

Registered number: 05755182

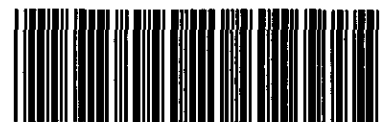
CIELO TALENT LIMITED

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

WEDNESDAY



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CIELO TALENT 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 D Lindstrom (appointed 1 June 2022, resigned 27 October 2022) S C O'Connell (resigned 1 June 2022) |
| Registered number | 05755182 |
| Registered office | Gray's Inn House 127 Clerkenwell Road London EC1R 5DB |
| Accountants | MHA Chartered Accountants Building 4 Foundation Park Roxborough Way Maidenhead SL6 3UD |

CIELO TALENT LIMITED

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CIELO TALENT LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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

Review of business

The Company is an intermediate holding company that has no specific trade.

The Company and its subsidiaries are part of the UK group headed by Talent BidCo Limited, whose immediate parent is Cielo Inc. in the USA.

The group of companies headed by Cielo, Inc. (the "Group"), a company incorporated in the USA (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. 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 the markets may take. The UK Group has no external lending thus is not exposed to significant interest rate rises.

As there is no trade within the company, there are no specific risks and uncertainties that arise.

Financial key performance indicators (for the UK group)

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

Results

The Company made a profit after tax in the year of £30,000 (2021: £139,000).

CIELO TALENT LIMITED

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

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

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.

Molly Thiel

M A Thiel
Director

Date: 21 December 2023

CIELO TALENT 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 Strategic report, the Directors' 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 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 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 for the Company'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 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.

Dividends

No dividends will be distributed for the year for the 31 December 2022.

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 D Lindstrom (appointed 1 June 2022, resigned 27 October 2022)

S C O'Connell (resigned 1 June 2022)

Engagement with suppliers, customers and others

The company is a non-trading intermediate holding company, and all transactions flowing through relate to inter-company charges. There are no external suppliers or customers. There are no employees other than the directors.

CIELO TALENT LIMITED

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

Post balance sheet events and future developments

There are no significant events affecting the company since the year end, and the company is expected to continue as an intermediate holding company for the foreseeable future.

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

Molly Thiel

M A Thiel
Director
Date: 21 December 2023

CIELO TALENT LIMITED

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF
THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF CIELO TALENT LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2022**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Cielo Talent Limited for the year ended 31 December 2022 which comprise the Statement of income and retained earnings, the Balance sheet, the Statement of changes in equity and the related notes from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation>.

This report is made solely to the Board of directors of Cielo Talent Limited, as a body, in accordance with the terms of our engagement letter dated 24 November 2022. Our work has been undertaken solely to prepare for your approval the financial statements of Cielo Talent Limited and state those matters that we have agreed to state to the Board of directors of Cielo Talent Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Cielo Talent Limited and its Board of directors, as a body, for our work or for this report.

It is your duty to ensure that Cielo Talent Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Cielo Talent Limited. You consider that Cielo Talent Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Cielo Talent Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

MHA

MHA

Chartered Accountants

Building 4
Foundation Park
Roxborough Way
Maidenhead
SL6 3UD

Date: 21 December 2023

CIELO TALENT LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2022**

| | Note | 2022 £000 | 2021 £000 |
|--|------|--------------|--------------|
| Administrative expenses | | - | 2 |
| Operating profit | | - | 2 |
| Income from fixed assets investments | | 30 | 137 |
| Profit before tax | | 30 | 139 |
| Profit after tax | | 30 | 139 |
| | | | |
| Retained earnings at the beginning of the year | | (820) | (959) |
| | | (820) | (959) |
| Profit for the year | | 30 | 139 |
| Retained earnings at the end of the year | | (790) | (820) |

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of income and retained earnings.

The notes on pages 9 to 15 form part of these financial statements.

CIELO TALENT LIMITED
REGISTERED NUMBER: 05755182

BALANCE SHEET
AS AT 31 DECEMBER 2022

| | Note | 2022 £000 | 2021 £000 |
|--|------|--------------|--------------|
| Fixed assets | | | |
| Investments | 6 | 4,106 | 1,606 |
| Current assets | | | |
| Debtors: amounts falling due within one year | 7 | 580 | 550 |
| Total assets less current liabilities | | 4,686 | 2,156 |
| Net assets | | 4,686 | 2,156 |
| Capital and reserves | | | |
| Called up share capital | 8 | 2,262 | 2,262 |
| Share premium account | 9 | 549 | 549 |
| Capital redemption reserve | 9 | 165 | 165 |
| Capital contribution | 9 | 2,500 | - |
| Profit and loss account | 9 | (790) | (820) |
| | | 4,686 | 2,156 |

The directors considers that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

Molly Thiel

M A Thiel
Director

Date: 21 December 2023

The notes on pages 9 to 15 form part of these financial statements.

