

REGISTERED NUMBER: 04575510 (England and Wales)

Report of the Director and
Audited Financial Statements for the Year Ended 31 December 2022
for
Harvey Walsh Limited

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Harvey Walsh Limited

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for the Year Ended 31 December 2022

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Harvey Walsh Limited

Company Information
for the Year Ended 31 December 2022

DIRECTOR: R J Barker

SECRETARY: Corporation Service Company (UK) Limited

REGISTERED OFFICE: C/O Corporation Service Company (UK) Ltd
5 Churchill Place
10th Floor
London
E14 5HU

REGISTERED NUMBER: 04575510 (England and Wales)

AUDITORS: EisnerAmper Audit Limited

Harvey Walsh Limited

Report of the Director for the Year Ended 31 December 2022

The director presents his report with the audited financial statements of the Company for the year ended 31 December 2022.

INCORPORATION

The Company was incorporated on 29 October 2002.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was to provide health care communication services and market access.

On 13 July 2022, Peloton Echelon Holdings II LLC and all subsidiaries were sold by Amulet Capital Partners L.P., a private equity investment firm, to Astorg Partners, a private equity investment firm. The ultimate parent company is now A8 Invest 3 TF S.à.r.l. incorporated in Luxembourg.

The Group for which the Group financial statements are prepared and of which the Company is a member is Engage Luxco S.à.r.l., incorporated in Luxembourg, with its registered office being at 412 Route D'Esch, L1471, Grand Duchy of Luxembourg, Luxembourg.

DIRECTORS

R J Barker has held office during the whole of the period from 1 January 2022 to the date of this report.

Other changes in directors holding office are as follows:

Ms S M Royden - resigned 20 October 2022

D Mackney - resigned 16 December 2022

POLITICAL DONATIONS AND EXPENDITURE

Donations of £nil were made during the year (2021: £nil).

GOING CONCERN

The financial statements have been prepared on the going concern basis. See note 1 to the financial statements for further details.

DISCLOSURE OF EMISSIONS INFORMATION

The Group for which the financial statements are prepared for at the largest UK Group level and of which the Company is a member is Engage PIKCo Limited. As a wholly owned subsidiary of Engage PIKCo Limited, which meets the reporting requirements under the Streamlined Energy and Carbon Reporting (SECR) regulations, emissions data for the Company is included within the disclosures in the Group accounts of Engage PIKCo Limited within the Director's Report. Accounts for Engage PIKCo Limited are publicly available. The registered office of Engage PIKCo Limited is C/o Corporation Service Company (UK) Limited, 5 Churchill Place, 10th Floor, London, E14 5HU, United Kingdom.

DIRECTOR'S INTERESTS

The director held no interests in the issued share capital of Harvey Walsh Limited either beneficially or otherwise at 31 December 2022 or at any other time during the year. The director has declared that he has no material interest during the period in any contract which is significant in relation to the Company's business.

DIRECTOR'S INDEMNITIES

As at the date of this report, indemnities are in force under which the Company has agreed to indemnify the director, to the extent permitted by law and Company's Articles of Association, in respect of all losses arising out of, or in connection with, the execution of his powers, duties and responsibilities, as director of the Company. The Group has purchased and maintains directors' and officers' insurance cover against legal liabilities and costs for claims in connection with any act or omission by its directors or officers in the execution of their duties, on behalf of the Company.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and he 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 auditors are aware of that information.

AUDITORS

EisnerAmper Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'RJB', with a stylized flourish at the end.

R J Barker - Director

1 August 2023

Harvey Walsh Limited

Statement of Director's Responsibilities for the Year Ended 31 December 2022

The director is responsible for preparing the Report of the Director 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 law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 of the Company and of the 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HARVEY WALSH LIMITED**Report on the audit of the financial statements****Opinion**

We have audited the financial statements of Harvey Walsh Limited (the 'Company') for the year ended 31 December 2022 which comprise of the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, and notes to the financial statements, including a summary of significant accounting policies set out in note 3. The financial reporting framework that has been applied in their preparation is United Kingdom Generally Accepted Accounting Practice, 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 assets, liabilities and financial position of the Company 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 properly 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 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

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 evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- obtaining managements going concern assessment and evaluating the controls, method, underlying data, and assumptions applied in making the assessment to determine if appropriate: and
- reviewing disclosures made in the financial statements related to going concern and evaluated whether appropriate and in accordance with the applicable accounting standards.

