

Annual report and financial statements

Onebright UK Holdco Limited

For the Year Ended 31 December 2022

Registered number: 11791295



Onebright UK Holdco Limited

Company information

Directors:	Cl Jessop MW Joseph P Johnson EA Lazarus D Fowler (appointed 24 March 2022)
Registered number:	11791295
Registered office:	First Floor West Wing Holgate Park Drive York YO26 4GN
Independent Auditor:	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor No 1 Whitehall Riverside Leeds West Yorkshire LS1 4BN
Bankers:	HSBC 13 Parliament Street York YO1 8RS

Onebright UK Holdco Limited

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Group Strategic Report

For the Year Ended 31 December 2022

The directors present their Strategic Report and the financial statements for the year ended 31 December 2022.

Principal activity

The principal activity of the Company is that of a holding company, with trade undertaken by its subsidiaries. The group of companies, headed by Onebright UK Holdco Limited, provide psychological healthcare services.

Results

The results for the year have been reported in the Consolidated Statement of Comprehensive Income on page 17.

Business Review

The Group continued to grow in its core markets, as well as benefiting from the full year effect of the acquisition of Prescriba in 2021, increasing annual revenues by 58% from £34.6m to £54.6m.

Following a period of rapid expansion, during the year the Group has invested in creating a solid and sustainable platform for the future, including strengthening the executive team, increasing operational and administrative capacity and implementing new systems and processes. This resulted in an increase in the group's cost of sales and overheads in the year, but further significant business growth since the year end has enabled the Group to transition back to profitability during 2023.

As an integral part of the Group's investment in business processes during the year, an improved methodology for revenue and cost of sales accrual accounting was developed, which was adopted in the year ended 31 December 2022 and required a corresponding prior year adjustment to be made to cost of sales in respect of the year ended 31 December 2021. The prior year adjustment resulted in an increase to cost of sales and the therapist cost accrual for the year ended 31 December 2021 of £546,000; further details are set out in note 4 to the financial statements.

Gross margins were also impacted by input inflation during the early part of the year, which were subsequently offset by corresponding price increases agreed with our customers; the full year benefit of which is being realised in 2023.

The net liabilities of the group at 31 December 2022 was £30.0m (2021: £18.4m). The increase in net liabilities arose as a result of investment in processes, staff and facilities, along with the costs associated with the ongoing financing of acquisitions and subsidiaries.

The directors are satisfied that the investments made in the business during the year have created a stronger platform to support a transition back to profitability in 2023, and profitable growth going forwards, and look forward to the future with confidence.

Group Strategic Report (continued)

For the Year Ended 31 December 2022

Section 172: Duty to promote the success of the Company

The board of directors consider jointly and severally that they have acted in a way considered to be most likely to promote the success of the company for the benefit of its members as a whole, having regard to all stakeholders and matters set out in s.172 (a-f) of the Companies Act. The actions and objectives of the directors are designed and intended to have a long-term beneficial effect on the Company and its stakeholders.

Engaging with our stakeholders and acting in a way that promotes the long-term success of the Company, while taking into account the impact of our business decisions on our stakeholders, are central to our strategic thinking and our statutory duties in accordance with s.172 (l) of the Companies Act 2006. The content in this section constitutes our s.172 Statement, as required under the Companies (Miscellaneous Reporting) Regulation 2018.

Our impact on, and engagement with, our key stakeholder groups are considered within the implementation of our Company strategy. The stakeholder groups are our employees, customers, suppliers, shareholders and the environment. How we engage with these groups is covered within this report.

Employee engagement

The foundation of a successful business is the dedication and application of a team of talented and motivated individuals. This is demonstrated by developing talent internally, only recruiting the best people and motivating and supporting our people to perform to fully realise their potential.

The company intranet provides a platform for communication including employee benefits, policies and procedures, along with training resources. The Company also undertakes quarterly employee engagement surveys, taking learnings with actions to improve further.

Customer engagement

Central to engaging with our customers is understanding their needs, as well as developing additional services that will support their business development objectives. Our commercial teams work closely with our customer base to identify opportunities to improve the customer experience through digitalisation and automation where appropriate in delivering high quality care to our client base.

Supplier engagement

A vital part of our business is the high-quality network of therapists who deliver counselling and therapy to our client base. We work with our clinicians on the basis of shared values and high clinical standards. We have established effective communications and a mutual understanding of needs to ensure the needs of all parties are met, and that the Company continues to be seen as the partner of choice. We also work closely with our non-clinical supply base, enabling them to share in our success as we grow.

Group Strategic Report (continued)

For the Year Ended 31 December 2022

Climate change risk management

This section forms our Streamlined Energy and Carbon Report (SECR). 2022 is the first year the group has been required to report on Energy and Carbon usage and the group has decided to include 2021 voluntarily to provide a more complete picture.

The figures noted below include all entities of the group, including those outside the UK.

Our objective is to significantly improve the Group's environmental impact, implementing strategies to reduce GHG emissions both on a local and national scale. We will achieve this objective through:

- Work with local companies to reduce our carbon footprint, identifying where we can boost capacity to recycle and reduce waste.
- Support local community initiatives.
- Work with GHG emission calculation provider Normative, setting reduction targets and pathways to achieve effective GHG reductions.

In the year covered by the report, the group has followed a hybrid working policy, purchased energy efficient office equipment, encouraged the use of low carbon travel means for necessary business travel, and switching to renewable energy tariffs where possible.

Our total carbon footprint for the year is 22.3 tCO₂e (2021: 42.2 tCO₂e) including scopes 1 & 2 emissions.

GHG emissions and energy use data for period:

	<u>2022</u>	<u>2021</u>
<u>Kilowatt hours</u>		
Scope 1	58,258	67,299
Scope 2	140,587	138,703
Total Scope 1 & 2 energy use	198,845	206,002
<u>tCO₂e</u>		
Scope 1	11.8	13.7
Scope 2	10.5	28.5
Total Scope 1 & 2 tCO ₂ e	22.3	42.2
Energy intensity ratio: kwh / £1,000 revenue	3.6	6.0
Emissions intensity ratio: tCO ₂ e / £1,000 revenue	0.4	1.2

All data has been calculated in accordance with the GHG Protocol, with reporting boundaries defined by the operational consolidation (control) approach. UK Government conversion factors have been applied for all emissions other than non-UK electricity (Ireland only), where local country conversion factors have been used.

Group Strategic Report (continued)

For the Year Ended 31 December 2022

Key performance indicators

The Directors consider the Group's KPIs to be turnover, gross profit and EBITDA* before exceptional costs. Other KPIs include number of employees. The KPIs of the Group for the year are:

	Restated		
	2022	2021	
	£'000	£'000	%
Turnover	54,569.8	34,566.6	58%
Gross profit	15,310.1	10,557.1	45%
EBITDA* before exceptional (cost)/credit	(719.1)	1,922.6	(137)%

*EBITDA: Earnings before interest, tax, depreciation and amortisation.

