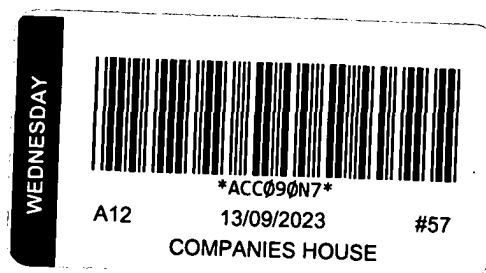


FOREST HEALTHCARE LIMITED

Annual report and financial statements

Year ended 31 December 2022



FOREST HEALTHCARE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2022

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FOREST HEALTHCARE LIMITED

OFFICERS AND PROFESSIONAL ADVISERS
Year ended 31 December 2022

DIRECTOR

Colin Haig

COMPANY SECRETARY

Colin Haig

REGISTERED OFFICE

523 Highgate Studios
53-79 Highgate Road
London
NW5 1TL

BANKERS

Lloyds Bank
39 Threadneedle Street
London
EC2R 8AU

INDEPENDENT AUDITOR

Grant Thornton UK LLP
30 Finsbury Square
London
EC2A 1AG

FOREST HEALTHCARE LIMITED

DIRECTOR'S REPORT

Year ended 31 December 2022

The Director presents his report and the audited financial statements for Forest Healthcare Limited (the "Company") for the financial year ended 31 December 2022.

The Director's report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime under section 414B of the Companies Act 2006 and so does not include a strategic report.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The Company's principal activity is that of the provision of management services to other group undertakings. The Company continues to keep tight control over costs, especially staffing, and to support the other group companies through the provision of strategic guidance, timely and relevant management information and operational leadership.

FINANCIAL RISK MANAGEMENT

The Company's principal financial instruments comprise sterling cash and bank deposits and inter-company loans, together with trade debtors and creditors arising from normal operations.

The Company's activities are not exposed to interest rate risk as its long-term financing from other group companies is interest free.

The Company has no exposure to price or currency risk as it has no equity investments or foreign currency balances. The credit risk attributable to trade debtors is minimal as the majority of its fees are paid by local authorities and the experience of bad debt on private residents has been minimal.

FINANCIAL RESULTS AND DIVIDENDS

The results for the financial year are set out on page 8.

The Director does not recommend the payment of a dividend (2021: nil).

FUTURE DEVELOPMENTS

The high standards of care delivered, together with growth in profitability, are continuing priorities for the future.

GOING CONCERN

The Company has considered its projected operating profits and total cashflows under both a base case and stress test scenario for future periods out to December 2024 and in each of these scenarios, has concluded that it has sufficient funds to undertake its operating activities for a period of at least 12 months from the signing date. After making detailed enquiries, and in consideration of his assessment of the company's financial position, and having reviewed the forecast cash flows, the Director has concluded that he has a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future and to meet its liabilities as they fall due within the going concern period and thus continues to adopt the going concern basis of accounting in preparing the annual financial statements. The Director has identified no material uncertainties that cast significant doubt over its ability to continue as a going concern.

DIRECTORS

The Directors who held office during the year and up to the date of signing the financial statements are given below:

Colin Haig

DIRECTOR'S RESPONSIBILITY STATEMENT

The Director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

FOREST HEALTHCARE LIMITED

DIRECTOR'S REPORT (CONTINUED)

Year ended 31 December 2022

DIRECTOR'S RESPONSIBILITY STATEMENT (continued)

Under company law the Director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period. In preparing these financial statements, the Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 Director confirms that:

- so far as the Director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The Director is responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS INDEMNITIES

The Company has made qualifying third party provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

INDEPENDENT AUDITOR

Grant Thornton UK LLP is the Company's auditor. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board



Colin Haig
Director
Date: 21/8/2023

Independent auditor's report to the members of Forest Healthcare Limited

Opinion

We have audited the financial statements of Forest Healthcare Limited (the 'company') for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, Balance Sheet, Statements of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the director's 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 report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the director's conclusions, we considered the inherent risks associated with the company's business model including effects arising from the 'cost of living' crisis driven by high and volatile inflation, we assessed and challenged the reasonableness of estimates made by the director and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

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 director is 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.

