

Registered number: 08597820

TALENT BIDCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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TALENT BIDCO LIMITED

COMPANY INFORMATION

Directors	M A Geist (appointed 1 June 2022) M A Thiel (appointed 27 October 2022) S Marks (resigned 1 June 2022) B Lindstrom (resigned 27 October 2022)
Registered number	08597820
Registered office	30a Great Sutton Street London EC1V 0DU
Independent auditor	MHA Statutory Auditor Building 4, Foundation Park Roxborough Way Maidenhead Berkshire SL6 3UD
Bankers	HSBC Bnk Plc Floor 6 Metropolitan House CBX3 321 Avebury Boulevard Milton Keynes MK9 2NW

TALENT BIDCO LIMITED

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TALENT BIDCO LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

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

Business review

The company is an investment holding company and the principal activity of the subsidiary undertakings is strategic resourcing and talent management services in Europe, Middle East, Latin America and Asia Pacific.

Results and performance

The group of companies headed by Cielo, Inc. (the "Group") (which includes Talent BidCo Limited ("TBC"), Cielo Talent Limited (the "Company", or "CTL") and Cielo Talent Management Limited ("CTML") (together, the "UK Group")) continue to monitor global markets and take appropriate actions. The Group had a successful year with significant growth during 2022. Despite the high inflation, energy crisis and increased cost of living, The Group has expanded its presence in the APAC region and continues to plan for future growth and expansion. Management feels highly confident that appropriate actions are being taken and that proper plans are in place to position the Group for the future, regardless of which direction markets may take.

The UK Group has no external lending thus is not exposed to significant interest rate rises. As the principal activity is a people-related business, management can control amounts paid to contractors or increase sales prices as and where necessary, therefore inflation risk is limited to overheads which are tightly monitored and controlled.

The results of the Group during the year ended 31 December 2022, as set out on page 10 show a profit on ordinary activities before tax of \$3,025,000 (2021: \$776,000).

Business environment

The European, Middle East and Asia Pacific recruitment industries remained competitive during the year.

Strategy and future developments

In 2023, we plan to develop further our global capability to meet clients' strategic resourcing needs through our network of global locations and our partnerships to serve Europe, the Americas and Pacific.

Key performance indicators

	2022	2021
	\$000	\$000
Turnover	114,741	88,155
Gross profit	25,815	23,268
Profit on ordinary activities before taxation	3,025	776

TALENT BIDCO LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Principal risks and uncertainties

The Group makes use of a variety of financial instruments to fund the business including both those that arise directly from operations such as cash, trade debtors and trade creditors and others such as loans. The use of such financial instruments exposes the group to certain financial risks. The main ones are interest rate risk, credit risk and liquidity risk. These are described in greater detail below:

Interest rate risk

The Group is funded by external borrowings at variable rates of interest which is agreed on a regular basis with the lender.

Credit risk

The Group's principal credit risk relates to the recovery of amounts owed by trade debtors. In order to manage the risk, customers are reviewed based upon a mixture of past payment history and third party credit references. Debts are actively chased by the credit control department.

Liquidity risk

Current and projected working capital requirements are regularly monitored and compared to existing and future facilities to ensure sufficient working capital is available.

Directors' statement of compliance with duty to promote the success of the Group

As Directors, we always consider, both individually and together, acting in a way that, in good faith, would be most likely to promote the success of the Company for the benefit of its employees as a whole, having regard to the stakeholders and matters set out in s172(1) (a)-(f) of the Act, in the decisions taken during the period ended 31 December 2022.

Our objective is to have a long-term beneficial impact on the Company and to contribute to its success in delivering a high quality of service to our customers.

Our employees are fundamental to the delivery of our plan. We aim to be a responsible employer in our approach to the pay and benefits our employees receive. The health, safety and well-being of our team members is one of our primary considerations in the way we conduct our business. Engagement with suppliers and customers is also key to our success.

As the Directors, our intention is to behave in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours and in doing so, will contribute to the delivery of our plan. The intention is to nurture our reputation, through both creation and delivery of our business plan, that reflects our values, beliefs and culture.

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



M A Geist
Director

Date: 12/20/23

TALENT BIDCO 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 \$2,320,000 (2021 - \$633,000).

No dividends were declared or paid during the year ended 31 December 2022 (2021: \$Nil).

