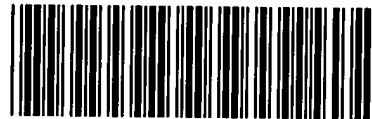


Registered number: 11504751

**TRAVEL CONTENT LIMITED AND ITS SUBSIDIARIES
ANNUAL REPORT AND CONSOLIDATED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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TRAVEL CONTENT LIMITED

CONTENTS

	Pages
Company information	1
Group strategic report	2 – 6
Directors' report	7 – 8
Directors' responsibilities statement	9
Independent auditor's report	10 – 14
Consolidated profit and loss account	15
Consolidated statement of comprehensive income	16
Consolidated balance sheet	17 – 18
Company balance sheet	19 – 20
Consolidated statement of changes in equity	21 – 22
Company statement of changes in equity	23 – 24
Consolidated statement of cash flows	25 – 26
Notes to the financial statements	27 – 58

TRAVEL CONTENT LIMITED

COMPANY INFORMATION

Directors	J M Campbell R Greene M D Keating S Leslie B Lester J Leveton J F Reid
Registered number	11504751
Registered office	Blackburn House Blackburn Road London England NW6 1RZ
Independent auditor	Deloitte LLP Abbots House Abbey Street Reading RG1 3BD

TRAVEL CONTENT LIMITED

GROUP STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The directors of Travel Content Limited ("Company") present their strategic report together with the audited consolidated financial statements for the year to 31 December 2021.

The principal activity of the Company during the year was that of a holding company, and the principal activity of the Company's subsidiary companies, together known as the "Group", continued to be that of creating award-winning travel media, working with many of the world's largest travel brands. These partnerships enable passengers from all regions of the world to engage with the Group's media and create opportunities for advertisers to connect with a highly receptive audience through the Group's media portfolio.

The Group, trading as "Ink", operates across both digital and non-digital spectrums, with in-airport T.V. network, ReachTV, and social media platform targeted advertising, Navigator by Ink ("Navigator"), driving its digital media space presence. The Group continues to produce magazines in multiple languages along with destination video content for some of the world's best-known airlines and travel companies. In addition, Ink sells targeted advertising via boarding passes and confirmatory emails, as well as seat-back advertising along with interior and exterior plane advertising. Its high-profile travel partners span the globe, served via one of Ink's regional offices and include United Airlines, Singapore Airlines, Virgin Atlantic, easyJet, and Eurowings.

The Group's primary trading subsidiaries are eSubstance Limited, incorporated in the United Kingdom of Great Britain and Northern Ireland ("UK") and Travel Content LLC, incorporated in the United States of America ("US").

The Company's immediate parent company is Midas Corporate Holdco (US) Inc, and the ultimate parent company of the Group is Stagwell Inc., both entities of which are incorporated in Delaware, US. Stagwell Inc., listed on the NASDAQ (STGW), and its subsidiaries are herein defined as "The Stagwell Group".

The financial year ends of all Group companies is 31 December 2021, consistent accounting policies are adopted across the Group, and the results of the Group can be found in these consolidated financial statements.

Business review

During the year the Group's trading subsidiaries continued to be significantly impacted by the effects that the Coronavirus pandemic ("COVID-19") has had on the worldwide travel market. During the first half of the year the Group's activities were limited by the continuation of domestic and international passenger travel restrictions first introduced in 2020, however, within the third quarter of the year these restrictions began to ease and the Group saw a positive move towards pre-pandemic activity levels and a return to operational profitability.

While many product delivery schedules continued to be influenced by COVID-19, the business continued with its drive towards digital content solutions through further investment in newly developed Navigator, which now partners with 11 airlines including United Airlines, easyJet, Singapore Airlines, Spirit and Avianca. The Group also continued to invest in ReachTV, doubling screen numbers to c. 2,100 with the acquisition of additional screen locations across 16 of the largest airports in the US and, acquiring high-profile content, such as NFL, each helping to drive the Group to achieve its strongest quarterly EBITDA in history.

The Stagwell Group and its funding structure continues to be utilised, as required, to support the future growth plans of the Group as it works to continue to strengthen its market leading position, worldwide footprint and monetisation of its investment in digital content solutions for the travel industry. The board continues to focus attention on developing the core strengths of the business to maintain its market leading position in the provision of media to the travel industry and is committed to continue its ongoing investment to future-proof its services.

TRAVEL CONTENT LIMITED

GROUP STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Coronavirus and other principal risks and uncertainties

The board regularly reviews and monitors risks that could affect the Group and identifies potential mitigating actions wherever possible.

The Group's success is driven by growing demand from the advertising sector and, in particular, that which relates to the global travel industry. The emergence of COVID-19 led to a significant downturn in market demand and the associated performance of the Group, and while a sustained downturn would be significant to the Group, a positive shift towards pre COVID-19 market demand was seen during the year, delivering a return to operational profitability. Furthermore, the Group's future performance (operational profitability and cash flow) is expected to return to pre-pandemic levels during 2022 and the board believes that the Group is well placed to benefit from the continued recovery and take advantage of market opportunities as they arise.

At 31 December 2021, Ink holds a number of long-term partner contracts across the globe with contract end dates spread over a number of years, minimising the risk to the Group of non-renewals. Ink continued to negotiate partner contracts during the year, the majority being a revision to the services provided with focus moving towards the provision of current and new digital product offering and away from traditional print products, such changes driven by advancements in digital technology, as well as both COVID-19 and a focus on climate initiatives.

The geographical spread of the Group's operations and partner contracts means that it can be impacted by any local political issues that arise within the partner's region of operation. During the year, the Group has been minimally impacted by political issues and, where deemed necessary, the Group's results have been adjusted accordingly. Continued monitoring of these issues is being undertaken so that the Group can react to any developments in a timely and appropriate manner.

Financial risks

The financial risks experienced from the Group's activities include credit risk, liquidity risk, foreign exchange risk and operational risk. These risks are regularly monitored by the board of directors and the Group's policy in respect of these risks are as follows:

Credit risk policy is to require appropriate credit checks on potential customers before sales are made and to take prepayments where applicable. The Group has a good track record of converting debt to cash.

Liquidity risk policy is to maintain readily accessible bank deposit accounts to ensure the Group has sufficient funds for its operations. The cash deposits are held across a mixture of currencies with three banking institutions and, alongside financial support provided by The Stagwell Group, could be utilised to fund any liquidity issues that at this stage are not foreseen.

