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Companies House

DON'T
STAPLE

OS AA01

Statement of details of parent law and other
information for an overseas company

✓ **What this form is for**
You may use this form to
accompany your accounts
disclosed under parent law.

✗ **What this form is NOT**
You cannot use this form
an alteration of manner
with accounting require

TUESDAY



A17 *ACFBPT8H* #17
31/10/2023
COMPANIES HOUSE

Part 1 Corporate company name

Corporate name of overseas company ① Four Seasons Health Care (Isle of Man) Limited

UK establishment number B R 0 2 3 8 0 3

→ **Filling in this form**
Please complete in typescript or in
bold black capitals.

All fields are mandatory unless
specified or indicated by *

① This is the name of the company in
its home state.

**Part 2 Statement of details of parent law and other
information for an overseas company****A1 Legislation**

Please give the legislation under which the accounts have been prepared and
audited.

Legislation ② Isle of Man Companies Acts 1931 to 2004

② This means the relevant rules or
legislation which regulates the
preparation of accounts.

A2 Accounting principles

Accounts Have the accounts been prepared in accordance with a set of generally accepted
accounting principles?

Please tick the appropriate box.

☐ No. Go to Section A3.

☒ Yes. Please enter the name of the organisation or other
body which issued those principles below, and then go to Section A3.

Name of organisation or body ③ United Kingdom Accounting Standards

③ Please insert the name of the
appropriate accounting organisation
or body.

OS AA01

Statement of details of parent law and other information for an overseas company

A3	Audited accounts	
Audited accounts	Have the accounts been audited in accordance with a set of generally accepted auditing standards? Please tick the appropriate box. ☐ No. Go to Part 3 'Signature'. ☒ Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'.	❶ Please insert the name of the appropriate accounting organisation or body.
Name of organisation or body ❶	International Standards on Auditing (UK)	

Part 3

Signature

	I am signing this form on behalf of the overseas company.	
Signature	Signature X <i>A. Moller</i> X	
	This form may be signed by: Director, Secretary, Permanent representative.	

OS AA01

Statement of details of parent law and other information for an overseas company



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name

Company name

GEM

Address

KPMG LLP

One St Peter's Square

Post town

Manchester

County/Region

Postcode

M

2

3

A

E

Country

DX

Telephone



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.



Important information

Please note that all this information will appear on the public record.



Where to send

You may return this form to any Companies House address:

England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.

Scotland:

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1

Northern Ireland:

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
DX 481 N.R. Belfast 1.



Further information

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This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Four Seasons Health Care (Isle of Man) Limited

Annual report and financial statements

Registered number 55988C

31 December 2022

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Strategic report

Background and ownership structure

Four Seasons Health Care (Isle of Man) Limited is a non-trading company within the Mericourt Limited group of companies. The Mericourt Limited group of companies operated healthcare facilities under the Four Seasons and brighterkind brands during the year.

The directors regard Seaside Holdings Limited, a company registered in Guernsey, as the ultimate parent entity.

Financial results

The Company made a profit before taxation of £nil (2021: loss of £1,000).

Principal activity

The company does not currently trade and is not expected to in the foreseeable future.

Business review and KPIs

The results of the Company are consolidated in the group headed by Mericourt Limited, the consolidated financial statements of which contain a detailed business review and KPIs relating to the group. Copies of these financial statements can be obtained from Companies House.

As this company is not trading there are no relevant KPIs.

Principal risk and uncertainties

The Mericourt Limited group's management structures, coupled with its policies and procedures, are designed to enable the achievement of business objectives while controlling the risks associated with the environment in which it operates. The group has risk management processes in place which are designed to identify, manage and mitigate business risk. The Company operates within this group structure.

The principal risks and uncertainties affecting the Company and other group companies and the means by which they are managed are shown below.

Strategic report (continued)

Principal risk and uncertainties (continued)

Financial risks

- *Liquidity and capital resources*

Mitigation: Liquidity and financing arrangements are managed centrally within the group. Further details in respect of the liquidity and capital resources risks that affect the Company are included in the Going Concern section of note 1 of the Mericourt Limited group accounts which are available from Companies House.

- *Reduction in demand for our services*

Mitigation: The Company and other group companies continue to focus on their strong partnering relations with Local Authorities and care commissioners to ensure that placements are made within our facilities. In addition, we regularly assess the services we provide to ensure they represent value for money and where necessary reposition services to align with demand.

