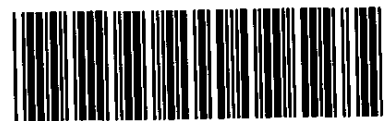


Registered number: 08512036

KEY GROUP BIDCO LIMITED

UNAUDITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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COMPANIES HOUSE

KEY GROUP BIDCO LIMITED

COMPANY INFORMATION

Directors Simon Drew
Simon Thompson

Registered number 08512036

Registered office Baines House
Midgery Court
Pittman Way
Fulwood
Preston
PR2 9ZH

KEY GROUP BIDCO LIMITED

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KEY GROUP BIDCO LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their strategic report for the year ended 31 December 2022. References to "Group" throughout the Annual report and financial statements relate to the ultimate parent of the Company being Theo Topco Limited and its group of subsidiaries.

Business review

The Company's principal activities are that of an intermediate holding company and a service company providing Director services for other group companies.

On the 30 June 2022, the Company's indirect subsidiary Key Retirement Solutions Limited acquired the remaining 49% equity interest in TERE Advisers Ltd.

On the 16 November 2022, the Company's subsidiary KRS Finance Ltd acquired the remaining 49% equity interest in the Air Group of companies.

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

Economic environment

Overall, 2022 was a good year for the Group with the size of the equity release market growing by 29% during the year to £6.2bn and a market in which the Group outperformed its peers and cemented its position as the market leader in equity release.

However, the UK Government's September 2022 'mini' budget and subsequent Liability driven investment (LDI) crisis created a period of market uncertainty in which some funders momentarily suspended their operations whilst they appraised the situation. This has impacted Group revenue in quarter 4 of 2022 and in the first half of 2023.

Funders are typically active in the bulk purchase annuity market used for the buy-in and buy-out of pension schemes and as such, require long-dated equity release assets to offset against these long-dated liabilities. This funder demand remains strong, and as confidence has returned in the general economy, funders have returned to the equity release market.

The consumer demand for equity release remains strong as the majority of customers use the product to meet their financial needs in retirement. For many customers equity release enables them to transition into retirement, provides them with a source of funds alongside their pensions to meet both their future living costs and their aspirations for retirement, and enables them to settle outstanding mortgages and other debt they may have at the time. Given the ongoing cost of living crisis and longer-term challenges of those in later life having adequate pension provisions and facing significant debt repayments, equity release will continue to play an important role in enabling customers to fund and enjoy their retirements.

Results and performance

The statutory results for the Company show revenue of £3,617k (2021: £3,322k), operating profit of £nil (2021: £1k) and a profit before tax of £10,000k (2021: £nil). The Directors do not propose the payment of a dividend.

The net assets of the Company were £35,838k (2021: £35,838k)

KEY GROUP BIDCO LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Strategy and business environment

The Company continues to provide services across the Group and support the Group with its strategy of bringing together its services to develop a more comprehensive later life finance brand, which builds upon our strengths and deep understanding of our customers, with a single-minded focus on financially empowering those in later life, so they can live a better retirement.

In terms of the long-term structural economic drivers of the market, these remain strong and there continues to be a growing need for those in or approaching later life to finance their futures as has been demonstrated by the considerable growth in the market. These drivers include an increase of those in later life needing to settle outstanding mortgage and other forms of debt, needing to supplement inadequate pension provisions, wanting or needing to take early retirement, wanting to help their children get on the property ladder, inheritance management through to simply enabling them to make the most of their later years.

Whilst we face into the current economic environment as described in the Business review section of this report, we once again, as we did during the Covid-19 pandemic, demonstrate our resilience as a business in continuing to operate during this period, and our position in the market puts us in a prime position for the future.

KEY GROUP BIDCO LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Our stakeholders

Section 172 of the 2006 Companies Act requires that the Directors act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In undertaking this responsibility, the Directors should have regard to the likely consequences of any decision in the long-term; the interests of employees; the need to foster relationships with suppliers, customers and others; the impact of its operations on the community and the environment; the maintaining of a reputation for high standards or business conduct; and the need to act fairly as between members of the Company.

The Board considers its main stakeholder groups to be Customers, Colleagues and Suppliers. However, it also considers the needs of other stakeholders such as the Government and the Community when making decisions.

The Board has continued to act in a way that promotes the long-term success of the Company and that of its stakeholders, ensuring that it is acting fairly and with integrity with these stakeholders in the decisions that it makes.

Customers

Our customers are other Group companies to which services are provided. The Company is integrated with the Group to ensure it is acting and responding in the best interests of the Group in the provision of various support services.