Directors

The directors who served during the year were:

M A Geist (appointed 1 June 2022)

M A Thiel (appointed 27 October 2022)

S Marks (resigned 1 June 2022)

B Lindstrom (resigned 27 October 2022)

At no time during the review period to which this report relates or when the directors' report is approved, existed qualifying indemnity provisions (whether made by the company or otherwise) for the benefit of one or more directors of the company or directors of an associated company.

During the year, the company has maintained cover for its directors and officers under a directors' and officers' liability insurance policy.

TALENT BIDCO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Overseas subsidiaries

The company has subsidiaries in various jurisdictions around the world. Please see note 16 for more details.

Engagement with employees

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests. All employees are aware of the financial and economic performance of their business units and of the Group as a whole, and are rewarded according to the results of both through an annual bonus scheme. Communication with all employees continues through the in-house newspaper and newsletters, briefing groups and the distribution of the annual report.

Engagement with suppliers, customers and others

The company continually conducts customer engagement surveys, including net promoter scores and new customer satisfaction questionnaires to ensure we deliver to the highest standards and capture areas for improvement. We highly value our suppliers and apply a fair payment commitment across the entire supply chain.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Greenhouse gas emissions, energy consumption and energy efficiency action

The Group's greenhouse gas emissions and energy consumption are as follows:

	2022	2021
Emissions resulting from the purchase of the electricity by the Group for its own use, including the purposes of transport (in tonnes of CO ₂ equivalent)	25.69tCO ₂ e	16.00 tCO ₂ e
Energy consumed from activities for which the Group is responsible involving the combustion of gas, or the consumption of fuel for the purposes of transport, and the annual quantity of energy consumed resulting from the purchase of electricity by the Group for its own use, including for the purposes of transport, in kWh	120,981kWh	75,332 kWh

We have followed HM Government Environmental Reporting Guidelines and used the 2020 UK Government's Conversion Factors for corporate reporting. The chosen intensity measurement ratio is total gross emissions in kiloWatt hours per employee, which is 140.68 kWh (2021: 122.29 kWh).

Whilst management encourage staff to reduce carbon footprint, no specific procedures to increase energy efficiency have been carried out during the year.

The group operates in the service industry and the only energy consummation is the powering of leased offices. During the year, all travel was restricted unless necessary and the majority of group staff work remote permanently. Any energy usage incurred through travel by the company is considered negligible.

TALENT BIDCO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Disclosure of information to auditor

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

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

Post balance sheet events

No significant events occurred since the year end. The ongoing impact of high inflation and interest rate rises on the company, brought on by the energy crisis and increased cost of living, together with any future developments of the company, can be found in the Strategic Report on page 1.

Auditor

Following a re-branding exercise on 15 May 2023, the trading name of the company's independent auditors changed from MHA MacIntyre Hudson to MHA. Under section 487(2) of the Companies Act 2006, MHA will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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



M A Geist
Director

Date: 12/20/23

TALENT BIDCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TALENT BIDCO LIMITED

Opinion

We have audited the financial statements of Talent BidCo Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Group Profit and Loss Account, the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, 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 Auditor's 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.

Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included considerations over the Company's business model and related risks, including, where relevant, the impact of the cost of living crisis and inflationary pressures and exposure to increasing interest rates, the requirements of the applicable financial reporting framework and the system of internal control. We evaluated the Directors' assessment of the Company's ability to continue as a going concern, including challenging the underlying data and key assumptions used to make the assessment and evaluated the Directors' plans for future actions in relation to their going concern assessment.

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 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.

TALENT BIDCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TALENT BIDCO LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's 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.

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.

TALENT BIDCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TALENT BIDCO LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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:

- Enquiry of management and those charged with governance around actual, potential or suspected litigation, claims non-compliance with applicable laws and regulations and fraud;
- Enquiry of company staff in finance and compliance functions to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work on the design and implementation of key controls around the recording of transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

TALENT BIDCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TALENT BIDCO LIMITED (CONTINUED)

Use of our report

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

Jason Mitchell

Jason Mitchell MBA FCA BSc (Senior Statutory Auditor)

for and on behalf of
MHA

Statutory Auditor

Maidenhead

Date:

21 December 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

TALENT BIDCO LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 \$000	2021 \$000
Turnover	4	114,741	88,155
Cost of sales		(88,926)	(64,887)
Gross profit		25,815	23,268
Administrative expenses		(22,801)	(22,207)
Exceptional administrative expenses		(3,940)	(1,555)
Other operating income	5	3,964	1,215
Operating profit	6	3,038	721
Interest payable and similar expenses	11	(13)	65
Profit before tax		3,025	786
Tax on profit	12	(705)	(153)
Profit for the financial year		2,320	633
Profit for the year attributable to:			
Owners of the parent		2,320	633

The notes on pages 18 to 35 form part of these financial statements.

