

Tarsus Group Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2021

Registered no. 02000544



Tarsus Group Limited

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Tarsus Group Limited

OFFICERS AND ADVISORS

DIRECTORS

J D Emslie
D P O'Brien
S Smith
M R Pennington

COMPANY SECRETARY

S Smith

REGISTERED OFFICE

Metro Building 9th Floor
1 Butterwick
Hammersmith
London
W6 8DL

PRINCIPAL BANKERS

HSBC Bank
60 Queen Victoria Street
London
EC4N 4TR

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

PRINCIPAL ACTIVITY

The main activity of the company is that of an investment holding company. The results for the year are set out in the statement of comprehensive loss account on page 7.

REVIEW OF BUSINESS

During the year the company made a loss of £5,614,489 (2020: loss of £22,324,036).

The significant cash movements during the year were due to intercompany transfers, repayment of and drawdown of borrowings from the bank, acquisition payments and payments of overheads.

The key financial performance indicators are monitored by Tiger Acquisitions Holding Limited (the – “group”) to which the company belongs, and include adjusted profit before tax. In addition to the group financial performance indicators, acquisition related costs are closely monitored in this company.

The directors continue to monitor future development opportunities, whilst expanding the business through organic growth.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks that impact the company and its investments are:

- Tarsus' events and exhibitions business may be adversely affected by incidents which curtail travel, such as major terrorist attacks, higher oil prices or health pandemics;
- The company operates in a highly competitive environment that is subject to rapid change and the company must continue to invest and adapt to remain competitive;
- Expansion into new geographic regions subjects the company to new operating risks;
- The ability to implement and execute the strategic plan depends on the ability to attract and retain the key management personnel required;
- Fluctuations in exchange rates may affect the reported results;
- An increase in effective tax rates may adversely affect operating results; and

Board meetings for the group are held regularly to identify and address any ongoing risks posed to the business.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Exposure to credit, interest rate, and currency and liquidity risk arises in the normal course of the company's business. Treasury operations are conducted within a framework of policies and guidelines authorised by the Board of the ultimate parent company and are subject to internal control procedures. The objective of the framework is to provide flexibility whilst minimising risk and prohibiting speculative transactions or positions to be taken.

The company's principal financial instruments comprise amounts owed to the parent undertaking and fellow subsidiaries, bank loans and cash. The main purpose of these financial instruments is to raise finance for the company's operations. The company has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the company's financial instruments are credit, currency, and liquidity risk. The Board reviews and agrees policies for managing these risks and they are summarised below.

STRATEGIC REPORT (CONTINUED)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

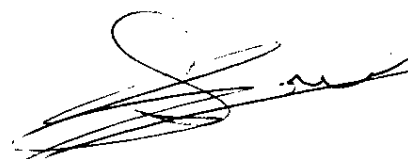
Credit risk is managed through a combination of rigorous credit control policies including the active chasing of overdue debt by a dedicated credit controller and the selective use of third party collection agencies. Regular reviews of the age profile of the outstanding debt are carried out and action plans agreed between finance and commercial departments to ensure appropriate actions are taken to recover debt older than agreed credit terms. Liquidity risk is actively managed through moving cash around the Group and drawing down borrowings from the bank when required.

The company is exposed to movements in foreign exchange rates against sterling for trading transactions. The principal exposure is to the US dollar and Euro exchange rates which forms the basis of pricing for customers. The company has an element of natural hedge within its costs and revenues and its policy is not to enter into any external hedging arrangements for its foreign currency trading exposures.

FUTURE DEVELOPMENTS

The directors expect the general level of activity to remain consistent in the forthcoming year.

Approved by the board of directors and signed on its behalf by

A handwritten signature in black ink, appearing to be 'S Smith', written over a horizontal line.

S Smith
Company Secretary
29 September 2022

DIRECTORS' REPORT

The directors present the annual report and the financial statements of the company for the year ended 31 December 2021.

GOING CONCERN

Tiger Acquisitions (Jersey) Limited, a fellow Group company with access to funding available within the same Group, has provided confirmation that it will provide the necessary support to the Company to enable it to continue trading for at least 12 months after the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with appropriate accounting standards.

DIVIDENDS

The directors do not recommend the payment of a dividend to ordinary shareholders (2020: £nil).

