

Key Group Midco 1 Limited

Company number 8512010

Annual Report and Financial Statements

Year Ended

31 December 2020

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Key Group Midco 1 Limited

**Annual Report and Financial Statements
for the year ended 31 December 2020**

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Directors

Simon Drew (appointed 1 April 2021)
Robert Scott (resigned 31 March 2021)
Simon Thompson

Registered office

Baines House
Midgery Court
Fulwood
Preston
PR2 9ZH

Company number

8512010

Key Group Midco 1 Limited

Directors' report for the year ended 31 December 2020

The Directors present their report together with the financial statements for the year ended 31 December 2020.

Results and dividends

The Company has not traded during the current or preceding financial year and accordingly no Statement of Comprehensive Income has been prepared.

The Directors do not propose the payment of a dividend.

Principal activities

The principal activity of the Company was that of a holding company. The Company ceased trading on 31 December 2017 and ceased activities on 31 December 2017. The Company is now dormant.

Directors' and officers' insurance

The Company's 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.

Directors

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

Simon Drew (appointed 1 April 2021)
Robert Scott (resigned 31 March 2021)
Simon Thompson

Going Concern

The Board of Directors have determined that it is appropriate to continue to prepare the company financial statements on a going concern basis.

In reaching this conclusion, the Board considered the increased uncertainties that all businesses are facing as a result of the coronavirus pandemic and the impact on the Theo Topco Group of the actions being taken by the UK Government to mitigate the health impact on the country. Specific uncertainties relating to the Group were also assessed including the likelihood of falls in house prices affecting funder appetite for equity release, reductions in customer demand as well as the ability to process customer lifetime mortgages in a timely fashion in the event of further lockdowns.

The Company is an Obligor under the Group Senior Facility Agreement, which governs the £73.9m senior loan and £5m revolving credit facility. This means that the Company has given security over its assets and, in conjunction with the rest of the Group, is responsible for maintaining compliance with its covenants.

In considering the Company position, the Board of Directors have also assessed the accessibility of this Company to Group funding if required and no issues were identified.

Existence of branches of the Company outside of the United Kingdom

The Company has no branches outside of the United Kingdom.

Key Group Midco 1 Limited

Directors' report (continued) for the year ended 31 December 2020

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.

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006. As such, the Company is exempt from preparing a strategic report.

On behalf of the board

Simon Thompson

S Thompson
Director

Date: 14 September 2021

Key Group Midco 1 Limited

Statement of Financial Position as at 31 December 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Investments	2		256,470		256,470
Current assets					
Debtors	3	5,752,738		16,827,378	
		5,752,738		16,827,378	
Creditors: amounts falling due within one year	4	(2,725,409)		(13,800,048)	
Net current assets			3,027,329		3,027,329
Net assets			3,283,799		3,283,799
Capital and reserves					
Called up share capital	5		51,294		51,294
Share premium account			205,176		205,176
Profit and loss account			3,027,329		3,027,329
Total equity			3,283,799		3,283,799

The Directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The notes on pages 4 to 7 are an integral part of these financial statements.

The financial statements on pages 3 to 7 were approved by the Board of Directors and authorised for issue on 14 September 2021 and were signed on its behalf by:

Simon Thompson

S Thompson
Director

Company registration no: 8512010

Key Group Midco 1 Limited

Notes to the Financial Statements for the year ended 31 December 2020

1 Basis of preparation

Key Group Midco 1 Limited is a private company limited shares incorporated in the United Kingdom and 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 strategic 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.

Going Concern

After reviewing the Group's forecasts and projections (which include the Company) and the relationship of the Company with its Group and its position as obligor, the Board of Directors have determined that the Company has adequate resources to continue to prepare the Company financial statements on a going concern basis. Details of the approach taken by the Board to come to this conclusion and the actions taken as a result of this assessment are included within the Directors Report.