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 the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors 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 directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HARVEY WALSH LIMITED (continued)

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 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 our 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 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HARVEY WALSH LIMITED (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

- Enquiring of management to identify any instances of non-compliance with laws and regulations and performing procedures around actual and potential litigation or claims;
- Enquiring of Group Legal Counsel to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes from meetings of those charged with governance;
- Considering the Company's internal control environment and procedures in place to mitigate risks identified;
- Evaluating whether there was any evidence of management bias that represented a risk of material misstatements due to fraud;
- Auditing the risk of management override of controls. Our response to address this risk included:
 - reviewing the appropriateness of the journal entries and other adjustments made in the preparation of the financial statements;
 - completing procedures to review management's judgements and assumptions relating to significant estimates reflected in the financial statements; and
 - obtaining an understanding of the business rationale for significant or non-recurring transactions, if any, that we considered to be outside the normal course of business.
- Reviewing financial statement disclosures and agreeing to supporting documentation to assess compliance with applicable laws and regulations.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

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.

EisnerAmper Audit Limited

Cian Collins (Senior Statutory Auditor)
For and on behalf of EisnerAmper Audit Limited
Chartered Accountants and Statutory Audit Firm
Dublin

1 August 2023

Harvey Walsh Limited

Income Statement
for the Year Ended 31 December 2022

	Notes	31/12/22 £	31/12/21 £
REVENUE		3,611,298	3,382,705
Cost of sales		(721,899)	(237,950)
GROSS PROFIT		2,889,399	3,144,755
Administrative expenses		(3,265,162)	(3,363,468)
		(375,763)	(218,713)
Other operating income		-	4,265
OPERATING LOSS	5	(375,763)	(214,448)
LOSS BEFORE TAXATION		(375,763)	(214,448)
Tax on loss	6	71,378	48,415
LOSS FOR THE FINANCIAL YEAR		(304,385)	(166,033)

The notes on pages 11 to 20 form part of these financial statements

Statement of Financial Position
31 December 2022

	Notes	31/12/22 £	31/12/21 £
FIXED ASSETS			
Intangible fixed assets	7	6,381	23,690
Tangible fixed assets	8	7,616	7,007
		<u>13,997</u>	<u>30,697</u>
CURRENT ASSETS			
Work in progress		43,107	50,000
Debtors: amounts falling due within one year	9	2,086,163	1,995,150
Debtors: amounts falling due after more than one year	9	5,622	7,427
Cash at bank		304,776	298,554
		<u>2,439,668</u>	<u>2,351,131</u>
CREDITORS			
Amounts falling due within one year	10	(2,634,700)	(2,258,478)
NET CURRENT (LIABILITIES)/ASSETS		<u>(195,032)</u>	<u>92,653</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(181,035)</u>	<u>123,350</u>
CAPITAL AND RESERVES			
Called up share capital	11	200	200
Retained earnings		(181,235)	123,150
SHAREHOLDER FUNDS		<u>(181,035)</u>	<u>123,350</u>

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

The financial statements were approved by the director and authorised for issue on 1 August 2023 and were signed by:



R J Barker - Director

Harvey Walsh Limited

Statement of Changes in Equity
for the Year Ended 31 December 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2021	200	289,183	289,383
Changes in equity			
Deficit for the year	-	(166,033)	(166,033)
Total comprehensive loss	-	(166,033)	(166,033)
Balance at 31 December 2021	200	123,150	123,350
Changes in equity			
Deficit for the year	-	(304,385)	(304,385)
Total comprehensive loss	-	(304,385)	(304,385)
Balance at 31 December 2022	200	(181,235)	(181,035)

The notes on pages 11 to 20 form part of these financial statements

1. GOING CONCERN

The directors of Engage PIKCo Limited ("The Group"), of which the Company is a member, have prepared Group forecasts which indicate that the Company has adequate resources to continue in operational existence for the foreseeable future. In preparing these forecasts the directors have taken into account the following key factors:

- The rate of growth of the UK economy;
- The level of key client account activity and plans for the year;
- The level of committed and variable costs;
- New business targets compared to levels achieved in previous years; and
- Debt facilities available and required covenant compliance.

The Group has created detailed forecasts using an integrated income statement, balance sheet to produce a monthly cash flow, in order to understand the likely cash requirements of the business for the next 18 months. The directors of the Group have the ability to take mitigating actions if necessary, by potentially increasing the debt facility and/or reducing operating costs in line with any reductions to revenues experienced. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Given the net current liability position as at 31 December 2022, a letter of support has been obtained from a parent company, Engage PIKCo Limited, for at least 12 months. The director has concluded, based on the forecasts and the availability of support from the parent company, that it is appropriate to prepare the accounts on the going concern basis.