Foreign exchange risk policy is to try to mitigate the risk to the business of any adverse movements in exchange rates, through matching the currency of revenue and costs, closely monitoring foreign exchange movements and utilising forward foreign currency contracts. As much of the Group's sales and operating activities are transacted in local currencies, movements in its reported currency (Sterling) has limited impact on the Group's reported performance.

Operational risk policy is to try to reduce the risk to the business of any material increase in operational cost base such as significant inflation levels. The Group closely monitors variable costs (e.g. paper and other commodities) and proactively looks for opportunities to mitigate where possible.

TRAVEL CONTENT LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Employee diversity, equality and inclusion

The Group is committed to a policy of recruitment and promotion based on aptitude and ability without discrimination of any kind. Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retraining of employees who become disabled while employed by the Group. Particular attention is given to the training, career development and promotion of disabled employees with a view to encouraging them to play an active role in the development of the Group.

Employee involvement

Members of the management team regularly discuss matters of current interest and concern to the business with members of staff throughout the regions where it operates.

Financial key performance indicators

The Group uses a range of performance measures to monitor and manage the business effectively. These involve both financial and non-financial key performance indicators (KPI's).

The financial KPI's are turnover, gross profit / (loss), EBITDA / (LBITDA), operating profit / (loss), cash, net current assets / liabilities and debtor days. These financial KPIs indicate the volume of business the Group has undertaken as well as the efficiency and profitability of this business. The key non-financial KPI is number of employees.

KPIs for the year to 31 December 2021 are set out below:

	2021 £	2020 £
Turnover	31,631,955	23,139,587
Gross profit/(loss)	10,554,687	(4,953,894)
Gross profit/(loss) margin %	33.4%	(21.4%)
EBITDA/(LBITDA)*	4,990,131	(9,496,123)
EBITDA %/(LBITDA) %	15.8%	(41.0%)
Operating loss	(6,189,198)	(20,947,829)
Operating loss %	(19.6%)	(90.5%)
Cash	5,831,620	4,089,898
Net current liabilities**	(3,243,031)	(3,605,953)
Number of employees	158	246
Debtor days***	<u>29</u>	<u>41</u>

* EBITDA/(LBITDA) is calculated as Operating loss excluding charges for depreciation and amortisation. See note 6, page 39.

** Net current liabilities at 31 December 2021 of £3.2m (2020: £3.6m) includes £2.6m (2020: £1.7m) of deferred revenues which will be recognised as revenues in the following financial year.

***Debtor days are calculated on the count-back basis.

TRAVEL CONTENT LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Statement by the directors on performance of their statutory duties in accordance with S172 (1) Companies Act 2006

Section 172 (1)(a) to (f) requires the directors to act in the way they consider would be most likely to promote the success of the Group for the benefit of its members, as a whole, with regard to the following matters:

a) The likely consequences of any decision in the long-term

The directors believe that they have acted in the way they consider, in good faith, to promote the long-term success of the Group. Governance of the business is formalised in regular board meetings, with input from appropriate strategic advisors. Financial budgets until the end of 2022 have been prepared allowing local and Group management to assess the long-term impact of operational and strategic decisions.

b) The interests of the Group's employees

The directors consider their people to be a key asset and the interests of their employees are considered when decisions are taken. The directors take care over the well-being and competency of all Group staff via regular on-the-job training and consultations with employees along with continuing investment in people and HR systems to promote good management, employee assessment and development.

Within the bounds of commercial confidentiality, management disseminates information to all levels of staff about matters that affect progress of the Group and are of interest and concern to them as employees.

The Group has an established policy that disabled persons, especially should they become disabled in the course of their employment within the Group, are employed where circumstances permit. The Group endeavours to ensure that disabled employees benefit from training and career development programmes in common with other employees.

c) The need to foster the Group's business relationships with suppliers, customers and others

The directors aim to work in partnership with customers and suppliers who reflect similar values and behaviours to the Group. Resources have been designated to increase the number and consistency of our customer and partner accounts management functions, as well as put in place strategic partnership roles for managing and communicating to current and potential suppliers. These resources include the development of social, ethical and environmental responsibility policies to ensure improved long-term position of the business.

The Group fosters strong relationships with suppliers, customers, travel partners and wider stakeholders. The Group endeavours to ensure suppliers are paid within agreed credit terms.

d) The impact of the Group's operations on the community and environment

The directors are mindful of the communities in which the business operates. Given the global nature of the business, with several regional sites around the world, it is important to have appropriate support to local communities. Where practical, these differences are considered and supported, including working arrangements, supply and community relations. The Group has developed social and environmental policies which are designed to reduce the impact of the Group's activities on the environment. A standing committee on the board looks at these issues regularly and puts best practice recommendations forward as appropriate.

e) The desirability of maintaining a reputation for high standards of business conduct

As part of the digital media and advertising community, it is of vital importance that high standards of professional business conduct are maintained. Strong ethical and business rigour is embedded via onboarding training for new employees and continued professional development programmes for existing employees. All employees are required to pass appropriate background checks and are required to undertake appropriate assessments. The director's intention is to behave responsibly and ensure that management operate the business in a responsible manner, while adhering to the high standards of business conduct and good governance expected.

TRAVEL CONTENT LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

f) The need to act fairly between members of the Group

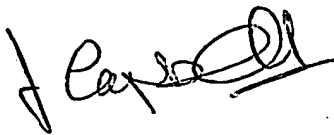
The Group has a number of subsidiary entities. As such, communication between the entities and the interplay between services or functions offered by different companies is vital.

Part of the business strategy is to support a Group-wide deployment of our services seamlessly to the end customer, regardless of which entity they are deployed from.

Each shareholder of the Group is regularly updated about the performance of the Group and provided with equivalent financial and strategic reports, and updates. An executive management team, representing different areas of the business, operates at Group-level.

In addition to this, the Group ensures interests of subsidiaries are fairly reflected and decisions made by the Group are in line with the strategic aim of all shareholders.

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



J M Campbell
Director

Date: 27 September 2022

TRAVEL CONTENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the consolidated financial statements for the period ended 31 December 2021.

Results and dividends

The loss for the year, after taxation, amounted to £8,855,459 (2020: £21,044,799).

The directors do not recommend payment of a dividend.

Going concern

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. The resources available to the Group include a letter of support from The Stagwell Group. The continuing impact of COVID-19 has been considered within the director's review, including the current strength of the Group's liquidity, the projected profitable performance of the Group over the next twelve months, and the resources available to the Group. Accordingly, they continue to adopt the going concern basis in preparing the consolidated financial statements.