Independent auditor's report to the members of Forest Healthcare Limited (continued)

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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or 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 accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirements to prepare a strategic report.

Responsibilities of directors

As explained more fully in the director's responsibilities statement set out on page 2, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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.

Independent auditor's report to the members of Forest Healthcare Limited (continued)

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined the most significant ones which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (United Kingdom Generally Accepted Accounting Practice), Companies Act 2006 and UK tax compliance;
- We understood how the company is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes and correspondence received from regulatory bodies;
- We assessed the susceptibility of the company's financial statements to material misstatement, including - how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
 - fraudulent revenue recognition on revenue transactions throughout the year;
 - risk of error on the valuation of care homes; and
 - management override of controls.
- Our audit procedures involved:
 - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
 - review and assessment of management's accounting paper on impairment of assets and examination of supporting documentation to support management's key assumptions;
 - journal entry testing, with a focus on high risk journals meeting certain criteria, including unusual account combinations and those that were posted directly to cash accounts; and
 - challenging assumptions and judgements made by management in its significant accounting estimates.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's understanding of and practical experience with audit engagements of a similar nature and complexity, knowledge of the industry in which the client operates, and understanding of the legal and regulatory requirements specific to the entity;
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit;

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report to the members of Forest Healthcare Limited (continued)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Grant Thornton UK LLP

Elizabeth Collins BSc (Hons) ACA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants

London

Date 21/8/2023

FOREST HEALTHCARE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2022

	Note	2022 £	2021 £
Turnover	5	2,089,447	1,928,329
Administrative expenses	6	(2,355,518)	(1,871,292)
Operating (loss)/profit and (loss)/profit on ordinary activities before taxation		(266,071)	57,037
Tax on profit on ordinary activities	7	-	(10,650)
(Loss)/Profit for the financial year		(266,071)	46,387

There was no other comprehensive income for 2022 (2021: nil).

All results derive from continuing operations.

The notes on pages 11 to 18 form an integral part of the financial statements.

FOREST HEALTHCARE LIMITED

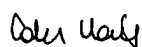
BALANCE SHEET

As at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	9	35,132	16,780
		35,132	16,780
Current assets			
Debtors	10	6,199,288	6,224,403
Cash at bank and in hand		14,710	20,857
		6,213,998	6,245,260
Creditors: amounts falling due within one year	11	(11,458,515)	(11,205,354)
Net current liabilities		(5,244,517)	(4,960,094)
Total assets less current liabilities		(5,209,385)	(4,943,314)
Net liabilities		(5,209,385)	(4,943,314)
Capital and reserves			
Called up share capital	12	182,500	182,500
Capital redemption reserve		70,000	70,000
Capital Contribution		1,506,837	1,506,837
Profit and loss account		(6,968,722)	(6,702,651)
Total shareholder's deficit		(5,209,385)	(4,943,314)

The financial statements of Forest Healthcare Limited, registered number 02937242, were approved by the Director and authorised for issue on 21/8/2023

The notes on pages 11 to 18 form an integral part of the financial statements.



Colin Haig
Director

FOREST HEALTHCARE LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

	Called up Share capital	Capital redemption reserve	Capital contribution	Profit and loss account	Total equity
	£	£	£	£	£
Balance at 31 December 2021	182,500	70,000	1,506,837	(6,702,651)	(4,943,314)
Total comprehensive income for the period					
Loss for the year	-	-	-	(266,071)	(266,071)
Total comprehensive income for the period	-	-	-	(266,071)	(266,071)
Balance at 31 December 2022	182,500	70,000	1,506,837	(6,968,722)	(5,209,385)
Balance at 31 December 2020	182,500	70,000	1,506,837	(6,749,038)	(4,989,701)
Total comprehensive income for the period					
Profit for the year	-	-	-	46,387	46,387
Total comprehensive income for the period	-	-	-	46,387	46,387
Balance at 31 December 2021	182,500	70,000	1,506,837	(6,702,651)	(4,943,314)

The notes on pages 11 to 18 form an integral part of the financial statements.

