
Fresh Approach (UK) Holdings Limited

Annual Report and Consolidated Financial Statements

For the Year Ended 31 December 2022

Fresh Approach (UK) Holdings Limited

Company Information

Directors	A P Wilson L Harris K N Cockwill
Registered number	09005926
Registered office	Fin House 1 Oakwater Avenue Cheadle Royal Business Park Cheadle Cheshire SK8 3SR
Independent auditors	Hurst Accountants Limited Chartered Accountants & Statutory Auditors Lancashire Gate 21 Tiviot Dale Stockport SK1 1TD

Fresh Approach (UK) Holdings Limited

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**Group Strategic Report
For the Year Ended 31 December 2022**

The directors present their strategic report for the year ended 31 December 2022.

Principal activity

The principal activity of the company is that of a global brand experience agency. The company creates and delivers immersive experiences through brand activations, events and creative communications through multiple channels including strategy, content, experiential, design, film, digital and exhibitions.

Business review

The directors are delighted with the performance of the business in the year to 31 December 2022. Following a record 2021 we commenced the year in a very strong position using the momentum from 2021 to start 2022 with a very healthy pipeline and ultimately recording another record sales and gross profit for the business.

The trading sales increased by £6,225,678 to £17,779,150 (2021 - £11,553,472) in the year to 31 December 2022. This significant increase in sales is largely due to the nature of the projects being delivered in 2022, mainly reverting to live events with lower margins but higher sales, and less online hybrid and virtual projects. Whilst our level of fees remained consistent, there was a significant increase in 3rd party supplier costs being passed through the business. The impact on this was to reduce our gross profit margin by 16.5% to 34.9% (2021 - 51.4%), however our actual gross profit increased by £277,077 to £6,211,580 (2021 - £5,934,503).

This increased gross profit, together with careful and considered cost management, has resulted in the profit before tax reducing by £100,283 to £1,487,527 (2021 - £1,486,524) for the year to 31 December 2022. This reduction is largely due to the one off government furlough grant of £90,177 received in 2021. Due to the reduced gross profit margin this has then filtered down to an overall reduction in the net profit margin of 5.4% to 8.4% (2021 - 13.8%)

Following the recent successful years, the company was in a position to complete a debt restructure which included a partial repayment of the outstanding loan notes, accrued loan note interest being written off, and a debt for equity exchange together with the issue of new share capital. Whilst the cash reserves in the business are still in a healthy position, this debt restructuring is the reason behind the cash reduction of £582,594 to £1,596,504 (2021 - £2,179,098). As part of this restructure the interest on the remaining loan notes were reduced to 4% and monthly loan note repayments will be made only if the business has the required cash reserves.

The group EBITDA in the year to 31 December 2022 was £1,282,525, a reduction of £213,772 from £1,496,297 in the year to 31 December 2021. Following the debt restructure the reported group profit and loss account shows a profit before tax of £993,763 (2021 - loss £159,935). It is at this level due to an exceptional £1,215,656 of accrued loan note interest being written off in the year. The amortisation of the goodwill arising on consolidation continues at £879,148 (2021 - £879,148) per annum.

The outstanding loan notes totalling of £5,492,182 (2021 - £8,060,273) are presented in the balance sheet as being repayable in more than 1 year. The holders of these notes have confirmed that they will not require redemption of the loan notes for the foreseeable future and for a minimum of a rolling 12 months.

During this year with all the uncertainties surrounding the pandemic, the business's liquidity and cash flow is as strong as ever which has enabled us to continue to invest in our team, hardware, software and services, all whilst carefully controlling the cost base. The significant time invested in pitch work and getting closer to our existing clients during 2021, which resulted in the award of several multiyear contracts for some well-known global brands, has really come to fruition during 2022 as evidenced in the business's performance. We will continue to develop and build on these successes to further grow and develop over the coming years.

A key strategic focus for the business during 2022 is working towards delivering environmentally friendly and sustainable events. The business has already been awarded a silver award by EcoVardis and is working towards ISO20121 to manage and control the social, economic, and environmental impact of our events, in addition to offsetting our carbon footprint by investing in and supporting the UK's various reforestation schemes.