	2022	2021	%
Number of employees	372	287	30%

The Group has continued to grow in its core markets increasing revenue and gross profit. In preparation for further planned growth in future years, the company has invested in strengthening the executive management team, systems capabilities and increasing operational and support capacity ahead of the anticipated growth. This resulted in an increase in the group's cost of sales and overheads in the year but further significant business growth since the year end has enabled the Group to transition back to profitability during 2023.

As a result of this increased capacity and the investment in an in-house clinical team, headcount has increased in the year by 85.

Principal risks and uncertainties

The Group is subject to a number of risks, which are reviewed by the board of Directors and appropriate processes are put in place to monitor and mitigate them. The principal risks to the Group are described in more detail below.

Economic conditions and inflation

The Group's financial performance is affected by general economic conditions in its markets, in particular economic growth and prosperity, which can impact demand for its services and also by inflation, which can have an adverse impact on profit margins. These conditions are monitored on an ongoing basis along with the potential impact on the Company's current and future financial performance.

This risk is mitigated through continuous short and long-term forecasting, monitoring of service capacity and costs, focus on realising efficiencies, and the ability of the business to pass on price increases to its customers.

New competitors

The market is relatively immature and so there is a risk of new competitors emerging. The Group is managing this by developing new products, including technological enhancements, that our existing and future clients require to manage the mental health needs of their organisations.

Group Strategic Report (continued)

For the Year Ended 31 December 2022

Principal risks and uncertainties (continued)

Supply of clinicians

There continues to be strong demand from the private and public sectors for mental health clinicians in the UK and Denmark, making recruitment more difficult.

This is mitigated in the UK with specific recruitment strategies being used for both employed and network clinicians, as well as ensuring proactive day to day engagement and management.

In Denmark, this is mitigated by maintaining strong relationships with network clinicians and the internal recruitment of therapists through the business' academy, where the therapists work under supervision provided by employed clinical supervisors.

Cyber security

There is risk of a cyber security incident, potentially involving a breach of data protection law. This could result in operational, legal, contractual, and regulatory consequences, as well as reputational damage.

This is mitigated by having a team in place to manage, monitor and maintain cyber security controls, as well as regular user training and awareness campaigns for good cyber hygiene throughout the business. The appropriate accreditations for cyber security are maintained across the Group, and frequently audited.

This report was approved by the board on 28/9/2023 and signed on its behalf.

Donald Fowler

D Fowler
Director

Onebright UK Holdco 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.

The directors have chosen in accordance with section 414C(11) of the Companies Act 2006 to include in the Strategic Report matters otherwise required to be disclosed in the Directors' Report as the directors consider these of strategic importance to the Group.

Directors

The directors who served during the year and up to the date of this report were:

A Brown	(resigned 17 July 2023)
C Jessop	
P Johnson	
MW Joseph	
EA Lazarus	
D Webb	(resigned 25 May 2022)
D Fowler	(appointed 24 March 2022)

Directors' Indemnity

The Group maintains Directors' and Officers' liability insurance, which gives cover against legal action that may be taken against them. Qualifying third-party indemnity provisions (as defined in Section 234 of the Companies Act 2006) are in force for the benefit of Directors.

Future developments

The Group continues to invest in its employees at all levels to enable the businesses to continue to expand, demonstrated through being accredited with Investors in People. It continues to build on existing customer relationships as well as strengthening the pipeline of new customers and it is confident the business will continue to grow in 2023 and beyond. To support planned expansion, the Group is developing new digital technologies to enhance the proposition to our clinicians, clients, customers and employees, which will enable the Company to provide new, innovative products and solutions to all stakeholders.

Going Concern

At 31 December 2022, the Group held cash and cash equivalents of approximately £776.2k (2021: £49.7k). In addition, The Onebright Group, headed by Onebright Topco (Jersey) Limited, operates with a £3.5m on demand overdraft facility to support its working capital needs. The total utilisation of the overdraft across the Onebright Group at 31 December was £2,594k (2021: £2,440k). Post year-end cashflow performance remained strong in 2023, with the utilisation of the group's overdraft facilities comfortably within their limits.

The Group's base case forecast shows sufficient headroom against the available facility and management consider that the financial position and liquidity of the business is satisfactory and that it will have sufficient cash reserves for at least the 12 months from the date of approval of these financial statements.

Directors' Report (continued)

For the Year Ended 31 December 2022

The Directors have prepared a reverse stress test that considers how low revenue and gross margin growth rates would have to be, and how much additional overhead costs could be sustained before putting going concern at risk. The sensitivities required are considered sufficiently unlikely and the Directors would have the ability to mitigate the scenarios considered.

As such, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and have therefore concluded that it is appropriate to continue to adopt the going concern basis in preparing these financial statements.

Financial instruments

The Group's operations expose it to a variety of financial risks including the effects of changes in interest rates on the cost of servicing debt, credit risk, liquidity risk and foreign exchange risk.

The Group finances its activities with a combination of cash, third party and intercompany borrowings. The Onebright Group, headed by Onebright Topco (Jersey) Limited, operates with a £3.5m on demand overdraft facility to support its working capital needs. This facility was last renewed in July 2023 and is due for renewal in July 2024. There are no formal hedging arrangements in place in respect of the Group's overdraft facility and interest risk is monitored through close a banking relationship along with regular forecasting and review of the working capital position and general economic environment. Interest rate risk is managed on intercompany borrowings through agreeing fixed rates of interest.

Other financial assets and liabilities, such as trade receivables and trade payables, arise directly from the Group's operating activities.

In order to manage credit risk, the directors set credit limits for customers. Credit limits are reviewed by the management on a regular basis in conjunction with debt ageing and collection history.

The Group manages liquidity risk through frequent forecasting to understand requirements and ensuring sufficient facilities are in place.

The Group is exposed to movements in foreign currency exchange rates as a result of consolidating a foreign subsidiary. There are no formal hedging arrangements in place.

Donations

No donations for political purposes were made during the year ending 31 December 2022 (2021: £nil).

Dividends

The Group did not pay any dividends during the year (2021: £nil).

Employee involvement

Employees are kept regularly informed on matters affecting them and on matters affecting the trading Companies' performance through regular staff communication.

Directors' Report (continued)

For the Year Ended 31 December 2022

Directors' responsibilities statement

The Directors are responsible for preparing the Group Strategic report, 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 they give a true and fair view of the state of affairs and of the profit or loss of the Company and Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group 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 Group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 that Director is aware, there is no relevant audit information of which the Company's and the Group's auditor is unaware, and
- that 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 and the Group's auditor is aware of that information.

Auditors

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

This report was approved by the board on 28/9/2023 and signed on its behalf.

