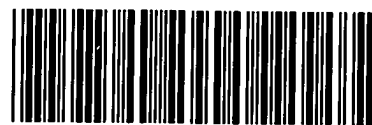


R&Q OVERSEAS HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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R&Q OVERSEAS HOLDINGS LIMITED
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COMPANY INFORMATION

DIRECTORS	A K Quilter M A Metcalf (appointed 16 September 2022)
COMPANY SECRETARY	R&Q Central Services Limited
REGISTERED NUMBER	12807710
REGISTERED OFFICE	71 Fenchurch Street London EC3M 4BS
INDEPENDENT AUDITOR	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD

R&Q OVERSEAS HOLDINGS LIMITED

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Balance Sheet	8
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R&Q OVERSEAS HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and the Financial Statements for the year ended 31 December 2022.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies for the Company's Financial Statements 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;
- 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 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 to enable them to ensure that the Financial Statements comply with the Companies Act 2006. 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.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to \$979 (*17 months ended 31 December 2021 - profit \$860,800*).

No dividends were received during the year (*17 months ended 31 December 2021: \$46,712,300 from Sandell Holdings Ltd*). The directors did not approve any dividend payment during the year (*17 months ended 31 December 2021: \$45,312,300 to Randall & Quilter II Holdings Limited*)

DIRECTORS

The Directors who served during the year were:

A K Quilter
M A Metcalf (appointed 16 September 2022)
G D Jarvis (resigned 16 September 2022)

R&Q OVERSEAS HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed 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 ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

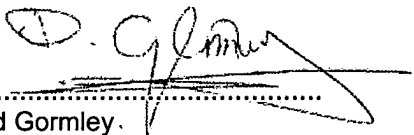
AUDITOR

The auditor, PKF Littlejohn LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

SMALL COMPANIES NOTE

In preparing this report, the Directors have taken advantage of the small Companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Board and signed on its behalf.


.....
David Gormley.
For and on behalf of R&Q Central Services Limited
Secretary

Date: 27 June 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF R&Q OVERSEAS HOLDINGS LIMITED

OPINION

We have audited the Financial Statements of R&Q Overseas Holdings Limited (the 'Company') for the year ended 31 December 2022, which comprise the Statement of Income and Retained Earnings, the Balance Sheet, the Statement 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 United Kingdom, including the Financial Reporting Council'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.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2.3 in the Financial Statements, which indicates that the going concern basis of the Company is dependent on the ability of R&Q Insurance Holdings Ltd (the ultimate Parent undertaking) to continue with this financial support.

The ability of the ultimate Parent undertaking to support the Company is conditional on the successful sale of part of the Group's business. At the date of signing these Financial Statements the Group has not yet completed this sale but has received interest from a number of parties which indicate that it is probable that the sale process would be successful. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the Financial Statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

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

R&Q OVERSEAS HOLDINGS LIMITED
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF R&Q OVERSEAS HOLDINGS LIMITED
(CONTINUED)**

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information in the Annual Report, other than the Financial Statements and our Auditor's Report thereon. 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.

In connection with our audit of the Financial Statements, 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 or a material misstatement of the other information. 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.

OPINION 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 Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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.

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 Directors' 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 take advantage of the small Companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

R&Q OVERSEAS HOLDINGS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF R&Q OVERSEAS HOLDINGS LIMITED
(CONTINUED)**

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the Company and the laws and regulations that could reasonably be expected to have a direct effect on the Financial Statements. We obtained our understanding in this regard through discussions with management and application of audit knowledge and experience of the Company and the Group.
- We determined the principal laws and regulations relevant to the Company in this regard to be those arising from Companies Act 2006, UK GAAP and UK taxation regulations.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Company with those laws and regulations. These procedures included:
 - Discussion with management of any known, or suspected instances of non-compliance by the Company of those laws and Regulations;
 - Discussion with management of any, or suspected, incidence of fraud;
 - Review of Financial Statement disclosures and testing supporting documentation to assess compliance with applicable law and regulation;
 - Review of minutes of the Board of Directors and other correspondence as deemed appropriate.
- We also identified the risks of material misstatement of the Financial Statements due to fraud as those arising from management override of controls. We have addressed this risk by performing audit procedures which included testing of journals, reviewing material accounting estimates for evidence of bias, evaluating the business rationale of any significant transactions that are unusual or outside normal course of business that came to our attention and preliminary and final analytical review to identify any unusual or unexpected relationships or variances.

