

Company Registration No. 09770766

TSG Holdings (UK) Limited

Annual Report and Financial Statements

For year ended 31 December 2021

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TSG Holdings (UK) Limited

Annual report and financial statements 31 December 2021

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TSG Holdings (UK) Limited

Directors

Camilla Sunner (Appointed 25 March 2021, resigned 22 September 2021)
S Holmes (Resigned 25 March 2021)
K Guy (Resigned 25 March 2021)
R Young (Resigned 25 March 2021)
E Hamilton (Resigned 4 July 2022)
N Best (Appointed 9 August 2022)
P Joseph (Appointed 1 October 2022)
S Maud (Resignation effective 30 November 2022)
A Carabin (Appointed 28th November 2022)

Registered Office

1st Floor
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3AZ

Solicitors

Weil, Gotshal & Manges (London) LLP
110 Fetter Lane
London EC4A 1AY United Kingdom

TSG Holdings (UK) Limited

Directors' report

The directors present their annual report on the affairs of the company, together with the financial statements for the year ended 31 December 2021.

Small companies' exemption

This directors' report has been prepared in accordance with the provision applicable to companies entitled to the small companies' exemption. This includes the exemption from preparing a Strategic report.

Statement of directors' responsibilities

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Principal activity

The principle activity of TSG Holdings (UK) Limited is that of a holding company.

Results and Dividends

The profit of \$41 million relates to a gain on sale of AI Sky US Bidco Inc.

During the year TSG Holdings (UK) Limited parent Transaction Services Group Limited sold 35% of its holding in TSG Holdings (UK) Limited to AI Sky UK Bidco Limited.

400,000 ordinary shares were issued during the year which was used to fund additional investment in TSG Holdings (NZ) Limited and Sky EU Bidco S.a.r.l.

On the 1st July 2021 the company changed its functional currency from AUD to USD, therefore the accounts and its comparative data have been presented in USD.

TSG Holdings (UK) Limited

There were no dividend payments during the year ended 31 December 2021 (9 month period ended 31 December 2020: nil)

Directors' report (continued)

BIS audit exemption

Advantage has been taken of the audit exemption available for subsidiary companies conferred by section 479A of the Companies Act 2006 on the grounds

- that for the year ended 31 December 2021 the company was entitled to the exemption from a statutory audit under section 479A of the Companies Act 2006 relating to subsidiary companies, and
- that no notice has been deposited under section 476 of the Companies Act 2006 in relation to the financial statements for the financial year.

The directors acknowledge their responsibilities for

- ensuring that the Company keeps adequate accounting records which comply with section 386 of the Companies Act 2006, and
- preparing financial statements which give a true and fair view of the state of the affairs of the Company at 31 December 2021 and of its profit and loss for the period then ended in accordance with the requirement of section 394 of the Companies Act 2006, and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements so far as applicable to the Company.

Directors

The directors who served throughout the period and subsequent to the year end, was as follows:

Camilla Sunner (Appointed 25 March 2021, resigned 22 September 2021)
S Holmes (Resigned 25 March 2021)
K Guy (Resigned 25 March 2021)
R Young (Resigned 25 March 2021)
E Hamilton (Resigned 4 July 2022)
N Best (Appointed 9 August 2022)
P Joseph (Rppointed 1 October 2022)
S Maud (Resignation effective 30 November 2022)
A Carabin (Appointed 28th November 2022)

Approved by the Board and signed on its behalf by:



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Anthony Carabin

28th November 2022

TSG Holdings (UK) Limited

Statement of comprehensive income For the year ended 31 December 2021

		Year to 31 December 2021	9 months to 31 December 2020
	Note	\$	\$
Administrative expenses		-	1,920,025
Gain on sale of investment		<u>41,782,336</u>	<u>-</u>
Operating profit/ (loss)	3	41,782,336	(1,920,025)
Finance income	4	7,647,919	-
Finance costs	5	<u>(8,149,062)</u>	<u>(8,056,949)</u>
Profit/ (loss) on ordinary activities before taxation		41,281,193	(9,976,974)
Income tax benefit/(expense)	6	<u>9,928</u>	<u>1,569,544</u>
Profit/ (loss) for the year/period		41,291,121	(8,407,430)
Other comprehensive income for the year/period		<u>-</u>	<u>-</u>
Total comprehensive income/(expense) for the year/period		<u>41,291,121</u>	<u>(8,407,430)</u>