Donald Fowler

D Fowler
Director



Independent auditor's report to the members of Onebright UK Holdco Limited

Opinion

We have audited the financial statements of Onebright UK Holdco Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, 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 group's and of the parent company's affairs as at 31 December 2022 and of the group's 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 group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.



Independent auditor's report to the members of Onebright UK Holdco Limited

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's business model including effects arising from macro-economic uncertainties such as current interest and inflation rates, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.

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.

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 group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information included 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.



Independent auditor's report to the members of Onebright UK Holdco Limited

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 Group's strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group's strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 for the financial statements

As explained more fully in the directors' responsibilities statement, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.



Independent auditor's report to the members of Onebright UK Holdco Limited

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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- we obtained an understanding of the legal and regulatory frameworks that are applicable to the group and the industry in which it operates. We determined that the most significant are; financial reporting legislation (Companies Act 2006 and United Kingdom General Accepted Accounting Practice ("UK GAAP") including Financial Reporting Standard 102) and the relevant corporation and employment tax compliance regulations;
- we understood how the group is complying with those legal and regulatory frameworks by making inquiries of management and those responsible for compliance procedures. We corroborated our enquires by reviewing board minutes;
- we enquired of management whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated our enquiries by reviewing board minutes;
- to assess the potential risks of material misstatement, we obtained an understanding of:
 - the group's operations, including the nature of its revenue sources, expected financial statement disclosures, and business risks that may result in risk of material misstatement, and
 - the group's control environment including the adequacy of procedures for authorisation of transactions;



Independent auditor's report to the members of Onebright UK Holdco Limited

- we assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - evaluating the processes and controls established to address the risks related to irregularities and fraud;
 - testing manual journal entries, in particular journal entries relating to management estimates and journal entries determined to be large or relating to unusual transactions;
 - challenging assumptions and judgments made by management in its significant accounting estimates;
 - identifying and testing related party transactions; and
 - completion of audit procedures to conclude on the compliance of disclosures in the financial statements with applicable financial reporting requirements.
- the engagement partner has assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the industry in which the company operates and their practical experience through training and participation with audit engagement of a similar nature. All team members are qualified accountants or working towards that qualification, and are considered to have sufficient knowledge and experience of companies of a similar size and complexity, appropriate to their role within the team;
- for components at which audit procedures were performed, we requested component auditors to report to us instances of non-compliance with laws and regulations that gave risk to a risk of material misstatement in the group financial statements;
- these audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- relevant laws and regulations and potential fraud risks were communicated to all engagement team members. We remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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



Independent auditor's report to the members of Onebright UK Holdco Limited

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Victoria McLoughlin BA FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds
Date: 28/9/2023

Consolidated Statement of Comprehensive Income

For the Year Ended 31 December 2022

	Note	2022 £'000	Restated 2021 £'000
Turnover	5	54,569.8	34,566.6
Cost of sales		(39,259.7)	(23,922.0)
Cost of sales – exceptional	7	-	(87.5)
Gross profit		15,310.1	10,557.1
Administrative expenses		(21,734.7)	(15,109.5)
Exceptional cost	7	(537.3)	(1,324.6)
Total administrative expenses		(22,272.0)	(16,434.1)
EBITDA* before Exceptional cost		(1,256.4)	510.5
Exceptional cost		(537.3)	(1,412.1)
Depreciation, amortisation and impairment		(5,168.2)	(4,975.4)
Operating loss	6	(6,961.9)	(5,877.0)
Finance income	11	-	1.5
Finance costs	12	(4,815.2)	(4,228.6)
Loss on ordinary activities before taxation		(11,777.1)	(10,104.1)
Tax credit on ordinary activities	13	408.8	149.5
Loss for the financial period		(11,368.3)	(9,954.6)
Currency translation differences		(309.3)	237.0
Total comprehensive income for the year		(11,677.7)	(9,717.6)
Total comprehensive income for the year attributable to:			
Owners of the parent company		(11,607.8)	(9,680.2)
Non-controlling interest		(69.9)	(37.4)
		(11,677.7)	(9,717.6)

All amounts relate to continuing operations.

The notes on pages 21 to 43 form part of these financial statements.

* Earnings Before Interest, Tax, Depreciation and Amortisation. EBITDA is a non-statutory measure representing a key performance indicator and is included to aid the users of the financial statements.

Company registration number: 11791295

Onebright UK Holdco Limited

Consolidated Statement of Comprehensive Income

For the Year Ended 31 December 2022

	Note	2022 £'000	Restated 2021 £'000
Turnover	5	54,569.8	34,566.6
Cost of sales		(39,259.7)	(23,922.0)
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Total administrative expenses		(22,272.0)	(16,434.1)
EBITDA* before Exceptional cost		(1,256.4)	510.5
Exceptional cost		(537.3)	(1,412.1)
Depreciation, amortisation and impairment		(5,168.2)	(4,975.4)
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Finance income	11	-	1.5
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Total comprehensive income for the year		(11,677.7)	(9,717.6)
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Non-controlling interest		(69.9)	(37.4)
		(11,677.7)	(9,717.6)

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Company registration number: 11791295

Onebright UK Holdco Limited

Consolidated Statement of Financial Position

For the Year Ended 31 December 2022

	Note	2022 £'000	Restated 2021 £'000
Fixed assets			
Intangible assets	14	35,765.5	38,485.8
Tangible assets	15	287.5	346.2
		36,053.0	38,832.0
Current assets			
Trade and other receivables	17	8,385.3	9,972.4
Cash at bank and in hand	18	776.2	2,490.1
		9,161.5	12,462.5
Payables: amounts falling due within one year	19	(10,381.1)	(13,049.2)
Net current liabilities		(1,219.6)	(586.7)
Total assets less current liabilities		34,833.4	38,245.3
Payables: amounts falling due after more than one year	20	(61,771.8)	(53,187.6)
Provisions for liabilities			
Deferred taxation	21	(3,019.3)	(3,409.1)
Other provisions	22	(71.3)	-
		(3,090.6)	(3,409.1)
Net liabilities		(30,029.0)	(18,351.4)
Capital and reserves			
Called up share capital	23	-	-
Foreign currency translation reserve		(72.3)	237.0
Retained earnings	25	(29,622.8)	(18,254.5)
Equity attributable to owners of the parent company		(29,587.8)	(17,980.0)
Non-controlling interest		(441.2)	(371.3)
Total equity		(30,029.0)	(18,351.4)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28/9/2023

Donald Fowler

D Fowler
Director

The notes on pages 23 to 43 form part of these financial statements.

Company registration number: 11791295

Onebright UK Holdco Limited

Company Statement of Financial Position

For the Year Ended 31 December 2022

	Note	2022 £'000	2021 £'000
Current assets			
Receivables falling due after more than one year	17	57,815.6	48,720.7
Net current assets		57,815.6	48,720.7
Total assets less current liabilities		57,815.6	48,720.7
Payables: amounts falling due after more than one year	20	(57,815.6)	(48,720.7)
Net assets		-	-
Capital and reserves			
Called up share capital	23	-	-
Retained earnings		-	-
Equity attributable to owners of the parent company		-	-

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The Company did not generate a profit or a loss for the year.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28/9/2023

Donald Fowler

D Fowler
Director

The notes on pages 23 to 43 form part of these financial statements.

