

Key Legal Trustees Limited

Company number 11159727

Annual Report and Financial Statements

Year Ended

31 December 2021



Key Legal Trustees Limited

**Annual Report and Financial Statements
for the year ended 31 December 2021**

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Directors

Simon Drew (appointed 1 April 2021)
William Hale
Simon Thompson

Registered office

Baines House
Midgery Court
Pittman Way
Fulwood
Preston
PR2 9ZH

Company number

11159727

Key Legal Trustees Limited

Directors' report for the year ended 31 December 2021

The Directors present their report together with the financial statements for the year ended 31 December 2021. 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 activity is that of a trust corporation acting as Wills executor.

The longer term trends supporting the lifetime mortgage sector remains strong. The population continues to age, house price wealth is continuing to increase and pension savings are likely to be inadequate for many. Over the coming year, the Group has plans to continue to launch its new business proposition and broaden its range of later life lending products to help even more customers lead the life they want to lead in later life.

Results and dividends

The statutory results for the Company show an operating profit of £nil. The directors do not propose the payment of a dividend. The net assets of the Company were £250k.

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.

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)

William Hale

Robert Scott (resigned 31 March 2021)

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 2021 and also at the date of approval of the financial statements.

Small company exemptions

In preparing this report, the Directors have taken advantage of the small companies exemptions provided within Part 15 of the Companies Act 2006. This includes the exemption from presenting a Strategic report and select Directors' report disclosures.

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 for the year ended 31 December 2021, which does not form part of this report.

Key Legal Trustees Limited

Directors' report for the year ended 31 December 2021 (Continued)

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. The principal risks and uncertainties of the Group, which includes those of the Company, are disclosed in the Theo Topco Limited Annual report and financial statements 2021 for the year ended 31 December 2021, 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.

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires 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, 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.

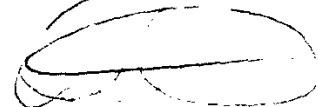
In preparing these financial statements, the Directors are required to:

- 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 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.

On behalf of the board



S Drew
Director

Date: 17 August 2022

Key Legal Trustees Limited

Income Statement as at 31 December 2021

	Note	2021 £	2020 £
Administrative expenses		-	(125)
Operating loss		-	(125)
Loss before taxation		-	(125)
Tax on result	4	-	-
Loss for the financial year		-	(125)

Key Legal Trustees Limited

Statement of Financial Position as at 31 December 2021

	Note	2021 £	2020 £
Current assets			
Trade and other receivables: amounts falling due within one year	5	249,875	249,855
Cash and cash equivalents		-	20
Net assets		249,875	249,875
Equity			
Called up share capital	6	250,000	250,000
Accumulated losses		(125)	(125)
Total equity		249,875	249,875

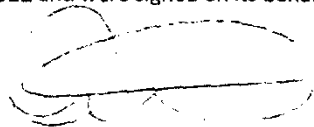
The Directors consider that the Company is entitled to exemption from audit under section s479A of the Companies Act 2006

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

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

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

The financial statements on pages 3 to 8 were approved by the Board of Directors and authorised for issue on 17 August 2022 and were signed on its behalf by:



S Drew
Director

Company registration no: 11159727

Key Legal Trustees Limited

Notes to the Financial Statements for the year ended 31 December 2021

1 Basis of preparation

Key Legal Trustees Limited is a private limited company limited by shares and incorporated in the United Kingdom under the Companies Act. The Company is domiciled in the United Kingdom and 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.

2 Accounting policies

2.1 Basis of preparation of financial statements

The company financial statements have been prepared for the first time in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' in conformity with the requirements of the Companies Act 2006. The results for the comparative period have been restated on the same basis.

The financial statements have been prepared under the historical cost convention and 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.

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. There were no material uncertainties to disclose.

The Directors' assessment of the Company's ability to continue as a going concern considered a number of qualitative factors and considered the Group's budget cash flow and covenant projections (which include the Company), and the modelling of a number of severe downside scenarios and the impact of these on Group liquidity and its financial covenants.

At the 31 December 2021, the Group had a robust financial position providing it with sufficient access to liquidity, through a combination of cash and committed facilities, to meet its needs over at least the next 12 months. In addition to this, the Group is forecast to remain strongly cash generative over this period providing a further source of liquidity. At the 31 December 2021, the Group had comfortable headroom on its covenant basis net debt leverage ratio (Net debt/adjusted EBITDA) of x1.1 and its covenant basis interest cover ratio (Adjusted cash flow/bank loan interest) of x5.0. The extreme scenarios modelled demonstrate sufficient liquidity and financial covenant headroom being available.

Whilst not a key factor in the Director's going concern assessment, the Group also has a number of significant potential mitigations at their disposal to improve both short-term liquidity and financial covenant performance should the need arise, such as (but not limited to) reducing marketing spend, scaling back recruitment and certain salary costs, reducing capital expenditure and the ability to refinance the Group senior facilities.

Key Legal Trustees Limited

Notes to the Financial Statements for the year ended 31 December 2021

2.2 Adoption of new and revised standards

In preparing its first FRS 101 financial statements, a first time adopter applies those standards and interpretations that are effective as at the first annual FRS 101 reporting date. Generally these are applied consistently at the date of transition to FRS 101 to fully restate on a retrospective basis the opening statement of financial position, and in each of the periods presented in the first FRS 101 financial statements, subject to a number of exceptions. The adoption of FRS 101 has had no impact on the reported numbers in the company financial statements.

There are no new standards, interpretations and amendments, effective for the year ended 31 December 2021, that are relevant to the Company.

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 paragraphs 6 and 21 of IFRS 1 First-time adoption of International Financial Reporting Standards to present an opening statement of financial position at the date of transition
- 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 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 Legal Trustees Limited

Notes to the Financial Statements for the year ended 31 December 2021

2.4 Reserves

The Company's reserves are as follows:

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

3 Directors' remuneration

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 of these Directors are included in the aggregate of Key management personnel emoluments in the financial statement of the Ultimate parent undertaking, Theo Topco Limited.

4 Tax

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

	2021 £	2020 £
Loss before tax	-	(125)
Tax on loss at the standard rate of corporation tax in the UK of 19.00%	-	(24)
Effects of:		
Deferred tax asset not recognised	-	24
Total tax charge	-	-

5 Trade and other receivables

	2021 £	2020 £
Amounts due from Group undertakings	249,875	249,855
	<u>249,875</u>	<u>249,855</u>

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

6 Share capital

Allotted, called up and fully paid

	2021 £	2020 £
250,000 (2020: 250,000) ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>

Key Legal Trustees Limited

Notes to the Financial Statements for the year ended 31 December 2021

7 Ultimate parent company

At 31 December 2021 the Company's immediate parent company was Key Later Life Services 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 the registered office, Baines House, Midgery Court, Pittman Way, 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 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.