Colleagues

Our colleagues are an integral part of the success of our business, and we recognise the impact that the Company has on their lives and the lives of their families.

Our colleague's proposition has significantly evolved over the past five years, during which time we have developed our People strategy that provides the foundations to deliver our ambitions and create an inclusive, high-performing culture. Our People strategy comprises five themes being: Reward; Engagement; Equality, Diversity & inclusion; Health & wellbeing; and Talent management.

During the year, we supported all our colleagues with a £1,250 cost-of-living bonus, provided access to leading retailer discounts, implemented an Electric Vehicle scheme to better enable our colleagues to make the transition in a cost effective way, continued to target our gender pay gap reducing it by 6% in the year, continued to implement our Employee Assistance Programme and expand its services to better support our colleagues, invested in mental health first aiders, invested in the development of our people in creating a number of academies and have broadened our pool of talent to include apprenticeships, school/college leavers and graduate schemes.

We continue to engage with and listen to our colleagues through multiple channels, which now includes our ASPIRE intranet site which was launched during the year as an effective means of engaging and supporting our colleagues and proving an invaluable platform for future developments. In addition, we have created colleague-led working groups to provide the opportunity for them to have a say and improve the environment in which they work. We also continue to undertake an annual colleague survey providing our colleagues with the opportunity to provide invaluable feedback and help us to shape our People strategy to better serve their needs and interests.

Suppliers

We have agreed fair payment terms with each of our individual suppliers and recognise the importance of prompt payment in line with these terms. A conscious decision has been taken by the Board to ensure supplier payment runs are performed on a regular weekly basis so as not to place any unnecessary cash flow strains on those suppliers.

KEY GROUP BIDCO LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Community

We are passionate about supporting our local communities, particularly those which are some of the most deprived areas in the country. In addition to providing employment opportunities in the Preston area we support our local communities through donations of funds, food, resource and time.

We live by three core pillars that guide our approach: Working in the community; Engaging colleagues; and Using the power of our workforce. We plan to develop a longer-term strategy, however during the year we have continued to invest and promote colleagues supporting charitable causes by providing everyone with one charity day each year, have continued to support local food banks and the Boathouse Youth which supports young people and families in Blackpool, and the Alzheimer's Society's Dementia Friends programme with opportunities for our colleagues to become Dementia Friends to better support some of our more vulnerable customers.

Energy and carbon reporting

Since 2020, we have been Carbon Neutral in relation to our scope 1 & 2 emissions and scope 3 transportation emissions, furthermore during the year using high-quality carbon offsets we have offset all our historic carbon emissions back to the founding of the business.

The Streamlined Energy and Carbon Reporting (SECR) has been disclosed within the Group accounts which Key Group Bidco Limited is a member of. The parent company for the Group is Theo Topco Limited. The disclosure is not required for the Company given the Group disclosure sufficiently covers all members within the Group. Copies of the consolidated Annual report and financial statements can be obtained from Baines House, Midgery Court, Pittman Way, Fulwood, Preston, PR2 9ZH.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks and uncertainties of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company are disclosed in the Theo Topco Limited Annual report and financial statements 2022, which does not form part of this report.

Going concern

The financial statements have been prepared on the going concern basis as the Directors have a reasonable expectation that the Company has adequate resources for a period of at least 12 months from the date of signing the financial statements. For further details see note 2.1.

Future developments

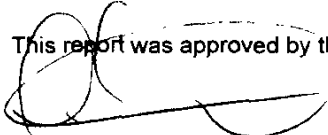
The longer term trends supporting the later life lending sector remain strong, despite the economic uncertainty that currently exists. The population continues to age, house price wealth is continuing to increase and pension savings are likely to be inadequate for many.

As interest rates have stabilised and the economy is not predicted to fall as much as first feared in quarter 4 of 2022, funders have returned to the equity release market with the expectation that the market will continue to recover in the second half of the year.

Over the coming year, with the continued support of colleagues from across the business, the Group has plans in place to grow the business with a broader range of later life lending products to help even more customers lead the life they want to lead in later life.

KEY GROUP BIDCO LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

 This report was approved by the board on 14 September 2023 and signed on its behalf.

S Drew
Director

KEY GROUP BIDCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and the financial statements for the year ended 31 December 2022.

Matters covered in the Strategic report

The Directors have chosen to present certain requirements of the Directors' report within the Strategic report, including principal activities, business review, declaration of dividends, future development, section 172 disclosure, energy & carbon reporting and principal risks facing the business.