DIRECTORS AND DIRECTORS' INTERESTS

The following directors held office throughout the year and up to the date of signing the accounts:

J D Emslie
D P O'Brien
S Smith
M R Pennington

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

Liability insurance for the directors was maintained by Tiger Acquisitions (Jersey) Ltd.

PRINCIPLE ACTIVITY AND FUTURE DEVELOPMENTS

Details of future developments can be found in the Strategic Report on page 4 and form part of this report by cross-reference.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Details of financial risk management objectives and policies can be found in the Strategic Report on page 3 and form part of this report by cross-reference.

Approved by the board of directors and signed on its behalf by:



S Smith
Company Secretary
29 September 2022

**DIRECTORS' RESPONSIBILITIES STATEMENT IN RESPECT OF THE DIRECTORS' REPORT,
THE STRATEGIC REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 of the profit or loss of the company for that period. In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF COMPREHENSIVE LOSS FOR THE YEAR ENDED 31 DECEMBER 2021

| | Notes | 2021 £ | 2020 £ |
|---------------------------------------|--------------|--------------------|---------------------|
| Administrative expenses | | (7,630,417) | (5,192,866) |
| Other expenses | 3 | (1,677,863) | (972,373) |
| Operating loss | 4 | (9,308,280) | (6,165,239) |
| Other income from group companies | 5 | 1,522,614 | 83,791,754 |
| Other non-operating income/(loss) | 6 | 6,593,457 | (97,132,134) |
| Loss before interest and taxation | | (1,192,209) | (19,505,618) |
| Interest payable and similar expenses | 7 | (4,539,280) | (1,772,084) |
| Loss before taxation | | (5,731,489) | (21,277,702) |
| Taxation | 8 | 117,000 | (1,046,334) |
| Loss for the financial year | | (5,614,489) | (22,324,036) |
| Total comprehensive loss for the year | | (5,614,489) | (22,324,036) |

All amounts relate to continuing operations.

The notes on pages 11 to 28 form part of these financial statements.

BALANCE SHEET AS AT 31 DECEMBER 2021
COMPANY NUMBER: 02000544

| | Notes | 2021 £ | 2020 £ |
|--|-------|----------------------|----------------------|
| FIXED ASSETS | | | |
| Tangible fixed assets | 9 | 237,939 | 235,191 |
| Investment in subsidiaries | 10 | 278,843,944 | 271,388,058 |
| Investment in joint ventures | 11 | 96,161 | 96,161 |
| | | 279,178,044 | 271,719,410 |
| CURRENT ASSETS | | | |
| Debtors: amounts falling due within one year | 12 | 63,398,139 | 57,370,168 |
| Cash at bank and in hand | | 4,839,487 | 109,375 |
| | | 68,237,626 | 57,479,543 |
| CREDITORS | | | |
| Amounts falling due within one year | 13 | (253,185,428) | (237,998,062) |
| NET CURRENT LIABILITIES | | (184,947,802) | (180,518,519) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 94,230,242 | 91,200,891 |
| CREDITORS | | | |
| Amounts falling due after one year | 14 | (60,196,195) | (51,552,353) |
| NET ASSETS | | 34,034,047 | 39,648,537 |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 15 | 13,497,645 | 13,497,645 |
| Share premium | | 101,541,826 | 101,541,826 |
| Other reserves | | (899,591) | (899,591) |
| Profit and loss account | | (80,105,833) | (74,491,344) |
| SHAREHOLDERS' FUNDS | | 34,034,047 | 39,648,537 |

The notes on pages 11 to 28 form part of these financial statements.

For the period ended 31 December 2021 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006, relating to subsidiary companies. The members have not required the Company to obtain an audit of its accounts for the period ended 31 December 2021 in accordance with section 476 of the Act. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements of Tarsus Group Limited, registration no. 02000544, approved and authorised for issue by the Board of Directors on 29 September 2022 and were signed on its behalf by:



D P O'Brien
 Director
 29 September 2022

Tarsus Group Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

| | Called up share capital £ | Share premium £ | Other reserves £ | Profit and loss account £ | Total equity £ |
|---|--|--------------------------------|---------------------------------|--|-------------------------------|
| Balance brought forward as at 1 January 2021 | 13,497,645 | 101,541,826 | (899,591) | (74,491,344) | 39,648,537 |
| Loss for the year | - | - | - | (5,614,489) | (5,614,489) |
| Total comprehensive loss for the year | - | - | - | (5,614,489) | (5,614,489) |
| Balance carried forward as at 31 December 2021 | 13,497,645 | 101,541,826 | (899,591) | (80,105,833) | 34,034,047 |