Directors

The directors who served during the period to the date of signing of these financial statements were:

J M Campbell
R Greene
M D Keating
S Leslie
B Lester
J Leveton
J F Reid

Matters covered in the strategic report

As permitted by s414c(11) of the Companies Act 2006, the directors have elected to disclose information, required to be in the directors' report by Schedule 7 of the 'Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008', in the strategic report.

The matters covered within the strategic report are listed below

Future developments	Page 2
Use of financial instruments	Page 3
Policy for disabled	Page 4
Employee engagement	Page 4

Qualifying third party indemnity provisions

The Group has made qualifying third-party indemnity provisions for the benefit of its directors and officers which were made during the year and remain in force at the date of this report.

TRAVEL CONTENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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.

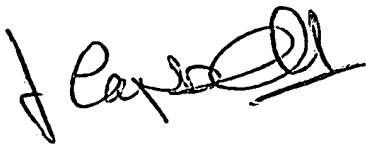
Post balance sheet events

All material post balance sheet events have been disclosed within note 31.

Auditor

Pursuant to Section 487 of the Companies Act 2006, Deloitte LLP (the auditors) are deemed to have been reappointed and remain in office as the auditors of the Company.

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



J M Campbell
Director

Date: 27 September 2022

TRAVEL CONTENT LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the directors must not approve the consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies 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 consolidated financial statements; and
- prepare the consolidated 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 Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the consolidated financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group 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 Group's website. Legislation in the United Kingdom governing the preparation and dissemination of consolidated financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of TRAVEL CONTENT LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Travel Content Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated profit and loss account;
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated statement of cash flows; and
- the related notes 1 to 33.

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).

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 and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included GDPR, employment law, health and safety and environmental regulations.

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists such as tax specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the customer overpayment liability. Details of the Group's accounting policy for overpayments is disclosed in Note 2.30, and disclosure relating to the liability is disclosed in Note 19. Our specific procedures performed to address this risk are described below:

- Evaluating legal advice relating to customer overpayments obtained by the directors from external counsel;
- Assessing the appropriateness of releases of the overpayment liability to the profit and loss account; and
- Assessing the completeness of the overpayment liability including obtaining supporting documentation relating to the overpayments.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions 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 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 strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception


Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.

A handwritten signature in black ink that reads "James McDonald". The signature is written in a cursive style with a large initial 'J' and 'M'.

James McDonald FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Reading, United Kingdom

Date: 27 September 2022

TRAVEL CONTENT LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Turnover	4	31,631,955	23,139,587
Cost of sales		(21,077,268)	(28,093,481)
Gross profit/(loss)		10,554,687	(4,953,894)
Administrative expenses		(17,137,820)	(17,561,286)
Other operating income	5	393,935	1,567,351
Operating loss	6	(6,189,198)	(20,947,829)
Interest receivable and similar income	9	227,565	208,119
Interest payable and similar expenses	10	(2,778,985)	(2,576,685)
Loss before taxation		(8,740,618)	(23,316,395)
Tax (charge)/credit on loss	11	(114,841)	2,271,596
Loss for the financial year		(8,855,459)	(21,044,799)
Loss for the year attributable to:			
Non-controlling interests	25	779,059	(262,812)
Owners of the parent		(9,634,518)	(20,781,987)
		(8,855,459)	(21,044,799)

The notes on pages 27 to 58 form part of these financial statements.

TRAVEL CONTENT LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Loss for the financial year	<u>(8,855,459)</u>	<u>(21,044,799)</u>
Other comprehensive (expense)/income		
Currency translation differences	<u>(14,018)</u>	<u>28,470</u>
Other comprehensive (expense)/income for the year	<u>(14,018)</u>	<u>28,470</u>
Total comprehensive loss for the year	<u><u>(8,869,477)</u></u>	<u><u>(21,016,329)</u></u>
Total comprehensive loss attributable to:		
Non-controlling interest	779,059	(262,812)
Owners of the parent company	<u>(9,648,536)</u>	<u>(20,753,517)</u>
	<u><u>(8,869,477)</u></u>	<u><u>(21,016,329)</u></u>

The notes on pages 27 to 58 form part of these financial statements.

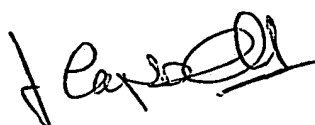
TRAVEL CONTENT LIMITED**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	13	16,816,127	26,920,307
Tangible assets	14	923,542	339,892
		<u>17,739,669</u>	<u>27,260,199</u>
Current assets			
Stocks	16	164,343	187,297
Debtors: amounts falling due within one year	17	9,733,403	5,480,502
Cash at bank and in hand	18	5,831,620	4,089,898
		<u>15,729,366</u>	<u>9,757,697</u>
Creditors: amounts falling due within one year	19	(18,972,399)	(13,363,650)
Net current liabilities		<u>(3,243,033)</u>	<u>(3,605,953)</u>
Total assets less current liabilities		<u>14,496,636</u>	<u>23,654,246</u>
Creditors: amounts falling due after more than one year	20	(48,261,327)	(47,422,703)
Provisions for liabilities			
Deferred tax	22	(582,689)	(1,840,182)
Other provisions	23	(330,000)	(561,451)
		<u>(912,689)</u>	<u>(2,401,633)</u>
Net liabilities		<u>(34,677,380)</u>	<u>(26,170,090)</u>

TRAVEL CONTENT LIMITED**CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
Capital and reserves			
Called up share capital	24	153,154	153,154
Share premium account	25	846,846	846,846
Foreign exchange reserve	25	(105,797)	(91,779)
Share based payment reserve	25	1,236,560	874,373
Non-controlling Interests	25	715,573	(63,486)
Profit and loss account		(37,523,716)	(27,889,198)
Total equity		(34,677,380)	(26,170,090)
Total equity attributable to owners of the parent		(35,392,953)	(26,106,604)
Non-controlling interest		715,573	(63,486)
Total equity		(34,677,380)	(26,170,090)

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



J M Campbell
Director

Date: 27 September 2022

The notes on pages 27 to 58 form part of these financial statements.