- *Payroll pressures: increased reliance on agency staff and inflationary pressures on own staff costs*

Mitigation: The Company and other group companies actively monitor agency usage, particularly in light of staffing pressures exacerbated a result of Brexit and Covid-19. Alternative sources of nurses are continually investigated both within the UK and internationally, together with the training and development of care assistants to take on some of the tasks of nurses. The Group budgets carefully for National Minimum Wage and National Living Wage increases and the impact on its cash flow and profitability.

- *Seasonal death rate*

Mitigation: The Company and other group companies aim to deliver very good care everywhere which should serve to minimise the impact on occupancy during a normal period of higher winter deaths. In addition, wherever possible, the Company works with local NHS hospitals to provide care home beds for patients who are able to leave hospital at a time when the NHS is under seasonal pressure.

- *Covid-19 - impact upon patients, employees and supply chain for goods and services*

Mitigation: The group closely monitors the on-going impact of Covid-19 and continues to take steps to mitigate potential effects on its operations. Robust action plans, addressing areas such as infection control, resident and staff access to testing and vaccination programmes, employee welfare and access to personal protective equipment and other critical supplies, have been put in place to seek to reduce the risk that Covid-19 poses. The welfare and safety of the group's residents, patients and employees is always the top priority. The group will continue to monitor all official guidance and, where appropriate, update its approach in accordance with the latest recommendations.

- *Inflationary pressures and economic environment*

Mitigation: The Group has developed strong partnerships with suppliers and continues to carefully monitor material supply contracts including identification of any supplies for which the availability or pricing of is sensitive to changes in wider economic conditions or the current inflationary environment.

Operational risks

- *Regulatory and reputational risk*

Mitigation: The Company and other group companies devote a considerable amount of time to the management of regulatory and reputational matters. Compliance with the on-going requirements of registration and changes arising from the evolving regulatory environment mean that significant attention by the wider group's senior management has been, and will continue to be, dedicated to regulatory compliance and assurance. The wider group has implemented rigorous clinical governance and risk assurance systems, carries out substantial employee training, employee inductions and employee reference procedures, including a criminal background check for all frontline staff.

- *Shortage of qualified workforce*

Mitigation: Alternative sources of nurses are continually investigated both within the UK and internationally, together with the training and development of care assistants to take on some of the tasks of nurses.

Strategic report *(continued)*

Future developments

The company is no longer a trading entity but is part of a wider collection of entities formerly known as the Elli Investments Limited group (the EIL Group). EIL and an indirect subsidiary of EIL, Elli Finance (UK) Plc (EFUK) have unpaid debts and were put into administration on 30 April 2019.

Following the administration, the EIL group is being restructured and a broker was retained in Summer 2022 in relation to a sales process for the EIL Group's remaining freehold properties. Following significant market interest and a period of diligence and other dialogue sales contracts have been exchanged or are expected to be exchanged in respect of approximately two thirds of the Group's freehold properties. For a sub-portfolio of approximately one third of the remaining freehold care homes, it is currently expected to be beneficial for all stakeholders for the Mericourt Limited group to continue to operate these homes and it is not the Group's current intention to proceed with the sale of this sub-portfolio in the near term.

The Joint Administrators of EIL and EFUK continue to consider all possible options for the EIL Group's organisational and capital structure.

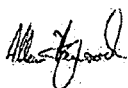
Employment policies

The Company and other group companies aim to provide equal opportunities regardless of sex, race, religion or belief, sexual orientation, disability or ethnic origin, recognising that the continued success of the group depends upon its ability to attract, motivate and retain people of the highest calibre.

Environmental policy

The Mericourt Limited group has an environmental commitment which includes compliance with existing environmental regulations, minimising the consumption of resources, a policy of "reduce, reuse and recycle" and providing awareness amongst staff of the environmental impact of travel.

On behalf of the Board



A J Hayward
Director

Millennium House
Victoria Road
Douglas
Isle of Man
IM2 4RW

27 September 2023

Directors' report

The directors present their annual report together with the audited financial statements of the Company for the year ended 31 December 2022. The company has chosen to disclose certain information required in the Director's report in the Strategic Report.

Results and dividends

The results for the year are shown in the profit and loss account on page 11. The directors do not recommend the payment of a dividend (2021: £nil).

Directors

The directors who held office during the year and up to the date of signing of the financial statements were as follows:

A J Hayward

P G Thomas (appointed 25 April 2022, resigned 22 September 2022)

A G Mattison (appointed 22 September 2022)

J R A Richardson (resigned 17 March 2022)

Going concern and liquidity management

At the time of approving the financial statements, due to the fact the Company is no longer a trading entity, the directors have not prepared the accounts on a going concern basis. Further details are shown in the "Going concern" section of note 1 to the financial statements.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

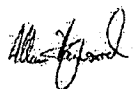
Third party indemnity provision for directors

Qualifying third party indemnity provision is in place for the benefit of all directors of the Company.

