening deferred tax to average rate of 19.00%	-	(838)
Deferred tax not recognised	-	(153)
Total tax charge	43,752	111,132

### 9 Intangible assets

	Computer Software £	Total £
<b>Cost</b>		
Additions	659,115	659,115
At 31 December 2018	659,115	659,115
<b>Depreciation</b>		
Charge for the year	14,295	14,295
At 31 December 2018	14,295	14,295
<b>Net book value</b>		
At 31 December 2018	644,820	644,820



# KRS Services Limited

## Notes to the Financial Statements for the year ended 31 December 2018 (Continued)

### 10 Tangible assets

	Computer Hardware £	Total £
<b>Cost</b>		
Additions	154,341	154,341
At 31 December 2018	154,341	154,341
<b>Depreciation</b>		
Charge for the year	2,463	2,463
At 31 December 2018	2,463	2,463
<b>Net book value</b>		
At 31 December 2018	151,878	151,878

### 11 Debtors

	2018 £	2017 £
Trade debtors	104,196	-
Amounts owed by Group undertakings	10,435,694	5,841,329
Deferred tax (note 13)	-	4,329
Other debtors	19,588	3,045
Other taxation and social security	-	9,375
Prepayments and accrued income	470,142	758,661
	<u>11,029,620</u>	<u>6,616,739</u>

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

# KRS Services Limited

## Notes to the Financial Statements for the year ended 31 December 2018 (Continued)

### 12 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	-	7,004
Amounts owed to Group undertakings	12,872,245	6,167,921
Deferred tax (note 13)	39,423	-
Other taxation and social security	25,308	107,534
Pension creditor	11,439	25,464
Other creditors	303	10,708
Accruals	833,328	938,876
	<u>13,782,046</u>	<u>7,257,507</u>

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

### 13 Deferred tax

	£
At 1 January 2018	(4,329)
Charge for the year	43,752
At 31 December 2018	<u>39,423</u>

### 14 Called up share capital

#### Issued and fully paid

	2018 £	2017 £
2 (2017: 2) ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

# KRS Services Limited

## Notes to the Financial Statements for the year ended 31 December 2018 (Continued)

### 15 Commitments under operating leases

As at 31 December, the company had minimum lease payments under non-cancellable operating leases as set out below:

	2018 £	2017 £
Not later than one year	170,318	85,703
Later than one year and not later than five years	930,758	701,658
Later than five years	-	635,196
	<u>1,101,076</u>	<u>1,422,557</u>

### 16 Related party transactions

During the year the company had service costs recharges of £151,962 and staff cost recharges of £3,232 with Primetime Retirement Group Limited, another group company. At the year-end, this resulted in a net debit balance of £911,868 (2017: £756,674), which is included within debtors. Primetime Retirement Group Limited is 79% owned within the Group.

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

### 17 Ultimate parent company

At 31 December 2018 the Company's immediate parent company was KRS Finance Limited and the Company's ultimate parent company was Theo Topco Limited.

Theo Topco Limited is the parent of the smallest and largest group of which the Company is a member and for which consolidated financial statements are prepared. Copies of the consolidated financial statements can be obtained from Baines House, Midgery Court, Fulwood, Preston, PR2 9ZH.

There is no ultimate controlling party by virtue of a majority shareholding of Theo Topco Limited, although Partners Group have de facto control of the Group due to the constraints imposed on the Group and executive directors through the investment agreement.