Company registration number: 11791295

Onebright UK Holdco Limited

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2022

	Called up share capital £'000	Foreign Currency exchange reserve £'000	Retained earnings £'000	Equity attributable to the owners of the parent £'000	Non- controlling interest £'000	Total equity £'000
At 1 January 2021	-	-	(8,299.8)	(8,299.8)	-	(8,299.8)
Comprehensive income for the year						
Loss for the year (restated)	-	-	(9,954.6)	(9,877.6)	(77.0)	(9,954.6)
Comprehensive income for the year (restated)	-	-	(9,954.6)	(9,877.6)	(77.0)	(9,954.6)
Other comprehensive income for the year						
Foreign currency translation	-	237.0	-	197.4	39.6	237.0
Total comprehensive income for the year	-	237.0	(9,954.6)	(9,680.2)	(37.4)	(9,717.6)
Total transactions with owners	-	237.0	(18,254.5)	(17,980.0)	(37.4)	(18,017.4)
Non-controlling interest arising on business combination	-	-	-	-	(333.9)	(333.9)
At 31 December 2021 (restated)	-	237.0	(18,254.5)	(17,980.0)	(371.3)	(18,351.4)

Onebright UK Holdco Limited

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2022

	Called up share capital £'000	Foreign Currency exchange reserve £'000	Retained earnings £'000	Equity attributable to the owners of the parent £'000	Non- controlling interest £'000	Total equity £'000
At 1 January 2022 (as previously stated)	-	237.0	(17,708.3)	(17,394.3)	(410.9)	(17,805.2)
Prior year adjustment (note 4)	-	-	(546.2)	(506.6)	39.6	(546.2)
At 1 January 2022 (restated)	-	237.0	(18,254.5)	(17,980.0)	(371.3)	(18,351.4)
Comprehensive income for the year	-	-	(11,368.3)	(11,421.0)	52.7	(11,368.3)
Loss for the year	-	-	(11,368.3)	(11,421.0)	52.7	(11,368.3)
Comprehensive income for the year	-	-	(11,368.3)	(11,421.0)	52.7	(11,368.3)
Other comprehensive income for the year	-	(309.3)	-	(186.7)	(122.5)	(309.3)
Foreign currency translation	-	(309.3)	(10,944.1)	(11,607.8)	(69.3)	(11,677.7)
Total comprehensive income for the year	-	(72.3)	(29,622.8)	(29,587.8)	(441.2)	(30,029.0)
Total transactions with owners	-	(72.3)	(29,622.8)	(29,587.8)	(441.2)	(30,029.0)
At 31 December 2022	-	(72.3)	(29,622.8)	(29,587.8)	(441.2)	(30,029.0)

The notes on pages 23 to 43 form part of these financial statements.

There were no movements in the equity of the Company during the current or prior year.

Onebright UK Holdco Limited

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2022

	2022 £'000	Restated 2021 £'000
Cash flows from operating activities		
Loss for the year	(11,368.3)	(9,717.6)
Adjustments for:		
Amortisation and impairment of intangible assets	5,012.8	4,700.3
Depreciation of tangible assets	214.4	275.1
Interest payable	4,815.2	4,038.6
Interest receivable	-	(1.5)
Taxation (credit)	(408.8)	(149.5)
Decrease/(increase) in debtors	1,730.7	(4,848.0)
(Decrease)/increase in creditors	(3,184.5)	1,501.0
Increase/(decrease) in provisions	71.3	(7.8)
Corporation tax (paid)	(62.7)	468.4
Net cash used in operating activities	(3,179.9)	(3,741.0)
Cash flows from investing activities		
Purchase of tangible fixed assets	(154.8)	(208.1)
Purchase of intangible assets	(2,285.6)	(1,691.6)
Purchase of subsidiary, net of cash acquired	-	(11,397.1)
Net cash used in investing activities	(2,440.4)	(13,296.8)
Cash flows from financing activities		
Shares issued to non-controlling interest	-	40.5
New secured loans	-	4,295.4
Repayment of loans	(544.6)	(250.0)
Interest paid	(217.4)	(330.5)
Issue of debt to parent company	4,502.1	11,830.2
Net cash used in financing activities	3,740.1	15,585.6
Net increase in cash and cash equivalents	(1,880.2)	(1,452.2)
Exchange gains on cash and cash equivalent	12.6	109.7
Cash and cash equivalents at beginning of period	49.7	1,392.2
Cash and cash equivalents at end of period	(1,817.9)	49.7
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	776.2	2,490.1
Overdraft facility	(2,594.1)	(2,440.4)
	(1,817.9)	49.7

The notes on pages 23 to 43 form part of these financial statements.

Onebright UK Holdco Limited

Notes to the Financial Statements

For the Year Ended 31 December 2022

1. General information

Onebright UK Holdco Limited (the 'Company') is domiciled in England and Wales, registration number 11791295. The Company's registered office is First Floor West Wing, Holgate Park Drive, York, YO26 4GN. The Company is a private limited company, limited by shares.

2. Accounting policies

2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS102'), and with the Companies Act 2006. The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have all been applied consistently throughout the period unless otherwise stated.

The financial statements have been prepared on the historical basis. The financial statements are presented in Pounds Sterling (£'000).

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 Group's accounting policies (see note 3).

Reporting period

These financial statements are in respect of the year to 31 December 2022 and the comparative period covers the year to 31 December 2021.

Parent Company disclosure exemptions

The Parent Company has taken advantage of the following exemptions in its individual financial statements:

- from preparing a Statement of Cash Flows, on the basis that it is a qualifying entity and the consolidated Statement of Cash Flows, included in these financial statements, includes the Company's cash flows;
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financial statement disclosures; and
- from disclosing the Parent Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

A separate statement of total comprehensive income and retained earnings for the Company itself is not presented because the Company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Onebright UK Holdco Limited

Notes to the Financial Statements

For the Year Ended 31 December 2022

2.1 Basis of preparation of financial statements

Audit exemption for subsidiary companies

The Directors of Onebright Midco Ltd (company number 11791718), Onebright Bidco Ltd (company number 11791999), Expert Psychological Reports Ltd (company number 08073738), Moving Minds Psychological Management and Rehabilitation Ltd (company number 04353657), Onebright Training Ltd (company number 07037705), Onebright Efficacy Ltd (company number 06245547), Onebright Oscar Limited (company number 13209750) and Onebright Psychiatric Services Limited (company number 14014785), subsidiaries of Onebright UK Holdco Limited have claimed audit exemption for the year ended 31 December 2022 under Section 479A (Subsidiary Companies) of the Companies Act 2006. The Board of Onebright UK Holdco have provided a guarantee on behalf of the Parent Company undertaking stating that it guarantees these subsidiaries under Section 479C of the Companies Act 2006. Onebright UK Holdco guarantees all outstanding liabilities to which these subsidiaries are subject, as at 31 December 2022, until they are satisfied in full.