All the results derive from continuing operation

TSG Holdings (UK) Limited

Statement of financial position As at 31 December 2021

	Note	31 December 2021 \$	31 December 2020 \$
Current assets			
Trade and other receivables	7	380,921,175	184,031,232
Non-current assets			
Investments	8	175,928,136	316,725,128
Total assets		<u>556,849,311</u>	<u>500,756,360</u>
Creditors: amounts due within one year	9	15,301,568	11,740,490
Creditors: amounts due after one year	10	8,118,827	-
Total liabilities		<u>23,420,395</u>	<u>11,740,490</u>
Net assets		<u>533,428,916</u>	<u>489,015,870</u>
Equity			
Share Capital	11	12,762,061	36,567,437
Share Premium	11	274,770,789	218,812,492
Other reserve	12	96,558,680	99,074,244
Currency Translation Reserve		-	35,127,064
Retained earnings		<u>149,337,386</u>	<u>99,434,633</u>
Total shareholder's funds		<u>533,428,916</u>	<u>489,015,870</u>

The notes on pages 7 to 18 are an integral part of these financial statements.

For the year ending 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 in question in accordance with section 476. 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 TSG Holdings (UK) Limited, registered number 09770766, were approved by the board of directors and authorised for issue on 28th November 2022.

They were signed on its behalf by:



Director

Anthony Carabin

Director

TSG Holdings (UK) Limited

Statement of changes in equity

	Called up share capital \$	Share premium \$	Other reserves \$	Retained earnings \$	Currency translation reserve \$	Total equity \$
Balance at 1 April 2020	36,551,256	179,588,968	99,074,244	107,842,062	35,127,064	458,183,594
Shares issued in the period	16,182	39,223,524	-	-	-	39,239,706
Total comprehensive income/(expense) for the period	-	-	-	(8,407,430)	-	(8,407,430)
Balance at 31 December 2020	36,567,438	218,812,492	99,074,244	99,434,632	35,127,064	489,015,870
Balance at 1 January 2021	36,567,438	218,812,492	99,074,244	99,434,632	35,127,064	489,015,870
Shares issued in the year	29,691	15,508,599	-	-	-	15,538,290
Currency Translation	(23,835,068)	40,449,698	(2,515,564)	8,611,633	(35,127,064)	(12,416,365)
Total comprehensive income/(expense) for the year	-	-	-	41,291,121	-	41,291,121
Balance at 31 December 2021	12,762,061	274,770,789	96,558,680	149,337,386	-	533,428,916

TSG Holdings (UK) Limited

Notes to the financial statements

For the year ended 31 December 2021

1. General information

TSG Holdings (UK) Limited ('the company') principal activity is that of a holding company. The company is a private company and is incorporated and domiciled in the UK. The address of its registered office is 1st Floor Central Square South Orchard Street Newcastle upon Tyne NE1 3AZ.

2. Accounting policies

2.1 Basis of preparation

The financial statements of the company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101).

These financial statements have been prepared on the year to 31 December 2021, compared to that of the prior 9 month period 1 April 2020 to 31 December 2020. Therefore the comparative figures are not wholly comparable to the new period.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.16.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

IFRS 2, 'Share Based Payment'

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment', requirement for details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined

IFRS 7, 'Financial Instruments: Disclosures'

- The entirety of IFRS 7

IFRS 13, 'Fair value measurement'

- Paragraphs 91 to 99 - disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities

IFRS 15 Revenue from Contracts with Customers

- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129.

IAS 1, 'Presentation of financial statements' – comparative information requirements – paragraph 38

- 79 (a)(iv) of IAS 1
- 73(e) of IAS 16, 'Property, plant and equipment
- 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period)

IAS 1, 'Presentation of Financial Statements':

- 10(d), statement of cash flows
- 16, statement of compliance with all IFRS

TSG Holdings (UK) Limited
Notes to the financial statements
For the year ended 31 December 2021

2. Accounting policies (continued)

2.1 Basis of preparation (continued)

- 38A, requirement for minimum of two primary statements, including cash flow statements
- 38B-D, additional comparative information
- 111, cash flow statement information
- 134-136, capital management disclosures
- 10(f) a statement of financial position as at the beginning of the proceeding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements
- 40A-D requirements for a third statement of financial position

IAS 7, 'Statement of cash flows'

- The entirety of IAS 7

IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors'

- Paragraph 30 and 31, requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective

IAS 24, 'Related party disclosures'

- 17, key management compensation
- to disclose related party transactions between two or more members of a group.