Group Strategic Report (continued)
For the Year Ended 31 December 2022

Principal risks and uncertainties

The events, marketing and corporate communications industry is one that is highly competitive which can subject the business to increased risk together with increased opportunities. Although many of our clients are long-standing, these businesses will often put their services out for competitive review or will simply make cost savings internally and cancel events for a multitude of reasons.

Our employees are the most important assets within the business and the retention and recruitment of high calibre talent is key to our future. This fresh talent is instrumental in delivering our creative services, building client relationships and winning new business. We provide a competitive rewards package, a modern creative workspace and ongoing training and development programs. The loss of key talent could potentially impact the quality of services provided leading to a potentially damaged reputation, loss of clients and ultimately revenues.

As the business trades in the service industry, and mainly the retail sector, the performance of the business will often depend on the financial health of its clients and also the economic climate in which they may operate. The company seeks to mitigate these risks by operating across diverse sectors together with widening the current client base.

Financial key performance indicators

The business uses a number of financial and non-financial key performance indicators to monitor the business performance:

2022 2021

Current ratio 1.07 0.71

Gross margin 34.9% 51.4%

EBITDA £1,282,525 £1,496,297

Cash at bank £1,596,504 £2,179,098

This report was approved by the board and signed on its behalf.

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A P Wilson

Director

Date: 31 March 2023

Fresh Approach (UK) Holdings 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.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £680,728 (2021 - loss £365,128).

Dividends totalling £nil (2021: £nil) were paid during the year. The directors do not recommend the payment of a final dividend (2021: £Nil).

Directors

The directors who served during the year were:

A P Wilson
L Harris
K N Cockwill

Future developments

Details of the likely future developments in the Group's business are included in the Strategic Report.

Fresh Approach (UK) Holdings Limited

**Directors' Report (continued)
For the Year Ended 31 December 2022**

Financial instruments

The Group's principal financial instruments comprise bank balances, trade creditors, trade debtors and loan note instruments. The main purpose of these instruments is to finance the Company's operations.

The Company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexible borrowing. The company manages liquidity risk by ensuring there are sufficient funds to meet the payments.

Trade debtors are managed in respect of credit and cashflow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the 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 and the Group's auditors are aware of that information.

Post balance sheet events

Details regarding post balance sheet events affecting the Group are included in the Strategic Report.

Auditors

The auditors, Hurst Accountants Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

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A P Wilson

Director

Date: 31 March 2023

Independent Auditors' Report to the Members of Fresh Approach (UK) Holdings Limited

Opinion

We have audited the financial statements of Fresh Approach (UK) Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, 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 profit 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

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 or 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 other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditors' Report to the Members of Fresh Approach (UK) Holdings Limited (continued)

Opinion 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 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 Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 Strategic Report or the Directors' Report.

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

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 Auditors' Report to the Members of Fresh Approach (UK) Holdings Limited (continued)

Auditors' 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 Auditors' 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 Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector in which the company operates; the control environment and business performance including key drivers for directors' remuneration, bonus levels and performance targets.
- The outcome of enquiries of local management and parent company management, including whether management was aware of any instances of non-compliance with laws and regulations, and whether management had knowledge of any actual, suspected, or alleged fraud.
- Supporting documentation relating to the Company's policies and procedures for:
 - Identifying, evaluating, and complying with laws and regulations
 - Detecting and responding to the risks of fraud
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- The outcome of discussions amongst the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- The legal and regulatory framework in which the Company operates, particularly those laws and regulations which have a direct effect on the financial statements, such as the Companies Act 2006, pensions and tax legislation, or which had a fundamental effect on the operations of the Company, including General Data Protection requirements, and Anti-bribery and Corruption.

Audit response to risks identified

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with the provisions of those relevant laws and regulations which have a direct effect on the financial statements.
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Evaluation and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities.
- Enquiring of management about any actual and potential litigation and claims.
- Performing analytical procedures to identify any unusual or unexpected relationships which may indicate risks of material misstatement due to fraud.