2.2 Basis of consolidation

The consolidated financial statements present the results of Onebright UK Holdco Limited and its own subsidiaries ("the Group"). Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Statement of Comprehensive Income from the date on which control is obtained.

The total comprehensive income and equity attributable to non-controlling interests in the Group are disclosed in the Statement of Comprehensive Income and the statement of financial position.

2.3 Foreign currency

i. Functional and presentation currency

The group financial statements are presented in pound sterling and rounded to thousands. The Company's functional and presentation currency is the pound sterling.

ii. 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.

Notes to the Financial Statements

For the Year Ended 31 December 2022

2.3 Foreign currency (continued)

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 profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance (expense)/income'. All other foreign exchange gains and losses are presented in the profit and loss account within 'other operating (losses)/gains'.

iii. Translation

The trading results of foreign subsidiary undertakings are translated into sterling at the average exchange rates for the year.

The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the year-end.

Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in 'Other comprehensive income' and allocated to non-controlling interest as appropriate.

2.4 Going concern

The Group's business activities, together with factors likely to affect its future development and performance are described in the Strategic Report. At 31 December 2022, the Group held cash and cash equivalents of approximately £776.2k (2021: £49.7k).

The Onebright Group, headed by Onebright Topco (Jersey) Limited, operates with a £3.5m on demand overdraft facility to support its working capital needs. At 31 December 2022, the Group had utilised £2.2m (2021: £2.4m) of this facility, recognised in current liabilities. The overdraft facility was renewed in July 2023 for a further 12 months. The Prescriba group had an overdraft facility of £0.5m (DKK4m) at 31 December 2022 of which £0.4m was utilised at the year end. In February 2023 the overdraft facility was increased to £1.4m (DKK12m) to support its ongoing working capital needs. Post year end cashflow performance remained strong in 2023, with the utilisation of the Group's overdraft facilities comfortably within their limits.

The Group's base case forecast shows sufficient headroom against the available facility and management consider that the financial position and liquidity of the business is satisfactory and that it will have sufficient cash reserves for at least the 12 months from the date of approval of these financial statements.

The Directors have prepared a reverse stress test that considers how low revenue and gross margin growth rates would have to be, and how much additional overhead costs could be sustained before putting going concern at risk. The sensitivities required are considered sufficiently unlikely and the Directors would have the ability to mitigate the scenarios considered.

As such, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and have therefore concluded that it is appropriate to continue to adopt the going concern basis in preparing these financial statements.

Onebright UK Holdco Limited

Notes to the Financial Statements

For the Year Ended 31 December 2022

2.5 Turnover

Turnover represents the value of services provided net of value added tax and is recognised when the service is provided. The group generates income from fees receivable from the provision of psychological healthcare services via corporate healthcare providers, personal healthcare plans and personal injury support.

Revenue is recognised in respect of the number of sessions of psychological healthcare services that have been provided in the relevant period.

Revenue paid in advance is included in deferred income until the associated service is provided. Revenue in respect of services provided but not yet invoiced is included within accrued income.

2.6 Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages the cost is the consideration at the date of each transaction.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired. On acquisition, goodwill is allocated to cash-generating units ('CGU's') that are expected to benefit from the combination.

2.7 Intangible fixed assets

Goodwill

Goodwill is calculated as the difference between the fair value of the assets acquired, and the consideration paid on acquisition. Goodwill arising on the acquisition of investments is amortised over its useful life subject to a maximum useful life of 10 years as set out in section 19.23 of FRS 102. All goodwill is reviewed annually for impairment by the Company. When goodwill is considered to be impaired, it is written off to the Statement of Comprehensive Income.

Research and development

Capitalised software development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses. It is capitalised provided that specific projects are separately identifiable, technically feasible, and the Company has sufficient resources to complete development.

Notes to the Financial Statements

For the Year Ended 31 December 2022

2.7 Intangible fixed assets

Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the profit and loss account as an expense as incurred.

Internally generated software development is capitalised and separately and amortised on a straight line basis once brought into use.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and any accumulated impairment losses.

The cost of intangible assets acquired in a business combination are capitalised separately from goodwill if the fair value can be measured reliably at the acquisition date.

Amortisation

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight line method.

Brand	10 years
Therapist relationships	3 years
Customer Relationships	8-14 years
Intellectual Property	7 years
Software	5 years

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

2.8 Tangible fixed assets

Tangible assets are stated at historical cost net of any accumulated depreciation and any recognised impairment loss. Cost includes expenditure associated with bringing the asset into use.

Depreciation charges are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided on a straight-line basis at rates estimated to write down each asset to its estimated residual value over the term of its expected useful life.

The rates in use are as follows:

Leasehold improvements	straight line over the life of the lease
Office equipment	straight line over 3 years
Plant and machinery	straight line over 3-15 years

2.9 Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

Notes to the Financial Statements

For the Year Ended 31 December 2022

2.10 Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

2.11 Cash and cash equivalents

Cash at bank includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. Bank overdrafts, when applicable, are shown within current liabilities.

2.12 Financial instruments

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

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

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

Financial liabilities

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

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

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

Offsetting

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.

Notes to the Financial Statements

For the Year Ended 31 December 2022

2.13 Creditors and provisions

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

Provisions for liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

2.14 Leased assets

Rentals payable under operating leases are charged to the statement of income on a straight-line basis over the lease term.

2.15 Pensions

The Company contributes to a defined contribution scheme. Contributions to this scheme are included as expenditure when they become payable in accordance with the rules of the scheme.

2.16 Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Onebright UK Holdco Limited

Notes to the Financial Statements

For the Year Ended 31 December 2022

2.16 Taxation (continued)

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the Group is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

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

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the Group has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.17 Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are items that are material either due to their size or their non-recurring nature.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make judgements and estimates that affect the reported values of assets, liabilities, revenues and expenses. The items in the financial statements where those judgements and estimates have been made include:

3.1 Critical accounting estimates and assumptions'

Recoverability of receivables

The Group considers receivables overdue based on contractual terms. The Group provides against receivables where recoverability is no longer reasonably probable (see note 17).

Notes to the Financial Statements

For the Year Ended 31 December 2022

3. Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Estimating value in use of intangible assets

Where an indication of impairment exists, the directors have carried out an impairment review to determine the recoverable amount of the asset, which is the higher of fair value less costs to sell and value in use. The value in use calculation has required the directors to estimate future cashflows expected to arise from the asset or the cash generating unit and determine a suitable discount rate of 14% (2021:14%) in order to calculate present value.

