

Key Secured Lending Limited

Company number 09153378

Report and Financial Statements

Year Ended

31 December 2018

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Key Secured Lending Limited

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

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Directors

Simon Thompson
William Hale
Robert Scott

Registered office

Baines House
Midgery Court
Fulwood
Preston
PR2 9ZH

Company number

09153378

Key Secured Lending Limited

Directors' report for the year ended 31 December 2018

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

Results and dividends

The Statement of Comprehensive Income is set out on page 3 and shows the result for the year.

The Directors do not propose the payment of a dividend.

Principal activities

The principal activity of the Company was that of a secured loans broker. Until 15 February 2017, the Company was authorised and regulated by the Financial Conduct Authority (FCA). The Company ceased trading on 31 December 2016 and ceased activities on 18 December 2017. The Company is now dormant.

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

William Hale

Robert Scott

Richard Overson (resigned 30 March 2018)

Key Secured Lending 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:

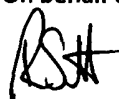
- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates 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.

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: 31 July 2019

Key Secured Lending Limited

Statement of Comprehensive Income for the year ended 31 December 2018

| | Note | 2018 £ | 2017 £ |
|--------------------------------------|------|-----------|---------------|
| Turnover | 4 | - | 17,296 |
| Cost of sales | | - | 4,445 |
| Gross profit | | - | 21,741 |
| Administrative expenses | | - | (2,220) |
| Operating profit | 7 | - | 19,521 |
| Finance income | 8 | - | 12 |
| Profit before tax | | - | 19,533 |
| Tax on profit | 9 | - | - |
| Profit for the financial year | | - | 19,533 |

The results stated above are all derived from discontinued operations.

There are no items of other comprehensive income in the current or prior year other than those recorded in the Statement of Comprehensive Income.

The notes on pages 6 to 10 are an integral part of these financial statements.

Key Secured Lending Limited

Statement of Financial Position as at 31 December 2018

| | Note | 2018 £ | 2018 £ | 2017 £ | 2017 £ |
|-----------------------------|------|-----------|------------|-----------|------------|
| Capital and reserves | | | | | |
| Called up share capital | 10 | | 1 | | 1 |
| Profit and loss account | | | <u>(1)</u> | | <u>(1)</u> |
| Total equity | | | <u>-</u> | | <u>-</u> |

For the year ended 31 December 2018, 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 6 to 10 are an integral part of these financial statements.

The financial statements on pages 3 to 10 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: 09153378

Key Secured Lending Limited

Statement of Changes in Equity as at 31 December 2018

| | Note | Share capital £ | Retained earnings £ | Total equity £ |
|--|------|-----------------------|---------------------------|----------------------|
| Balance at 1 January 2017 | | 1 | (1,136,114) | (1,136,113) |
| <i>Comprehensive income</i> | | | | |
| Loss and total comprehensive income for the year | | - | 19,533 | 19,533 |
| Capital Contribution | | - | 1,116,580 | 1,116,580 |
| Balance at 31 December 2017 and at 1 January 2018 | 10 | 1 | (1) | - |
| <i>Comprehensive income</i> | | | | |
| Profit and total comprehensive income for the year | | - | - | - |
| Capital Contribution | | - | - | - |
| Balance at 31 December 2018 | 10 | 1 | (1) | - |

The notes on pages 6 to 10 are an integral part of these financial statements.

Key Secured Lending Limited

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

1 Basis of preparation

Key Secured Lending Limited is a private company limited by shares and 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 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Going concern

The financial statements have not been prepared on a going concern basis. As explained in the Directors' Report, the Company ceased activities on 18 December 2017. No adjustments were necessary to the amounts at which the remaining assets and liabilities are included in these 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.

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.

Key Secured Lending Limited

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

2 Principal accounting policies (continued)

Turnover

Turnover represented sales to external customers at invoiced amounts less Value Added Tax or local taxes on sales.

Pension costs

Contributions to the Company's defined contribution pension scheme were charged to the Statement of Comprehensive Income in the year in which they became payable. The assets of the scheme were held separately in an independently administered fund. Any amounts outstanding at the year-end were 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.

Leased assets

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

Lease payments were analysed between capital and interest components so that the interest element of the payment was charged to the Statement of Comprehensive Income over the period of the lease and was calculated so that it represented a constant proportion of the balance of the capital repayments outstanding. The capital element reduced the amounts payable to the lessor.

All other leases were treated as operating leases. Their annual rentals were charged to the Statement of Comprehensive Income on a straight-line basis, 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.

Key Secured Lending Limited

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

3 Critical judgements and estimations

Certain reported amounts of assets and liabilities are subject to estimates and assumptions. Estimates and judgements by management are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgements

Classification of leases as finance or operating

A judgement was made by the Directors to determine whether leases entered into by the Company, either as a lessor or a lessee were operating leases or finance leases. These decisions depended on an assessment of whether the risks and rewards of ownership had been transferred from the lessor to the lessee on a lease by lease basis.

4 Turnover

Turnover was wholly attributable to the principal activity of the Company and arose solely within the United Kingdom.

5 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 | - | - |
| Administration staff | - | - |
| | - | - |

| | 2018 £ | 2017 £ |
|---|-----------|-----------|
| The aggregate payroll costs of these persons were as follows: | | |
| Social security costs | - | 567 |
| | - | 567 |

Key Secured Lending Limited

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

6 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.

7 Operating profit

Operating profit/(loss) has been arrived at after charging:

| | 2018 £ | 2017 £ |
|---|-----------|-----------|
| Amortisation | - | - |
| Hire of other assets - operating leases | - | 1,162 |
| Hire of land and buildings - operating leases | - | 10,198 |
| Depreciation | - | - |

Auditors' remuneration

Fees payable to the Company's auditors for the audit of Key Secured Lending Limited are borne by KRS Services Limited, a fellow subsidiary company. In the Directors' opinion a reasonable allocation of the audit fee to Key Secured Lending Limited would be £Nil (2017: £800).

8 Finance income

| | 2018 £ | 2017 £ |
|------------------------|-----------|-----------|
| Bank interest received | - | 12 |
| | - | 12 |

9 Tax on result

| | 2018 £ | 2017 £ |
|---------------|-----------|-----------|
| Tax on profit | - | - |

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

Key Secured Lending Limited

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

9 Tax on result

| | 2018 £ | 2017 £ |
|--|-----------|-----------|
| Tax on profit | - | - |
| Profit before tax | - | 19,533 |
| Tax on profit at the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%) | - | 3,759 |
| Effects of: Group relief claimed/(surrendered) | - | (3,759) |
| Total tax charge | - | - |

10 Called up share capital

| | 2018 £ | 2017 £ |
|---------------------------------------|-----------|-----------|
| 1 (2017: 1) ordinary share of £1 each | 1 | 1 |
| | 1 | 1 |

11 Ultimate parent company

At 31 December 2018 the Company's immediate parent company was Key Retirement Solutions 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.