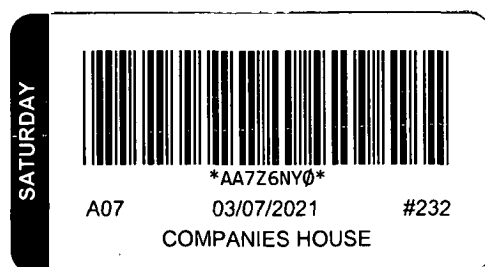


REGISTERED NUMBER: 05249856 (England and Wales)

Report of the Directors and
Unaudited Financial Statements for the Year Ended 31 December 2020
for
Reynolds-Mackenzie Limited



Contents of the Financial Statements
for the Year Ended 31 December 2020

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Reynolds-Mackenzie Limited

Company Information
for the Year Ended 31 December 2020

DIRECTORS:

Ms S M Royden
R M Selman
R J Barker

SECRETARY:

Corporation Service Company (UK) Limited

REGISTERED OFFICE:

Corporation Service Company (UK) Limited
25 Canada Square
37th Floor
Canary Wharf
London
E14 5LQ

REGISTERED NUMBER:

05249856 (England and Wales)

Reynolds-Mackenzie Limited

Report of the Directors for the Year Ended 31 December 2020

The directors present their report with the unaudited financial statements of the Company for the year ended 31 December 2020.

INCORPORATION

The Company was incorporated on 5 October 2004.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of public relations in the healthcare sector.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

Ms S M Royden
R M Selman

Other changes in directors holding office are as follows:

D A Rowley - resigned 18 November 2020
R J Barker - appointed 18 November 2020

GOING CONCERN

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

DIRECTORS' INTERESTS

The Directors held no interests in the issued share capital of Reynolds-Mackenzie Limited either beneficially or otherwise at 31 December 2020 or at any other time during the year. The Directors have declared that they have no material interest during the period in any contract which is significant in relation to the Company's business.

DIRECTORS' INDEMNITIES

As at the date of this report, indemnities are in force under which the Company has agreed to indemnify the directors, 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 their powers, duties and responsibilities, as directors of the Company. Open Health Group Holdings LLC 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. Open Health Group Holdings LLC is an indirect parent company of Reynolds-Mackenzie Limited.

Reynolds-Mackenzie Limited

Report of the Directors
for the Year Ended 31 December 2020

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 'R M Selman', followed by a short horizontal line.

R M Selman - Director

30 June 2021

Reynolds-Mackenzie Limited

Income Statement
for the Year Ended 31 December 2020

	Notes	31/12/20 £	31/12/19 £
REVENUE		2,431,758	2,930,498
Cost of sales		(380,870)	(672,186)
GROSS PROFIT		2,050,888	2,258,312
Administrative expenses		(1,541,488)	(2,335,472)
OPERATING PROFIT/(LOSS)	5	509,400	(77,160)
Interest receivable and similar income		-	42
PROFIT/(LOSS) BEFORE TAXATION		509,400	(77,118)
Tax on profit/(loss)		(96,655)	13,367
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		412,745	(63,751)

The notes on pages 8 to 14 form part of these financial statements

Statement of Financial Position
31 December 2020

	Notes	31/12/20 £	31/12/19 £
FIXED ASSETS			
Tangible assets	6	5,569	16,489
CURRENT ASSETS			
Work in progress		9,591	18,129
Debtors: amounts falling due within one year	7	1,292,877	1,438,830
Debtors: amounts falling due after more than one year	7	3,874	2,783
Cash at bank		50,030	46,849
		<u>1,356,372</u>	<u>1,506,591</u>
CREDITORS			
Amounts falling due within one year	8	(393,829)	(467,713)
NET CURRENT ASSETS		<u>962,543</u>	<u>1,038,878</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>968,112</u>	<u>1,055,367</u>
CAPITAL AND RESERVES			
Called up share capital		1,000	1,000
Retained earnings		967,112	1,054,367
SHAREHOLDER FUNDS		<u>968,112</u>	<u>1,055,367</u>

The Company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020.

The members have not required the Company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the Company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the Company.