Determining residual values and useful economic lives of intangible assets

The Group amortises intangible assets over their estimated useful lives. The estimation of useful lives of intangible assets is based on any contractual or legal rights associated with the asset, or the period in which the Group expects to use the asset if shorter. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product lifecycles and maintenance programmes.

Turnover

Turnover represents the value of services provided net of value added tax and is recognised when the service is provided. Due to sessions being performed by external network therapists complete sessional data is not always immediately available. The Group therefore makes estimates of the number of sessions that have been delivered in order to calculate turnover. The estimate of the number of sessions in each month is an extrapolation based on the actual number of sessions per active case within the previous 3 months. The estimate is revised as actual session information is received.

Costs of sales

Costs of sales represents the cost of services provided to the company and is recognised when the service is provided. Due to sessions being performed by external network therapists complete sessional data is not always immediately available. The Company therefore makes estimates of the number of sessions that have been delivered in order to calculate costs of sales. The estimate of the number of sessions in each month is an extrapolation based on the actual number of sessions per active case within the previous 3 months. The estimate is revised as actual session information is received.

3.2 Critical judgements in applying the Group's accounting policies

Acquisition accounting

A number of judgements and estimates in establishing the opening net asset position, obligations in place at acquisition, fair value adjustments and the value of intangible assets in respect of businesses acquired. For the value of intangible assets these include estimates of future revenue, growth rates, customer retention rates, discount rates together with the period of amortisation for separable intangible assets. If there were to be a change in these estimates in future periods it may indicate that there is an impairment of the underlying intangible assets.

Onebright UK Holdco Limited

Notes to the Financial Statements

For the Year Ended 31 December 2022

4. Prior year adjustment

The financial statements have been restated following a correction of the calculation of accrued costs in the Company, in respect of the year ended 31 December 2021.

This change has resulted in a decrease in the profit and reduction in net assets available for distribution at 31 December 2021, as follows:

	Before restatement 2021 £'000	Adjustment £'000	As restated £'000
Statement of Comprehensive Income			
Cost of sales	(23,375.9)	(546.2)	(23,922.0)
Total comprehensive loss for the year	(9,171.5)	(546.2)	(9,717.6)
Statement of financial position			
Accruals	(5,959.4)	(546.2)	(6,505.6)
Net liabilities and total equity	(17,805.2)	(546.2)	(18,351.4)

5. Analysis of turnover

An analysis of turnover by class of business is as follows:

	Year to 31 December 2022 £'000	Year to 31 December 2021 £'000
Provision of psychological healthcare services	<u>54,569.8</u>	<u>34,566.6</u>

An analysis of turnover by geographical location is as follows:

	Year to 31 December 2022 £'000	Year to 31 December 2021 £'000
UK	29,954.4	24,515.9
Denmark	24,615.4	10,050.7
Total	<u>54,569.8</u>	<u>34,566.6</u>

Onebright UK Holdco Limited

Notes to the Financial Statements

For the Year Ended 31 December 2022

6. Operating loss

The operating loss is stated after charging/(crediting):

	Year to 31 December 2022 £'000	Year to 31 December 2021 £'000
Depreciation of tangible fixed assets	204.0	275.1
Loss on disposal of tangible fixed assets	10.4	-
Amortisation of intangible fixed assets	5,012.5	3,733.3
Impairment of intangible fixed assets	-	967.0
Foreign exchange (gains)/losses	-	191.6
Operating lease rentals:		
Property	651.2	375.0

7. Exceptional costs

	Year to 31 December 2022 £'000	Year to 31 December 2021 £'000
Costs included in Costs of sales		
Clinical service set-up costs	-	87.5
Costs included in Administrative expenses		
M&A, market analysis & integration costs	537.3	861.0
Rebranding costs	-	208.2
Aborted recruitment costs	-	72.2
IT migration	-	183.2
	537.3	1,324.6
	537.3	1,412.1

During the year the Group incurred a number of costs, which the Directors have considered one-off and have been shown after the non-statutory EBITDA disclosure.

Acquisition and integration costs were incurred in the year relating to dual running costs, redundancy expenses and costs incurred in the integration of business units.

The Group also invested in a one-off market analysis study to assist in the determination of its future expansion plans.

Onebright UK Holdco Limited

Notes to the Financial Statements

For the Year Ended 31 December 2022

8. Auditor's remuneration

	Year to 31 December 2022 £'000	Year to 31 December 2021 £'000
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	65.7	44.6
Fees payable to the Group's auditor in respect of:		
The audit of the subsidiary financial statements, including expenses	29.5	14.0
Taxation compliance	26.0	19.1
Taxation advisory services	3.0	17.5
Other non-audit services	2.0	-

Audit and tax fees for the Group are wholly borne by Onebright Bidco Ltd.

9. Employees

Staff costs, including directors' remuneration, were as follows:

	Group Year to 31 December 2022 £'000	Group Year to 31 December 2021 £'000
Wages and salaries	14,877.8	9,480.4
Social security costs	1,228.4	833.1
Other pension costs	567.5	214.9
	16,673.7	10,528.4

The average monthly number of employees, including the directors, during the period was as follows:

	Year to 31 December 2022	Year to 31 December 2021
Operational (including clinical staff)	290	218
Admin/managerial	82	69
	372	287

The Company had nil employees in the year (2021: nil).

Onebright UK Holdco Limited

Notes to the Financial Statements

For the Year Ended 31 December 2022

10. Directors' remuneration

	Year to 31 December 2022 £'000	Year to 31 December 2021 £'000
Directors' emoluments	485.7	351.3
Contributions to defined contribution pension schemes	13.5	2.2
	499.2	353.5

The highest paid director received directors' emoluments of £263.0k (2021: £216.3k).

During the period retirement benefits were accruing to two (2021: two) directors in respect of defined contribution pension schemes.

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £12.5k (2021: £2.2k).

11. Finance income

	Year to 31 December 2022 £'000	Year to 31 December 2021 £'000
Bank interest receivable	-	1.5
	-	1.5

12. Finance costs

	Year to 31 December 2022 £'000	Year to 31 December 2021 £'000
Unwinding of discount of deferred consideration	-	145.8
Overdraft arrangement fees	43.8	43.8
Bank interest payable	173.6	145.9
Interest on amounts owed to group companies	4,597.9	3,701.5
Foreign exchange loss on foreign currency loans	-	191.6
	4,815.2	4,228.6

Onebright UK Holdco Limited

Notes to the Financial Statements

For the Year Ended 31 December 2022

13. Taxation

	Year to 31 December	Restated Year to 31 December
	2022	2021
	£'000	£'000
Corporation tax		
Current tax on profit for the period	(24.4)	(78.5)
Adjustment re prior periods	5.1	(88.2)
Total current tax	(19.3)	(166.7)
Deferred tax		
Origination and reversal of timing differences	(447.1)	(618.8)
Adjustment re prior periods	57.6	(2.3)
Effect of tax rate change on opening balance	-	638.3
Total deferred tax (note 20)	(389.5)	17.2
Taxation on profit on ordinary activities	(408.8)	(149.5)