2 Investments

	£
Cost	
At 31 December 2020 and at 31 December 2019	<u>256,470</u>
Net book value	
At 31 December 2020 and at 31 December 2019	<u>256,470</u>

The subsidiaries of the Company are:

	Country of incorporation	Class of share capital held	Proportion of share capital held	Nature of business
<i>Subsidiary undertakings</i>				
Key Group Midco 2 Limited	England & Wales	Ordinary	100%	Dormant
Key Group Bidco Limited *	England & Wales	Ordinary	100%	Holding & Service Company
Key Retirement Group Limited *	England & Wales	Ordinary	100%	Dormant

Key Group Midco 1 Limited

Notes to the Financial Statements for the year ended 31 December 2020 *(Continued)*

2 Investments (continued)

KRS Finance Limited *	England & Wales	Ordinary	100%	Holding Company
KRS Group Limited *	England & Wales	Ordinary	100%	Dormant
Key Retirement Solutions Limited *	England & Wales	Ordinary A Ordinary B	100% 100%	Financial Services – mortgage brokers
Key Partnerships Limited *	England & Wales	Ordinary	100%	Dormant
More 2 Life Limited *	England & Wales	Ordinary	100%	Financial Services – mortgage lender
More 2 Life SPV 1 Limited *	England & Wales	Ordinary	100%	Dormant
More 2 Life Asset SPV 2 Limited *	England & Wales	Ordinary	100%	Dormant
KRS Services Limited *	England & Wales	Ordinary	100%	Service Company
Equity Release Assured Limited *	England & Wales	Ordinary	100%	Financial Services – mortgage broker - ceased trading in 2016
Retirement People Limited *	England & Wales	Ordinary	100%	Dormant
Modern Lending Advisers Limited *	England & Wales	Ordinary	100%	Financial Services – mortgage broker
Home Equity Release Service Limited *	England & Wales	Ordinary	100%	Financial Services – mortgage broker
Key Money Limited *	England & Wales	Ordinary	100%	Dormant
Primetime Retirement Group Limited *	England & Wales	A Ordinary	79%	Holding & Service Company
Primetime Retirement Limited *	England & Wales	Ordinary	79%	Financial Services – fixed term annuity provider
Key Move Property Services Limited *	England & Wales	Ordinary	100%	Dissolved 20 February 2018

Key Group Midco 1 Limited

Notes to the Financial Statements for the year ended 31 December 2020 (Continued)

2 Investments (continued)

Key Secured Lending Limited *	England & Wales	Ordinary	100%	Financial Services – secured loan broker - ceased trading in 2016
More 2 Life Retirement Income Limited *	England & Wales	Ordinary	100%	Dormant
The Retirement Lending Advisers Limited *	England & Wales	Ordinary	100%	Financial Services – mortgage broker
Equity Release Club Holdings Limited *	England & Wales	Ordinary	51%	Holding Company
Answers in Retirement Limited*	England & Wales	Ordinary	51%	Financial Services – mortgage broker
Later Life Guidance Limited *	England & Wales	Ordinary	51%	Financial Services – mortgage broker
Key Later Life Services Limited *	England & Wales	Ordinary	100%	Estate planning company
Key Legal Trustees Limited *	England & Wales	Ordinary	100%	Trust corporation acting as Wills executor
TERE Advisers Limited*	England & Wales	Ordinary	51%	Financial Services – mortgage brokers
Key Group Asset* Management Limited	England & Wales	Ordinary	100%	Fund management activities

* The investment in these companies is held indirectly. The proportion held is the effective interest at the year end.

The registered office of all subsidiary undertakings excluding Answers in Retirement Limited and Later Life Guidance Limited is Baines House, Midgery Court, Fulwood, Preston, PR2 9ZH. The registered office of Answers in Retirement Limited and Later Life Guidance Limited is Southgate House, Southgate Street, Gloucester, Gloucestershire, GL1 1UD.

3 Debtors

	2020	2019
	£	£
Amounts owed by Group undertakings	5,752,738	16,827,378
	<u>5,752,738</u>	<u>16,827,378</u>

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

Key Group Midco 1 Limited

Notes to the Financial Statements for the year ended 31 December 2020 (Continued)

4 Creditors: amounts falling due within one year

	2020 £	2019 £
Amounts owed to Group undertakings	2,725,409	13,800,049
	<u>2,725,409</u>	<u>13,800,049</u>

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

5 Called up share capital

Issued and fully paid

	2020 £	2019 £
51,294 (2019: 51,294) ordinary shares of £1 each	51,294	51,294
	<u>51,294</u>	<u>51,294</u>

6 Ultimate parent company

At 31 December 2020 the Company's immediate and ultimate parent company was Key Group Topco Limited.

Theo Midco Limited is the parent company of the smallest 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.

Theo Topco Limited is the ultimate parent company and the 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.

7 Post balance sheet events

On the 17 February 2021, the company was part of a Group restructure which both resulted in the settlement of its outstanding intercompany positions and the transfer of certain indirect subsidiaries to other companies within the Group. Following the restructure, the company continues to hold its direct investment in Key Group Midco 2 Limited and its indirect investment in Key Retirement Group Limited only.