Directors

The directors who served during the year and up to the date of signing the financial statements were:

Simon Drew
Simon Thompson

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 and was in force during the financial period ended 31 December 2022 and also at the date of approval of the financial statements.

Colleague involvement

The Company maintains a policy of regular consultation and discussion with its colleagues on a wide range of issues that are likely to affect their interests. For more details, please see the Our Stakeholders/Colleagues section of the Strategic report.

Diversity, inclusion and equal opportunities for all

We value diversity among our colleagues and strive to provide equal opportunities to all regardless of sex, race, nationality, colour, religion, marital status, disability, sexual orientation or age. All applicants and colleagues are treated equally in respect of recruitment, pay, training, promotional opportunities and other employment matters, with all decisions being based on merit. Reasonable adjustments are made to accommodate those with additional needs. Under no circumstances will discrimination against any individual or group be tolerated, and where there is evidence that this may have occurred, the matter will be promptly investigated in full with any disciplinary action taken where necessary.

Financial risk management

The financial risk management and policies of the Company are consistent with those of the Group. For further details, see note 19 of the Theo Topco Limited Annual report and financial statements 2022, which does not form part of this report.

Existence of branches outside of the United Kingdom

The Company has no branches outside of the United Kingdom.

Political donations

There were no political donations for the year (2021: none) and the Company did not incur any political expenditure (2021: £nil).

KEY GROUP BIDCO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Statement of directors' responsibilities in respect of the financial statements

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

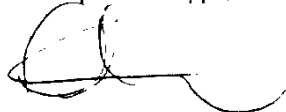
Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework' 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 these financial statements, the directors are required to:

- *select suitable accounting policies and then apply them consistently;*
- *make judgements and accounting estimates that are reasonable and prudent;*
- *state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;*
- *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 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

This report was approved by the board on 14 September 2023 and signed on its behalf.



S Drew
Director

KEY GROUP BIDCO LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Revenue		3,617	3,322
Administrative expenses		(3,617)	(3,321)
Operating profit		-	1
Loss on disposal of investment		-	(1)
Dividend income		10,000	-
Profit before tax		10,000	-
Tax on profit	5	-	-
Profit for the financial year		10,000	-

KEY GROUP BIDCO LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
Non-current assets			
Investments	6	35,701	35,701
		<u>35,701</u>	<u>35,701</u>
Current assets			
Trade and other receivables: amounts falling due within one year	7	9,558	9,721
Cash and cash equivalents	8	64	4
		<u>9,622</u>	<u>9,725</u>
Trade and other payables: amounts falling due within one year	9	(9,485)	(9,588)
Net current assets		<u>137</u>	<u>137</u>
Total assets less current liabilities		<u>35,838</u>	<u>35,838</u>
Net assets		<u>35,838</u>	<u>35,838</u>
Capital and reserves			
Called up share capital	10	5,804	5,804
Share premium account		205	205
Retained earnings		29,829	29,829
		<u>35,838</u>	<u>35,838</u>

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

The members have not required the Company to obtain an audit for the year in question 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 on pages 8 to 21 were approved and authorised for issue by the board and were signed on its behalf on 14 September 2023.

S Drew
Director

Company registration number: 08512036

KEY GROUP BIDCO LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £000	Share premium account £000	Retained Earnings £000	Total equity £000
At 1 January 2021	51	205	29,829	30,085
Shares issued during the year	5,753	-	-	5,753
At 31 December 2021 and at 1 January 2022	5,804	205	29,829	35,838
Profit for the financial year	-	-	10,000	10,000
Dividends paid	-	-	(10,000)	(10,000)
At 31 December 2022	5,804	205	29,829	35,838

KEY GROUP BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Key Group Bidco Limited is a private company limited by shares and is incorporated in the United Kingdom under the Companies Act 2006. The Company is domiciled in the United Kingdom and the address of its registered office is given on the company information page and the nature of the Company's operations and its principal activities are set out in the Strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain *critical accounting estimates*. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

KEY GROUP BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.1 Basis of preparation of financial statements (continued)

Going Concern

The financial statements have been prepared on the going concern basis as the Directors have a reasonable expectation that the Company has adequate resources for a period of at least 12 months from the date of signing the financial statements. This assessment has considered the Company's relationship with its Group and its position as obligor under the Group's loan agreement.

