

Profile FSH Limited

Registered number: 09158030

Information for filing with Registrar

For the year ended 31 December 2022

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	4	12,180,490	10,026,705
		<u>12,180,490</u>	<u>10,026,705</u>
Current assets			
Debtors: amounts falling due within one year	5	5,570,257	5,517,358
Cash at bank and in hand		272,321	452,294
		<u>5,842,578</u>	<u>5,969,652</u>
Creditors: amounts falling due within one year	6	(11,948,201)	(3,718,587)
Net current (liabilities)/assets		<u>(6,105,623)</u>	<u>2,251,065</u>
Total assets less current liabilities		<u>6,074,867</u>	<u>12,277,770</u>
Creditors: amounts falling due after more than one year	7	-	(5,055,131)
Net assets		<u><u>6,074,867</u></u>	<u><u>7,222,639</u></u>
Capital and reserves			
Called up share capital	8	492	492
Share premium account	9	9,952,378	9,952,378
Share-based payment reserve	9	153,785	-
Profit and loss account	9	(4,031,788)	(2,730,231)
Total equity		<u><u>6,074,867</u></u>	<u><u>7,222,639</u></u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2022

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

J Mayo
Director

Date: 21 September 2023

The notes on pages 3 to 10 form part of these financial statements.

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

1. General information

Profile FSH Limited is a private company limited by shares and incorporated in England and Wales. The registered number of the Company is 09158030. The address of its registered office is Norwest Court, Guildhall Street, Preston, Lancashire, PR1 3NU.

The principal activity of the Company continued to be that of a holding company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the company operates and is rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements are prepared on a going concern basis. Following the conclusion of the transaction described in note 11 the Company's directors remain assured of the financial support of the new ultimate controlling party and that it will be provided with adequate funds when necessary to meet its debts as they fall due in the foreseeable future. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentation currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'administrative expenses'.

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

2. Accounting policies (continued)

2.4 Interest receivable and similar income

Interest receivable and similar income is recognised in profit or loss using the effective interest method.

2.5 Interest payable and similar expenses

Interest payable and similar expenses are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.7 Share-based payments

Current year

Certain employees of a subsidiary company participate in an EMI share option scheme, with options granted in relation to shares of the Company. Where share options are awarded to these subsidiary company employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Prior year

Certain employees of a subsidiary company participate in an EMI share option scheme, with options granted in relation to shares of the Company. The fair value at the grant date of all options issued to date is immaterial in aggregate. Therefore, no amount has been charged to the profit and loss account and no other accounting entries have been recognised by the Company.

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

2. Accounting policies (continued)

2.8 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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

2. Accounting policies (continued)

2.13 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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 the liability simultaneously.

3. Employees

There were no employees during the year other than the directors of the Company (2021: nil).

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

4. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2022	10,026,705
Additions	2,153,785
At 31 December 2022	12,180,490
Net book value	
At 31 December 2022	12,180,490
At 31 December 2021	10,026,705

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Profile Financial Solutions Ltd	Norwest Court, Guildhall Street, Preston, Lancashire, PR1 3NU	Pension advisory	Ordinary	100 %
Financial Lifetime Ltd	Norwest Court, Guildhall Street, Preston, Lancashire, PR1 3NU	Marketing support	Ordinary	100 %

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

5. Debtors

	2022 £	2021 £
Amounts owed by group undertakings	5,430,000	5,430,000
Prepayments	140,257	87,358
	<u>5,570,257</u>	<u>5,517,358</u>

Amounts owed by group undertakings are unsecured, interest-free and payable on demand.

6. Creditors: amounts falling due within one year

	2022 £	2021 £
Other loans	8,481,456	886,724
Amounts owed to group undertakings	3,389,305	2,773,335
Accruals	77,440	58,528
	<u>11,948,201</u>	<u>3,718,587</u>

Included within other loans is an amount of £7,706,907 (2021: £nil) relating to the Smedvig loans. This amount is interest bearing at 12.0% and the loans were originally repayable on maturity in October 2024 and March 2025, however, these were either fully repaid or converted to share capital as part of the takeover outlined in note 10.

Included within other loans is an amount of £644,634 (2021: £886,724) which relates to the Kreos loan and is secured by way of a fixed and floating charge over the Company's and its subsidiaries' assets. This amount is interest bearing at 10.9% and repayable within one year. These were fully repaid and the fixed and floating charge ended as part of the takeover outlined in note 10.

Included within other loans is an amount of £129,915 (2021: £nil) relating to the WR loan. This amount is interest bearing at 12.0% and is repayable within one year. These were fully converted to share capital as part of the takeover outlined in note 10.

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

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

7. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Other loans	<u>-</u>	<u>5,055,131</u>

Included within comparative year other loans is an amount of £4,913,991 relating to the Smedvig loans. This amount is interest bearing at 12.0% and the loans were originally repayable on maturity in October 2024 and March 2025, however, the total amount was either repaid or converted to share capital as part of the takeover outlined in note 10.

Included within comparative year other loans is an amount of £25,205 which relates to the Kreos loan and is secured by way of a fixed and floating charge over the Company's and its subsidiaries' assets. This amount is interest bearing at 10.9%, repaid in monthly instalments and was originally repayable by February 2023, however, these were fully repaid as part of the takeover outlined in note 10.

Included within comparative year other loans is an amount of £115,935 relating to the WR loan. This amount is interest bearing at 12.0% and was originally repayable on maturity in October 2024, however, these were fully converted to share capital as part of the takeover outlined in note 10.

8. Called up share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
107,000 (2021: 107,000) Ordinary shares of £0.001 each	107	107
16,000 (2021: 16,000) Ordinary A shares of £0.001 each	16	16
63,000 (2021: 63,000) Series A-1 preference shares of £0.001 each	63	63
306,000 (2021: 306,000) Series A-2 preference shares of £0.001 each	306	306
	<u>492</u>	<u>492</u>

The Company has two classes of ordinary and two classes of series shares; each share has attached to it full voting, dividend and capital distribution rights.

9. Reserves

Share premium account

This reserve represents the amount above the nominal value received for issued share capital, less transaction costs.

Share-based payment reserve

This reserve comprise the aggregate expenses recognised in respect of share-based payments.

Profit and loss account

This reserve represents cumulative profits and losses of the Company.

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

10. Related party transactions

Under section 1A of FRS 102, as highlighted in Schedule 1, paragraph 66 in appendix C, small companies do not have to disclose certain related party transactions. Disclosures are mandatory only where the related party transactions are material, with group members that are not wholly owned or have not been concluded on normal market conditions.

11. Post balance sheet events

On 31 July 2023 MFM Holding Limited acquired the entire share capital of the Company. The result of this transaction is that the Company has a new ultimate controlling party.

12. Controlling party

At 31 December 2022, the immediate parent company was Smedvig Capital AS, a company incorporated in Norway. Its registered office address is Postboks 900, 4004 Stavanger, Norway. The directors considered there to be no controlling party.

From 31 July 2023, after the takeover outlined in note 11, MFM Investment Ltd, a company registered in England and Wales, is considered to be the immediate parent company. MFM Holding Limited, a company registered in England and Wales, is considered to be the ultimate parent company and ultimate controlling party.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.