

REGISTERED NUMBER: 07467580 (England and Wales)

Strategic Report, Report of the Directors and
Unaudited Financial Statements for the Year Ended 31 December 2018
for
14 Curzon Street 1 Limited



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for the Year Ended 31 December 2018

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14 Curzon Street 1 Limited

Company Information
for the Year Ended 31 December 2018

DIRECTORS:

N P Amigone
R A Frank

SECRETARY:

7side Secretarial Limited

REGISTERED OFFICE:

c/o Legalinx Limited
Churchill House
Churchill Way
Cardiff
CF10 2HH

REGISTERED NUMBER:

07467580 (England and Wales)

14 Curzon Street 1 Limited (Registered number: 07467580)

Strategic Report
for the Year Ended 31 December 2018

The directors present their strategic report for the year ended 31 December 2018.

14 Curzon Street 1 Limited's ("the Company") business activities together with the factors likely to affect its future development, performance and position are set out in the strategic report.

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

REVIEW OF BUSINESS

The directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

On 3 December 2018, Chime Communications Limited disposed of its investment in the Company and its subsidiaries, which was acquired by OH PE Holdings Limited ("OHPE"), a subsidiary of Peloton Echelon Holdings II LLC (new ultimate parent company of the group) ("PEHII") ("Amulet Group").

As shown on the Statement of Comprehensive Income on page 5, the Company's profit for the year before tax has decreased from £3,997,435 to £41,329. The retained earnings have increased from £21,713 to £62,996.

The Statement of Financial Position is shown on page 6 & 7 of the Financial Statements. Net assets have increased due to increase in investments during the year.

Transition from FRS 101 to FRS 102

In the year ended 31 December 2018 the Company has undergone a transition from reporting under FRS 101 (Reduced Disclosure Framework) to FRS 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland) as issued by the Financial Reporting Council. This transition is not considered to have had a material effect on the financial statements and there were no material adjustments on adoption of FRS 102 in the current financial year.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors consider the principal risks and uncertainties facing the Company to be consistent with those reported within the consolidated Group financial statements of the parent undertaking, OHPE. In addition to the general economic and competitive risks affecting the business, the directors consider that the principal risks impacting the Company are credit risk and liquidity risk. The directors do not consider interest rate risk to be a significant concern for the Company.

The policies for managing these risks are reviewed and agreed annually by OHPE.

Credit risk

The Company's credit risk is primarily attributable to its trade debtors. The amounts presented in the Statement of Financial Position are net of allowances for doubtful debts. A provision for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit worthiness of customers is assessed and monitored on an on-going basis. If necessary, credit insurance or payments in advance are sought. Debtors are reviewed regularly as part of financial management reviews. Where deemed necessary, finance managers will review any proposal for further commitments to a client where payments are outstanding.

Liquidity risk

The Company operates under the banking facility operated by Open Health Group Holdings LLC. The group benefits from a revolver loan facilities of £3.9m and \$5 million until December 2023 and committed facilities of £33.6m and \$22.0 million until 3 December 2024. Cash flow movements are monitored to ensure that sufficient financial resources are available.

14 Curzon Street 1 Limited (Registered number: 07467580)

Strategic Report
for the Year Ended 31 December 2018

KEY PERFORMANCE INDICATORS

The Group manages its operations on a centralised basis. For this reason, the Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business.

ON BEHALF OF THE BOARD:



R A Frank - Director

6 September 2019

Report of the Directors
for the Year Ended 31 December 2018

The directors present their report with the financial statements of the Company for the year ended 31 December 2018.

An overview of principal risks, uncertainties and any future developments has been discussed as part of the strategic report.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of a holding Company.

DIVIDENDS

No dividends were paid during the year (2017: £38,000 per share).

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 who have held office during the period from 1 January 2018 to the date of this report are as follows:

N P Amigone - appointed 3 December 2018

R A Frank - appointed 3 December 2018

D Crowther - resigned 3 December 2018

GOING CONCERN

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

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.