The Directors' assessment of the Company's ability to continue as a going concern considered a number of qualitative factors such as the growing demand for later life lending products and the Group's leading position in the equity release market. In addition to this, the Directors' assessment considered the Group's cash flow and covenant projections (which includes the Company), which incorporated the impact of the uncertainty experienced in the financial service sector, and specifically the equity release market, as described in detail on page 1 of the Strategic report.

At the 31 December 2022, the Group had a robust financial position providing it with sufficient access to liquidity to meet its needs over at least the next 12 months. At the 31 December 2022, the Group had headroom on its covenant basis net debt leverage ratio and its covenant basis interest cover ratio. The base scenario modelled demonstrated sufficient liquidity and financial covenant headroom being available over a period of at least 12 months. Whilst beyond the period of the going concern assessment, the Directors note that the Group's existing £53.9m loan facility matures in July 2024 and that the Group will look to refinance this ahead of this date.

As of the timing of the signing of these accounts all the Group's funders have returned to the market, remain committed to the equity release asset and have signalled strong continued appetite for the asset class especially for the Solvency II balance-sheets.

The Group also modelled a downside scenario under which the Group and Company have a number of mitigating actions in their control should these be needed to enable covenant compliance, including removing cost and cash incurring expenditure across its operations in the event that the recovery takes place over a longer duration. In the severe and uncertain event that cash flow generation is even more protracted and these mitigations were not sufficient, then there are equity cure rights within the Facilities Agreement which the Group may expect to utilise.

KEY GROUP BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.2 Adoption of new and revised standards

There were no new standards, interpretations and amendments, effective for the year ended 31 December 2022, that were relevant or would have a material impact on the Company financial statements.

IFRS 17 Insurance Contracts

During the year ended 31 December 2022, the Company early adopted the requirements of IFRS 17 in accordance with its transitional provisions. The adoption of IFRS 17 has had no impact on the financial statements nor is it expected to have an impact on future reporting periods.

2.3 Financial reporting standard 101 - reduced disclosure exemptions

Where applicable, the Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

KEY GROUP BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 Consolidated financial statements

The Company is exempt from preparing consolidated financial statements on the grounds that it qualifies under section 400 of 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.

2.5 Current and deferred taxation

The tax expense 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.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax balance are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of the underlying deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

KEY GROUP BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.7 Trade and other receivables

Trade and other receivables are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost.

A provision for impairment of trade receivables is recognised based on lifetime expected credit losses at each reporting date.

Accrued income relates to amounts earned at the reporting date which have not yet been invoiced.

2.8 Cash and cash equivalents

Cash and cash equivalents includes cash-in-hand, cash-at-bank, bank overdrafts and deposits readily convertible to known amounts of cash and that have an original maturity of three months or less. In the Statement of Financial Position, bank overdrafts that do not have right of offset are presented within current liabilities.

2.9 Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are measured subsequently at amortised cost.

2.10 Financial liabilities and equity

Financial liabilities and equity instruments are initially measured at the amount of the net proceeds received. Financial liabilities and equity are classified according to the substance of the financial instruments' contractual obligations, rather than the financial instruments' legal form.

Financial liabilities are subsequently measured at amortised cost applying the effective interest rate method. The difference between the net proceeds received at inception and the principle cash flows due at maturity is accrued over the term of the liability.

2.11 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.
- Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

KEY GROUP BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3. Critical judgements and estimates

3.1 Impairment of investments

The carrying amounts of investments are reviewed on an annual basis to determine whether they have suffered any impairment. An impairment loss is the amount by which the carrying amount of an asset or group of assets allocated to a cash-generating unit's fair value less costs of disposal and its value in use.

4. Employees

Staff costs were as follows:

	2022 £000	2021 £000
Wages and salaries	2,890	2,476
Social security costs	423	339
Other pension costs	87	31
	<u>3,400</u>	<u>2,846</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Key management personnel	<u>7</u>	<u>7</u>

The Directors are Directors of a number of fellow subsidiaries and as such, it is not feasible to make an accurate apportionment of their emoluments in respect to each of these subsidiaries. The total emoluments in respect to these Directors are included in the aggregate of Key management personnel emoluments in the financial statements of the Ultimate parent undertaking, Theo Topco Limited.