We have also considered the risk of fraud through management override of controls by:

- Testing the appropriateness of journal entries and other adjustments to identify accounting transactions which may pose a heightened risk of material misstatement, whether due to fraud or error.
- Challenging assumptions made by management in their significant accounting estimates, and assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and

Independent Auditors' Report to the Members of Fresh Approach (UK) Holdings Limited (continued)

- Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above, and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of them. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 Auditors' Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

John Glover (Senior Statutory Auditor)
for and on behalf of
Hurst Accountants Limited
Chartered Accountants & Statutory Auditors
Lancashire Gate
21 Tiviot Dale
Stockport
SK1 1TD

31 March 2023

Fresh Approach (UK) Holdings Limited

Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2022

	Note	2022 £	2021 £
Turnover	4	17,779,150	11,553,472
Cost of sales		(11,567,570)	(5,618,969)
Gross profit		6,211,580	5,934,503
Administrative expenses		(5,892,451)	(5,508,947)
Other operating income	5	-	90,177
Operating profit	6	319,129	515,733
Interest receivable and similar income	10	1,219,995	3,625
Interest payable and similar expenses	11	(545,361)	(679,293)
Profit/(loss) before taxation		993,763	(159,935)
Tax on profit/(loss)	12	(313,035)	(205,193)
Profit/(loss) for the financial year		680,728	(365,128)

The notes on pages 16 to 35 form part of these financial statements.

Fresh Approach (UK) Holdings Limited
Registered number: 09005926

Consolidated Statement of Financial Position
As at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	13	1,245,463	2,124,611
Tangible assets	14	132,072	180,593
		1,377,535	2,305,204
Current assets			
Stocks	16	97,610	118,574
Debtors: amounts falling due within one year	17	3,502,744	3,684,237
Cash at bank and in hand	18	1,596,504	2,179,098
		5,196,858	5,981,909
Creditors: amounts falling due within one year	19	(4,861,493)	(8,382,426)
Net current assets/(liabilities)		335,365	(2,400,517)
Total assets less current liabilities		1,712,900	(95,313)
Creditors: amounts falling due after more than one year	20	(5,492,183)	(8,067,565)
Provisions for liabilities			
Deferred taxation	23	-	(18,152)
Net liabilities		(3,779,283)	(8,181,030)
Capital and reserves			
Called up share capital	24	502,833	552,030
Share premium account		4,444,653	674,437
Profit and loss account		(8,726,769)	(9,407,497)
		(3,779,283)	(8,181,030)

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

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A P Wilson

Director

Date: 31 March 2023

The notes on pages 16 to 35 form part of these financial statements.

Fresh Approach (UK) Holdings Limited
Registered number: 09005926

Company Statement of Financial Position
As at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	15	10,457,065	10,457,065
Current assets			
Debtors: amounts falling due within one year	17	126,971	121,809
Creditors: amounts falling due within one year	19	(5,873,567)	(7,304,766)
Net current liabilities		<u>(5,746,596)</u>	<u>(7,182,957)</u>
Total assets less current liabilities		<u>4,710,469</u>	<u>3,274,108</u>
Creditors: amounts falling due after more than one year	20	(5,492,183)	(8,060,273)
Net liabilities		<u><u>(781,714)</u></u>	<u><u>(4,786,165)</u></u>
Capital and reserves			
Called up share capital	24	502,833	552,030
Share premium account	25	4,444,653	674,437
Profit and loss account	25	(5,729,200)	(6,012,632)
		<u><u>(781,714)</u></u>	<u><u>(4,786,165)</u></u>

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 profit/(loss) after tax of the parent company for the year was £283,432 (2021: loss of £867,594).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

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A P Wilson

Director

Date: 31 March 2023

The notes on pages 16 to 35 form part of these financial statements.

Fresh Approach (UK) Holdings Limited

**Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2022**

	Called up share capital £	Share premium account £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 January 2022	552,030	674,437	(9,407,497)	(8,181,030)	(8,181,030)
Comprehensive deficit for the year					
Profit for the year	-	-	680,728	680,728	680,728
Total comprehensive deficit for the year	-	-	680,728	680,728	680,728
Shares issued during the year	15,008	3,770,216	-	3,785,224	3,785,224
Shares cancelled during the year	(64,205)	-	-	(64,205)	(64,205)
At 31 December 2022	<u>502,833</u>	<u>4,444,653</u>	<u>(8,726,769)</u>	<u>(3,779,283)</u>	<u>(3,779,283)</u>

**Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2021**

	Called up share capital £	Share premium account £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 January 2021	552,030	674,437	(9,042,369)	(7,815,902)	(7,815,902)
Comprehensive deficit for the year					
Loss for the year	-	-	(365,128)	(365,128)	(365,128)
Total comprehensive deficit for the year	-	-	(365,128)	(365,128)	(365,128)
At 31 December 2021	<u>552,030</u>	<u>674,437</u>	<u>(9,407,497)</u>	<u>(8,181,030)</u>	<u>(8,181,030)</u>