2. STATUTORY INFORMATION

Harvey Walsh Limited is a private company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Related party exemption

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the Group.

3. **ACCOUNTING POLICIES - continued**

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and comprises the gross amounts billed to clients in respect of fees earned, expenses recharged and commission-based income. Revenue is recognised in the income statement when the economic benefits arising from an arrangement are probable.

Revenue is largely derived from retainer fees and services performed subject to specific agreement. Revenue is recognised when the service is performed in accordance with the contractual arrangement through an assessment of the time incurred to date compared to the total hours required to complete the contract, and an assessment of the value delivered to the client compared to the total value of the contract. If the outcome of these can be assessed with reasonable certainty, revenue and related costs are recognised in the income statement. Losses are recognised as soon as they are foreseen.

Gross profit is revenue less amounts payable on behalf of clients to external suppliers where they are retained to perform part of a specific client project or service, and represents fees, commissions and mark-ups on rechargeable expenses and marketing products.

Contractual arrangements are reviewed to ascertain whether the group acts as principal or agent with regards to third party costs. If the relationship is that of agent then the recharge of third party costs is not recognised through revenue or cost of sales.

Revenue and operating income are stated exclusive of VAT, sales taxes and trade discounts.

Long-term contracts:

Where the outcome of a long-term contract for services or goods can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date.

The stage of completion is determined through an assessment of the proportion of services that have been delivered compared to the total services required to complete the contract, except where this would not be representative of the stage of completion.

Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

3. ACCOUNTING POLICIES - continued

Revenue recognition - continued

Where the outcome of a contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable they will be recoverable. Contract costs are recognised as expenses in the year in which they are incurred, unless they relate to commission based fees where the fees are not recognised at the time the costs are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is capitalised based on the cost incurred to acquire and bring to use the specific software. Intangible assets are stated at cost net of amortisation and any provision for impairment. The costs are amortised over their estimated useful lives on straight line basis using the following rates:

Computer software - 4 years
Software development - 2 years

Tangible fixed assets

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment. Depreciation is provided in equal instalments to write off the cost less residual value over the estimated useful economic lives of asset type as follows:

Computer equipment - 4 years
Fixtures, fittings and equipment - 4 years
Short-term leasehold improvements - 2 to 5 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Work in progress

Work in progress is valued at the lower of cost and net realisable value.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing work in progress to their present location and condition.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

3. **ACCOUNTING POLICIES - continued**

Taxation

Taxation for the year comprises current and deferred tax. 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.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

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

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

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Auditor's remuneration

Fees payable to the Company's auditors for the audit of the Company's annual financial statements were c.£10,647/€12,000 (2021: c.£9,027/€10,500).

Fees payable to the auditors for non-audit services to the Company are not required to be disclosed because the consolidated financial statements of the parent company are required to disclose such fees on a consolidated basis.

3. **ACCOUNTING POLICIES - continued**

Impairment of tangible and intangible assets

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

3. ACCOUNTING POLICIES - continued

Financial instruments

Financial assets and financial liabilities are recognised on the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash comprises cash, overdrafts and cash held on short-term deposit (up to three months). The deposits guarantee the loan note creditors. Interest accruing on the deposits are payable to the holders of the loan notes less any costs arising.

Trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Investments

Investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under contract whose terms require the delivery of the investment within the timeframe established by the market concerned, and are initially measured at cost, including transaction costs.

Investments are classified either as available for sale, and are measured at subsequent reporting dates at fair value, or at amortised cost, where no fair value is readily determinable. Gains and losses on available for sale financial assets arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the year.

Bank borrowings

Interest bearing bank loans and overdrafts are recorded at the fair value of proceeds received, net of direct issue costs.

Trade payables

Trade payables are not interest-bearing and are stated at their nominal value.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 16 (2021 - 20).

In the years ended 31 December 2022 and 31 December 2021, the costs of all directors were borne by Open Health Communications LLP, which is a fellow subsidiary within the Engage PIKCo Limited Group.

5. OPERATING LOSS

The operating loss is stated after charging:

	31/12/22	31/12/21
	£	£
Depreciation - owned assets	4,004	12,269
Computer software amortisation	23,690	47,381
	<u>27,694</u>	<u>59,650</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

6. **TAXATION**

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	31/12/22 £	31/12/21 £
Current tax:		
UK corporation tax	(73,183)	(45,832)
Deferred tax	1,805	(2,583)
Tax on loss	<u>(71,378)</u>	<u>(48,415)</u>

UK corporation tax was charged at 19% in 2021.