TALENT BIDCO LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 \$000	2021 \$000
Profit for the financial year		2,320	633
Other comprehensive income		(1,949)	(373)
Total comprehensive income for the year		<u>371</u>	<u>260</u>
Profit for the year attributable to:			
Owners of the parent Company		<u>2,320</u>	<u>633</u>

The notes on pages 18 to 35 form part of these financial statements.

TALENT BIDCO LIMITED
REGISTERED NUMBER: 08597820

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 \$000	2021 \$000
Fixed assets			
Intangible assets	14	25,057	27,507
Tangible assets	15	1,067	1,244
		<u>26,124</u>	<u>28,751</u>
Current assets			
Debtors	17	20,685	15,109
Cash at bank and in hand	18	7,072	8,261
		<u>27,757</u>	<u>23,370</u>
Creditors: amounts falling due within one year	19	(22,206)	(23,153)
Net current assets		<u>5,551</u>	<u>217</u>
Total assets less current liabilities		<u>31,675</u>	<u>28,968</u>
Creditors: amounts falling due after more than one year	20	-	(500)
Provisions for liabilities			
Deferred taxation	22	(17)	(60)
		<u>(17)</u>	<u>(60)</u>
Net assets		<u><u>31,658</u></u>	<u><u>28,408</u></u>
Capital and reserves			
Share premium account	24	44,851	44,851
Foreign exchange reserve	24	683	2,632
Capital contribution reserve	24	2,879	-
Profit and loss account	24	(16,755)	(19,075)
Equity attributable to owners of the parent Company		<u><u>31,658</u></u>	<u><u>28,408</u></u>

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



M A Geist
Director

Date: 12/20/23

The notes on pages 18 to 35 form part of these financial statements.

TALENT BIDCO LIMITED
REGISTERED NUMBER: 08597820

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2022

	Notc	2022 \$000	2021 \$000
Fixed assets			
Investments	16	69,293	66,414
Current assets			
Cash at bank and in hand	18	2	3
Creditors: amounts falling due within one year	19	(24,846)	(24,851)
Net current liabilities		(24,844)	(24,848)
Total assets less current liabilities		44,449	41,566
Net assets		44,449	41,566
Capital and reserves			
Share premium account	24	44,851	44,851
Other reserves	24	2,879	-
Profit and loss account brought forward		(3,285)	(2,682)
Profit/(loss) for the year	4		(603)
Profit and loss account carried forward		(3,281)	(3,285)
		44,449	41,566

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


M A Geist
Director

Date: 12/20/23

The notes on pages 18 to 35 form part of these financial statements.

TALENT BIDCO LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Share premium account \$000	Foreign exchange reserve \$000	Capital contribution reserve \$000	Profit and loss account \$000	Equity attributable to owners of parent Company \$000	Total equity \$000
At 1 January 2021	44,851	3,005	-	(19,708)	28,148	28,148
Profit for the year	-	-	-	633	633	633
Foreign exchange movement in year	-	(373)	-	-	(373)	(373)
At 1 January 2022	44,851	2,632	-	(19,075)	28,408	28,408
Profit for the year	-	-	-	2,320	2,320	2,320
Foreign exchange movement in year	-	(1,949)	-	-	(1,949)	(1,949)
Capital contributions	-	-	2,879	-	2,879	2,879
At 31 December 2022	44,851	683	2,879	(16,755)	31,658	31,658

The notes on pages 18 to 35 form part of these financial statements.