KEY GROUP BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5. Taxation

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2021 - the same as) the standard rate of corporation tax in the UK of 19% (2021 - 19%) as set out below:

	2022 £000	2021 £000
Profit on ordinary activities before tax	10,000	-
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	1,900	-
Effects of:		
Expenses not deductible for tax purposes	2	-
Income not taxable for tax purposes	(1,900)	-
Group relief claimed	(2)	-
Total tax charge for the year	-	-

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

6. Investments

	Investments in subsidiary companies £000
Cost	
At 1 January 2022	35,701
At 31 December 2022	35,701

KEY GROUP BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. Investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Place of business / country of incorporation	Class of shares	Holding
KRS Finance Limited	Great Britain	Ordinary	100
KRS Group Limited * ^	Great Britain	Ordinary	100
Key Retirement Solutions Limited *	Great Britain	Ordinary A	100
		Ordinary B	100
Key Partnerships Limited * ^	Great Britain	Ordinary	100
More 2 Life Ltd *	Great Britain	Ordinary	100
KRS Services Limited *	Great Britain	Ordinary	100
Equity Release Assured Limited*	Great Britain	Ordinary	100
Retirement People Limited * ^	Great Britain	Ordinary	100
Modern Lending Advisers Limited *	Great Britain	Ordinary	100
Home Equity Release Service Limited *	Great Britain	Ordinary	100
Primetime Retirement Group Limited *	Great Britain	Ordinary A	79
Primetime Retirement Limited *	Great Britain	Ordinary	79
Key Secured Lending Limited * ^	Great Britain	Ordinary	100
The Retirement Lending Advisers Limited *	Great Britain	Ordinary	100
Equity Release Club Holdings Limited *	Great Britain	Ordinary	100
Answers in Retirement Limited *	Great Britain	Ordinary	100
Later Life Guidance Limited *	Great Britain	Ordinary	100
Key Later Life Services Limited *	Great Britain	Ordinary	100
Key Legal Trustees Limited *	Great Britain	Ordinary	100
TERE Advisers Limited *	Great Britain	Ordinary	100
Sunrise Bidco Limited *	Great Britain	Ordinary	100
Standard Life Home Finance Limited *	Great Britain	Ordinary	100
Project 21 Bidco Limited *	Great Britain	Ordinary	100
Project 21 Opco Limited *	Great Britain	Ordinary	100
Key Advice Solutions Limited *	Great Britain	Ordinary	100

KEY GROUP BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

6. Investments (continued)

Subsidiary undertakings (continued)

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

^ Pending dissolution and strike off at Companies House as at 31 December 2022.

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.

The Group acquired the remaining 49% equity interests in its subsidiaries TERE Advisers Limited and Equity Release Club Holdings Limited, during the year ended 31 December 2022.

The Group dissolved and struck off More 2 Life SPV 1 Ltd, More 2 Life Asset SPV 2 Limited, More 2 Life Retirement Income Limited, Key Money Limited and Key Group Asset Management Limited, during the year ended 31 December 2022.

Standard Life Home Finance Limited was established during the year ended 31 December 2021, in collaboration with Phoenix Group PLC to launch later life lending products into the market under the Standard Life brand. The Company is wholly owned by the Group and is recognised as a subsidiary undertaking on the basis that the Group has ultimate control over the entity and has rights to the economic risk and returns of the business.

7. Trade and other receivables: amounts falling due within one year

	2022 £000	2021 £000
Amounts owed by group undertakings	9,557	9,716
Other receivables	1	5
	<u>9,558</u>	<u>9,721</u>

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

8. Cash and cash equivalents

	2022 £000	2021 £000
Cash at bank and in hand	64	4
	<u>64</u>	<u>4</u>

KEY GROUP BIDCO LIMITED

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9. Trade and other payables: amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	4	-
Amounts owed to group undertakings	7,803	8,856
Accruals and deferred income	1,678	732
	<u>9,485</u>	<u>9,588</u>

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

The Company is an Obligor under the Group Senior Facility Agreement, which governs the £75,000k senior loan (£53,900k outstanding at year end) and £5,000k revolving credit facility (undrawn at year end). 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. For further information in the terms of these facilities, please refer to the financial statements of Theo Topco Limited or Theo Midco Limited.

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10. Share capital

	2022	2021
	£000	£000
Allotted, called up and fully paid		
5,804,032 (2021 - 5,804,032) Ordinary shares of £1 each	5,804	5,804

11. Ultimate controlling party

At 31 December 2022 the Company's immediate parent company was Theo Bidco Limited and the Company's ultimate parent company was Theo Topco Limited.

Theo Midco Limited is the parent of the smallest group of which the Company is a member and Theo Topco Limited is the parent of the largest group of which the Company is a member for which consolidated financial statements are prepared. Copies of the consolidated financial statements can be obtained from the registered office, Baines House, Midgery Court, Pittman Way, 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 the registered office, Baines House, Midgery Court, Pittman Way, 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.