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

| | Called up share capital £ | Share premium £ | Other reserves £ | Profit and loss account £ | Total equity £ |
|---|--|--------------------------------|---------------------------------|--|---------------------------|
| Balance brought forward as at 1 January 2020 | 13,497,645 | 101,541,826 | (899,591) | (52,167,307) | 61,972,573 |
| Loss for the year | - | - | - | (22,324,037) | (22,324,037) |
| Total comprehensive loss for the year | - | - | | (22,324,037) | (22,324,037) |
| Balance carried forward as at 31 December 2020 | 13,497,645 | 101,541,826 | (899,591) | (74,491,344) | 39,648,537 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. PRINCIPAL ACCOUNTING POLICIES

Basis of accounting

Tarsus Group Limited is a private company limited by shares, incorporated in the United Kingdom and registered in the England and Wales under the Companies Act 2006. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the strategic report on page 3.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council and the Companies Act 2006. Both the functional and presentational currency of the company is in sterling.

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

As the company is a wholly owned subsidiary of Tiger Acquisitions Holding Limited, the company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the exemptions contained in FRS 102. Therefore, the requirement to disclose a reconciliation of the number of shares outstanding at the beginning and end of the period, the requirement to prepare a cash flow statement, the requirement to disclose the remuneration of key management personnel, and financial instrument disclosures have not been presented on the grounds that the company's accounts are consolidated in the accounts of Tiger Acquisitions Holding Limited, which are publicly available. The company has not disclosed transactions with entities which are wholly owned by the group.

The company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirements to prepare group financial statements on the grounds that it is a wholly owned subsidiary of Tiger Acquisitions Holding Limited, a company registered in England and Wales. These financial statements present information about the company as an individual undertaking and not about its group.

Going concern

Tiger Acquisitions (Jersey) Limited, a fellow Group company with access to funding available within the same Group, has provided confirmation that it will provide the necessary support to the Company to enable it to continue trading for at least 12 months after the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with appropriate accounting standards.

Investments in subsidiaries

The Company has control over subsidiary undertakings if it directs financial and operating policies of the investment so as to obtain benefits from its activities. Investments in subsidiaries are measured at cost less impairment losses recognised.

Investments and joint ventures

Joint ventures are those entities over whose activities the Group has joint control. The entity operates in the same way as other entities except that a contractual arrangement between the venturers establishes joint control over the economic activity of the entity. Investments in joint ventures are measured at cost less any impairment losses recognised.

Impairment of investments

Fixed asset investments are assessed at each reporting date to determine whether there is any indication that the investment is impaired. Where there is indication that that an investment may be impaired, the carrying value of the investment is tested for impairment. An impairment loss is recognised whenever the carrying amount of an investment exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(CONTINUED)**

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

The recoverable amount is the greater of the net selling price 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 investment.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the investment's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or 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 operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, except:

- the recognition of deferred tax assets is limited to the extent that the directors consider that it is more likely than not that these 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the period in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the rates prevailing at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the balance sheet. All foreign exchange gains and losses are presented in profit or loss within 'other operating income or expense'.

Finance costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested, foreign exchange gains and losses, and gains and losses on hedging instruments that are recognised in the income statement.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(CONTINUED)**

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Other income from group companies

Dividend income is recognised in the income statement on the date that the dividend is declared and becomes legally receivable. Management charge income is representative of costs incurred in respect of other group companies.

Acquisition Costs

Costs associated with acquisitions are recognised as other expenses in profit or loss.

Other non-operating income/ (expense)

Liabilities for contingent consideration payments, put call option payments and derivative instruments are recognised at fair value. Any change in the fair value of these liabilities is recognised as non-operating income/ (expense) in profit or loss.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at their purchase cost, together with any incidental 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 calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, in a straight line over their estimated useful lives at the following rates:

| | |
|-----------------------|------------|
| Fixtures and fittings | 4-5 years |
| Computers equipment | 3-5 years |
| Corporate redesign | 5-10 years |

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively if appropriate, 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 with 'other operating income or losses' in profit or loss.

On an annual basis it is considered whether any indicators of impairment are present. If there are, an impairment review is carried out where the carrying value of the asset is compared to the recoverable amount and if necessary, an impairment loss recognised.