TALENT BIDCO LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Share premium account \$000	Capital contribution reserve \$000	Profit and loss account \$000	Total equity \$000
At 1 January 2021	44,851	-	(2,682)	42,169
Loss for the year	-	-	(603)	(603)
At 1 January 2022	44,851	-	(3,285)	41,566
Profit for the year	-	-	4	4
Capital contributions	-	2,879	-	2,879
At 31 December 2022	44,851	2,879	(3,281)	44,449

The notes on pages 18 to 35 form part of these financial statements.

TALENT BIDCO LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 \$000	2021 \$000
Cash flows from operating activities		
Profit for the financial year	2,320	633
Adjustments for:		
Amortisation of intangible assets	2,411	2,670
Depreciation of tangible assets	490	682
Government grants	-	(4)
Interest payable/(receivable)	13	(65)
Taxation charge	705	153
(Increase) in debtors	(5,457)	(4,281)
Increase in creditors	2,983	3,308
(Decrease) in amounts owed to groups	(4,196)	(3,115)
Corporation tax (paid)/received	(867)	20
Impairment charge	-	658
Result of foreign exchange	(1,949)	(378)
Net cash generated from operating activities	(3,547)	281
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(80)
Purchase of tangible fixed assets	(507)	(710)
Government grants received	-	4
Net cash from investing activities	(507)	(786)
Cash flows from financing activities		
Interest (paid)/received	(13)	65
Capital contribution from parent	2,878	-
Net cash used in financing activities	2,865	65
Net (decrease) in cash and cash equivalents	(1,189)	(440)
Cash and cash equivalents at beginning of year	8,261	8,701
Cash and cash equivalents at the end of year	7,072	8,261
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	7,072	8,261

The notes on pages 18 to 35 form part of these financial statements.

TALENT BIDCO LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	At 1 January 2022 \$000	Cash flows \$000	At 31 December 2022 \$000
Cash at bank and in hand	8,261	(1,189)	7,072

The notes on pages 18 to 35 form part of these financial statements.

TALENT BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Talent Bidco Limited is a private company limited by shares and domiciled in England and Wales under the registration number 08597820. The registered office is 30a Great Sutton Street, London, EC1V 0DU.

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 Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and Loss Account in these financial statements.

The presentation and functional currency of the company is US dollar, as this is the main economic area in which the parent company operates and the financial statements are rounded to the nearest thousand.

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 UK 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 Balance Sheet, 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 Profit and Loss Account from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The financial statements have been prepared on a going concern basis. The Directors have considered relevant information, including the annual budget and the ongoing impact of inflationary and interest rate risks. The UK Group has no external finance which reduces the interest rate risk and is experiencing a high-growth phase.

The Directors have performed a robust analysis of forecast future cash flows for the UK Group taking into account all possible future scenarios arising from market conditions. They have also reviewed the performance of the parent entity, who have confirmed their intention to support the UK Group, however support is not currently deemed necessary. These analyses also consider the effectiveness of other available measures to assist in mitigating the impact.

Based on these assessments and having regard to the resources available to the entity, the Directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

TALENT BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is USD.

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.

On consolidation, the results of overseas operations are translated into Dollars 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.

2.5 Turnover

Turnover is stated net of value added tax and discounts and is recognised to the extent that it is probable the economic benefits will flow to the Group and can be reliably measured.

Turnover in respect of permanent placement fees is recognised when the company has fulfilled its contractual obligations in accordance with the underlying contracts. Depending on the contract, this is on the start date of the candidates' employment, or when a candidate accepts an offer of employment and a start date has been determined.

Turnover in respect of temporary placement fees is recognised on a weekly basis over the time the candidate is utilised by the customer. Turnover earned but not invoiced to customers is included in accrued income. Management fees paid by customers are recognised on a straight line basis.

2.6 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.

TALENT BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.7 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Profit and Loss Account in the same period as the related expenditure.

2.9 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.

2.10 Pensions

TALENT BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.11 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 balance sheet 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 balance sheet 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 balance sheet date.

2.12 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.13 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 Profit and Loss Account 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.

TALENT BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.14 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.

The estimated useful lives range as follows:

Short-term leasehold property	- over the length of the lease
Fixtures and fittings	- 20%-25% on cost or over the length of the lease
Computer equipment	- 20%-25% on cost or over the length of the lease

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.

2.15 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.17 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.

TALENT BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.18 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.

2.19 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.

2.20 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

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 balance sheet 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 Balance Sheet.