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

	Year to 31 December	Restated Year to 31 December
	2022	2021
	£'000	£'000
(Loss) on ordinary activities before tax	(11,777.1)	(10,104.1)
(Loss) on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 19% (2021: 19%)	(2,237.6)	(1,919.8)
Effects of:		
Permanent fixed asset differences	(521.8)	(62.1)
Expenses not deductible for tax purposes	1,046.5	872.2
Group relief surrendered	509.3	805.7
Adjustments in respect of previous periods	5.1	(88.2)
Adjustment to deferred tax in respect of prior periods	57.6	(2.3)
Current tax – foreign subsidiary tax credit	(88.9)	(24.6)
Deferred tax not recognised	1,082.7	(8.6)
Deferred tax rate adjustment	(261.7)	278.2
Total tax credit for the period	(408.8)	(149.5)

The standard rate of UK corporation tax in the year is 19% and this took effect from 1 April 2017. However, in March 2021, the Finance Bill 2021 included measures to increase the standard rate of UK corporation tax to 25% with effect from 1 April 2023. Deferred tax on the balance sheet have been measured at 25% which represents the future corporation tax rate that was enacted at the balance sheet date. Deferred tax of £1.3m (2021: £0.2m) was unrecognised at the year end.

Notes to the Financial Statements

For the Year Ended 31 December 2022

14. Intangible fixed assets

Group

	Goodwill £'000	Brand £'000	Customer Relationships £'000	Therapist Relationships £'000	Intellectual property £'000	Software development £'000	Software £'000	Total £'000
Cost								
At 1 January 2022	27,423.5	3,673.9	14,717.6	125.0	420.0	2,659.90	-	49,019.9
Additions	-	-	-	-	7.6	2,015.4	269.2	2,292.2
Transfers	-	-	-	-	-	(4,309.8)	4,309.8	-
At 31 December 2022	27,423.5	3,673.9	14,717.6	125.0	427.6	365.5	4,579.0	51,312.1
Amortisation and impairment								
At 1 January 2022	(5,623.8)	(1,835.1)	(2,938.8)	(111.4)	(25.0)	-	-	(10,534.1)
Charge for the year	(2,866.6)	(231.4)	(1,355.0)	(13.6)	(60.0)	-	(485.9)	(5,012.5)
At 31 December 2022	(8,490.5)	(2,066.5)	(4,293.8)	(125.0)	(85.0)	-	(485.9)	(15,546.6)
Net book value								
At 31 December 2021	21,799.7	1,838.8	11,778.8	13.6	395.0	2,659.9	-	38,485.8
At 31 December 2022	18,933.1	1,607.4	10,423.8	-	342.6	365.5	4,093.1	35,765.5

Note: Software development is currently under development and will be amortised once the development is complete and the asset has been brought into use.

Onebright UK Holdco Limited

Notes to the Financial Statements

For the Year Ended 31 December 2022

15. Tangible fixed assets

Group

	Leasehold improvements £'000	Office Equipment £'000	Plant and machinery £'000	Total £'000
Cost				
At 1 January 2022	108.5	566.7	144.6	819.8
Additions	-	131.5	24.2	155.7
Disposals	-	(84.1)	-	(84.1)
At 31 December 2022	108.5	614.1	168.8	891.4
Depreciation				
At 1 January 2022	(49.3)	(335.6)	(88.7)	(473.6)
Charge for the year	(21.5)	(149.8)	(32.7)	(204.0)
Disposals	-	73.7	-	73.7
At 31 December 2022	(70.8)	(411.7)	(121.4)	(603.9)
Net book value				
At 31 December 2021	59.2	231.1	55.9	346.2
At 31 December 2022	37.7	202.4	47.4	287.5

16. Investments

The following are subsidiary undertakings of the Company:

Name	Country of incorporation	% ownership	Class of share	Company number	Principle activity
Onebright Midco Limited	England and Wales	100%	Ordinary	11791718	Holding company
Onebright Bidco Limited*	England and Wales	100%	Ordinary	11791999	Holding company
Onebright Limited *	England and Wales	100%	Ordinary	09507950	Psychological healthcare services
Expert Psychological Reports Limited *	England and Wales	100%	Ordinary	08073738	Psychological healthcare services
Moving Minds Psychological Management and Rehabilitation Limited*	England and Wales	100%	Ordinary	04353657	Psychological healthcare services
Onebright Training Limited *	England and Wales	100%	Ordinary	07037705	Psychological healthcare services
Onebright Efficacy Limited *	England and Wales	100%	Ordinary	06245547	Psychological healthcare services
Onebright Psychiatric Services Limited*	England and Wales	100%	Ordinary	14014785	Psychological healthcare services
Onebright Oscar Limited (formerly CBTC Newco Limited)*	England and Wales	100%	Ordinary	13209750	Holding company
Oscar Topco ApS*	Denmark	83.3%	Ordinary	42366315	Holding company
Oscar Midco ApS*	Denmark	83.3%	Ordinary	42366633	Holding company
Prescriba A/S*	Denmark	83.3%	Ordinary	24243133	Psychological healthcare services
Health.dk ApS*	Denmark	83.3%	Ordinary	10151724	Psychological healthcare services

* Shareholding held by subsidiary undertaking

Notes to the Financial Statements

For the Year Ended 31 December 2022

16. Investments (continued)

All subsidiaries registered in England and Wales are registered at First Floor West Wing, Holgate Park Drive, York, United Kingdom, YO26 4GN. All subsidiaries based in Denmark are registered at Hyskenstræde 6, 1st Floor, DK-1207 Copenhagen.

On 1 January 2022, Oscar Bidco ApS merged with Prescriba A/S.

17. Receivables

	Group	Group
	2022	2021
	£'000	£'000
Trade receivables	6,211.2	6,526.8
Other receivables	91.0	361.0
Corporation tax	-	71.6
Prepayments and accrued income	2,083.1	3,013.0
	8,385.3	9,972.4

Amounts due after more than one year:

	Company	Company
	2022	2021
	£'000	£'000
Amounts owed by group companies	57,815.6	48,720.7

Interest is charged on the intra group loans at the same rate of interest (12%) as the preference shares in the parent company.

Trade receivables are stated after provisions for doubtful debts of £706k (2021: £389k).

18. Cash and cash equivalents

	Group	Group
	2022	2021
	£'000	£'000
Cash at bank and in hand	776.2	2,490.1

Onebright UK Holdco Limited

Notes to the Financial Statements

For the Year Ended 31 December 2022

19. Payables: Amounts falling due within one year

	Group 2022 £'000	Group 2021 £'000
Bank overdraft	2,594.1	2,440.4
Trade payables	1,527.2	1,069.2
Bank loans	743.7	734.1
Amounts owed to parent undertaking	86.5	125.0
Corporation tax	225.9	379.5
Other taxation and social security	505.0	242.0
Other creditors	183.0	348.1
Deferred income and accrual	4,515.7	7,710.9
	10,381.1	13,049.2

The Company has a debenture with HSBC Bank PLC and an unlimited multilateral guarantee across group entities in relation to the group's overdraft facility.

