

FSHC Holdings (UK) Limited

**Directors' report and financial
statements**

Registered number 02045927

31 December 2012

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Directors' report

The directors present their annual report together with the audited financial statements of the company for the year ended 31 December 2012

Principal activity

The principal activity of the company is that of an investment company. The directors do not anticipate any change in activity in the foreseeable future.

Business review

The directors consider the state of affairs of the company to be satisfactory.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. With this in mind, the directors have formally considered and concluded that the preparation of the financial statements on a going concern basis is appropriate. Further details are shown in the "Basis of preparation" section of note 1 to the financial statements.

Results and dividends

The company did not trade during the current or prior year and consequently made neither a profit nor a loss. Therefore no profit and loss account has been presented.

The directors do not recommend the payment of a dividend (2011 £nil).

Directors

The directors during the year under review were:

P Calveley

D J Kay

B R Taberner

Details of ultimate ownership

From 1 January 2012 to 11 July 2012 the ultimate parent undertaking was FSHC (Guernsey) Holdings Limited, an entity incorporated in Guernsey. From the 12 July 2012 the ultimate parent undertaking is Elli Capital Limited, an entity incorporated in Guernsey.

Disclosure of information to auditor

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

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board


D J Kay
Secretary

Emerson Court
Alderley Road
Wilmslow
Cheshire
SK9 1NX

25 September 2013

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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

Company law requires 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 UK Accounting Standards and applicable law. 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 the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable 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 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.

KPMG LLP

St James' Square
Manchester
M2 6DS
United Kingdom

Independent auditor's report to the members of FSHC Holdings (UK) Limited

We have audited the financial statements of FSHC Holdings (UK) Limited for the year ended 31 December 2012 set out on pages 5 to 8. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and to express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its result for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of FSHC Holdings (UK) Limited

(continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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

Nicola Quayle

Nicola Quayle (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St James' Square
Manchester
M2 6DS

25 September 2013

Profit and loss account

for the year ended 31 December 2012

During the current and preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently, no profit and loss account or statement of total recognised gains and losses have been prepared.

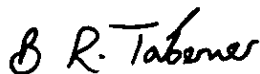
Balance sheet

at 31 December 2012

	Note	2012		2011	
		£	£	£	£
Fixed assets					
Investments	3		2,003		2,003
Current assets					
Debtors	4	241		241	
Creditors amounts falling due within one year	5	(210)		(210)	
Net current assets			31		31
Total net assets			2,034		2,034
Capital and reserves					
Called up share capital	6	22,361,591		22,361,591	
Profit and loss account	7	(22,359,557)		(22,359,557)	
Shareholder's funds			2,034		2,034

The financial statements include the notes on pages 6 to 8

These financial statements were approved by the board of directors on 25 September 2013 and were signed on its behalf by



B R Taberner
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, under the historical cost accounting rules and within the requirements of the Companies Act 2006

Going concern

The company, together with its intermediate parent company Elli Investments Limited and fellow subsidiary undertakings (collectively the "Elli Investments group"), is party to a number of financing arrangements under which the company has provided guarantees. The Elli Investments group issued £350 million of senior secured notes which pay interest at 8.75%, and which are due for repayment in 2019, and £175 million of senior notes which pay interest at 12.25%, and which are due for repayment in 2020. There is also a £40 million revolving credit facility which remained undrawn at the period end and which is available until 2018. This provides the group with a stable and secure financial structure.

The forecast and projections of the Elli Investments group, sensitised to take into account all reasonably foreseeable changes in trading performance, show that it has sufficient funding and covenant headroom within its current financing arrangements.

The directors of FSHC Holdings (UK) Limited have a reasonable expectation that the company, and the Elli Investments group, have adequate resources to continue in operational existence for the foreseeable future. The directors therefore believe that it is appropriate to prepare the financial statements on a going concern basis.

Group accounts

The company has not prepared group accounts as it is exempt from doing so by section 401 of the Companies Act 2006 as it is included in the consolidated financial statements of FSHC Group Holdings Limited.

Related party transactions

The directors have taken advantage of the exemption in FRS 8, Paragraph 3(c) and as the company is a wholly owned subsidiary of FSHC Group Holdings Limited have not disclosed related party transactions with parent and fellow subsidiary undertakings.

Cash flow statement

The company is exempt from the requirement of FRS 1 to prepare a cash flow statement as at 31 December 2012 it was a wholly owned subsidiary undertaking of FSHC Group Holdings Limited, and its cash flows are included within the consolidated cash flow statement of that company.

Investments

Investments in subsidiary undertakings are recorded at the lower level of cost or net realisable value.

Guarantees

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other related parties which are subsidiaries of its ultimate parent, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make payment under the guarantee.

Notes (continued)

2 Result for the year

The auditor's remuneration of £1,200 (2011 £1,200) for audit services was borne by another group undertaking. Amounts paid to the company's auditor in respect of services to the company, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis.

3 Investments

	Shares in group companies
	£
<i>Cost</i>	
At beginning and end of year	2,003

The company's principal subsidiaries are as follows

<i>Company</i>	<i>Holding</i>	<i>Nature of business and place of incorporation</i>
Arkroy Limited	100%	Operator of healthcare facilities - Incorporated in Isle of Man
FSHC Corporate Services Limited	100%	Provider of corporate services - Incorporated in Great Britain
FSHC Management Services (Kings Reach) Limited	100%*	Operator of healthcare facilities - Incorporated in Isle of Man
FSHC Management Services (Saddle Mews) Limited	100%*	Operator of healthcare facilities - Incorporated in Isle of Man
FSHC Developments Limited	100%*	Development and sale of retirement homes – Incorporated in Isle of Man

4 Debtors

	2012 £	2011 £
Amounts owed by group undertakings	241	241

The amounts owed by group undertakings are interest free, unsecured and repayable on demand.

5 Creditors: amounts falling due within one year

	2012 £	2011 £
Amounts owed to group undertakings	210	210

The amounts due to group undertakings are interest free, unsecured and repayable on demand.

Notes (continued)

6 Called up share capital

	No. of shares	2012 £	No. of shares	2011 £
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	22,361,591	22,361,591	22,361,591	22,361,591

7 Reserves

	Profit and loss account £
At beginning and end of year	(22,359,557)

8 Contingent liabilities

The company, together with its parent and fellow subsidiary undertakings is party to a number of financing arrangements. The implications of this are explained more fully in note 1.

9 Ultimate parent undertaking

The immediate parent company is Four Seasons Group Holdings Limited.

From 1 January 2012 to 11 July 2012 the ultimate parent undertaking was FSHC (Guernsey) Holdings Limited, an entity incorporated in Guernsey. From the 12 July 2012 the ultimate parent undertaking is Elli Capital Limited, an entity incorporated in Guernsey.

The largest group in which the results of the company are consolidated is that headed by FSHC Group Holdings Limited. The consolidated financial statements of this company are available to the public and may be obtained from First Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey, GY1 6HJ.

The smallest group in which the results of the company are consolidated is that headed by Elli Investments Limited. The consolidated financial statements of this company are available to the public and may be obtained from First Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey, GY1 6HJ.