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised in the statement of comprehensive loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(CONTINUED)**

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Reserves

The Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- The share premium account includes the premium on issue of equity shares, net of any issue costs.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.
- Other reserves relates to a historic restructuring.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make 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 period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Impairment

- Determine whether there are indicators of impairment of the group's investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the investee company.

Key source of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Contingent consideration and put option liabilities

- Contingent consideration and put option liabilities are recognised in the accounts as a liability based on accounting estimates on future profitability. Estimated future cash flows are discounted in calculating fair value. The key assumptions used in estimating the net present value of future cash flows are the growth rate in the results of the business and the discount rate applied.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(CONTINUED)**

3. OTHER EXPENSES

| | 2021 | 2020 |
|---------------------------|-------------|-------------|
| | £ | £ |
| Acquisition related costs | 1,677,863 | 972,373 |

These are one-off costs relating to the acquisition or potential acquisition of new business.

4. OPERATING LOSS

| | 2021 | 2020 |
|--|-------------|-------------|
| | £ | £ |
| Loss before taxation is stated after charging/(crediting): | | |
| Depreciation of tangible fixed assets | 94,749 | 98,085 |
| Foreign exchange loss | 4,723,686 | 826,547 |

5. OTHER INCOME FROM GROUP COMPANIES

| | 2021 | 2020 |
|--------------------|-------------|-------------|
| | £ | £ |
| Dividends received | 1,522,614 | 83,791,754 |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(CONTINUED)**

6. OTHER NON-OPERATING INCOME

| | 2021 | 2020 |
|--|------------------|---------------------|
| | £ | £ |
| Impairment of investments | - | (86,660,967) |
| Change in fair value of contingent consideration | 8,212,219 | (9,791,263) |
| Unwinding of discount - Contingent consideration | (1,618,762) | (679,904) |
| | <u>6,593,457</u> | <u>(97,132,134)</u> |

7. INTEREST PAYABLE AND SIMILAR EXPENSES

| | 2021 | 2020 |
|--------------------|-------------|-------------|
| | £ | £ |
| Bank loan interest | 4,539,280 | 1,772,084 |

Please refer to Note 16 for further details on financial instruments.

8. TAXATION

| UK Corporation Tax | 2021 | 2020 |
|--|----------------------|--------------------|
| | £ | £ |
| Corporation tax | | |
| Under/(Over) provision in respect of prior periods | (119,739) | 975,629 |
| Current year tax | 0 | 34,800 |
| Total current tax (credit)/charge | <u>(119,739)</u> | <u>1,010,429</u> |
| Deferred tax | | |
| Under/(Over) provision in respect of prior periods | (6,741) | (12,435) |
| Origination of temporary differences | 9,480 | (396) |
| Total deferred tax charge/(credit) | <u>2,739</u> | <u>(12,831)</u> |
| Tax (credit)/charge on loss | <u>(117,000)</u> | <u>997,598</u> |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(CONTINUED)**

8. TAXATION (CONTINUED)

The standard rate of tax applied to reported profit is 19% (2020: 19%).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the statement of financial position date.

The UK deferred tax assets and liabilities have therefore been calculated at a rate of 25% (2020: 19%), as this rate has been substantively enacted at the balance sheet date. It was announced in the Finance Bill 2021 that the main rate of corporation tax will increase to 25% from 1 April 2023. This was substantively enacted from 24 May 2021. However, in the September 2022 Mini Budget it was announced that the increase to 25% would now not occur and the corporation tax rate would instead be held at 19%. This rate had not been substantively enacted at the balance sheet date, and as the result the deferred tax balances as at 31 December 2021 continue to be measured at the full 25% rate noted above.