TRAVEL CONTENT LIMITED**COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2021**

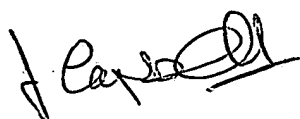
	Note	2021 £	2020 £
Fixed assets			
Investments	15	22,058,515	22,058,515
Non- current assets			
Deferred tax asset	22	309,817	-
Current assets			
Debtors: amounts falling due after more than one year	17	-	1,831,502
Debtors: amounts falling due within one year	17	25,358,539	23,465,194
Cash at bank and in hand	18	21,448	-
Total current assets		25,379,987	25,296,696
Creditors: amounts falling due within one year	19	(5,850,146)	(4,185,622)
Net current assets		19,529,841	21,111,074
Total assets less current liabilities		41,898,173	43,169,589
Creditors: amounts falling due after more than one year	20	(48,066,667)	(47,187,653)
Net liabilities		(6,168,494)	(4,018,064)

TRAVEL CONTENT LIMITED**COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021****Capital and reserves**

Called up share capital	24	153,154	153,154
Share premium account	25	846,846	846,846
Share based payment reserve	25	1,236,560	874,373
Profit and loss account		(8,405,054)	(5,892,437)
Total equity		(6,168,494)	(4,018,064)

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit or loss account in these financial statements. The loss after tax of the parent company for the period was £2,512,617 (2020: £2,471,340).

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



J M Campbell
Director

Date: 27 September 2022

The notes on pages 27 to 58 form part of these financial statements.

TRAVEL CONTENT LIMITED

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

	Called up share capital	Share premium account	Foreign exchange reserve	Share based payment reserve	Profit and loss account	Equity attributable to owners of parent company	Non- controlling interests	Total equity
	£	£	£	£	£	£	£	£
At 1 January 2021	153,154	846,846	(91,779)	874,373	(27,889,198)	(26,106,604)	(63,486)	(26,170,090)
Comprehensive (loss)/income for the year								
(Loss)/profit for the financial year	-	-	-	-	(9,634,518)	(9,634,518)	779,059	(8,855,459)
Currency translation differences	-	-	(14,018)	-	-	(14,018)	-	(14,018)
Total comprehensive (loss)/income for the year	-	-	(14,018)	-	(9,634,518)	(9,648,536)	779,059	(9,212,163)
Contributions by and distributions to owners								
Shares issued during the year	-	-	-	-	-	-	-	-
Share based payments (note 27)	-	-	-	362,187	-	362,187	-	362,187
At 31 December 2021	153,154	846,846	(105,797)	1,236,560	(37,523,716)	(35,392,953)	715,573	(34,677,380)

The notes on pages 27 to 58 form part of these financial statements.

TRAVEL CONTENT LIMITED

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

	Called up share capital	Share premium account	Foreign exchange reserve	Share based payment reserve	Profit and loss account	Equity attributable to owners of parent company	Non- controlling interests	Total equity
	£	£	£	£	£	£	£	£
At 1 January 2020	153,154	846,846	(120,249)	485,763	(6,793,082)	(5,427,568)	26,326	(5,401,242)
Comprehensive (loss)/income for the year								
Loss for the financial year	-	-	-	-	(20,781,987)	(20,781,987)	(262,812)	(21,044,799)
Non-controlling interest transfer	-	-	-	-	(314,129)	(314,129)	173,000	(141,129)
Currency translation differences	-	-	28,470	-	-	28,470	-	28,470
Total comprehensive (loss)/income for the year	-	-	28,470	-	(21,096,116)	(21,067,646)	(89,812)	(21,157,458)
Contributions by and distributions to owners								
Shares issued during the year	-	-	-	-	-	-	-	-
Share based payments (note 27)	-	-	-	388,610	-	388,610	-	388,610
At 31 December 2020	153,154	846,846	(91,779)	874,373	(27,889,198)	(26,106,604)	(63,486)	(26,170,090)

The notes on pages 27 to 58 form part of these financial statements.

TRAVEL CONTENT LIMITED

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

	Called up share capital	Share premium account	Share based payment reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2021	153,154	846,846	874,373	(5,892,437)	(4,018,064)
Comprehensive (loss)/income for the year					
Loss for the financial year	-	-	-	(2,512,617)	(2,512,617)
Total comprehensive (loss)/income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,512,617)</u>	<u>(2,512,617)</u>
Contributions by and distributions to owners					
Share-based payments (note 27)	-	-	362,187	-	362,187
At 31 December 2021	153,154	846,846	1,236,560	(8,405,054)	(6,168,494)

The notes on pages 27 to 58 form part of these financial statements.

TRAVEL CONTENT LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2020

	Called up share capital	Share premium account	Share based payment reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2020	153,154	846,846	485,763	(3,421,097)	(1,935,334)
Comprehensive loss/(income) for the year					
Loss for the financial year	-	-	-	(2,471,340)	(2,471,340)
Total comprehensive (loss)/income loss for the year	-	-	-	(2,471,340)	(2,471,340)
Contributions by and distributions to owners					
Share-based payments (note 27)	-	-	388,610	-	388,610
At 31 December 2020	153,154	846,846	874,373	(5,892,437)	(4,018,064)

The notes on pages 27 to 58 form part of these financial statements.

TRAVEL CONTENT LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from/(used in) operating activities		
Loss for the financial period	(8,855,459)	(21,044,799)
Adjustments for:		
Amortisation of intangible assets	10,969,460	11,059,160
Depreciation of tangible assets	209,869	392,546
Interest charge	2,778,985	2,576,670
Taxation charge/(credit)	114,841	(2,271,596)
Decrease / (increase) in stocks	22,954	(50,185)
(Increase) / decrease in debtors	(4,025,338)	9,489,022
Decrease / (Increase) in creditors	1,966,497	(5,354,677)
Decrease in provisions	(231,451)	(2,068)
Corporation tax received/(paid)	329,560	(633,429)
Share based payment charge	362,187	388,610
Foreign translation movements	8,577	82,710
Interest income	(227,565)	(208,119)
Net cash generated from /(used in) operating activities	3,423,117	(5,576,155)
Cash flows used in investing activities		
Purchase of tangible fixed assets	(816,115)	(96,245)
Purchase of intangible fixed assets	(865,280)	(337,322)
Purchase of controlling interest in subsidiary	-	(141,129)
Bank Interest Paid	-	(15)
Hire Purchase interest payable	-	(9,364)
Net cash used in investing activities	(1,681,395)	(584,075)

TRAVEL CONTENT LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from financing activities		
Loan received from parent undertaking	-	1,831,502
Repayment of/new finance leases	-	(38,530)
Interest received	-	1,391
Net cash from financing activities	-	1,794,363
Net increase/(decrease) in cash and cash equivalents	1,741,722	(4,365,867)
Cash and cash equivalents at beginning of year	4,089,898	8,455,765
Cash and cash equivalents at the end of period	5,831,620	4,089,898
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	5,831,620	4,089,898
	5,831,620	4,089,898

TRAVEL CONTENT LIMITED

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

1. General information

Travel Content Limited ('the company') and its subsidiaries ('the Group') provides marketing services to the travel industry. The Group predominantly produces on-flight magazines placed through a range of airline partners based all over the world.