2.22 Capital contribution

Assets contributed from the parent company for no consideration and with no requirement for any repayment are treated as capital contributions. These amounts are credited to a non-distributable reserve.

2.23 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Profit and Loss Account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the

TALENT BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.23 Financial instruments (continued)

balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

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 judgment in applying the Group's accounting policies in determining the carrying amounts of assets and liabilities. These judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when decisions are made, including historical experience and other factors that are considered to be applicable.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period which the estimate is revised and subsequent periods if the revision affects future periods.

Key sources of estimation uncertainty

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

i) Assessing indicators of impairment

In assessing whether there have been any indicators of impaired assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

ii) Revenue recognition

The Company recognises revenue from the provision of services in accordance with the stage of completion of the contract. In making its judgement as to the degree of completion achieved, and the estimate of costs to complete the contract, management consider that while there is a degree of judgement in determining these factors, there is sufficient certainty to ensure that the Company meets the requirements of FRS 102 in relation to revenue recognition.

iii) Recoverability of receivables

The company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors consider factors such as the ageing of receivables, past experience of recoverability, and the credit profile of individuals or groups of customers.

There are no judgements that the directors deem to be critical in applying the Company's accounting policies.

TALENT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. Turnover

The whole of the turnover is attributable to the provision of services, specifically talent management.

Analysis of turnover by country of destination:

	2022	2021
	\$000	\$000
United Kingdom	74,819	57,019
Rest of Europe	12,316	11,911
Rest of the world	27,606	19,225
	114,741	88,155

5. Other operating income

	2022	2021
	\$000	\$000
Inter-company income	3,964	1,211
Government grants receivable	-	4
	3,964	1,215

6. Operating profit

The operating profit is stated after charging:

	2022	2021
	\$000	\$000
Depreciation	490	682
Amortisation	2,411	2,670
Exchange differences	(120)	368
Other operating lease rentals	1,481	1,973

TALENT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. Auditor's remuneration

During the year, the Group obtained the following services from the Company's auditor and its associates:

	2022 \$000	2021 \$000
Fees payable to the Company's auditor and its associates in respect of:		
The audit of the Group's annual financial statements	58	53
All non-audit services not included above	11	10
All non-audit services not included above	<u>69</u>	<u>63</u>

8. Employees

Staff costs were as follows:

	Group 2022 \$000	Group 2021 \$000	Company 2022 \$000	Company 2021 \$000
Wages and salaries	46,756	36,251	-	-
Social security costs	1,384	1,059	-	-
	<u>48,140</u>	<u>37,310</u>	<u>-</u>	<u>-</u>

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

	2022 No.	2021 No.
Fee earners	762	539
Support	98	77
	<u>860</u>	<u>616</u>

The Company has no employees other than the directors, who did not receive any remuneration (2021 - \$NIL)

9. Directors remuneration

The directors received no remuneration during the current and previous year as they were remunerated by the US parent. No retirement benefits were accruing nor paid to directors (2021: none) in respect of defined contribution pension schemes.

TALENT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Key management personnel

Certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the UK Group are considered to be key management personnel. Total remuneration in respect of these individuals is \$172,000 (2021: \$358,000), settlement fees of \$351,000 and share options of \$528,000.

11. Interest payable/(receivable) and similar expenses

	2022	2021
	\$000	\$000
Bank interest payable	3	16
Loans from group undertakings	10	(81)
	13	(65)

12. Taxation

	2022	2021
	\$000	\$000
Corporation tax		
Current tax on profits for the year	748	104
Deferred tax		
Origination and reversal of timing differences	(43)	49
Tax on profit	705	153

TALENT BIDCO 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 lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 \$000	2021 \$000
Profit on ordinary activities before tax	3,025	786
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	575	149
Effects of:		
Expenses not deductible for tax purposes	492	148
Utilisation of tax losses	(311)	(583)
Overseas tax differences	(32)	439
Double taxation relief	(19)	-
Total tax charge for the year	705	153

The Group has estimated non-trade loan relationship deficits of \$949,000 (2021: \$1,019,000), trade losses of \$Nil (2021: \$979,000) and excess management expenses of \$548,000 (2021: \$589,000) to utilise in future accounting periods.

No deferred asset has been provided on the above losses due to the uncertainty as to the timing of reversal of the losses into a tax cash benefit.