The current tax charge for the year differs from the standard rate of corporation tax in the UK applied to the loss before tax. The differences are explained below:

| | 2021 | 2020 |
|--|-------------|--------------|
| | £ | £ |
| Loss before tax | (5,731,488) | (21,277,702) |
| The standard rate of tax applied to reported loss is 19% (2020: 19%). | (1,088,983) | (4,042,725) |
| Effects of: | | |
| Losses carried forward | | |
| Expenses not deductible | (778,230) | 18,668,562 |
| Non-taxable income | (289,297) | (15,920,433) |
| Share scheme deduction | - | - |
| Losses carried forward | 3,087,300 | 1,887,329 |
| CFC charge | - | 34,800 |
| CIR disallowance | - | - |
| Group relief surrendered for no consideration | - | 18,328 |
| Capital allowances in excess of depreciation | - | - |
| Imputed interest receivable/(compensating adjustment) for transfer pricing purposes | (930,790) | (611,061) |
| Prior year adjustment | (119,739) | 975,629 |
| Accelerated capital allowances | 9,480 | (396) |
| Losses | - | - |
| (Over)/under provision in respect of prior periods | (6,741) | (12,435) |
| Total tax charge/ (credit) for the year | (117,000) | 997,598 |

The imputed interest receivable arises due to notional interest (or imputed interest) being applied to related party loan balances which under their terms do not attract interest.

The company has unrecognised deferred tax assets of £23,456 (2020: £17,827) relating to capital losses carried forward and £6,740,395 (2020: £4,640,623) relating to excess management expenses carried forward.

There is no expiry date on timing differences, unused tax losses or tax credits.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(CONTINUED)**

9. TANGIBLE FIXED ASSETS

| | Computer Equipment |
|---------------------------|-------------------------------|
| | £ |
| Cost | |
| At 1 January 2021 | 740,615 |
| Additions | 97,497 |
| At 31 December 2021 | <u>838,112</u> |
| Depreciation | |
| At 1 January 2021 | 505,424 |
| Depreciation for the year | 94,749 |
| At 31 December 2021 | <u>600,173</u> |
| Net book value | |
| At 31 December 2021 | <u>237,939</u> |
| At 31 December 2020 | <u>235,191</u> |

10. INVESTMENTS IN SUBSIDIARIES

| Investment in subsidiary undertakings, held at cost: | 2021 £ | 2020 £ |
|--|--------------------|--------------------|
| At 1 January | 271,388,888 | 313,458,838 |
| Additions | 7,455,056 | 22,117,317 |
| Impairment Loss | - | (64,187,268) |
| At 31 December | <u>278,843,944</u> | <u>271,388,888</u> |

On 30 August 2021, Tarsus Group Ltd acquired 51% of the share capital of International Electronics Circuit Exhibition (Shenzhen).

On 18 October 2021, Tarsus Group Ltd acquired 51% of the share capital of Times Aerospace Publishing Limited.

Tarsus Group Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

10. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The Company is a holding company within a Group. The following are the subsidiary companies within the Group:

| Name | Group Holding and voting rights percent ordinary shares | Country of registration and operation |
|--|--|---|
| <u>Trading Companies</u> | | |
| AMB Tarsus Exhibitions (Cambodia) Pte. Ltd. | 100 | Cambodia |
| AMB Tarsus Exhibitions (Myanmar) Pte. Ltd. | 99.99 | Myanmar |
| AMB Tarsus Exhibitions SDN BHD | 100 | Malaysia |
| Brainweek, LLC | 80 | United States |
| Connect Biz Canada Limited | 58 | Canada |
| Connect Biz, LLC | 58 | United States |
| Connect Marketing, LLC | 80 | United States |
| Connect Travel, LLC | 80 | United States |
| F&E LLC FZE | 100 | UAE |
| Foshan Huaxia Home Textile Development Co., Ltd. (Hometex) | 65 | China |
| Foundermade LLC | 65 | United States |
| Health Connect Partners Inc. | 60 | United States |
| International Electronics Circuit Exhibition (Shenzhen) Company Limited | 51 | Hong Kong |
| Label Expositions Private Limited | 99.99 | India |
| MCI OPCO, LLC | 100 | United States |
| Metabolic Medical Institute, Inc. | 100 | United States |
| Off-Price Specialists Center | 100 | United States |
| PEP Tarsus Corporation | 51 | Philippines |
| PT Tarsus Indonesia SEA | 67 | Indonesia |
| Sada Uzmanlik Fuarlari A.S | 60 | Turkey |
| Shenzhen HKPCA Show Company | 51 | China |
| Shenzhen Shengshi Jiuzhou Exhibition Co., Ltd | 75 | China |
| Shenzhen Zhongxincai Exhibition Company Limited | 70 | China |
| Smarter Shows (Tarsus) Limited | 100 | United Kingdom |
| Tarsus (Singapore) Pte Ltd | 100 | Singapore |
| Tarsus Bodysite LLC | 60 | United States |
| Tarsus Cardio, Inc. | 100 | United States |
| Tarsus Connect, LLC | 80.1 | United States |
| Tarsus Events, LLC | 100 | United States |
| Tarsus Exhibition (Shanghai) Co., Ltd | 100 | China |
| Tarsus Exhibitions & Publishing Limited | 100 | United Kingdom |
| Tarsus Exhibitions India Private Limited | 100 | India |
| Tarsus Expositions, Inc | 100 | United States |
| Tarsus Hope Exhibition Co., Ltd | 100 | China |
| Tarsus Mexico Events, LLC | 100 | United States |
| Tarsus Mexico, S.A. de C.V. | 100 | Mexico |
| Tarsus Publishing, Inc | 100 | United States |
| Tarsus Services, S. de R.L. de C.V. | 100 | Mexico |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(CONTINUED)**