FOREST HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

1. GENERAL INFORMATION

Forest Healthcare Limited (the "Company") is a company limited by shares incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Director's report on page 2.

2. STATEMENT OF COMPLIANCE

The financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. SUMMARY OF SIGNIFICANT 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.

(a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with FRS 102. The financial statements are presented in £ sterling.

(b) Going concern

The Company has considered its projected operating profits and total cashflows under both a base case and stress test scenario for future periods out to December 2024 and in each of these scenarios, has concluded that it has sufficient funds to undertake its operating activities for a period of at least 12 months from the signing date. After making detailed enquiries, and in consideration of his assessment of the company's financial position, and having reviewed the forecast cash flows, the Director has concluded that he has a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future and to meet its liabilities as they fall due within the going concern period and thus continues to adopt the going concern basis of accounting in preparing the annual financial statements. The Director has identified no material uncertainties that cast significant doubt over its ability to continue as a going concern.

(c) Exemptions for qualifying entities

The Company's ultimate parent undertaking, Newco A 13 Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Newco A 13 Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from Highgate Studios, Studio 523, 53-79 Highgate Road, London, NW5 1TL. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Newco A 13 Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosure:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

FOREST HEALTHCARE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****Year ended 31 December 2022****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(d) Turnover**

Turnover represents amounts receivable for management services provided to other group undertakings, which are exempt from value added tax. Turnover from the supply of services is recognised upon provision of service.

(e) Tangible fixed assets and depreciation

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

(i) Fixtures, fittings and equipment

Motor vehicles and fixtures, fittings and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

(iii) Depreciation and residual values

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Motor vehicles	-	25% reducing balance
Furniture, fittings & equipment	-	15%-33% straight line

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

(f) Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

(g) Taxation

Taxation expense for the year comprises current and deferred tax recognised in the reporting year. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

FOREST HEALTHCARE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****Year ended 31 December 2022****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****(g) Taxation (continued)**

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

(h) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

(i) Financial instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

FOREST HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments (continued)

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle to liability simultaneously.

(j) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(k) Distributions to equity holders

Dividends and other distributions to company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. These amounts are recognised in the statement of changes in equity.

(l) Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

(m) Employee benefits

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

FOREST HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2022

4. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Estimates and judgements 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.

(a) Critical judgements in applying the entity's accounting policies

The Director has assessed the application of the going concern basis in the preparation of the financial statements. Please see note 3(b) for further details.

(b) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for the carrying amount of the property plant and equipment and note 3(e) for the useful economic lives for each class of assets.

5. TURNOVER

The total turnover of the Company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

6. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2022 £	2021 £
(Loss)/profit on ordinary activities before taxation is stated after charging:		
Depreciation of owned tangible fixed assets	11,180	15,922
Operating lease rentals – land and buildings	90,000	90,000
Auditors' remuneration – audit fees	17,000	7,960
Auditors' remuneration – tax compliance fees	11,300	3,840

FOREST HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2022

7. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of the tax charge in the year

	2022 £	2021 £
Current tax:		
United Kingdom corporation tax	-	10,650
Deferred tax:		
Movement on timing differences	-	-
Tax on profit on ordinary activities	-	10,650

(b) Factors affecting the tax charge for the year

The tax assessed for the year is lower (2021: lower) than the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)