R&Q OVERSEAS HOLDINGS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF R&Q OVERSEAS HOLDINGS LIMITED
(CONTINUED)**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the Financial Statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the Financial Statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

USE OF OUR REPORT

This report is made solely to the Company's shareholder 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 shareholder 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 shareholder for our audit work, for this report, or for the opinions we have formed.

TUE Seaman

Thomas Seaman (Senior Statutory Auditor)

for and on behalf of

PKF Littlejohn LLP

Statutory Auditor

15 Westferry Circus

Canary Wharf

London

E14 4HD

Date: 28 June 2023

R&Q OVERSEAS HOLDINGS LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	17 months ended 31 December 2021
	Note	\$	\$
Administrative expenses		(979)	(149,871)
Operating loss	4	<u>(979)</u>	<u>(149,871)</u>
Income from shares in Group undertakings		-	46,712,300
Impairment of investments		-	(43,378,000)
(Loss)/profit before tax		<u>(979)</u>	<u>3,184,429</u>
Tax on (loss)/profit	7	-	(2,323,629)
(Loss)/profit after tax		<u>(979)</u>	<u>860,800</u>
Retained earnings at the beginning of the year		(1,073,501)	-
		<u>(1,073,501)</u>	-
(Loss)/profit for the year		(979)	860,800
Share premium cancellation		-	43,377,999
Dividends declared and paid		-	(45,312,300)
Retained earnings at the end of the year		<u>(1,074,480)</u>	<u>(1,073,501)</u>

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of income and retained earnings.


The notes on pages 11 to 18 form part of these Financial Statements.

R&Q OVERSEAS HOLDINGS LIMITED
REGISTERED NUMBER: 12807710

BALANCE SHEET
AS AT 31 DECEMBER 2022

			2022	17 months ended 31 December 2021
	Note		\$	\$
Current assets				
Debtors: amounts falling due within one year	10	1,207,202	1,100,001	
		<u>1,207,202</u>	<u>1,100,001</u>	
Creditors: amounts falling due within one year	11	(1,181,680)	(1,073,500)	
Net current assets			<u>25,522</u>	26,501
Total assets less current liabilities			<u>25,522</u>	26,501
Net assets			<u>25,522</u>	26,501
Capital and reserves				
Called up share capital	13		2	2
Capital contribution reserve	14	1,100,000		1,100,000
Profit and loss account	14	(1,074,480)		(1,073,501)
			<u>25,522</u>	26,501

The Financial Statements were approved and authorised for issue by the Board and were signed on its behalf by:



.....
M A Metcalf
 Director

Date: 27 June 2023

The notes on pages 11 to 18 form part of these Financial Statements.

R&Q OVERSEAS HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Capital contribution reserve	Profit and loss account	Total equity
	\$	\$	\$	\$
At 1 January 2022	2	1,100,000	(1,073,501)	26,501
Loss for the year	-	-	(979)	(979)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>-</u>	<u>-</u>	<u>(979)</u>	<u>(979)</u>
AT 31 DECEMBER 2022	<u>2</u>	<u>1,100,000</u>	<u>(1,074,480)</u>	<u>25,522</u>

The notes on pages 11 to 18 form part of these Financial Statements.

R&Q OVERSEAS HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE 17 MONTHS ENDED 31 DECEMBER 2021**

	Called up share capital \$	Share premium account \$	Capital contribution reserves \$	Profit and loss account \$	Total equity \$
Profit for the 17 months	-	-	-	860,800	860,800
TOTAL COMPREHENSIVE INCOME FOR THE 17 MONTHS	-	-	-	860,800	860,800
Issue of shares	2	-	-	-	2
Share premium creation	-	43,377,999	-	-	43,377,999
Share premium cancellation	-	(43,377,999)	-	-	(43,377,999)
Share premium cancellation	-	-	-	43,377,999	43,377,999
Capital contribution reserve	-	-	1,100,000	-	1,100,000
Dividends declared and paid	-	-	-	(45,312,300)	(45,312,300)
AT 31 DECEMBER 2021	2	-	1,100,000	(1,073,501)	26,501

The notes on pages 11 to 18 form part of these Financial Statements.