Fresh Approach (UK) Holdings Limited

**Company Statement of Changes in Equity
For the Year Ended 31 December 2022**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2022	552,030	674,437	(6,012,632)	(4,786,165)
Comprehensive deficit for the year				
Profit for the year	-	-	283,432	283,432
Total comprehensive deficit for the year	-	-	283,432	283,432
Contributions by and distributions to owners				
Shares issued during the year	15,008	3,770,216	-	3,785,224
Shares cancelled during the year	(64,205)	-	-	(64,205)
At 31 December 2022	<u>502,833</u>	<u>4,444,653</u>	<u>(5,729,200)</u>	<u>(781,714)</u>

**Company Statement of Changes in Equity
For the Year Ended 31 December 2021**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2021	552,030	674,437	(5,145,038)	(3,918,571)
Comprehensive deficit for the period				
Loss for the year	-	-	(867,594)	(867,594)
Total comprehensive deficit for the period	-	-	(867,594)	(867,594)
At 31 December 2021	<u>552,030</u>	<u>674,437</u>	<u>(6,012,632)</u>	<u>(4,786,165)</u>

Fresh Approach (UK) Holdings Limited

**Consolidated Statement of Cash Flows
For the Year Ended 31 December 2022**

	2022 £	2021 £
Cash flows from operating activities		
Profit/(loss) for the financial year	680,728	(365,128)
Adjustments for:		
Amortisation of intangible assets	879,148	879,148
Depreciation of tangible assets	84,249	101,413
Interest paid	12,655	12,812
Interest received	(4,339)	(3,625)
Taxation charge	313,035	205,193
Decrease/(increase) in stocks	20,964	(8,295)
Decrease/(increase) in debtors	186,066	(2,868)
Increase in creditors	33,819	18,719
Corporation tax (paid)/received	(149,999)	-
Net cash generated from operating activities	2,056,326	837,369
Cash flows from investing activities		
Purchase of tangible fixed assets	(35,728)	(68,695)
Interest received	4,339	3,625
HP interest paid	(4,554)	(4,711)
Net cash from investing activities	(35,943)	(69,781)
Cash flows from financing activities		
Repayment of other loans	(2,568,090)	-
Repayment of/new finance leases	(26,786)	(27,768)
Interest paid	(8,101)	(8,101)
Net cash used in financing activities	(2,602,977)	(35,869)
Net (decrease)/increase in cash and cash equivalents	(582,594)	731,719
Cash and cash equivalents at beginning of year	2,179,098	1,447,379
Cash and cash equivalents at the end of year	1,596,504	2,179,098
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,596,504	2,179,098

The notes on pages 16 to 35 form part of these financial statements.

Fresh Approach (UK) Holdings Limited

**Consolidated Analysis of Net Debt
For the Year Ended 31 December 2022**

	At 1 January 2022 £	Cash flows £	Other non-cash changes £	At 31 Decembe 2022
Cash at bank and in hand	2,179,098	(582,594)	-	1,596,504
Debt due after 1 year	(8,060,273)	846,840	1,721,250	(5,492,183)
Finance leases	(34,078)	26,786	-	(7,292)
	<u>(5,915,253)</u>	<u>291,032</u>	<u>1,721,250</u>	<u>(3,902,971)</u>

The notes on pages 16 to 35 form part of these financial statements.

Fresh Approach (UK) Holdings Limited

Notes to the Financial Statements For the Year Ended 31 December 2022

1. General information

Fresh Approach (UK) Holdings Limited is a private company limited by members capital incorporated in England and Wales. The address of the registered office and principal place of business is Fin House, 1 Oakwater Avenue, Cheadle Royal Business Park, Cheadle, Cheshire, SK8 3SR. The company's registration number is 09005926.

The nature of the group's operation and principal activity is that of the creation and delivery of creative communications through live events, experiential, film, digital, content, exhibitions and design. The nature of the company's operation and principal activity is that of a holding company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. 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 Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 October 2014.

2.3 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 requirement of Section 7 Statement of Cash Flows;
- The requirement of Section 3 Financial Statement Presentation paragraph 3.17 (d).