The notes on pages 8 to 14 form part of these financial statements

Reynolds-Mackenzie Limited (Registered number: 05249856)

Statement of Financial Position - continued
31 December 2020

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 Board of Directors and authorised for issue on 30 June 2021 and were signed on its behalf by:



R M Selman - Director

The notes on pages 8 to 14 form part of these financial statements

Reynolds-Mackenzie Limited

Statement of Changes in Equity
for the Year Ended 31 December 2020

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2019	1,000	1,118,118	1,119,118
Changes in equity			
Deficit for the year	-	(63,751)	(63,751)
Total comprehensive loss	-	(63,751)	(63,751)
Balance at 31 December 2019	1,000	1,054,367	1,055,367
Changes in equity			
Profit for the year	-	412,745	412,745
Total comprehensive income	-	412,745	412,745
Dividends	-	(500,000)	(500,000)
Balance at 31 December 2020	1,000	967,112	968,112

The notes on pages 8 to 14 form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2020

1. GOING CONCERN

The Directors have prepared 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 during the COVID crisis;
- The impact of COVID 19 on the business;
- The level of key client account renewals;
- The level of committed and variable costs; and
- New business targets compared to levels achieved in previous years.

The Company 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. Whilst there remains some uncertainty over the continued impact of COVID 19, business performance has been extremely robust to date. Even if the impact of COVID 19 was to increase in the coming months, the Directors 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..

2. STATUTORY INFORMATION

Reynolds-Mackenzie 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.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are 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.

3. ACCOUNTING POLICIES - continued

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.

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.

3. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

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.

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.

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.

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.

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.

Contingent liabilities

The Company operates under the banking facility operated by Open Health Group Holdings LLC. The Group benefits from revolver loan facilities of £3.9 million and \$5.0 million until December 2023 and committed facilities of £33.3 million and \$61.7 million until 3 December 2024. This facility is subject to banking covenants. The Company, together with the ultimate parent company and certain other companies in the Open Health Group Holdings LLC group, has given a secured unlimited cross-guarantee in favour of its bankers. Cash flow movements are monitored to ensure that sufficient financial resources are available.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 13 (2019 - 15).

In the years ended 31 December 2020 and 31 December 2019, the costs of all directors were borne by Open Health Communications LLP.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

5. **OPERATING PROFIT/(LOSS)**

The operating profit (2019 - operating loss) is stated after charging:

	31/12/20 £	31/12/19 £
Depreciation - owned assets	8,912	11,260

6. **TANGIBLE FIXED ASSETS**

	Plant and machinery etc £
COST	
At 1 January 2020	36,022
Disposals	(4,493)
At 31 December 2020	31,529
DEPRECIATION	
At 1 January 2020	19,533
Charge for year	8,912
Eliminated on disposal	(2,485)
At 31 December 2020	25,960
NET BOOK VALUE	
At 31 December 2020	5,569
At 31 December 2019	16,489

7. **DEBTORS**

	31/12/20 £	31/12/19 £
Amounts falling due within one year:		
Trade debtors	79,148	469,725
Amounts owed by group undertakings	1,095,154	897,932
Prepayments, accrued Income and other debtors	118,575	71,173
	1,292,877	1,438,830
Amounts falling due after more than one year:		
Deferred Tax Asset	3,874	2,783
Aggregate amounts	1,296,751	1,441,613

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

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/20	31/12/19
	£	£
Trade creditors	9,613	85,770
Taxation and social security	97,704	12,226
Accruals, deferred income and other creditors	286,512	369,717
	<u>393,829</u>	<u>467,713</u>

9. POST BALANCE SHEET EVENTS

As of 30 June 2021, no other material structural changes or business events have occurred that might serve to alter any of the disclosures contained in the 2020 financial statements.

10. ULTIMATE CONTROLLING PARTY

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

The ultimate controlling party is Peloton Echelon Holdings II LLC (incorporated in USA).

The Group for which the financial statements are prepared for and of which the Company is a member is OH PE Holdings Limited which is incorporated in the United Kingdom, with its registered office at Corporation Service Company (UK) Limited, 25 Canada Square, 37th Floor, Canary Wharf, London. E14 5LQ, England.