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

1. GENERAL INFORMATION

The Company invests in Companies connected with servicing the insurance industry.

The Company is a private Company limited by shares and is incorporated and domiciled in England. The address of its registered office is 71 Fenchurch Street, London, EC3M 4BS.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of Financial Statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The Company is itself a subsidiary Company and is exempt from the requirements to prepare Group Financial Statements by virtue of section 400 of the Companies Act 2006. These Financial Statements therefore present information about the Company as an individual undertaking and not about its Group.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of R&Q Insurance Holdings Ltd as at 31 December 2022 and these financial statements may be obtained from 71 Fenchurch Street, London, EC3M 4BS.

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

2. ACCOUNTING POLICIES (continued)

2.3 Going concern

The Directors have prepared the Company's Financial Statements on a going concern basis which assumes that the ultimate Parent undertaking, R&Q Insurance Holdings Ltd, will continue to provide financial support to the Company. Although the Company has received confirmation from R&Q Insurance Holdings Ltd that they will continue with its financial support, R&Q Insurance Holdings Ltd's ability to do so will depend on the sale of part of the Group's business in order to provide the necessary liquidity. The Group has received a number of preliminary indicative offers for the above sale, however the sale is subject to the selection of an approved bidder, completion of due diligence, and regulatory approval.

Having reviewed the circumstances surrounding the above scenario the Directors have concluded that it is appropriate to prepare these Financial Statements on a going concern basis, although there exists material uncertainty regarding the sale of this business and the timing of the disposal.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is United States Dollar (USD).

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 the Statement of Income and Retained Earnings.

2.5 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 balance sheet date in the countries where the Company operates and generates income.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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

2. ACCOUNTING POLICIES (continued)

2.7 Financial instruments

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price.

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 the Statement of Income and Retained Earnings.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow Group Companies are initially recognised at transaction price.

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Financial assets and liabilities are offset and the net amounts presented in the Financial Statements when there is a legally 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.

2.8 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

R&Q OVERSEAS HOLDINGS LIMITED

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

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF 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

No judgements have been made in applying the entity's accounting policies that would have a significant effect on the amounts recognised in these Financial Statements.

(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) Valuation of investments in subsidiary Companies

The Company makes an estimate of the value in use or the recoverable amount of its investment in subsidiaries in order to determine whether any provision for impairment is required. When assessing these values management considers the current net asset position of each subsidiary, its recent and budgeted trading results and any Group strategic plans that may impact on the subsidiary. See note 9 for the net carrying amount of the investment in subsidiary Companies and associated impairment provision.

(ii) Recoverability of debtors

The Company makes an estimate of the recoverable value of amounts due from Group undertakings. When assessing impairment, management considers factors including the current credit rating of the debtor, the ageing profile of debtors, the net asset position of the debtor and historical performance. See note 10 for the net carrying amount of debtors.

4. OPERATING LOSS

The operating loss is stated after (crediting):

	31 December 2022 \$	17 months ended 31 December 2021 \$
Exchange differences	(8,472)	(1,647)

5. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor and its associates:

R&Q OVERSEAS HOLDINGS LIMITED

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

6. DIRECTORS' REMUNERATION

No Directors' remuneration has been recharged to the Company.

Costs are recharged to each Company by means of a Group recharge. Full staff costs are disclosed in the employing Company, R&Q Central Services Limited.