2.2 Standards, amendments and interpretations effective in the period and the future

The following new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2021, and have been applied in preparing these financial statements:

- Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16
- Covid-19-Related Rent Concessions beyond 30 June 2021 – Amendment to IFRS 16

The application of these amendments did not have a material impact on the financial statements and is not expected to have a material impact on future periods.

The following new standards and amendments to standards and interpretations have been issued but are not yet effective for the year ended 31 December 2021 and have not been early adopted.

- Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16
- Reference to the Conceptual Framework – Amendments to IFRS 3
- Onerous Contracts – Cost of Fulfilling a Contract -Amendments to IAS 37
- AIP IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter
- AIP IAS 41 Agriculture – Taxation in fair value measurements
- IFRS 17 Insurance Contracts
- Definition of Accounting Estimates - Amendments to IAS 8
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments IAS 12

TSG Holdings (UK) Limited
Notes to the financial statements
For the year ended 31 December 2021

2. Accounting policies (continued)

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28
- Amendment to Classification of Liabilities as Current or Non-current IAS 1

Management is still reviewing the impact of the above standards and amendments

2.2 Going concern

The directors carried out a review of the going concern status of the company by considering the anticipated level of future trading activity and the associated cash flow requirements. The directors have a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. On this basis the directors are satisfied that the financial statements should be prepared on a going concern basis.

2.3 Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

2.4 Revenue

Revenue shown in the profit and loss account represents revenue earned during the year, exclusive of Value Added Tax.

2.5 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

TSG Holdings (UK) Limited
Notes to the financial statements
For the year ended 31 December 2021

2.6 Foreign currencies

On 1 July 2021 AI Sky UK Midco III Limited (an intermediate parent of the Group that controls and consolidates Transaction Services Group Holdings UK Limited completed its previously announced merger with Megalo Parent. Following the merger a review of the functional currency for all companies in group structure was performed. As a result of the review, the functional currency has been changed from Australian Dollars (AUD) to US dollars with effect from 1 July 2021.

The AUD balances at 1 July 2021 have been converted to US dollars using the following exchange rate: \$1 AUD to \$0.7510 USD .

The comparative balances for period ended 31 December 2020 have been converted to the functional currency of US dollars.

The Statement of comprehensive income has been converted to US dollar using the average exchange rate for 2020 of \$1 AUD to \$0.6911 USD and the Statement of financial position has been converted at the rate at 31 December 2020 of \$1 AUD to \$0.7706 USD to the balance sheet.

The resulting average rate to closing rate foreign exchange difference on translation is presented in the statement of changes in equity as currency translation reserve.

2.7 Impairment of non-financial assets

Non-financial assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date

2.8 Financial assets

The company classifies all its financial assets as loans and receivables. Management determines the classification of its financial assets at initial recognition.

Regular way purchases and sales of financial assets are recognised on the trade date – the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

2.9 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting year. These are classified as non-current assets. The company's loans and receivables comprise receivables and cash and cash equivalents in the statement of financial position.

2.10 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

TSG Holdings (UK) Limited
Notes to the financial statements
For the year ended 31 December 2021

2.11 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

2.12 Impairment of financial assets

The company assesses at the end of each reporting year whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

2.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

2.14 Finance costs

All finance costs are recognised in profit or loss in the period in which they are incurred.

2.15 Dividend distribution

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

2.16 Critical accounting estimates and judgment

In order to prepare the financial statements, management and the Board make various judgments and estimates that can affect the amounts recognized in the financial statements for assets, liabilities, revenues and expenses as well as information in general, including issues with regard to contingent liabilities. The judgments and estimates discussed in this section are those deemed to be most important for an understanding of the financial statements, considering the level of significant estimations and uncertainty.

Impairment of trade receivables

Loans and receivables are initially recognised at fair value plus transaction costs and are subsequently carried at cost less expected credit losses allowance. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historic experience.

Acquisition/disposal of a business under common control

The book value method is applied to the acquisition/disposal of a business under common control that do not affect the non-controlling shareholders of the receiving company.

The acquiring company measures the assets and liabilities received using the transferred company's book values to the controlling party's book values and the receiving party includes the transferred assets, liabilities, income and expenses prospectively from the date of the combination (without restating the pre combination information).

TSG Holdings (UK) Limited
Notes to the financial statements
For the year ended 31 December 2021

2.16 Critical accounting estimates and judgment (continued)

The company disposing of a business under common control transfers the assets and liabilities at book value.