Auditor

Pursuant to Section 12 (2) of the Isle of Man Companies Act 1982 the auditor will be deemed to be reappointed and RSM UK Audit LLP will therefore continue in office

On behalf of the Board



A J Hayward

Director

Millennium House
Victoria Road
Douglas
Isle of Man
IM2 4RW
27 September 2023

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements.

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

Isle of Man company law requires the directors to prepare company financial statements for each financial year in accordance with generally accepted accounting principles. The directors have elected under Isle of Man company law to prepare the company financial statements in accordance with United Kingdom Accounting Standards and applicable law.

The financial statements of the company are required by law to give a true and fair view of the state of the company's affairs at the end of the financial period and of the profit or loss of the company for that period. In preparing the company financial statements, the directors should:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. 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 accounting records which are sufficient to show and explain the company's transactions and are such as to disclose within a reasonable time and with reasonable accuracy the financial position of the company at any time and enable them to ensure that the financial statements comply with the requirements of the Companies Act 1982. They 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.

Independent auditor's report to the members of Four Seasons Health Care (Isle of Man) Limited

Opinion

We have audited the financial statements of Four Seasons Health Care (Isle of Man) Limited (the 'company') for the year ended 31 December 2022 which comprise the profit and loss account and other comprehensive income, balance sheet, statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards; and
- have been properly prepared in accordance with the requirements of the Isle of Man Companies Act 1931 to 2004.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - Non-going concern basis of accounting

We draw attention to note 1 of the financial statements which describes the preparation of the financial statements on a non-going concern basis. As described in note 1, the company has ceased trading and therefore the directors have concluded that it is not appropriate to prepare the financial statements on a going concern basis. There have been no adjustments made to the financial statements as a result of the application of the non-going concern basis of accounting. Our opinion is not modified in respect of this matter.

Independent auditor's report to the members of Four Seasons Health Care (Isle of Man) Limited

(Continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Isle of Man Companies Acts 1931 to 2004 require us to report to you if, in our opinion:

- proper books of account have not been kept by the company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the books of account and returns; or
- disclosures of loans to any director or officer of the company or disclosures of directors' remuneration specified by law are not made; or
- we have failed to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of Four Seasons Health Care (Isle of Man) Limited

(Continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Isle of Man Companies Act 1931 to 2004 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal and external tax advisors.

Independent auditor's report to the members of Four Seasons Health Care (Isle of Man) Limited
(Continued)

The extent to which the audit was considered capable of detecting irregularities, including fraud *(continued)*

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is included in appendix 1 of this auditor's report. This description, which is located at page 10, forms part of our auditor's report.

Use of our report

This report is made solely to the company's members in accordance with section 15 of the Isle of Man Companies Act 1982. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Rachel Fleming

Rachel Fleming

For and on behalf of RSM UK Audit LLP, Auditor

Chartered Accountants

1 St James Gate
Newcastle Upon Tyne
NE1 4AD

28 September 2023

Independent auditor's report to the members of Four Seasons Health Care (Isle of Man) Limited

(Continued)

Appendix 1: Auditor's responsibilities for the audit of the financial Statements

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (i.e. gives a true and fair view).

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Profit and loss account and other comprehensive income
for the year ended 31 December 2022

	<i>Note</i>	2022 £000	2021 £000
Cost of sales		-	(1)
Gross loss		<u>-</u>	<u>(1)</u>
Operating loss		<u>-</u>	<u>(1)</u>
Loss before taxation		<u>-</u>	<u>(1)</u>
Tax on loss	5	-	-
Loss for the financial year		<u><u>-</u></u>	<u><u>(1)</u></u>
Other comprehensive income, net of tax	9	-	-
Total comprehensive loss for the financial year		<u><u>-</u></u>	<u><u>(1)</u></u>

The Company has no recognised gains or losses in the current or prior year other than those reported above.

All amounts relate to discontinued operations

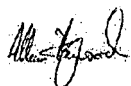
The financial statements include the notes on pages 14 to 21.

Balance sheet
at 31 December 2022

	Note	2022 £000	2021 £000
Current assets			
Debtors	6	-	9
Creditors: amounts due within one year	7	<u>(288)</u>	<u>(297)</u>
Net current liabilities		(288)	(288)
Total assets less current liabilities		<u>(288)</u>	<u>(288)</u>
Net liabilities		<u>(288)</u>	<u>(288)</u>
Capital and reserves			
Called up share capital	9	-	-
Capital contribution		3,148	3,148
Profit and loss account		(3,436)	(3,436)
Shareholder's deficit		<u>(288)</u>	<u>(288)</u>

The financial statements include the notes on pages 14 to 21.