The Company's information is included in the consolidated financial statements.

Notes to the Financial Statements
For the Year Ended 31 December 2022

2. Accounting policies (continued)

2.4 Going concern

The directors have presented the financial statements on a going concern basis which assumes the group will have sufficient resources to meet liabilities as they fall due.

During the year ended 31 December 2022, the group reported a profit of £680,728 (2021: loss of £365,128) and net liabilities totalled £3,779,283 at 31 December 2022 (2021: £8,180,624).

At 31 December 2022, the company had net current liabilities of £5,746,596 (2021: £7,182,957) and net liabilities of £781,714 (2021: £4,786,165).

Parent company loan notes totalling £6,560,273 were repayable on 3 June 2019, originally with interest charged at 8%. Whilst interest was being charged on the loan notes, it was not paid. In the year ended 31 December 2022, a debt restructuring was undertaken to reduce the group's indebtedness through the repayment, write off and capitalisation of loan note principal and accrued interest. As part of this restructuring, interest on the loan notes was decreased to 4%, and it was agreed that repayments will be made on a notional basis when profits were available.

Loan note holders have confirmed that they will not require the redemption of the loan notes for the foreseeable future. Therefore the loan notes have been classified as 'amounts falling due after more than one year' in the balance sheet at 31 December 2022.

The directors have prepared profit and cash flow forecasts covering the next three years. The directors believe that the assumptions underlying their forecasts are reasonable and accordingly that the group can continue for the foreseeable future to discharge their liabilities as and when they fall due. The financial statements have therefore been prepared on a going concern basis and have considered the current financial position of the group and reviewed projected performance for a period of 12 months from the date of approval of the financial statements.

Notes to the Financial Statements
For the Year Ended 31 December 2022

2. Accounting policies (continued)

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

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.

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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.6 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Notes to the Financial Statements
For the Year Ended 31 December 2022

2. Accounting policies (continued)

2.7 Operating leases: the Group as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.8 Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.9 Government grants

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.10 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.11 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

Notes to the Financial Statements
For the Year Ended 31 December 2022

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.14 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	10	years
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Notes to the Financial Statements
For the Year Ended 31 December 2022

2. Accounting policies (continued)

2.15 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- 10% straight line
Plant and machinery	- 25% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 20/25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.17 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less attributable overheads.

The Group classifies as long term those contracts which relate to the provision of services where the contract activity extends over more than one accounting period. The length of these contracts does not usually exceed 12 months. The amount recognised as turnover represents completed sales and the value of services performed during the period. When the outcome of a contract can be assessed with reasonable certainty attributable profit is recognised in proportion to the amount of turnover shown in the accounts. Long term contract balances are included in the balance sheet at the net sales value of work done less foreseeable losses and after deduction of any payments on account. When the amount recognised as turnover exceeds the payments on account in respect of the contract the balance is included in debtors as amounts recoverable on contracts. Excess progress payments are included in creditors as payments on account.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.18 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Notes to the Financial Statements
For the Year Ended 31 December 2022

2. Accounting policies (continued)

2.19 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.20 Creditors

Short-term 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.

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Management discussed with the directors the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates. The key sources of estimation, uncertainty and critical accounting judgements in applying the Group's policies are discussed below:

Revenue recognition and work in progress

The management of the Group exercises significant judgement in making an assessment of the stage of completion of a contract at the year end and the appropriate amount of revenue and attributable profit to recognise. The Group has recognised work in progress with a carrying value of £97,610 (2021: £118,574), amounts recoverable on contracts with a carrying value of £60,540 (2021: £88,550), accrued income with a carrying value of £735,988 (2021: £789,798) and deferred income with a carrying value of £1,003,474 (2021: £1,120,628).

Provision for impairment loss on trade debtors

The Group has recognised trade debtors with a carrying value of £2,455,253 (2021: £2,563,520). The recoverability of trade debtors is regularly reviewed in light of the available economic information specific to each debtor and specific provisions are recognised for balances considered to be at risk or irrecoverable.

Goodwill

Goodwill acquired on business combinations is capitalised on the balance sheet and amortised over its expected useful economic life or ten years, whichever is the shorter. At 31 December 2022, the carrying value of goodwill was £1,245,463 (2021: £2,124,611).