The company is a private company limited by shares and incorporated in England and Wales. The address of its registered office and principal place of business is Blackburn House, Blackburn Road, London, England, NW6 1RZ.

The financial statements consolidate the accounts of Travel Content Limited and its subsidiary undertakings, which are detailed in note 15.

The financial statements are presented in Sterling (£).

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 following principal accounting policies have been consistently applied in the current and prior financial period:

- Section 3 Financial Statement Presentation paragraph 3.17(d) (inclusion of statement of cash flows);
- Section 7 Statement of Cash Flows (inclusion of statement of cash flows);
- Section 11 Financial Instruments paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) (disclosures relating to financial instruments);
- Section 26 Share based payments (disclosure of share-based payments); and
- Section 33 Related Party Disclosures paragraph 33.7 (disclosures of key management personnel compensation).

The following principal accounting policies have been consistently applied in the current and prior financial period:

TRAVEL CONTENT LIMITED

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

2. Accounting policies (continued)

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the 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.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control is presumed to exist when the parent owns 50% or more of the voting power of an entity or controls that entity by virtue of an agreement with other investors which give control of the financial and operating policies of the entity. Where these conditions are met the Group accounts for that entity as a subsidiary.

The share of net assets of subsidiary undertakings attribute to equity holders other than the parent is recognised as non-controlling interest on the balance sheet.

Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

2.3 Going concern

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. The resources available to the Group include a letter of support from The Stagwell Group. The continuing impact of COVID-19 has been considered within the director's review, including the current strength of the Group's liquidity, the projected profitable performance of the Group over the next twelve months and the resources available to the Group. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2.4 Revenue

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

Rendering of services

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

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

TRAVEL CONTENT LIMITED

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

2. Accounting policies (continued)

2.4 Revenue (continued)

Magazine and ancillary advertising income are invoiced and recognised in the month in which the service is delivered. Targeted advertising such as confirmatory emails and boarding passes is recognised in the month which the advertising occurs. TV advertising such as Reach TV is recognised across the period in which the advertising is broadcast.

Appropriate adjustments are made to revenue to account for the revenue in the period in which it relates.

All sales are normally made with credit terms, unless settled immediately in cash. The element of financing is deemed immaterial and disregarded in the measurement of revenue.

2.5 Government Grants

Grants are accounted for under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in "other operating income" within profit or loss in the same period as the related expenditure. This includes the Government Coronavirus Job Retention Scheme ('Furlough'). The Group has not directly benefited from any other forms of government assistance.

2.6 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is British pound sterling 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 that relate to borrowings and cash and cash equivalents are presented in the consolidated profit and loss account within 'interest payable and similar expenses' or 'interest receivable and similar income'. All other foreign exchange gains and losses are presented in profit or loss within 'administrative expenses'.

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

TRAVEL CONTENT LIMITED

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

2. Accounting policies (continued)

2.7 Operating leases: the Group as lessor

Rentals income from operating leases is credited to profit or loss on a straight-line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight-line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

2.8 Operating leases: the Group as lessee

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

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

2.9 Interest income

Interest income is recognised in the consolidated profit and loss account using the effective interest method.

2.10 Finance costs

Finance costs are charged to the consolidated profit and loss account 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.

2.11 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the consolidated profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.12 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.

2.13 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting conditions.

TRAVEL CONTENT LIMITED

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

2. Accounting policies (continued)

2.13 Share-based payments (continued)

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received

2.14 Current and deferred taxation

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

TRAVEL CONTENT LIMITED

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

2. Accounting policies (continued)

2.15 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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.

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

The estimated useful lives range as follows:

Airline relationships	-	4	Years
Advertiser relationships	-	3	Years
Goodwill	-	5	Years
Trademarks & trade names	-	5	Years
Computer software	-	5	Years

2.16 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Long-term leasehold property	-	Lease term
Fixtures and fittings	-	33%
Office equipment	-	33%
Computer equipment	-	50%
Assets under construction	-	Not depreciated

TRAVEL CONTENT LIMITED

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

2. Accounting policies (continued)

2.16 Tangible fixed assets (continued)

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 the consolidated profit and loss account.

2.17 Impairment of tangible and intangible assets

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.

2.18 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

At each balance sheet date, investments are assessed for impairment. If there are any indications of impairment the recoverable amount will be estimated and if required, an impairment loss is recognised equal to the difference between the carrying amount and the recoverable amount.

2.19 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

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

2.20 Financial instruments

The Group has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

The Group's policies for its major classes of financial assets and financial liabilities are set out below.

TRAVEL CONTENT LIMITED

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

2. Accounting policies (continued)

2.20 Financial instruments (continued)

Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, intercompany working capital balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade and other creditors, intercompany working capital balances and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Impairment of financial assets

Financial assets 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 profit and loss account.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

TRAVEL CONTENT LIMITED

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

2. Accounting policies (continued)

2.20 Financial instruments (continued)

Offsetting of financial assets and financial liabilities

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.

2.21 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.

2.22 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 the consolidated profit and loss account 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.

2.23 Leased assets

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

2.24 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.25 Share premium

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

2.26 Dividends

Equity dividend are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

TRAVEL CONTENT LIMITED

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

2. Accounting policies (continued)

2.27 Non-controlling interest

This represents the cumulative distributable profits and losses net of dividends and other revaluations (where appropriate) attributable to those shareholders of subsidiary companies where the Group does not have a wholly owned interest.

2.28 Foreign exchange reserve

The foreign exchange reserve comprises the exchange differences occurring on consolidation when translating a subsidiary entity's statutory figures.

2.29 Related party transactions

The Group discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transaction on the financial statements.

2.30 Customer overpayments

Where a customer receipt cannot be allocated, the balance is recognised as a current liability within the 'other creditors' balance. Customers can offset their credit balance against future transactions with the Group or, request the credit balance to be returned to them. All credit balances arising from unallocated customer receipts are recognised as a liability for a minimum of six years.

