

## **Key Group Midco 2 Limited**

### **Company number 8512018**

Report and Financial Statements

Year Ended

31 December 2019



# **Key Group Midco 2 Limited**

**Annual Report and Financial Statements  
for the year ended 31 December 2019**

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## **Directors**

Simon Thompson  
Robert Scott

## **Registered office**

Baines House  
Midgery Court  
Fulwood  
Preston  
PR2 9ZH

## **Company number**

8512018

# **Key Group Midco 2 Limited**

## **Directors' report for the year ended 31 December 2019**

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The Directors present their report together with the financial statements for the year ended 31 December 2019.

### **Results and dividends**

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

The Directors do not recommend the payment of a dividend.

### **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.

### **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

### **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 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.

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.

### **Employee involvement**

The Company has no employees, however the Group maintains a policy of regular consultation and discussion with its employees on a wide range of issues that are likely to affect their interests. The Group ensures that all employees are given regular updates of the performance of their business units and of the Group as a whole. Employee involvement is facilitated through a newsletter, the Staff Committee, regular communication briefings and an annual employee survey.

# Key Group Midco 2 Limited

Directors' report (continued) for the year ended 31 December 2019

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## Disabled employees

The Group's equal opportunities policy makes it clear that full and fair consideration must be given to the appointment of disabled people. The Group is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Where an employee becomes disabled whilst employed by the Group the HR procedures require that reasonable effort is made to ensure they have the opportunity for continued employment within the Group. Retraining of employees who become disabled whilst employed by the Group is offered where appropriate to ensure that their career development is not unfairly restricted by their disability or perceptions of it.

## Existence of branches of the Company outside of the United Kingdom

The Company has no branches outside of the United Kingdom.

## 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



**R Scott**  
Director

Date: 21 August 2020

## Key Group Midco 2 Limited

### Statement of Financial Position as at 31 December 2019

	Note	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Investments	4		256,470		256,470
<b>Current assets</b>					
Debtors	5	16,827,378		17,580,088	
<b>Creditors: amounts falling due within one year</b>	6	(16,827,378)		(17,580,088)	
<b>Net current assets</b>					
<b>Net assets</b>			<u>256,470</u>		<u>256,470</u>
<b>Capital and reserves</b>					
Called up share capital	7		51,294		51,294
Share premium account			<u>205,176</u>		<u>205,176</u>
<b>Total equity</b>			<u>256,470</u>		<u>256,470</u>

For the year ended 31 December 2019, the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

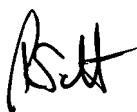
The members have not required the Company to obtain an audit in accordance with section 476 of the Companies Act 2006.

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 5 to 9 are an integral part of these financial statements.

The financial statements on pages 3 to 9 were approved by the Board of Directors and authorised for issue on 21 August 2020 and were signed on its behalf by:



**R Scott**  
**Director**

Company registration no: 8512018

## Key Group Midco 2 Limited

### Statement of Changes in Equity for the year ended 31 December 2019

	Note	Share capital £	Share premium £	Retained earnings £	Total equity £
<b>Balance at 1 January 2018</b>		51,294	205,176	-	256,470
<b><i>Comprehensive income</i></b>					
Profit and total comprehensive income for the year		-	-	-	-
<b>Balance at 31 December 2018 and at 1 January 2019</b>	7	51,294	205,176	-	256,470
<b><i>Comprehensive income</i></b>					
Profit and total comprehensive income for the year		-	-	-	-
<b>Balance at 31 December 2019</b>	7	51,294	205,176	-	256,470

The notes on pages 5 to 9 are an integral part of these financial statements.

# Key Group Midco 2 Limited

## Notes to the Financial Statements for the year ended 31 December 2019

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### 1 Basis of preparation

Key Group Midco 2 Limited is a private company limited by shares and is 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.

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.

#### *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 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 2019 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.

#### *Consolidated financial statements*

The Company is exempt from preparing consolidated financial statements on the grounds that it qualifies under the Companies Act 2006 as a wholly owned subsidiary of Theo Topco Limited, a company registered in England and Wales, for which consolidated financial statements are prepared. These financial statements therefore present information about the Company as an individual undertaking and not about its Group.

# Key Group Midco 2 Limited

## Notes to the Financial Statements for the year ended 31 December 2019 (Continued)

### 2 Principal accounting policies (continued)

#### Reserves

The Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Share premium account represents the premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

### 3 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.

### 4 Investments

#### Cost

At 31 December 2018 and at 31 December 2019

£  
256,470

#### Net book value

At 31 December 2018 and at 31 December 2019

256,470

The subsidiaries of the Company are:

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

### Notes to the Financial Statements for the year ended 31 December 2019 (Continued)

#### 4 Investments (continued)

<i>Subsidiary undertakings</i>	<b>Country of incorporation</b>	<b>Class of share capital held</b>	<b>Proportion of share capital held</b>	<b>Nature of business</b>
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 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

## Key Group Midco 2 Limited

### Notes to the Financial Statements for the year ended 31 December 2019 (Continued)

#### 4 Investments (continued)

<i>Subsidiary undertakings</i>	Country of incorporation	Class of share capital held	Proportion of share capital held	Nature of business
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 broker

\* 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.

#### 5 Debtors

	2019 £	2018 £
Amounts owed by Group undertakings	16,827,378	17,580,088
	<u>16,827,378</u>	<u>17,580,088</u>

Amounts due from Group undertakings due are unsecured, interest free and are repayable on demand.

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

	2019 £	2018 £
Amounts owed to Group undertakings	16,827,378	17,580,088
	<u>16,827,378</u>	<u>17,580,088</u>

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

## Key Group Midco 2 Limited

### Notes to the Financial Statements for the year ended 31 December 2019 *(Continued)*

#### 7 Called up share capital

##### Issued and fully paid

	2019 £	2018 £
51,294 (2018: 51,294) ordinary shares of £1 each	51,294	51,294
	51,294	51,294

#### 8 Post balance sheet events

The Covid-19 pandemic and the government actions to mitigate the spread of the disease are considered to be non-adjusting post balance sheet events, which do not provide more information about the conditions at the balance sheet date. The impact of these events on the Directors considerations around the going concern assumption are discussed in the Directors Report.

#### 9 Ultimate parent company

At 31 December 2018 the Company's immediate and ultimate parent company was Key Group Midco 1 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 parent of 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.