ON BEHALF OF THE BOARD:



R A Frank - Director

6 September 2019

Statement of Comprehensive Income
for the Year Ended 31 December 2018

	Notes	31/12/18 £	31/12/17 £
TURNOVER		-	-
Administrative expenses		-	(2,565)
OPERATING LOSS	5	-	(2,565)
Income from shares in group undertakings		-	4,000,000
Income from participating interests		41,087	-
Interest receivable and similar income		242	-
PROFIT BEFORE TAXATION		41,329	3,997,435
Tax on profit	6	(46)	(124,083)
PROFIT FOR THE FINANCIAL YEAR		41,283	3,873,352
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>41,283</u>	<u>3,873,352</u>

The notes on pages 8 to 16 form part of these financial statements

14 Curzon Street 1 Limited (Registered number: 07467580)

Statement of Financial Position
31 December 2018

	Notes	31/12/18 £	31/12/17 £
FIXED ASSETS			
Investments	9	62,801,407	1
CURRENT ASSETS			
Debtors: amounts falling due within one year	10	3,870,899	3,894,399
CREDITORS			
Amounts falling due within one year	11	<u>(3,046)</u>	<u>(3,867,587)</u>
NET CURRENT ASSETS		<u>3,867,853</u>	<u>26,812</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>66,669,260</u>	<u>26,813</u>
CAPITAL AND RESERVES			
Called up share capital	12	101	100
Share premium	13	66,606,163	5,000
Retained earnings	13	<u>62,996</u>	<u>21,713</u>
SHAREHOLDER FUNDS		<u>66,669,260</u>	<u>26,813</u>

The Company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 31 December 2018.

The members have not required the Company to obtain an audit of its financial statements for the year ended 31 December 2018 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the Company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) 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 financial statements were approved by the Board of Directors on 6 September 2019 and were signed on its behalf by:


R A Frank - Director

The notes on pages 8 to 16 form part of these financial statements

14 Curzon Street 1 Limited (Registered number: 07467580)

Statement of Changes in Equity
for the Year Ended 31 December 2018

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2017	100	(51,639)	5,000	(46,539)
Changes in equity				
Profit for the year	-	3,873,352	-	3,873,352
Total comprehensive income	-	3,873,352	-	3,873,352
Dividends	-	(3,800,000)	-	(3,800,000)
Balance at 31 December 2017	100	21,713	5,000	26,813
Changes in equity				
Profit for the year	-	41,283	-	41,283
Total comprehensive income	-	41,283	-	41,283
Additions	1	-	66,601,163	66,601,164
Balance at 31 December 2018	101	62,996	66,606,163	66,669,260

The notes on pages 8 to 16 form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2018

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 on the Company's business during the economic recovery;
- Key client account renewals;
- The level of committed and variable costs; and
- Current new business targets compared to levels achieved in previous years.

2. STATUTORY INFORMATION

14 Curzon Street 1 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" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments 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) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Preparation of consolidated financial statements

The financial statements contain information about 14 Curzon Street 1 Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, , .

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

3. ACCOUNTING POLICIES - continued

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.

Changes in accounting policies

In the year ended 31 December 2018 the Company has undergone a transition from reporting under FRS 101 (Reduced Disclosure Framework) to FRS 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland) as issued by the Financial Reporting Council. This transition is not considered to have had a material effect on the financial statements and there were no material adjustments on adoption of FRS 102 in the current financial year. The Company has chosen to early adopt the revised FRS102 following the first triennial review.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

3. ACCOUNTING POLICIES - continued

Impairment of tangible and intangible assets

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

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

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

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

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

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

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 a revolver loan facilities of £3.9m and \$5 million until December 2023 and committed facilities of £33.6m and \$22.0 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 Company had no employees other than the Directors, during the year (2017: nil).

In the year ended 31 December 2018, the costs of all directors were borne by another group company.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

5. OPERATING LOSS

The operating loss is stated after charging:

31/12/18	31/12/17
£	£
<u>-</u>	<u>2,565</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31/12/18	31/12/17
	£	£
Current tax:		
UK corporation tax	<u>46</u>	<u>124,083</u>
Tax on profit	<u>46</u>	<u>124,083</u>

UK corporation tax has been charged at 19%.

Reconciliation of total tax charge included in profit and loss

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

	31/12/18	31/12/17
	£	£
Profit before tax	<u>41,329</u>	<u>3,997,435</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.250%)	7,853	769,506
Effects of:		
Adjustments in respect of prior year	-	124,577
Current year tax charge adjustment	(7,807)	-
Permanent differences	-	2
Income not taxable	-	(769,864)
Other differences	<u>-</u>	<u>(138)</u>
Total tax charge	<u>46</u>	<u>124,083</u>

The Finance (No 2) Act 2015, which provides for reductions in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020, was substantively enacted on 26 October 2015. Subsequently, the Finance Act 2016, which provides for a further reduction in the main rate of corporation tax to 17% effective from 1 April 2020, was substantively enacted on 6 September 2016. These rate reductions have been reflected in the calculation of deferred tax at the statement of financial position date.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

7. DIVIDENDS

	31/12/18	31/12/17
	£	£
Ordinary shares of £1 each		
Final	<u>-</u>	<u>3,800,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