TRAVEL CONTENT LIMITED

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

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

In the application of the Group's accounting policies, judgements, estimates and assumptions are made about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision only affects that period, or in the period of the revision and future periods where the revision affects both current and future periods.

a) Critical judgements in applying the entity's accounting policies

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

i) Issue of share awards

The Group has adopted long-term incentive plans whereby share based awards have been granted to certain employees. The Group uses judgement in evaluating the key terms and conditions of share based awards to determine whether the share based award should be classified and accounted for as equity or as a liability when the share based awards are issued. The classification of the award impacts the timing and frequency of the fair market value calculation of the award. The nature of the share based awards granted are equity settled.

ii) Customer credit balances

As set out in Note 2.30, where customer receipts cannot be allocated and the amount is not offset by the customer against future transactions with the Group or refunded to the customer by the Group, a liability is recognised within 'other creditors'. The Directors have obtained external legal advice to evaluate when the liability associated to unallocated receipts expires, and it is the Directors' judgement that the liability associated to any credit balances remaining after a period of at least six years may be extinguished.

b) Critical accounting estimates and assumptions

The judgements involving estimates and assumption which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

i) Provisions (note 23)

A provision is made for dilapidations and contingencies. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

ii) Impairment of debtors (note 17)

The Group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the credit rating of the country the debtor operates, the aging profile and historical experience.

TRAVEL CONTENT LIMITED

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

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Advertising revenue	31,145,363	22,836,951
Other income	486,592	302,636
	<u>31,631,955</u>	<u>23,139,587</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	9,117,930	7,811,180
Rest of Europe	2,147,758	4,666,675
Rest of the world	20,366,267	10,661,732
	<u>31,631,955</u>	<u>23,139,587</u>

5. Other operating income

	2021 £	2020 £
Coronavirus Job Retention Scheme grant	200,009	1,359,099
Rental income	165,189	183,367
Other operating income	28,737	24,885
	<u>393,935</u>	<u>1,567,351</u>

TRAVEL CONTENT LIMITED

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

6. Operating loss

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

	2021 £	2020 £
Depreciation of tangible fixed assets	209,869	392,546
Amortisation of intangible assets, including goodwill	10,969,460	11,059,160
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	128,000	72,000
(Reversal)/impairment of trade debtors	(71,608)	330,972
Foreign exchange gain	(50,630)	(15,312)
Operating lease expense	831,130	523,949
Share based payment	362,187	388,610
Defined contribution pension cost	133,927	115,318
Government grants – Coronavirus Job Retention Scheme*	<u>(200,009)</u>	<u>(1,359,099)</u>

Amortisation of intangible assets is included in administrative expenses.

* The nature of this government grant is further disclosed in note 2. There are no unfulfilled conditions or other contingencies attached to this grant that has been recognised in income.

EBITDA

The EBITDA is stated after charging / (crediting):

	2021 £	2020 £
Operating Loss	(6,189,198)	(20,947,829)
Depreciation of tangible fixed assets	209,869	392,546
Amortisation of intangible assets, including goodwill	10,969,460	11,059,160
EBITDA	4,990,131	(9,496,123)

TRAVEL CONTENT LIMITED

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

7. Employees

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	11,027,907	12,103,009	1,658,250	919,434
Social security costs	939,855	1,075,016	142,261	130,833
Pension costs	133,927	115,318	45,399	45,250
Private health insurance	43,301	44,244	15,057	14,177
	<u>12,144,990</u>	<u>13,337,587</u>	<u>1,860,967</u>	<u>1,109,694</u>

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

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Advertising sales	70	110	-	-
Creative solutions	9	10	-	-
Editorial & Design	36	73	1	1
Finance, Legal, HR & Administrative	18	27	1	1
Production	8	7	-	-
Sales support	14	16	1	1
IT	3	3	-	-
	<u>158</u>	<u>246</u>	<u>3</u>	<u>3</u>

TRAVEL CONTENT LIMITED

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

8. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	2,028,978	955,615
Company contributions to defined contribution pension schemes	5,271	9,249
	<u>2,034,249</u>	<u>964,864</u>

During the period retirement benefits were accruing to 3 directors in respect of defined contribution pension schemes.

The highest paid director received remuneration of £741,294 (2020: £343,703).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,757 (2020: £3,083).

During the period the highest paid director had an interest in 1,540,083 £0.0001 B Preference shares with a nominal value of £154 and a premium of £1,539,929, an interest in 57,444 £1.00 B Ordinary shares with a nominal value of £57,444, and an interest in 20,658 £0.01 C Ordinary Shares with a nominal value of £207 and a premium of £20,451.

The three directors also represent key management.

9. Interest receivable

	2021 £	2020 £
Interest derived from related party loan	222,568	206,728
Other interest receivable	4,997	1,391
	<u>227,565</u>	<u>208,119</u>

TRAVEL CONTENT LIMITED

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

10. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	8,625	15
Interest on shares classified as debt	2,710,515	2,567,306
Finance leases and hire purchase contracts	-	9,364
Loan interest	59,845	-
	<u>2,778,985</u>	<u>2,576,685</u>

11. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on losses for the period	88,158	(1,353,286)
Adjustments in respect of prior periods	336,632	10,684
Foreign tax		
Foreign tax on loss for the period	947,544	(74,856)
Total current tax	<u>1,372,334</u>	<u>(1,417,458)</u>
Deferred tax		
Origination and reversal of timing differences	(1,832,660)	(1,046,428)
Adjustments in respect of prior periods	-	(111,563)
Effect of tax rate change on opening balance	575,167	303,853
Total deferred tax credit	<u>(1,257,493)</u>	<u>(854,138)</u>
Taxation on profit on ordinary activities	<u>114,841</u>	<u>(2,271,596)</u>

TRAVEL CONTENT LIMITED

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

11. Taxation (continued)

Factors affecting tax charge/(credit) for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	<u>(8,740,618)</u>	<u>(23,316,395)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(1,660,717)	(4,430,115)
Effects of:		
Fixed asset differences	(11,423)	3,856
Non-tax deductible amortisation of goodwill and impairment	1,103,821	1,100,878
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	635,676	620,056
Income not taxable for tax purposes	-	(106)
Other permanent differences	-	19
Adjustments to tax charge in respect of previous periods	336,632	10,684
Adjustments to tax charge in respect of previous periods - deferred tax	-	(111,564)
Remeasurement of deferred tax for changes in tax rates	(367,840)	303,853
Other adjustments to agree foreign tax charge	<u>78,685</u>	<u>230,843</u>
Total tax charge/(credit) for the year	<u>114,841</u>	<u>(2,271,596)</u>

Factors that may affect future tax charges

In the Spring Budget 2021 on 3 March 2021, the Government announced that from 1 April 2023 the corporation tax rate would increase to 25% for companies with profits of over £250,000. A small profits rate will also be introduced for companies with profits of £50,000 or less so that they will continue to pay corporation tax at 19%. From this date companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate. This new law was substantively enacted on 24 May 2021.

TRAVEL CONTENT LIMITED

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

12. Parent company loss for the period

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 loss after tax of the parent company for the period was £2,512,617 (2020: £2,471,340).