Factors that may affect future tax charges

An increase to the UK corporation tax main rate was announced in March 2021 from 19% to 25% effective from 1 April 2023. Businesses with profits of £50,000 or less, will continue to be taxed at 19% and a taper above £50,000 will be introduced so that only businesses with profits greater than £250,000 will be taxed at the full 25% rate.

TALENT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

13. Exceptional items

	2022 \$000	2021 \$000
Project costs	-	897
Restructure costs	3,940	-
Impairment charge	-	658
	<u>3,940</u>	<u>1,555</u>

A review was carried out of the cost base of the group, which resulted in restructuring and severance costs of \$3,940,000 (2021: \$Nil). Project costs were incurred during the prior year of \$897,000 relating to the build of a new recruitment platform.

14. Intangible assets

Group

	Development expenditure \$000	Goodwill \$000	Total \$000
Cost			
At 1 January 2022	294	60,953	61,247
Foreign exchange movement	(24)	-	(24)
At 31 December 2022	<u>270</u>	<u>60,953</u>	<u>61,223</u>
Amortisation			
At 1 January 2022	55	33,685	33,740
Charge for the year on owned assets	48	2,363	2,411
Foreign exchange movement	15	-	15
At 31 December 2022	<u>118</u>	<u>36,048</u>	<u>36,166</u>
Net book value			
At 31 December 2022	<u>152</u>	<u>24,905</u>	<u>25,057</u>
At 31 December 2021	<u>239</u>	<u>27,268</u>	<u>27,507</u>

TALENT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Tangible fixed assets

Group

	Short-term leasehold property \$000	Other fixed assets \$000	Total \$000
Cost or valuation			
At 1 January 2022	1,011	5,442	6,453
Additions	14	493	507
Disposals	-	(111)	(111)
Exchange adjustments	(86)	(532)	(618)
At 31 December 2022	<u>939</u>	<u>5,292</u>	<u>6,231</u>
Depreciation			
At 1 January 2022	592	4,617	5,209
Charge for the year on owned assets	71	419	490
Disposals	-	(111)	(111)
Exchange adjustments	(41)	(383)	(424)
At 31 December 2022	<u>622</u>	<u>4,542</u>	<u>5,164</u>
Net book value			
At 31 December 2022	<u>317</u>	<u>750</u>	<u>1,067</u>
At 31 December 2021	<u>419</u>	<u>825</u>	<u>1,244</u>

The net book value of land and buildings may be further analysed as follows:

	2022 \$000	2021 \$000
Short leasehold	<u>317</u>	<u>420</u>

TALENT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

16. Fixed asset investments

Company

	Investments in subsidiary companies \$000
Cost or valuation	
At 1 January 2022	66,414
Additions	2,879
At 31 December 2022	<u>69,293</u>
Net book value	
At 31 December 2022	<u>69,293</u>
At 31 December 2021	<u>66,414</u>

The company holds 100% of the ordinary share capital of Cielo Talent Limited, which in turn owns 100% of the ordinary share capital in Cielo Talent Management Limited, both of which are incorporated in England and Wales.

Cielo Talent Management Limited owns 100% of the ordinary share capital in the following subsidiaries, all of which have a principal activity of talent management:

- Moorland Gray FZ LLC - Office 110, Building 3, Dubai Knowledge Park, Dubai, UAE
- Cielo Talent FZ LLC - Office 110, Building 3, Dubai Knowledge Park Dubai, UAE
- Cielo Talent Limited - 4/F, Lee Garden Three, 1 Sunning Road, Causeway Bay, Hong Kong
- Cielo Talent Pte. Ltd - 3 Temasek Avenue, Level 18, Centennial Tower, Singapore
- Cielo Switzerland GmbH - Ruessenstrasse 5, 6340 Baar, Switzerland
- Cielo Talent Kft - Balance Hall, Váci út 99, Budapest 1139, Hungary
- Cielo Talent GmbH - Fourth floor, Waidmarkt 11, Cologne, 50676, Germany
- Cielo Talent Pty Ltd - 16 Yacht Street, Southport, Queensland 4215, Australia
- Cielo Talent Ltd - Av. Sagitário, 138 - Alpha Conde I, Barueri - SP, Brazil
- Cielo Talent India Private Limited - Tower A, Paras Twin Towers, Golf Course Road, Sector 54 Gurugram, Haryana 122011
- Cielo China - Room 1007A, 10th New Hongqiao Center Building, 83 Loushanguan Road, Shanghai

During the year, the company made a capital contribution of £2,500,000 (\$2,879,000) to its immediate subsidiary, Cielo Talent Limited.