8. INVESTMENTS

Subsidiary undertakings	Country of incorporation	Holding *
14 Curzon Street 2 Limited	England & Wales	100%
Open Health Communications LLP	England & Wales	100%*
Open VP Holdings Limited	England & Wales	100%*
Accretio Limited	England & Wales	70%*
OHC London Holdings Limited	England & Wales	100%*
PH Associates Limited	England & Wales	100%*
Earth Works Digital Limited	England & Wales	100%*
LEC Communications Limited	England & Wales	100%*
Reynolds MacKenzie Limited	England & Wales	100%*
Succinct Communications Limited	England & Wales	100%*
Choice Healthcare Solutions Limited	England & Wales	100%*
Harvey Walsh Limited	England & Wales	100%*
OHC US Holdings Limited	England & Wales	100%*
Open LEC Limited	England & Wales	100%*
Liberum Independent Medical Education Limited	England & Wales	100%*
Open Health Communications FZ-LLC	Dubai, UAE	100%*
OH Investors Limited	England & Wales	60%*
Attentive Pharma Limited	England & Wales	49%*
Open VIE Limited	England & Wales	100%*
Open Health Communications (Ireland) Limited	Ireland	100%*

*Held directly by Subco of 14 Curzon Street 1 Limited, the percentage holdings are the actual holdings, not the effective holdings

The registered office of the UK subsidiaries listed above is c/o Legalinx Limited, Churchill House, Churchill Way, Cardiff, Wales, CF10 2HH.

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

On 11 January 2018, the Open Health Communications LLP acquired additional 9% of the share capital of OH Investors Limited resulting in a new total of 60% of the share capital, the remaining 40% shares (of which 17% was acquired on 11 January 2018) are owned by Richard Baderin (Director and Shareholder of Accretio Limited).

On 28 March 2018, OH Investors Limited acquired 49% share capital of Attentive Pharma Limited, a newly incorporated company.

On 1 March 2019, OHC London Holdings Limited acquired 100% share capital of Open VIE Limited, a newly incorporated company.

On 30 April 2019, OHC London Holdings Limited acquired 100% capital of Open Health Communications (Ireland) Limited, a newly incorporated company in Ireland.

In March 2019, OHC US Holdings Limited disposed of its 100% investment in Open Health Inc. (who is parent company of Choice Healthcare Solutions US Inc) acquired by OH PE US Holdco Inc., another group company.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2018**

9. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2018	1
Additions	<u>62,801,406</u>
At 31 December 2018	<u>62,801,407</u>
NET BOOK VALUE	
At 31 December 2018	<u>62,801,407</u>
At 31 December 2017	<u>1</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/18 £	31/12/17 £
Amounts owed by group undertakings	<u>3,870,899</u>	<u>3,894,399</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/18 £	31/12/17 £
Amounts owed to group undertakings	-	3,800,000
Corporation tax creditor	46	64,587
Accruals and deferred income	<u>3,000</u>	<u>3,000</u>
	<u>3,046</u>	<u>3,867,587</u>

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

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31/12/18 £	31/12/17 £
100	Ordinary	£1	<u>101</u>	<u>100</u>

Share premium balance as at 31 December 2018 was £66,606,163 (2017: £5,000).

Notes to the Financial Statements - continued
for the Year Ended 31 December 2018

13. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 January 2018	21,713	5,000	26,713
Profit for the year	41,283		41,283
Additions	-	66,601,163	66,601,163
At 31 December 2018	62,996	66,606,163	66,669,159

14. ULTIMATE PARENT COMPANY

Peloton Echelon Holdings II LLC (incorporated in USA) is regarded by the directors as being the Company's ultimate parent company.

15. POST BALANCE SHEET EVENTS

On 1 March 2019, OHC London Holdings Limited acquired 100% share capital of Open VIE Limited, a newly incorporated company.

On 30 April 2019, OHC London Holdings Limited acquired 100% capital of Open Health Communications (Ireland) Limited, a newly incorporated company in Ireland.

In March 2019, OHC US Holdings Limited disposed of its 100% investment in Open Health Inc. (who is parent company of Choice Healthcare Solutions US Inc) acquired by OH PE US Holdco Inc., another group company.

16. ULTIMATE CONTROLLING PARTY

The controlling party is OH PE Holdings Limited (registered in England & Wales).

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

The group for which the group financial statements are prepared and of which the group is a member, is OH PE Holdings Limited which is incorporated in the United Kingdom, with its registered office at c/o Legalinx Limited, Churchill House, Churchill Way, Cardiff, Wales, CF10 2HH.