Should these estimates vary, the profit or loss and balance sheet of the following years could be significantly impacted.

There are no other estimates or judgements.

4. Turnover

The whole of the turnover is attributable to the creation and production of brand experiences.

Analysis of turnover by country of destination:

	2022	2021
	£	£
United Kingdom	16,598,317	11,236,403
Rest of Europe	564,432	317,069
Rest of the world	616,401	-
	17,779,150	11,553,472

Fresh Approach (UK) Holdings Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

5. Other operating income

	2022	<i>2021</i>
	£	<i>£</i>
Other operating income	<u><u>-</u></u>	<u><u>90,177</u></u>

Government grant income relates to amounts claimed in accordance with the Coronavirus Job Retention Scheme.

6. Operating profit

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

	2022	<i>2021</i>
	£	<i>£</i>
Exchange differences	(25,113)	<i>12,188</i>
Operating lease rentals - land and buildings	312,087	<i>301,355</i>
Operating lease rentals - other	<u><u>35,491</u></u>	<u><u>31,337</u></u>

7. Auditors' remuneration

	2022	<i>2021</i>
	£	<i>£</i>
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u><u>15,900</u></u>	<u><u>14,025</u></u>

Fees payable to the Group's auditor and its associates in respect of:

All other services	<u><u>4,200</u></u>	<u><u>3,250</u></u>
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Fresh Approach (UK) Holdings Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

8. Employees

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

	Group 2022 £	<i>Group 2021 £</i>
Wages and salaries	3,263,068	<i>3,049,833</i>
Social security costs	366,187	<i>329,244</i>
Cost of defined contribution scheme	155,633	<i>88,634</i>
	<u>3,784,888</u>	<i><u>3,467,711</u></i>

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

	2022 No.	<i>2021 No.</i>
Administration and support	6	<i>7</i>
Account management, creative and delivery	73	<i>69</i>
Directors	6	<i>6</i>
	<u>85</u>	<i><u>82</u></i>

9. Directors' remuneration

	2022 £	<i>2021 £</i>
Directors' emoluments	239,824	<i>244,387</i>
Company contributions to defined contribution pension schemes	23,878	<i>12,800</i>
	<u>263,702</u>	<i><u>257,187</u></i>

During the year retirement benefits were accruing to 3 directors (2021 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £133,433 (2021 - £131,405).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £23,878 (2021 - £12,800).

Fresh Approach (UK) Holdings Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

10. Interest receivable

	2022	2021
	£	£
Interest receivable from group companies	-	3,438
Other interest receivable	1,219,995	187
	1,219,995	3,625
	1,219,995	3,625

11. Interest payable and similar expenses

	2022	2021
	£	£
Bank interest payable	-	23
Other loan interest payable	540,019	670,722
Finance leases and hire purchase contracts	4,554	4,711
Other interest payable	788	3,837
	545,361	679,293
	545,361	679,293

12. Taxation

	2022	2021
	£	£
Corporation tax		
Current tax on profits for the year	356,127	215,497
Adjustments in respect of previous periods	(20,367)	-
	335,760	215,497
	335,760	215,497
Deferred tax		
Origination and reversal of timing differences	(22,725)	(10,304)
	(22,725)	(10,304)
	(22,725)	(10,304)
Taxation on profit on ordinary activities	313,035	205,193
	313,035	205,193

Fresh Approach (UK) Holdings Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

12. Taxation (continued)

Factors affecting tax charge for the year

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

	2022	2021
	£	£
Profit/(loss) on ordinary activities before tax	<u>993,763</u>	<u>(159,935)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	188,815	<i>(30,388)</i>
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	45,149	2,616
Utilisation of tax losses	(11,594)	-
Change in tax rates	(1,096)	-
Adjustments to tax charge in respect of prior periods	(20,367)	-
Short term timing difference leading to an increase (decrease) in taxation	(7,569)	-
Other timing differences leading to an increase (decrease) in taxation	(45,130)	(5,551)
Super deduction	(2,211)	-
Unrelieved tax losses carried forward	-	71,478
Goodwill amortisation on consolidation	167,038	167,038
Total tax charge for the year	<u>313,035</u>	<u><i>205,193</i></u>

Factors that may affect future tax charges

The main rate of corporation tax is due to increase to 25% in the tax year commencing 1 April 2023 for companies where profits exceed £250,000. A tapered rate will be introduced for profits above £50,000 up to the £250,000 limit.