The difference between the book value of the assets and liabilities transferred and the consideration is recorded in equity, a deficit is considered to be an unrealised loss reducing distributable reserves and a surplus is only considered as realised and hence distributable if the consideration satisfies the definition of qualifying consideration.

3 Operating profit

	Year to 31 December 2021	9 months to 31 December 2020
	\$	\$
Operating profit is stated after		
Admin expenses for consulting	-	1,920,024
Gain on sale of investment	41,782,336	-

4. Finance income

	Year to 31 December 2021	9 months to 31 December 2020
	\$	\$
Interest income	7,647,919	-

5. Finance costs

	Year to 31 December 2021	9 months to 31 December 2020
	\$	\$
Foreign exchange loss	8,149,062	8,056,949

TSG Holdings (UK) Limited
Notes to the financial statements
For the year ended 31 December 2021

6. Income Tax

	Year to 31 December 2021	9 months to 31 December 2020
	\$	\$
Profit/ (loss) before tax	41,291,193	8,407,430
Income tax expense/(benefit) using UK corporate tax rate at 19%	7,845,327	1,597,412
Non-deductible expenses		
Non-assessable income	(7,835,399)	(3,166,956)
Decrease in income tax expense due to:		
Tax credits not recognised		
Change in tax rate		
Income tax benefit	9,928	(1,569,544)
Current tax	9,928	(1,569,544)
Deferred tax	9,928	(1,569,544)

The standard rate of tax for the year based on the UK effective rate of corporation tax is 19% (2020: 19%).

On 3 March 2021, the Government announced that from 1 April 2023, the UK corporation tax rate will increase to 25% for UK tax resident companies whose profits exceed a certain threshold. Management believes that taxable profits of the company will be taxed at this higher rate from 1 April 2023. The change in rate is not expected to have an impact.

TSG Holdings (UK) Limited
Notes to the financial statements
For the year ended 31 December 2021

7. Trade and other receivables

	31 December 2021	31 December 2020
	\$	\$
Amounts due from related parties – trade	167,515,371	43,160,482
Amounts due from related parties – term loan	206,089,645	140,868,852
Interest receivable	7,305,772	-
Other receivables	10,387	1,898
	<u>380,921,17</u>	<u>184,031,232</u>

Term loan 1 of AUD 182,812,420 to AI Sky UK Bidco Limited is unsecured and is repayable on 31 January 2027 or any earlier date demanded by TSG Holdings (UK) Limited. No interest is payable on this loan.

8. Investments

	Investments in Subsidiaries \$
At 1 April 2020	285,442,583
Additions:	
Additions:	
Synodia	31,282,545
Sky EU Bidco S.a.r.l	31,282,545
Disposals:	
Synodia	(31,282,545)
At 31 Dec 2020	<u>316,725,128</u>
At 1 January 2021	
Additions:	
TSG Holdings (NZ) Limited	8,226,621
Sky EU Bidco S.a.r.l	10,176,563
Disposals:	
AI Sky US Bidco Inc.	(156,648,960)
Currency translation	(2,551,216)
At 31 December 2021	<u>175,928,136</u>
Net Book amount	
At 31 December 2021	175,928,136
At 31 December 2020	316,725,128

400,000 ordinary shares were issued during the year which was used to fund additional investment in TSG Holdings (NZ) Limited and Sky EU Bidco S.a.r.l.

TSG Holdings (UK) Limited
Notes to the financial statements
For the year ended 31 December 2021

8. Investments (Continued)

The list of direct subsidiaries is as follows:

Name	Address of the registered office	Nature of business	Interest
TSG Holdings (NZ) Ltd	5 The Warehouse, Way, Northcote, Auckland 0627, New Zealand	Holding company	100% ordinary shares
Transserv UK Ltd	1st Floor, Central Square South Orchard Street, Newcastle Upon Tyne United Kingdom, NE1 3AZ	Holding company	100% ordinary shares
AI Sky US Bidco Inc	1209 Orange Street, Wilmington, DE 19801 USA	Holding company	100% ordinary shares
PerfectMind Inc	4333 Still Creek Drive, 2nd Floor, Burnaby, BC, Canada, V5C 6S6	Software services	100% ordinary shares
TSG Morocco SARL AU	Angle BD. Abdelmoumen and Rue Soumia, Khay Sheherazada 3, 5th Floor, No 2, Casablanca	Non-trading entity	100% ordinary shares
TSG Revenue Management Solutions Ireland DAC	Block 3, Harcourt Centre, Harcourt Road, Dublin 2, D02 A339	Non-trading entity	100% ordinary shares
TSG Japan	384, Saedoch, Tsuzuki Ward, Yokoham, Kanagawa 224—0054, Japan	Direct debit billing services	100% ordinary shares
Sky EU Bidco S.a.r.l	70 Route d'Esch, L-1470 Luxembourg, Grand Duchy of Luxembourg	Software services	100% ordinary shares