7. TAXATION

The charge for corporation tax comprises the following:

	31 December 2022 \$	17 months ended 31 December 2021 \$
CORPORATION TAX		
Foreign tax	-	2,323,629
TOTAL CURRENT TAX	<u>-</u>	<u>2,323,629</u>

FACTORS AFFECTING TAX CHARGE FOR THE 17 MONTHS

The tax assessed for the year is higher than (17 months ended 31 December 2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	31 December 2022 \$	17 months ended 31 December 2021 \$
(Loss)/profit on ordinary activities before tax	<u>(979)</u>	<u>3,184,429</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(186)	605,041
EFFECTS OF:		
Expenses not deductible for tax purposes	87	8,246,885
Non-taxable income	-	(8,875,337)
Tax losses carried forward	99	23,411
Current foreign tax	-	2,323,629
TOTAL TAX CHARGE FOR THE YEAR/17 MONTHS	<u>-</u>	<u>2,323,629</u>

R&Q OVERSEAS HOLDINGS LIMITED

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

7. TAXATION (continued)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The Company has losses carried forward of \$123,738 (2021: \$123,218). No deferred tax asset has been recognised in respect of these losses due to uncertainty of future profits.

In the Finance Bill 2021 it was announced that the main rate of UK corporation tax would increase to 25% from April 2023. Legislation was introduced in the Finance Bill 2021 to set the charge to corporation tax and set the main rate at 19% for the financial year.

The Company's 2022 results are taxed at 19%.

8. DIVIDENDS

	2022 \$	17 months ended 31 December 2021 \$
Ordinary Dividends	-	45,312,300
	<u>-</u>	<u>45,312,300</u>

9. SUBSIDIARY UNDERTAKINGS

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Sandell Holdings Ltd.	Bermuda	Ordinary	100%

The investment in Sandell Holdings Ltd was fully impaired in the prior period by \$43,378,000.

10. DEBTORS: Amounts falling due within one year

	2022 \$	17 months ended 31 December 2021 \$
Amounts owed by Group undertakings	1,100,001	1,100,001
Other debtors	1,968	-
Corporation tax	105,233	-
	<u>1,207,202</u>	<u>1,100,001</u>

R&Q OVERSEAS HOLDINGS LIMITED

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

10. DEBTORS: Amounts falling due within one year (continued)

Amounts owed by Group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

11. CREDITORS: Amounts falling due within one year

	2022	<i>17 months ended 31 December 2021</i>
	\$	\$
Amounts owed to Group undertakings	1,171,226	151,903
Corporation tax	-	910,297
Accruals and deferred income	10,454	11,300
	<u>1,181,680</u>	<u>1,073,500</u>

Amounts owed by Group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

12. FINANCIAL INSTRUMENTS

	2022	<i>17 months ended 31 December 2021</i>
	\$	\$
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>1,100,001</u>	<u>1,100,001</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>1,181,680</u>	<u>(163,203)</u>

Financial assets measured at amortised cost comprise Group loans.

Financial liabilities measured at amortised cost comprise Group loans and accrued expenses.

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

13. SHARE CAPITAL

	2022	<i>17 months ended 31 December 2021</i>
	\$	\$
Allotted, called up and fully paid		
1 (2021 - 1) Ordinary share of £1.00	1	1
1 (2021 - 1) A Ordinary share of \$1.00	1	1
	<u>2</u>	<u>2</u>

There are two classes of Ordinary share. There are no restrictions on the distribution of dividends and the repayment of capital.

14. RESERVES

Capital contribution reserve

The capital contribution reserve represents capital contributions from its Parent undertaking.

Profit and loss account

The profit and loss account represents accumulated profits and losses net of dividends paid and the proceeds from the reduction in the share premium account.

15. RELATED PARTY TRANSACTIONS

The Company is exempt from disclosing related party transactions with other Companies which are wholly owned within the Group.

There are no other transactions with or balances due to or from related parties.

16. CONTROLLING PARTY

The immediate Parent undertaking is Randall & Quilter II Holdings Limited, a Company registered in England and Wales.

Group Financial Statements are prepared by the ultimate Parent undertaking, R&Q Insurance Holdings Ltd, a Company registered in Bermuda, and can be obtained from 71 Fenchurch Street, London, EC3M 4BS.

In the Directors' opinion there is no ultimate controlling party.