Fresh Approach (UK) Holdings Limited

Notes to the Financial Statements
For the Year Ended 31 December 2022

13. Intangible assets

Group

	Goodwill £
Cost	
At 1 January 2022	8,855,320
At 31 December 2022	<u>8,855,320</u>
Amortisation	
At 1 January 2022	6,730,709
Charge for the year on owned assets	879,148
At 31 December 2022	<u>7,609,857</u>
Net book value	
At 31 December 2022	<u>1,245,463</u>
<i>At 31 December 2021</i>	<u>2,124,611</u>

Fresh Approach (UK) Holdings Limited

Notes to the Financial Statements
For the Year Ended 31 December 2022

14. Tangible fixed assets

Group

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 January 2022	182,757	19,389	7,690	1,393,248	1,603,084
Additions	-	-	-	35,728	35,728
At 31 December 2022	<u>182,757</u>	<u>19,389</u>	<u>7,690</u>	<u>1,428,976</u>	<u>1,638,812</u>
Depreciation					
At 1 January 2022	181,495	19,389	7,690	1,213,917	1,422,491
Charge for the year	1,262	-	-	82,987	84,249
At 31 December 2022	<u>182,757</u>	<u>19,389</u>	<u>7,690</u>	<u>1,296,904</u>	<u>1,506,740</u>
Net book value					
At 31 December 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,072</u>	<u>132,072</u>
<i>At 31 December 2021</i>	<u>1,262</u>	<u>-</u>	<u>-</u>	<u>179,331</u>	<u>180,593</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022 £	2021 £
Furniture, fittings and equipment	<u>3,683</u>	<u>24,053</u>

Fresh Approach (UK) Holdings Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

15. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2022	10,457,065
At 31 December 2022	<u>10,457,065</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Fresh Approach (UK) Limited	Fin House, Cheadle Royal Business Park, Cheadle, Cheshire, SK8 3SR	Creation and delivery of creative communications.	Ordinary	100 %
		-	-	-

16. Stocks

	Group 2022 £	<i>Group 2021</i> £
Work in progress	<u>97,610</u>	<u>118,574</u>

An impairment loss of £Nil (2021 - £10,000) was recognised in the profit and loss against stock during the year due to slow-moving and obsolete stock.

Fresh Approach (UK) Holdings Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

17. Debtors

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Trade debtors	2,455,253	2,563,520	-	-
Other debtors	131,503	126,079	126,971	121,809
Prepayments and accrued income	850,875	906,088	-	-
Amounts recoverable on long term contracts	60,540	88,550	-	-
Deferred taxation	4,573	-	-	-
	<u>3,502,744</u>	<u>3,684,237</u>	<u>126,971</u>	<u>121,809</u>

Included within other debtors due within one year are loans to directors amounting to £112,415 (2021: £112,415). These are discussed in more detail in note 28.

18. Cash and cash equivalents

	Group 2022 £	<i>Group 2021 £</i>
Cash at bank and in hand	<u>1,596,504</u>	<u>2,179,098</u>

19. Creditors: Amounts falling due within one year

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Trade creditors	1,675,531	863,869	-	-
Amounts owed to group undertakings	-	-	5,554,552	2,660,905
Corporation tax	401,258	215,497	102,955	-
Other taxation and social security	476,163	630,789	-	-
HP liabilities and finance leases	7,292	26,786	-	-
Other creditors	84,168	55,813	-	-
Accruals and deferred income	2,217,081	6,589,672	216,060	4,643,861
	<u>4,861,493</u>	<u>8,382,426</u>	<u>5,873,567</u>	<u>7,304,766</u>

Net obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

Fresh Approach (UK) Holdings Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

20. Creditors: Amounts falling due after more than one year

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Other loans	5,492,183	8,060,273	5,492,183	8,060,273
Net obligations under finance leases and hire purchase contracts	-	7,292	-	-
	<u>5,492,183</u>	<u>8,067,565</u>	<u>5,492,183</u>	<u>8,060,273</u>

Net obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

21. Loans

Included with the above are amounts falling due as follows:

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Amounts falling due after 1 year				
Loan notes	<u>5,492,183</u>	<u>8,060,273</u>	<u>5,492,183</u>	<u>8,060,273</u>

Terms

Loan notes totalling £6,560,273 were repayable on 3 June 2019. Interest is charged at 8%. The remaining £1,500,000 was repayable on 31 December 2019. Interest is charged at rates ranging from 6% to 10%. In the year ended 31 December 2022, a debt restructuring was undertaken to reduce the group's indebtedness through the repayment, write off and capitalisation of loan note principal and accrued interest. As part of this restructuring, interest on the loan notes was decreased to 4%, and it was agreed that repayments will be made on a notional basis when profits were available.