9. Creditors: amounts due within one year

	31 December 2021 \$	31 December 2020 \$
Amounts due to related parties	15,301,568	11,740,490
The amounts due to related parties are unsecured and do not accrue interest		

TSG Holdings (UK) Limited
Notes to the financial statements
For the year ended 31 December 2021

10. Creditors: amounts due after one year

	31 December 2021	31 December 2020
	\$	\$
Contingent consideration	8,118,827	-

Contingent consideration is dependent on various performance targets and is initially valued with reference to external valuations. The fair value of the liability is reassessed at each reporting period, any revaluations are recognised in profit and loss.

11. Share capital

	31 December 2021	31 December 2020
	\$	\$
Ordinary paid up shares	12,762,061	36,567,437
Share premium	274,770,789	218,812,492
	<u>287,532,850</u>	<u>255,379,929</u>

Each share has full voting rights in the Company with respect to voting, dividends and distributions.

At the start of the period, there were 169,838,974 ordinary shares of AUD 0.10 each.

An additional 400,000 ordinary shares were allotted during the year of AUD 0.10 each.

TSG Holdings (UK) Limited
Notes to the financial statements
For the year ended 31 December 2021

11 Share capital (continued)

	No.	\$
Allotted and fully paid:		
At 1 April 2020	169,418,974	216,140,224
Allotted during the period	210,000	39,239,705
At 31 December 2020	169,628,974	255,379,929
Allotted during the period	400,000	15,538,290
Currency translation		16,614,631
At 31 December 2021	170,028,974	287,532,850

Shares issued during the period at AUD 0.10 each were:

100,000 ordinary shares of AUD 140.2966 each	100,000	10,047,692
100,000 ordinary shares of AUD 27.82415 each	100,000	2,089,594
100,000 ordinary shares of AUD 18.68634 each	100,000	1,403,344
100,000 ordinary shares of AUD 26.60 each	100,000	1,997,660
	400,000	15,538,290

12. Other reserves

	31 December 2021 \$	31 December 2020 \$
Arising from the disposal of a business under common control	96,558,680	99,074,244

The movement in other reserves is due to the change in the functional currency on 30 June 2021.

During the year end 31 March 2020, the 100% holding of TSG Holdings (Australia) Pty Ltd, book value of AUD 91,884,481, was disposed of as part of the group restructuring in exchange for consideration of AUD 600,000,000, which comprised cash of AUD 220,457,987 and debt from AI Sky Aud Bidco of AUD 379,542,013. The gain of AUD 508,115,519 has been accounted for as an other reserve, which is considered to be fully distributable.

During the year end 31 March 2020 a dividend of AUD 379,542,013 to Transaction Services Group Limited was declared and this amount was transferred from Other reserves to Retained earnings. The dividend was satisfied by the assignment of the debt from AI Sky AUS Bidco to Transaction Services Group Limited for the same amount.

Amounts referred to above are at historical cost, now retranslated to USD as at 30 June 2021 when the functional currency changed to USD.

TSG Holdings (UK) Limited
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13. Related party transactions

The Company has taken advantage of the exemption conferred by FRS 101 "Reduced disclosures framework" from the requirement to make disclosures concerning related party transactions with other companies which are subsidiaries of AI Sky UK Holdco Limited. There are no other related party transactions.

14. Capital and other commitments

There were no capital commitments at 31 December 2021 (31 December 2020: nil).

15. Ultimate parent company

The Company's ultimate parent Company is AI Sky (Cayman) Limited, a Cayman incorporated company, which is owned by various investment funds managed by Advent International Corporation. The ultimate controlling party is Advent International Corporation, an SEC Registered investment adviser.

The Company's intermediate parent company is AI Sky UK Holdco Limited which is the largest and smallest undertaking that consolidates these financial statements. The Company's immediate parent undertaking is Transaction Services Group Limited.

Copies of AI Sky UK Holdco Limited consolidated financial statements can be obtained from the Company Secretary at 1st Floor Central Square South Orchard Street Newcastle upon Tyne NE1 3AZ .