| | | |
|---|-----|----------------|
| Tarsus Turkey Fuarçılık Anonim Şirketi | 100 | Turkey |
| Times Aerospace Publishing Limited | 51 | United Kingdom |
| Trade Show News Network, Inc. | 100 | United States |
| <u>Holding and Dormant Companies</u> | | |
| Access Beauty Insiders, LLC | 60 | United States |
| CapRegen BioSciences Limited | 100 | United Kingdom |
| CapRegen Limited | 100 | United Kingdom |
| CapRegen Magnum Limited | 100 | United Kingdom |
| CapRegen Natural BioSciences Limited | 100 | United Kingdom |
| CapRegen Nutraceuticals Limited | 100 | United Kingdom |
| Caroo Development Inc. | 100 | United States |
| Caroo USA Inc. | 100 | United States |
| DMS Group, LLC | 100 | United States |
| Evolve OP, LLC | 85 | United States |
| Fairs And Exhibitions Limited | 100 | United Kingdom |
| F&E (2008) Limited Cyprus | 100 | Cyprus |
| Fairs & Exhibitions (1992) Limited | 100 | United Kingdom |
| GKT Events LLC | 75 | United States |
| Medical Conferences International, Inc. | 100 | United States |
| Montana Street Consultants, Inc. | 100 | United States |
| Natural Biosciences Inc. | 100 | United States |
| PNO Exhibition Investment (Dubai) Limited | 100 | United Kingdom |
| PT. Sembilan Tarsus Indonesia (Nine Events) | 50 | Indonesia |
| Smarter Shows (No 2) Limited | 100 | United Kingdom |
| Tarsus Advon Holdings, Inc. | 100 | United States |
| Tarsus AM Shows Ltd | 100 | United Kingdom |
| Tarsus America Limited | 100 | United Kingdom |
| Tarsus Atlantic Holdings LLC | 100 | United States |
| Tarsus Atlantic Limited | 100 | United Kingdom |
| Tarsus Cedar Limited | 100 | United Kingdom |
| Tarsus China Limited | 100 | United Kingdom |
| Tarsus Direct LLC | 100 | United States |
| Tarsus Exhibitions, LLC | 100 | United States |
| Tarsus GEP, Inc. | 100 | United States |
| Tarsus Holdings Limited | 100 | United Kingdom |
| Tarsus Investments Limited | 100 | United Kingdom |
| Tarsus Leeward Limited | 100 | United Kingdom |
| Tarsus Martex | 100 | United Kingdom |
| Tarsus Medical Limited | 100 | United Kingdom |
| Tarsus Medical Education LLC | 100 | United States |
| Tarsus New Media Limited | 100 | United Kingdom |
| Tarsus Organex Limited | 100 | United Kingdom |
| Tarsus Overseas Limited | 100 | United Kingdom |
| Tarsus Partners | 100 | United States |
| Tarsus Publishing Limited | 100 | United Kingdom |
| Tarsus Touchstone Limited | 100 | United Kingdom |
| Tarsus UK Holdings Limited | 100 | United Kingdom |
| Tarsus US Holdings Incorporated | 100 | United States |

Tarsus Group Limited

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

| | | |
|---|-----|----------------|
| Tarsus US Limited | 100 | United Kingdom |
| Tarsus Windward Limited | 100 | United Kingdom |
| Times Aerospace Publishing Holdings Limited | 51 | United Kingdom |
| W.R.Kern Organisation Limited(The | 100 | United Kingdom |

* *Directly owned subsidiary*

The principal activity of the above trading companies is the promotion, organisation and management of exhibitions and conferences, together with related publications and new media products.