Each UK subsidiary is exempt from the requirements relating to audit of their accounts as Talent BidCo Limited has guaranteed their liabilities under section 479A of the Companies Act 2006.

TALENT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. Debtors

	Group 2022 \$000	Group 2021 \$000
Trade debtors	16,957	11,683
Other debtors	1,303	1,361
Prepayments and accrued income	2,268	2,027
Tax recoverable	157	38
	<u>20,685</u>	<u>15,109</u>

18. Cash and cash equivalents

	Group 2022 \$000	Group 2021 \$000	Company 2022 \$000	Company 2021 \$000
Cash at bank and in hand	7,072	8,261	2	3
	<u>7,072</u>	<u>8,261</u>	<u>2</u>	<u>3</u>

19. Creditors: Amounts falling due within one year

	Group 2022 \$000	Group 2021 \$000	Company 2022 \$000	Company 2021 \$000
Trade creditors	6,012	4,082	-	-
Amounts owed to group undertakings	5,266	9,462	24,846	24,851
Other taxation and social security	2,848	1,990	-	-
Accruals and deferred income	8,080	7,619	-	-
	<u>22,206</u>	<u>23,153</u>	<u>24,846</u>	<u>24,851</u>

Amounts owed to group undertakings are unsecured. As disclosed in Note 16, Talent Bidco Limited has guaranteed the liabilities of its UK subsidiary undertakings under section 479A of the Companies Act 2006.

TALENT BIDCO 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 \$000	<i>Group 2021 \$000</i>
Other creditors	-	500
	<u>-</u>	<u>500</u>

21. Financial instruments

	Group 2022 \$000	<i>Group 2021 \$000</i>	Company 2022 \$000	<i>Company 2021 \$000</i>
Financial assets measured at fair value through profit or loss	<u>7,072</u>	<u>8,261</u>	<u>2</u>	<u>3</u>
Financial assets measured at amortised cost	18,849	15,109	-	-
Financial liabilities measured at amortised cost	<u>(17,097)</u>	<u>(19,567)</u>	<u>-</u>	<u>-</u>

Financial assets measured at face value through profit or loss comprise cash at bank.

Financial assets measured at amortised cost represents trade and other debtors and accrued income.

Financial liabilities measured at amortised cost represents trade and other creditors, amounts owed to group undertakings and accruals.

22. Deferred taxation

Group

	2022 \$000
At beginning of year	(60)
Credited to profit or loss	43
At end of year	<u><u>(17)</u></u>

TALENT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

22. Deferred taxation (continued)

	Group 2022 \$000	Group 2021 \$000
Accelerated capital allowances	(17)	(60)
	<u>(17)</u>	<u>(60)</u>

23. Share capital

	2022 \$	2021 \$
Allotted, called up and fully paid		
100 (2021 - 100) Ordinary shares of \$1.00 each	<u>100</u>	<u>100</u>

24. Reserves

Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Foreign exchange reserve

This reserve comprises translation differences arising from the translation of financial statements of the Group's subsidiary undertakings into US\$.

Capital contribution reserve

The Capital contributions reserve represents amounts received from the parent company with no requirement for repayment and are non-distributable.

Profit and loss account

This reserve represents cumulative profits and losses net of any dividends paid.

TALENT BIDCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

25. 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 \$000	Group 2021 \$000
Not later than 1 year	970	2,140
Later than 1 year and not later than 5 years	1,206	4,867
Later than 5 years	432	-
	<u>2,608</u>	<u>7,007</u>

26. Controlling party

The company's immediate parent company and the smallest group of companies in which the group's results are consolidated is Cielo, Inc., a company incorporated in USA. The ultimate parent company is Sky HoldCo Corp., a corporation registered in USA, and based at 320 Park Avenue, 28th Floor, New York, NY 10022. There is no individual ultimate controlling party.

27. Related party transactions

The company has taken advantage of the exemption available under FRS 102, not to disclose related party transactions with wholly owned subsidiaries within the group.