13. Intangible fixed assets

	Airline & advertiser relationships £	Trademarks & trade names £	Software £	Goodwill £	Total £
Cost					
At 1 January 2021	10,200,000	11,500,000	1,945,441	28,865,412	52,510,853
Additions	-	-	865,280	-	865,280
Disposal	-	-	(665,705)	-	(665,705)
At 31 December 2021	10,200,000	11,500,000	2,145,016	28,865,412	52,710,428
Amortisation					
At 1 January 2021	6,000,000	5,175,000	1,449,510	12,966,036	25,590,546
Provision for the year	2,550,000	2,300,000	346,378	5,773,082	10,969,460
Disposal	-	-	(665,705)	-	(665,705)
At 31 December 2021	8,550,000	7,475,000	1,130,183	18,739,118	35,894,301
Net book value					
At 31 December 2021	1,650,000	4,025,000	1,014,833	10,126,294	16,816,127
At 31 December 2020	4,200,000	6,325,000	495,931	15,899,376	26,920,307

The goodwill arose on the acquisition of the trade and assets of Volanti Media (Holdings) Limited on 27 September 2018. Goodwill arising on acquisition was £28,813,413 and deferred tax arising from identifiable intangibles was £3,689,000.

The software disposal relates to the Salesforce platform. The adjustment removes the associated cost and the accumulated depreciation recognised in the period between inception and the acquisition by the Stagwell Group.

TRAVEL CONTENT LIMITED

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

14. Tangible fixed assets

Group

	Long-term leasehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Assets under construction £	Total £
Cost or valuation						
At 1 January 2021	1,124,423	151,803	327,285	685,330	-	2,288,841
Additions	10,319	-	-	329,253	476,543	816,115
Disposals	-	-	(164,474)	(1,529)	-	(166,003)
Exchange adjustments	-	1,802	(915)	(39)	-	848
At 31 December 2021	1,134,742	153,605	161,896	1,013,015	476,543	2,939,801
Depreciation						
At 1 January 2021	1,000,970	145,308	212,840	589,831	-	1,948,949
Charge for the year on owned assets	34,002	4,542	65,938	105,387	-	209,869
Disposals	-	-	(164,474)	(1,529)	-	(166,003)
Exchange adjustments	-	1,839	20,857	748	-	23,444
At 31 December 2021	1,034,972	151,689	135,161	694,437	-	2,016,259
Net book value						
At 31 December 2021	99,770	1,916	26,735	318,578	476,543	923,542
At 31 December 2020	123,453	6,495	114,445	95,499	-	339,892

The net book value of long-term leasehold property includes an amount of £nil (2020: £nil) in respect of assets held under finance leases and hire purchase contracts.

TRAVEL CONTENT LIMITED

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

15. Fixed asset investments

Company

Investments in
subsidiary companies
£

Cost

At 1 January 2021 and 31 December 2021

22,058,515

Net book value

At 1 January 2021 and 31 December 2021

22,058,515

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Country of registration or incorporation	Class of shares	Holding
Volanti Media (Holdings) Limited	Blackburn House, Blackburn Road, London, United Kingdom, NW6 1RZ	United Kingdom	Ordinary	100%
Volanti Management Limited *	Blackburn House, Blackburn Road, London, United Kingdom, NW6 1RZ	United Kingdom	Ordinary	100%
Volanti Media Limited *	Blackburn House, Blackburn Road, London, United Kingdom, NW6 1RZ	United Kingdom	Ordinary	100%
Volanti Holdings Limited *	Blackburn House, Blackburn Road, London, United Kingdom, NW6 1RZ	United Kingdom	Ordinary	100%
Ink Publishing (Holdings) Limited *	Blackburn House, Blackburn Road, London, United Kingdom, NW6 1RZ	United Kingdom	Ordinary	100%
eSubstance Limited *	Blackburn House, Blackburn Road, London, United Kingdom, NW6 1RZ	United Kingdom	Ordinary	100%

TRAVEL CONTENT LIMITED

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

15. Fixed asset investments (continued)

Name	Registered office	Country of registration or incorporation	Class of shares	Holding
Ink Do Brazil *	Rua Paulo Orozimbo, 675, Suite 62, Cambuci, Post Code 01535-001, Sao Paulo, Brazil	Brazil	Ordinary	99.9%
Ink Publishing Corporation *	251 Little Falls Drive, Wilmington, DE 19808, New Castle County	USA	Ordinary	100%
Ink Publishing (HK) Limited *	18th Floor, United Centre, 95 Queensway, Hong Kong	Hong Kong	Ordinary	100%
Ink Publishing (PTE) Limited *	51 Changi Business Park, Central 2, The Signature, #04-11A/12, Singapore 486066	Singapore	Ordinary	100%
Ink Publishing Advertising (Shanghai) Co. Limited *	Room A01, Floor 20, No 55 TianLin East Road, Xuhui District, Shanghai, PRC	China	Ordinary	100%
Travel Content LLC	251 Little Falls Drive, Wilmington, DE 19808, New Castle County	USA	Ordinary	80%

eSubstance Limited, Ink Publishing (PTE) Limited, Ink Publishing Corporation and Ink do Brazil are engaged in providing content-driven communication solutions.

Ink Publishing (HK) Limited and Ink Publishing Advertising (Shanghai) Co. Limited are non-trading.

Volanti Media (Holdings) Limited, Volanti Management Limited, Volanti Media Limited, Volanti Holdings Limited and Ink Publishing (Holdings) Limited operate as intermediate holding companies.

* held indirectly

16. Stocks

	Group 2021 £	Group 2020 £
Raw materials and consumables	<u>164,343</u>	<u>187,297</u>

There is no significant difference between the replacement cost of the stock and its carrying amount.

TRAVEL CONTENT LIMITED

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

17. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Due after more than one year				
Amounts due from subsidiary undertakings	-	-	-	1,831,502
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,831,502</u>
	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Due within one year				
Trade debtors	2,802,005	1,058,530	-	-
Other debtors	209,403	464,802	56,522	52,173
Amounts due from Related Parties	5,725,877	2,484,483	-	-
Amounts due from group undertakings	-	-	23,386,756	23,386,756
Amounts due from subsidiary undertakings	-	-	1,868,341	-
Prepayments and accrued income	996,118	608,777	46,920	4,420
Corporation tax	-	863,910	-	21,845
	<u>9,733,403</u>	<u>5,480,502</u>	<u>25,358,539</u>	<u>23,465,194</u>

Amounts due from group undertakings are interest free, have no fixed repayment date and are repayable on demand.