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31/12/22 £	31/12/21 £
Loss before tax	<u>(375,763)</u>	<u>(214,448)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	(71,395)	(40,745)
Effects of:		
Expenses not deductible for tax purposes	(263)	-
Adjustments to tax charge in respect of previous periods	(153)	(5,887)
Effect of rate change	433	(1,783)
Total tax credit	<u>(71,378)</u>	<u>(48,415)</u>

During the prior year, an increase in the mainstream rate of UK corporation tax from 19.0% to 25.0%, effective 1 April 2023, was enacted. During 2020, an increase in the mainstream rate of UK corporation tax from 17.0% to 19.0%, effective 1 April 2020, was enacted. As a result, the Group's UK deferred tax assets and liabilities have been Valued using a 25.0% future tax rate (2021: 25.0%). The annual UK corporation tax rate for the year ended 31 December 2022 remained at 19.0% (2021: 19.0%).

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

7. **INTANGIBLE FIXED ASSETS**

	Other intangible assets £
COST	
At 1 January 2022	320,973
Additions	6,381
	<hr/>
At 31 December 2022	327,354
	<hr/>
AMORTISATION	
At 1 January 2022	297,283
Charge for year	23,690
	<hr/>
At 31 December 2022	320,973
	<hr/>
NET BOOK VALUE	
At 31 December 2022	6,381
	<hr/>
At 31 December 2021	23,690
	<hr/>

8. **TANGIBLE FIXED ASSETS**

	Plant and machinery etc £
COST	
At 1 January 2022	74,093
Additions	4,613
	<hr/>
At 31 December 2022	78,706
	<hr/>
DEPRECIATION	
At 1 January 2022	67,086
Charge for year	4,004
	<hr/>
At 31 December 2022	71,090
	<hr/>
NET BOOK VALUE	
At 31 December 2022	7,616
	<hr/>
At 31 December 2021	7,007
	<hr/>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

9. DEBTORS

	31/12/22 £	31/12/21 £
Amounts falling due within one year:		
Trade debtors	860,484	1,285,973
Other debtors	2,611	1,271
Corporation tax receivable	73,029	39,945
Prepayments and accrued income	1,150,039	667,961
	<u>2,086,163</u>	<u>1,995,150</u>
Amounts falling due after more than one year:		
Deferred tax asset	<u>5,622</u>	<u>7,427</u>
Aggregate amounts	<u>2,091,785</u>	<u>2,002,577</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/22 £	31/12/21 £
Trade creditors	228,941	78,516
Amounts owed to group undertakings	1,369,934	1,210,170
VAT, social security and other taxes	45,189	183,396
Accruals and deferred income	990,636	786,396
	<u>2,634,700</u>	<u>2,258,478</u>

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

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			31/12/22	31/12/21
Number:	Class:	Nominal value:	£	£
800	Ordinary	£0.25	<u>200</u>	<u>200</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

12. CONTINGENT LIABILITIES

The Group operates under a banking facility whereby a wholly owned subsidiary of Engage PIKCo Limited, Engage DebtCo Limited, acts as a borrower and is the UK borrower. The Group benefits from revolver loan facilities of US\$32.0 million and is available until 13 July 2027 and committed facilities of £119.5 million and US\$131.6 million until July 2029. Engage DebtCo S.à.r.l., acts as a borrower, is the Luxembourg borrower and it benefits from committed facilities of US\$131.6 million until July 2029. Engage PIKCo Limited benefits from a PIK facility of £80.7 million. All facilities are subject to banking covenants. The Groups parent company as well as other entities in the Group have given secured unlimited cross-guarantee in favour of its bankers. Cash flow movements are monitored to ensure that sufficient financial resources are available.

13. ULTIMATE CONTROLLING PARTY

The immediate controlling party is OHC London Holdings Limited (registered in England & Wales).

The ultimate controlling party is A8 Invest 3 TF S.à.r.l. incorporated in Luxembourg.

The largest Group for which the Group financial statements are prepared and of which the Group is a member is Engage Luxco S.à.r.l., incorporated in Luxembourg, with its registered office being at 412 Route D'Esch, L1471, Grand Duchy of Luxembourg, Luxembourg.

The smallest Group for which the Group financial statements are prepared and of which the Group is a member is Engage PIKCo Limited, incorporated in the United Kingdom, with its registered office being at c/o Corporation Services (UK) Limited, 5 Churchill Place, 10th Floor, London E14 5HQ, England.

14. POST BALANCE SHEET EVENTS

As of the date of signing this report, no other material structural changes or business events have occurred that might serve to alter any of the disclosures contained in the 2022 financial statements.