(Loss)/profit on ordinary activities before taxation	(266,071)	57,037
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2021: 19.00%)	(50,553)	10,837
Effects of:		
Fixed asset differences	(1,134)	27
Group relief (not paid for)	55,695	-
Impact of changes in tax rates – deferred tax	(5,805)	(3,247)
Expenses not deductible for tax purposes	1,797	-
Deferred tax not recognised	-	3,033
Total tax	-	10,650

8. STAFF COSTS

Number of employees

The average monthly number of employees (including Directors) during the year was:

	2022 Number	2021 Number
Administration and nursing	18	14

	2022 £	2021 £
Employment costs		
Wages and salaries	1,014,305	958,290
Social security costs	137,310	117,755
Other pension costs	86,395	76,310
	1,238,010	1,152,355

Director's remuneration

	2022 £	2021 £
Aggregate emoluments	158,415	165,937

The emoluments of the highest paid Director were £158,415 (2021: £165,937)

FOREST HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 31 December 2022

9. TANGIBLE ASSETS

	Fixtures, fittings & equipment £	Total £
Cost		
At 1 January 2022	56,627	56,627
Additions	29,532	29,532
At 31 December 2022	86,159	86,159
Accumulated depreciation		
At 1 January 2022	39,847	39,847
Charge for the year	11,180	11,180
At 31 December 2022	51,027	51,027
Net book value		
At 31 December 2022	35,132	35,132
At 31 December 2021	16,780	16,780

10. DEBTORS

	2022 £	2021 £
Amounts owed by group undertakings	6,102,775	6,133,666
Other debtors	6,842	7,829
Prepayments and accrued income	89,671	82,908
	6,199,288	6,224,403

Amounts owed by group undertakings have no fixed repayment terms, are repayable on demand and are interest free.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	178,839	85,414
Amounts owed to group undertakings	10,137,201	10,208,689
Other taxation and social security	36,885	40,752
Other creditors	30,537	28,369
Corporation tax	689,049	550,852
Accruals and deferred income	386,004	291,278
	11,458,515	11,205,354

Amounts owed to group undertakings have no fixed repayment terms, are repayable on demand and are interest free.

12. CALLED UP SHARE CAPITAL

	2022 £	2021 £
Called up, allotted and fully paid:		
182,500 (2021: 182,500) ordinary shares of £1 each	182,500	182,500

There is a single class of ordinary shares with each share holding equal voting rights.

FOREST HEALTHCARE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****Year ended 31 December 2022****13. DEFERRED TAXATION**

A deferred tax asset has not been recognised in respect of timing differences relating to fixed assets, as the Director considers that it is not probable that these losses will be utilised in the foreseeable future. The total amount of the asset not recognised is nil (2021: £13,531).

14. FINANCIAL COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Other 2022	Other 2021
	£	£
Within one year	36,576	38,614
Between one and five years	60,960	97,536
	<u>97,536</u>	<u>136,150</u>

15. FINANCIAL GUARANTEES

The Company is a co-guarantor to the group facility alongside the other subsidiaries in the Group. The outstanding balance of the facility at 31 December 2022 is £43,465,580.

16. RELATED PARTY TRANSACTIONS

The Company is exempt from disclosing related party transactions as they are with other companies that are wholly owned within the group.

There are no other transactions that require disclosure.

17. RESERVES

Called up share capital - represents the nominal value of shares that have been issued.

Capital contribution – this reserve represents a capital contribution received from the shareholder.

Capital redemption reserve – This reserve records the nominal value of shares purchased by the company.

Profit and loss account – includes all current and prior period retained profits and losses.

18. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The Director considers that the ultimate parent company and ultimate controlling party is Newco A 13 Limited, a company registered in England and Wales. The immediate parent undertaking is Newco B 13 Limited, a company registered in England and Wales. The only group to which the company belongs for which consolidated financial statements are prepared is Newco A 13 Limited, a company registered in England and Wales. Copies of the consolidated financial statements of Newco A 13 Limited can be obtained from Highgate Studios, Studio 523, 53-79 Highgate Road, London, NW5 1TL.