11. INVESTMENTS IN JOINT VENTURES

| | 2021 £ | 2020 £ |
|------------------|---------------|---------------|
| As at 1 January | 96,161 | 96,161 |
| Reclassification | - | - |
| At 31 December | <u>96,161</u> | <u>96,161</u> |

The details of the joint ventures company are set out below:

| Name | Effective date of acquisition | Nature of company | Group holding and voting rights % of ordinary shares | Country of registration and operation | Registered Address |
|--|-------------------------------|-------------------|--|---------------------------------------|---|
| PT Semblian Tarsus Indonesia (Nine Events) | 31 March 2017 | Trading | 50% | Indonesia | Jl. Cikatomas 1 No.3, Kebayoran Baru, Jakarta, Jakarta Selatan, 12180 Indonesia |
| Shanghai Intex Exhibition Co. Limited | 1 October 2016 | Trading | 50% | China | Room 1208, No.55 Loushanguan Road, Shanghai, China |

The principal activity of the above trading companies is the promotion, organisation and management of exhibitions and conferences, together with related publications and new media products.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(CONTINUED)**

12. DEBTORS – amounts falling due within one year

| | 2021 | 2020 |
|--|-------------------|-------------------|
| | £ | £ |
| Corporation Tax Recoverable | 155,801 | - |
| Other debtors | 55,049 | (727) |
| Prepayments | 328,071 | 251,297 |
| Amounts due from subsidiary undertakings | 61,348,070 | 57,119,598 |
| Capitalised Loan Fees | 1,511,148 | - |
| | 63,398,139 | 57,370,168 |

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

13. CREDITORS - amounts falling due within one year

| | 2021 | 2020 |
|--|--------------------|--------------------|
| | £ | £ |
| Trade creditors | 118,573 | 398,766 |
| Other creditors | 125,651 | (19,232) |
| Other taxes and social security | 35,168 | 94,454 |
| Accruals | 1,208,153 | 423,534 |
| Contingent consideration | 620,000 | - |
| Amounts due to subsidiary undertakings | 251,077,883 | 236,967,247 |
| Interest Accrual | - | 133,293 |
| | 253,185,428 | 237,998,062 |

Contingent consideration relates to future payments to vendors payable after completion that are dependent on the outcome of future events. Contingent consideration is recognised as a liability based on accounting estimates and judgements on future revenue streams. Estimated future cash flows are discounted in calculating fair value. The key assumptions used in estimating the net present value of future cash flows are the discount rate and the period over which the contingent consideration affect future cash flows and future performance.

Put call option liabilities relate to liabilities arising from written put options over shares held by non-controlling interests which are recognised as a liability. Estimated future cash flows are discounted in calculating fair value. The key assumptions used in estimating the net present value of future cash flows are the discount rate and the period over which the option is exercisable

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(CONTINUED)**

14. CREDITORS - amounts falling due after one year

| | 2021 £ | 2020 £ |
|--|-------------------|-------------------|
| <i>Creditors falling due between one and two years:</i> | | |
| Contingent consideration | 13,855,049 | 19,446,559 |
| Put call option liability | 3,833,790 | 3,610,075 |
| <i>Creditors falling due between two and five years:</i> | | |
| Bank loan | 42,500,979 | 28,493,513 |
| Deferred Tax Liability | 6,377 | 2,206 |
| | 60,196,195 | 51,552,353 |

The above bank loans are secured against the assets of both the company and its subsidiaries. In addition, there are cross guarantees between the company and the major trading subsidiaries.

15. CALLED UP SHARE CAPITAL

| | Number | 2021 £ | Number | 2020 £ |
|--|--------------------|-------------------|--------------------|-------------------|
| Authorised: | | | | |
| Ordinary shares of 5p each | 999,999,924 | 50,000,000 | 999,999,924 | 50,000,000 |
| "A" Ordinary share of 5p each | 1 | - | 1 | - |
| Dividend Access Shares of £1 each | 4 | 4 | 4 | 4 |
| | <u>999,999,924</u> | <u>50,000,000</u> | <u>999,999,924</u> | <u>50,000,000</u> |
| Allotted, called up and fully paid: | | | | |
| At 1 January and 31 December | <u>269,952,887</u> | <u>13,497,646</u> | <u>269,952,887</u> | <u>13,497,646</u> |

All shares are ordinary shares which have full voting rights and rights to dividends. Ordinary shareholders have the right of return of capital only in solvent liquidation.