CIELO TALENT LIMITED

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

| | Called up share capital £000 | Share premium account £000 | Capital redemption reserve £000 | Capital contribution £000 | Profit and loss account £000 | Total equity £000 |
|-----------------------------------|------------------------------------|-------------------------------------|--|---------------------------------|------------------------------------|----------------------|
| At 1 January 2021 | 2,262 | 549 | 165 | - | (959) | 2,017 |
| Profit for the year | - | - | - | - | 139 | 139 |
| At 1 January 2022 | 2,262 | 549 | 165 | - | (820) | 2,156 |
| Profit for the year | - | - | - | - | 30 | 30 |
| Capital contribution (see note 6) | - | - | - | 2,500 | - | 2,500 |
| At 31 December 2022 | 2,262 | 549 | 165 | 2,500 | (790) | 4,686 |

The notes on pages 9 to 15 form part of these financial statements.

CIELO TALENT LIMITED

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

1. General information

Cielo Talent Limited is a private company, limited by shares and domiciled in England and Wales. The registration number is 05755182 and the registered office is Gray's Inn House, 127 Clerkenwell Road, London, EC1R 5DB.

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 management to exercise judgment in applying the Company's accounting policies:

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.

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Talent BidCo Limited as at 31 December 2022 and these financial statements may be obtained from the company's registered office.

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

2. Accounting policies (continued)

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 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. This analysis also considers 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.

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.5 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.

2.6 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.

CIELO TALENT LIMITED

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

2. Accounting policies (continued)

2.7 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

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

2.8 Consolidation

The financial statements contain information about Cielo Talent Limited as an individual company and not consolidated financial information as the parent company of the group. The company is exempt under section 401 of the companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings will be included by full consolidation in the consolidated financial statements of its immediate parent company, Talent Bidco Limited, a company registered in England and Wales.

3. Employees

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

| | 2022 No. | 2021 No. |
|-----------|-------------|-------------|
| Directors | 2 | 2 |

The directors were remunerated by other group companies. No retirement benefits were accruing to directors during the year (2021: None).

CIELO TALENT LIMITED

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

4. Income from investments

| | 2022 £000 | 2021 £000 |
|--------------------------------------|--------------|--------------|
| Dividends received from subsidiaries | 30 | 137 |

5. Taxation

No liability to UK corporation tax arose for the year ended 31 December 2022 nor for the year ended 31 December 2021.

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 | 30 | 139 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%) | 6 | 26 |
| Effects of: | | |
| Non-taxable income | (6) | (26) |
| Total tax charge for the year | - | - |

The Company has estimated non-trade loan relationship deficits of £753,000 (2021: £753,000) and excess management expenses of £435,000 (2021: £435,000) to utilise in future accounting periods. No deferred tax asset has been provided on the above losses due to 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.

CIELO TALENT LIMITED

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

6. Fixed asset investments

| | Investments in subsidiary companies £000 |
|---------------------|--|
| Cost or valuation | |
| At 1 January 2022 | 1,606 |
| Additions | 2,500 |
| At 31 December 2022 | <u>4,106</u> |

Subsidiary undertakings

The Company owns 100% of the ordinary share capital of Cielo Talent Management Limited, a company registered in England and Wales and engaged in talent management. Cielo Talent Management Limited in turn owns 100% of the ordinary share capital of the following subsidiaries, together with their registered office and country of incorporation, all of which are engaged in 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.
- Cielo Talent Ltd - Av. Sagitário, 138 - Alpha Conde I, Barueri - SP, Brazil
- Cielo China - Room 1007A, 10th New Hongqiao Center Building, 83 Loushanguan Road, Shanghai

The company also owns minority interests in Cielo Talent S.R.L, a company incorporated in Argentina, Cielo Talent Ltda, a company incorporated in Colombia (10% holding in each), and Cielo Human Capital, S de R.L. de C.V. (1%) and Pinstripe, S de R.L. de C.V., (1%), both of which are incorporated in Mexico. The controlling interests are owned by the company's immediate parent company, Talent BidCo Limited.

During the year, the company made a capital contribution to its direct subsidiary, Cielo Talent Management Limited of £2,500,000.

CIELO TALENT LIMITED

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

7. Debtors

| | 2022 £000 | 2021 £000 |
|------------------------------------|--------------|--------------|
| Amounts owed by group undertakings | 580 | 550 |

8. Share capital

| | 2022 £ | 2021 £ |
|---|------------------|------------------|
| Allotted, called up and fully paid | | |
| 1,340,500 (2021 - 1,340,500) A Ordinary shares of £1.0 each | 1,340,500 | 1,340,500 |
| 687,750 (2021 - 687,750) B Ordinary shares of £1.0 each | 687,750 | 687,750 |
| 233,500 (2021 - 233,500) C Ordinary shares of £1.0 each | 233,500 | 233,500 |
| | <u>2,261,750</u> | <u>2,261,750</u> |

9. Reserves**Share premium account**

The share premium reserve of £549,000 (2021: £549,000) contains the premium arising on issue of equity shares, net of issue expenses.

Capital redemption reserve

The capital redemption reserve represents cumulative non-distributable reserves as a result of buy back of the company's own shares.

Capital contribution

Capital contributions represent 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.

10. Ultimate parent company and controlling parties

The company's immediate parent company is Talent Bidco Limited, a company incorporated in England and Wales. The ultimate parent company is Sky HoldCo Corp, a corporation registered in USA. There is no individual ultimate controlling party.

CIELO TALENT LIMITED

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

11. Related party transactions

The company has taken advantage of the exemption available under Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.