Deferred income relates to cash received in advance of treatment being provided.

20. Payables: Amounts falling due after one year

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Bank loans	3,084.9	3,639.1	-	-
Amounts due to group companies	58,686.9	49,548.5	57,815.6	48,720.7
	61,771.8	53,187.6	57,815.6	48,720.7

The Group has an unsecured loan of £100k with Lloyds Bank plc. At the balance sheet date £61.2k is outstanding, of which £43.2k is due in more than 1 year. The loan is amortised monthly over 5.5 years from December 2021 with interest charged at 2.41% above the Bank of England base rate per annum.

The Group has a term loan of DKK38m (£4.3m) with Sydbank for 7 years, with equal annual amortisations. At the balance sheet date DKK31.6m is outstanding. Interest charged at 2.75% above the 3 month Copenhagen Interbank Offer Rate (CIBOR) per annum.

Interest is charged on the intra group loans at the same rate of interest (12%) as the preference shares in the parent company.

Onebright UK Holdco Limited

Notes to the Financial Statements

For the Year Ended 31 December 2022

21. Deferred taxation

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
At start of period	3,409.1	2,023.9		
Arising on business combination	-	1,368.0	-	-
Charged to the profit and loss (note 12)	(389.5)	17.2	-	-
Deferred tax liability	3,019.6	3,409.1	-	-

The deferred tax liability is made up as follows:

	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'000
Fixed asset timing differences	3,054.0	3,478.0	-	-
Short term timing differences	(34.7)	(68.9)	-	-
Deferred tax liability	3,019.6	3,409.1	-	-

22. Other provisions

	Group 2022 £'000	Group 2021 £'000
At 1 January	-	7.8
Additions	84.3	-
Utilised in the year	(13.0)	-
Released to the Profit and loss account	-	(7.8)
At 31 December	71.3	-

The provision relates to onerous leases and dilapidations provision.

23. Share capital

	2022 £	2021 £
At 1 January and 31 December	1	1

The share capital is made up of the following ordinary shares:

Allotted and fully paid

Class	Nominal value per share £	Number of shares No.	Total nominal value £
Ordinary	1.00	1	1

Onebright UK Holdco Limited

Notes to the Financial Statements

For the Year Ended 31 December 2022

24. Net debt

	At 1 January 2022 £'000	Cash flow £'000	Loan repayments £'000	New Loans £'000	Non-cash movement £'000	At 31 December 2022 £'000
Cash	2,490.1	(1,713.9)	-	-	-	776.2
Bank overdraft	(2,440.4)	(153.7)	-	-	-	(2,594.1)
Bank loans	(4,427.2)	-	598.6	-	-	(3,828.6)
Group borrowing	(49,548.5)	-	-	(4,501.0)	(4,637.4)	(58,686.9)
Net Debt	(53,926.0)	(1,867.6)	544.6	(4,501.0)	(4,637.4)	(64,333.4)

25. Reserves

Called up share capital

Represents the nominal value of shares that have been issued.

Foreign currency translation reserve

Represents the foreign exchange differences arising on the translation of subsidiaries into the Group's presentational currency.

Retained earnings

Includes all current and prior period retained profits and losses.

Non-controlling interest

Represents the interest in the equity of the company held by non-controlling interests.

26. Pension commitments

The Group contributes to a defined contribution scheme. In the UK the employer's contribution is 5%. In Denmark the employer's contribution is 10% for management and 5% for other employees. The total charge to the Consolidated Statement of Comprehensive Income for the Group for the year was £591.7k (2021: £178.0k). As at the year-end £130.2k (2021: £31.3k) was outstanding.

Onebright UK Holdco Limited

Notes to the Financial Statements

For the Year Ended 31 December 2022

27. Related party transactions

The Company has taken the exception under FRS102 not to disclose transactions with 100% owned subsidiaries.

During the year, Onebright Limited, a subsidiary company, paid £3,000 sponsorship to Leodiensian Sports Club Limited. Mr D Fowler, a director of Onebright Limited, is a director and chairman of Leodiensian Sports Club Limited.

At the end of the year the Group owed £484.8k (2021: £389.9k) to Anna Lise Frier Ruge (a Company Director of Prescriba A/S) in respect of preference shares issued by the Group. Included in the outstanding amount is £49.2k (2021: £24.6k) of accrued interest.

At the end of the year the Group owed £242.4k (2021: 194.7k) to Iben Frier Ruge (a Company Director of Prescriba A/S) in respect of preference shares issued by the Group. Included in the outstanding amount is £24.6k (2021: £12.3k) of accrued interest.

At the end of the year the Group owed £242.4k (2021: £194.7k) to Simon Yeung (a Company Director of Prescriba A/S) in respect of preference shares issued by the Group. Included in the outstanding amount is £24.6k (2021: £12.3k) of accrued interest.

At the end of the year the Oscar Topco ApS owed £8.7m (2021: £7.5m) to Onebright Oscar Limited in respect of preference shares issued by the Group. Included in the outstanding amount is £852.4k (2021: £451.5k) of accrued interest.

28. Commitments under operating leases

	Group 2022 £'000	Group 2021 £'000
Land & buildings		
Within one year	323.6	269.5
Between one and five years	184.0	305.2
	<u>507.6</u>	<u>574.7</u>

29. Post Balance Sheet event

On the 17 July 2023, the Company's subsidiary Onebright Bidco Limited incorporated three new subsidiaries; Chaucer Topco Limited, Chaucer Midco Limited and Chaucer Bidco Limited. This was part of the acquisition of Psicon Limited, a company incorporated in the UK. Onebright Bidco Limited completed the acquisition on 27 September 2023 for a consideration of £28.9m which was funded via a combination of preference shares issued by the Company's parent and third-party debt.

30. Capital commitments

At 31 December 2022 (2021: £nil), neither the Group nor Company had capital commitments.

Onebright UK Holdco Limited

Notes to the Financial Statements

For the Year Ended 31 December 2022

31. Parent undertaking and controlling party

The immediate and ultimate parent company is Onebright Topco (Jersey) Limited, a company incorporated and registered in Jersey. The registered address is Aztec Group House, 11-15 Seaton Place, St Helier, Jersey, JE4 0QH.

The largest group of undertakings for which group accounts are drawn up and of which the Company is a member is the group headed by Onebright Topco (Jersey) Limited.

The ultimate controlling party is EMK Capital Management Ltd, being the Manager of EMK Capital Partners LP and EMK Capital Partners GP Co-investment LP.