16. EMPLOYEE INFORMATION

The monthly average number of persons employed by the company, including executive directors, during the year was:

| | 2021 Number | 2020 Number |
|----------------------------|----------------|----------------|
| Senior management | 3 | 2 |
| Finance and administration | 17 | 14 |
| | <u>20</u> | <u>16</u> |
| | 2021 £ | 2020 £ |
| Wages and salaries | 877,739 | 795,851 |
| Pension costs | 18,658 | 18,510 |
| Social security costs | 83,195 | 95,546 |
| | 979,592 | 909,907 |

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(CONTINUED)

17. FINANCIAL INSTRUMENTS

The carrying values of the company's financial assets and liabilities are summarised below:

| | 2021 £ | 2020 £ |
|-------------------------------------|-------------------|-------------------|
| Financial assets | | |
| Cash at bank and in hand | 4,839,487 | 109,375 |
| Other debtors | 55,049 | (727) |
| Amounts due from Group undertakings | 61,348,070 | 57,119,598 |
| | 66,242,606 | 57,228,246 |

Financial assets measured at amortised cost comprise cash, other debtors and amounts owed subsidiary undertakings. Fair value of these financial statements approximate their carrying value.

| | 2021 £ | 2020 £ |
|--|--------------------|--------------------|
| Financial liabilities | | |
| <i>Instruments measured at amortised cost:</i> | | |
| Trade creditors | 118,573 | 398,766 |
| Other creditors | 125,651 | (19,232) |
| Accruals | 1,208,153 | 423,534 |
| Bank loans | 42,500,979 | 28,493,513 |
| Amounts due to Group undertakings | 251,077,883 | 236,967,247 |
| <i>Instruments measured at fair value:</i> | | |
| Contingent consideration | 4,453,790 | 19,446,559 |
| Put call option liability | 13,855,049 | 3,610,075 |
| | 313,340,077 | 289,320,462 |

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, other creditors and accruals and amounts owed to Group undertakings.

Borrowings are repayable as follows

| | 2021 £ | 2020 £ |
|----------------------------|-------------------|-------------------|
| Bank loans | | |
| Between two and five years | 42,500,979 | 28,493,513 |
| | 42,500,979 | 28,493,513 |

Information regarding the group's exposure to and management of credit risk, liquidity risk, and foreign exchange risk is included in the Strategic report.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
(CONTINUED)**

18. FINANCIAL INSTRUMENTS (CONTINUED)

Hedge of variable interest rate risk arising from bank loan liabilities

The Group uses derivative financial instruments (forward exchange contracts) to hedge the risk exposure of foreign currencies. The use of financial derivatives is governed by the Group's policies approved by the Board. Compliance with policies and exposure limits is reviewed by the Board. The Group does not enter financial instruments, including derivative financial instruments, for speculative purposes.

The Group has entered into interest rate derivatives as a means of hedging interest rate risk. The effective part of the change in fair value of these derivatives is recognised directly in equity. Any ineffective portion is recognised immediately in the statement of profit or loss. Amounts accumulated in equity are recycled to the statement of profit or loss in the periods when the hedged items will affect profit and loss. Where hedge accounting is not applied, movement in fair value are recognised in the statement of profit or loss. The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the balance sheet date.

19. ULTIMATE PARENT COMPANY

The ultimate parent undertaking and controlling party is *International Tiger Holding Lux S.a.R.L.*, a company incorporated in Luxembourg at 8 rue Notre Dame, L-2240 Luxembourg, Grand Duchy of Luxembourg. The immediate parent undertaking is *Tarsus Luzhniki Limited*, a company registered in England and Wales at Metro Building, 9th Floor, 1 Butterwick, Hammersmith, London, W6 8DL.

At the year end the parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the company is a member is *Tiger Acquisitions (Jersey) Limited*, registered in Jersey with the office located at 26 New Street, St Helier, JE2 3RA. Copies of the financial statements can be obtained from the Jersey Financial Services Commission. The parent undertaking of the smallest such group is *Tiger Acquisitions Holding Limited*, registered in England and Wales and located at 9th Floor, Metro Building, 1 Butterwick, London, England, W6 8DL. Copies of the financial statements can be obtained from Companies House.