These financial statements were approved by the board of directors on 27 September 2023 and were signed on its behalf by:



A J Hayward
Director



A G Mattison
Director

Statement of changes in equity

	Capital contribution £000	Profit & Loss account £000	Called up share capital £000	Total equity £000
Balance at 28 December 2020	3,148	(3,435)	-	(287)
Total comprehensive income for the period				
Loss for the year	-	(1)	-	(1)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	(1)	-	(1)
Balance at 26 December 2021	3,148	(3,436)	-	(288)

	Capital contribution £000	Profit & Loss account £000	Called up share capital £000	Total equity £000
Balance at 27 December 2021	3,148	(3,436)	-	(288)
Total comprehensive income for the period				
Loss for the year	-	-	-	-
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	-	-
Balance at 1 January 2023	3,148	(3,436)	-	(288)

The financial statements include the notes on pages 14 to 21.

Notes (forming part of the financial statements)

1 Accounting policies

Four Seasons Health Care (Isle of Man) Limited (the "Company") is a private company limited by shares and incorporated, domiciled, and registered in the Isle of Man.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's intermediate parent undertaking, Mericourt Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Mericourt Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from Norcliffe House, Station Road, Wilmslow, SK9 1BU.

In these financial statements the Company is considered to be a qualifying entity (for the purpose of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to the end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 11.

Measurement convention

The financial statements are prepared on the historical cost basis.

The accounting reference date for the Company is 31 December 2022 (2021: 31 December 2021). The Company has opted to adopt the "seven day rule". The seven-day rule provides that a particular financial year need not end on the accounting reference date itself but on a date within not more than seven days of the date as the directors may determine. On this basis, the accounting period is for the 53 weeks ended 1 January 2023, with the comparative period being the 52 weeks ended 26 December 2021.

Notes (Continued) *(forming part of the financial statements)*

1 Accounting policies *(continued)*

Non-going concern

In considering whether it is appropriate to prepare these financial statements on a going concern basis the Directors have considered the requirements of FRS 102, which states that an entity is a going concern unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so.

The company is part of a group of companies headed by Mericourt Limited. Mericourt Limited and its subsidiaries are part of a collection of entities formerly known as the Elli Investments Limited group (the EIL group). EIL and an indirect subsidiary of EIL, Elli Finance (UK) Plc (EFUK) have unpaid debts and were put into administration on 30 April 2019. Following the administration of EIL and EFUK, Mericourt Limited and its subsidiaries continue to be legally owned by EIL but are no longer controlled by EIL. Furthermore, following the appointment of administrators, delegated authority for the EIL group's day to day operations has been transferred to Mericourt Limited

Following the administration of EIL, the EIL group is being restructured. The wider EIL group restructure / sale process could result in the Company being placed into administration or liquidated. However, the company ceased to trade in a previous year and therefore the directors have concluded that it is not appropriate to prepare the financial statements on a going concern basis.

Notes (Continued) *(forming part of the financial statements)*

1 Accounting policies *(continued)*

Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the Company is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For non-depreciable assets that are measured using the revaluation model, or investment property that is measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the asset/property. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes (Continued) *(forming part of the financial statements)*

2 Expenses and auditor's remuneration

The auditor's remuneration of £5,300 (2021: £5,300) for audit services was borne by another group undertaking.

No additional services, other than the audit of the Company's financial statements, have been provided by the Company's auditor during the current or preceding year.

3 Staff numbers and costs

The Company had no employees during the current year and preceding financial year other than directors.

4 Directors' remuneration

None of the directors received any remuneration from the Company during the current and prior year. Directors of the Company are remunerated by fellow subsidiary companies within the group and the related cost is disclosed within the accounts of these companies.

Notes (Continued) *(forming part of the financial statements)*

5 Taxation

	2022 £000	2021 £000
Total tax expense recognised in the profit and loss account, other comprehensive income and equity		
<i>UK corporation tax</i>		
Current tax on loss for period	-	-
Adjustments in respect of prior periods	-	-
Total current tax	<u>-</u>	<u>-</u>
<i>Deferred tax charge</i>		
Total deferred tax	<u>-</u>	<u>-</u>
Total tax	<u><u>-</u></u>	<u><u>-</u></u>
<i>Reconciliation of effective tax rate</i>		
Loss for period	-	(1)
Total tax expense	-	-
Loss excluding taxation	<u>-</u>	<u>(1)</u>
Tax using the UK corporation tax rate of 19.0% (2021: 19.00%)	-	-
<i>Effects of:</i>		
Total tax expense included in profit and loss	<u><u>-</u></u>	<u><u>-</u></u>

Factors that may affect future, current and total tax (credit)/charge:

The main UK corporation tax rate increased from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 March 2021. Deferred tax has therefore been calculated at 25%, although the Company does not recognise deferred tax assets.