Disclosure

Loan note holders have confirmed that they will not require the redemption of the loan notes for the foreseeable future. Therefore the loan notes have been classified as 'amounts falling due after more than one year' in the balance sheet at 31 December 2022.

Security

Loan notes of £3,155,858 (2021: £5,058,375) are secured by a debenture over the group's assets.

Fresh Approach (UK) Holdings Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2022	<i>Group 2021</i>
	£	<i>£</i>
Within one year	7,292	<i>26,786</i>
Between 1-5 years	-	<i>7,292</i>
	7,292	<i>34,078</i>
	7,292	<i>34,078</i>

23. Deferred taxation

Group

	2022	<i>2021</i>
	£	<i>£</i>
At beginning of year	(18,152)	<i>(28,456)</i>
Charged to profit or loss	22,725	<i>10,304</i>
	4,573	<i>(18,152)</i>
At end of year	4,573	<i>(18,152)</i>

The deferred taxation balance is made up as follows:

	Group 2022	<i>Group 2021</i>
	£	<i>£</i>
Accelerated capital allowances	(29,742)	<i>(31,276)</i>
Other timing differences	34,315	<i>13,124</i>
	4,573	<i>(18,152)</i>
	4,573	<i>(18,152)</i>

Fresh Approach (UK) Holdings Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

24. Share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
172,368 (2021 - 591,623) A ordinary shares of £0.01 each	1,724	5,916
149,702 (2021 - 204,792) B ordinary shares of £1.00 each	149,702	204,792
341,322 (2021 - 341,322) C ordinary shares of £1.00 each	341,322	341,322
534,136 (2021 - NIL) D ordinary shares of £0.01 each	5,341	-
474,360 (2021 - NIL) Deferred shares shares of £0.01 each	4,744	-
	<u>502,833</u>	<u>552,030</u>

On 1 November 2022, 534,136 D ordinary shares of £0.01 were issued at at par.

The A ordinary, B ordinary, C ordinary and D ordinary shares are non-redeemable but hold full rights in respect of voting, and entitle the holder to full participation in respect of equity and in the event of a winding up of the company.

On 1 November 2022, £1,721,250 of loan notes were converted to equity through the issue of 14 deferred shares of £0.01 each. Also on 1 November 2022, 419,255 A ordinary shares of £0.01 each & 55,090 B ordinary shares of £1 each were redesignated into 474,348 deferred shares of £0.01 per share. Deferred shares are non-voting, have no right to dividends and shareholders have no right to participate in the distribution of capital.

25. Reserves

Share premium

The share premium account includes premiums received on issue of share capital, net of share issue costs.

Profit and loss account

Profit and loss account includes all current retained profit and losses.

26. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £155,633 (2021: £88,634). Contributions totalling £51,907 (2021: £23,552) were payable to the fund at the balance sheet date and are included in creditors.

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**Notes to the Financial Statements
For the Year Ended 31 December 2022**

27. Commitments under operating leases

At 31 December 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	<i>Group 2021 £</i>
Land and buildings		
Not later than 1 year	320,465	<i>316,640</i>
Later than 1 year and not later than 5 years	248,753	<i>567,217</i>
	569,218	<i>883,857</i>
	Group 2022 £	<i>Group 2021 £</i>
Other		
Not later than 1 year	30,470	<i>28,608</i>
Later than 1 year and not later than 5 years	16,210	<i>34,036</i>
	46,680	<i>62,644</i>

28. Transactions with directors

A director has a director's loan account with the company. There has been no movement on the loan account during the year. At the balance sheet date the amount due was £37,576 (2021: £37,576).

The directors' loans are interest free and repayable on demand.

29. Related party transactions

Key management compensation totalled £293,791 (2021: £572,999).

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