Notes (Continued) *(forming part of the financial statements)*

6 Debtors

	2022	2021
	£000	£000
Amounts due from group undertakings	3,694	3,694
Non-cash provision against amounts due from group / related undertakings	(3,694)	(3,694)
Other debtors	-	4
Prepayments	-	5
	<u>-</u>	<u>9</u>

The amounts due from group / related undertakings are unsecured and repayable on demand. Where applicable, interest is charged at 5.00%.

7 Creditors: amounts due within one year

	2022	2021
	£000	£000
Other taxation and social security	1	1
Amounts due to group undertakings	253	262
Other creditors	34	34
	<u>288</u>	<u>297</u>

The amounts due to group undertakings are unsecured and repayable on demand. Where applicable, interest is charged at 5.00%.

Notes (Continued) (forming part of the financial statements)

8 Share capital, reserves and other comprehensive income

	2022	2022	2021	2021
	No. of shares	£000	No. of shares	£000
<i>Allotted, called up and fully paid:</i>				
Ordinary shares of £1 each	2	-	2	-
Total		-		-
Shares classified as liabilities	-	-	-	-
Shares classified as equity	2	-	2	-
Total		-		-

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Other comprehensive income

The company has no recognised gains or losses in the current or prior year other than those reported in the profit or loss account.

9 Related parties

The directors have taken advantage of the exemption in FRS 102 Section 33.1A and, as the Company is a wholly owned subsidiary of Mericourt Limited, have not disclosed related party transactions with the Company's parent and fellow subsidiary undertakings.

As detailed in note 1, from 30 April 2019 the Mericourt Group, which was previously part of the Group headed by Elli Investments Limited (EIL), ceased to be controlled by EIL. Certain entities continue to have transactions with the Group headed by Rhyme (Jersey) Limited, which was also controlled by EIL until 30 April 2019. Transactions between the Mericourt Group and Rhyme (Jersey) Group during the years ended 31 December 2022 and 31 December 2021 include rental of property from Rhyme (Jersey) Group, the recharging of central operational costs to Rhyme (Jersey) Group, and interest on loan balances due to / from Rhyme (Jersey) Group. The exemption in FRS 102 Chapter 33.1 A applies to these transactions up to 30 April 2019. Due to the cessation of control by EIL, Mericourt Group and Rhyme (Jersey) Group ceased to be 'related parties' from 30 April 2019. However, on the first day of the current accounting period (27 December 2021), Mericourt Limited acquired Rhyme (Jersey) Limited and it is therefore considered that from this date the exemption in FRS 102 Chapter 33.1 A continued to apply.

Where balances remain outstanding between the Mericourt Group and the Group headed by Rhyme (Jersey) Group (which is now a subsidiary of Mericourt Limited following its acquisition on 27 December 2021), these have been disclosed (as at 2021 year-end) within the debtors and creditors notes as amounts due to / from connected parties along with any provisions against debtor balances.

10 Ultimate parent

As at 31 December 2022, the Company's immediate parent company is FSHC (UK) Limited, a company incorporated in the United Kingdom. Its registered address is Norcliffe House, Station Road, Wilmslow, SK9 1BU.

The ultimate parent undertaking is Seaside Holdings Limited, an entity incorporated in Guernsey.

The smallest and largest group in which the results of the Company are consolidated into the group headed by Mericourt Limited, the financial statements of which will be available to the public and may be obtained from its registered address: Norcliffe House, Station Road, Wilmslow, SK9 1BU.

Notes (Continued) *(forming part of the financial statements)*

11 Accounting estimates and judgements

Key sources of estimation uncertainty

The preparation of financial statements requires the directors to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets and liabilities, and income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The key areas requiring the use of estimates and judgements which may significantly affect the financial statements are considered to be:

Recoverability of amounts owed by related undertakings

An estimate is made in respect of the recoverability of amounts owed by group undertakings. In making this assessment, the directors have considered the ability of the relevant group undertakings to pay the amount owed. Due to the complex group structure this requires consideration of the way in which all intercompany balances would be settled and the asset value available to settle those balances, both of which are impacted by the circumstances around the EIL Group restructure (see note 1).