18. Cash at bank and in hand

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	<u>5,831,620</u>	<u>4,089,898</u>	<u>21,448</u>	<u>-</u>

Group

Included in cash at bank and in hand is restricted cash of £45,000 (2020: £45,000) relating to deposits held. Unrestricted cash held is £5,786,620 (2020: £4,044,898).

TRAVEL CONTENT LIMITED

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

19. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade creditors	3,570,242	2,327,318	-	369
Amounts owed to group undertakings	-	-	3,041,198	4,075,363
Amounts owed to parent undertakings	2,038,537	-	1,868,341	-
Amounts due to related party	272,362	-	-	-
Corporation tax	957,317	-	88,158	-
Other taxation and social security	401,901	310,459	-	-
Other creditors	1,192,015	1,570,998	-	-
Accruals	7,941,963	7,479,837	852,449	109,890
Deferred income	2,598,062	1,675,038	-	-
	18,972,399	13,363,650	5,850,146	4,185,622

Other creditors includes an amount of £1,077,570 (2020: £1,457,652) relating to customer credit balances in the past six financial years. During the year, the Group recognised £146,563 (2020: £81,702) of unallocated receipts received more than six years ago within administrative expenses in the profit and loss account. The accounting policy for Customer credit balances is explained in Note 2.30.

Amounts owed to parent undertaking include a loan of £1,853,225 (\$2,500,000). The balance at 31 December 2020 was £1,831,502 (\$2,500,000). The loan is subject to interest (3-month USD LIBOR+2.5%).

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

LIBOR Rates Reform

GBP LIBOR ceased as a reference rate on 31 December 2021; going forward the Company has migrated to the similar but more robust market standard rate of SONIA as the reference rate for GBP. LIBOR settlements in other currencies will be replaced by appropriate risk-free rates as and when appropriate, in line with market practice.

TRAVEL CONTENT LIMITED

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

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Accruals	7,895,168	5,184,652	7,895,168	5,184,652
Other creditors	194,659	235,050	-	-
Amounts owed to parent undertaking	-	1,831,502	-	1,831,502
Preference shares treated as debt	40,171,500	40,171,499	40,171,499	40,171,499
	<u>48,261,327</u>	<u>47,422,703</u>	<u>48,066,667</u>	<u>47,187,653</u>

Preference shares represent amounts payable following the Group reorganisation on 27 September 2018. To facilitate the reorganisation 14,020,000 Preference shares of £0.0001 each, 24,027,248 A Preference shares of £0.0001 each and 3,876,751 B Preference shares of £0.0001 each were issued, with a total premium of £40,167,482. At 31 December 2021, 1,752,500 Preference Shares have been repaid with a total value of £1,752,500. The Preference shares attract an interest rate of 3% above the Barclays Bank Plc base rate and the A Preference and B Preference shares attract an interest rate of 7% above the Barclays Bank Plc base rate. Interest is accrued every calendar quarter. Interest is reduced when certain repayment thresholds are met. Final repayment of the preference shares is due in September 2023. The A and B preference shares rank behind the preference shares in a liquidation event and are repayable on an exit event. The instruments are treated as a liability due to the mandatory coupon rate applied to the outstanding balance.

21. Financial instruments

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Financial assets				
Debt instruments measured at amortised cost	<u>9,014,361</u>	<u>5,064,130</u>	<u>25,307,096</u>	<u>25,292,276</u>
Financial liabilities				
Measured at amortised cost	<u>(62,131,022)</u>	<u>(58,653,855)</u>	<u>(53,828,655)</u>	<u>(51,373,276)</u>

Financial assets that are debt instruments measured at amortised cost are trade debtors, other debtors less statutory tax, accrued income and amounts owed by connected parties.

Financial liabilities measured at amortised cost comprise trade creditors, preference shares, amounts owed to connected parties, other creditors less provisions, and accruals.

TRAVEL CONTENT LIMITED

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

22. Deferred taxation

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
At 1 January	(1,840,182)	(2,694,320)	-	-
Credited to profit or loss	1,257,493	854,138	309,817	-
At end of year	(582,689)	(1,840,182)	309,817	-

The deferred taxation balance is made up as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Fixed asset timing differences	(1,102,231)	(2,031,012)	-	-
Short-term timing differences	328,822	1,315	-	-
Losses and other deductions	190,720	189,515	309,817	-
	(582,689)	(1,840,182)	309,817	-

Group

The estimated amount to reverse from the deferred tax liability in the next 12 months is £613,261.

23. Provisions

Group

	Dilapidation provision £	Other provisions £	Total £
At 1 January 2020	563,519	795,808	1,359,327
Reclassification to other creditors	-	(795,808)	(795,808)
Released to profit or loss	(2,068)	-	(2,068)
At 31 December 2020 and 1 January 2021	561,451	-	561,451
Released to profit or loss	(231,451)	-	(231,451)
At 31 December 2021	330,000	-	330,000

Dilapidations of £330,000 (2020: £561,451) will become payable upon the end of the leases to which the dilapidations provision relate.

TRAVEL CONTENT LIMITED

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

24. Share capital

	2021 £	2020 £
Shares classified as equity		
Allotted, called up and fully paid		
653,400 A Ordinary shares of £0.0100 each	6,534	6,534
144,600 B Ordinary shares of £1.0000 each	144,600	144,600
52,000 C Ordinary shares of £0.0100 each	520	520
150,000 D Ordinary (Growth) shares of £0.0100 each	1,500	1,500
	153,154	153,154
Shares classified as debt		
Allotted, called up and fully paid		
12,267,500- Preference shares of £0.0001 each	1,227	1,227
24,027,248- A Preference shares of £0.0001 each	2,403	2,403
3,876,751- B Preference shares of £0.0001 each	388	388
	4,018	4,018

Share capital classified as equity

On 27 September 2018 the company issued 653,400 A ordinary shares of £1 each with a nominal value of £0.0100, 144,600 B ordinary shares of £1.0000 each at par, 52,000 C Ordinary shares of £1 each with a nominal value of £0.0100 and 150,000 D Ordinary (Growth) shares of £1 each with a nominal value of £0.0100.

A Ordinary shares

The shares as a class will have 80% of the voting rights and have an entitlement to dividends once the Preference Share dividend has been paid and dividends to B and C Ordinary shares taken into account. The shares participate on a return of capital once all classes of preference share have been redeemed and taking into account the Ordinary B, C and D share rights.

B Ordinary shares

The shares as a class have 15% of the votes. The maximum dividend attributable to the class is 14.5%, pro-rated downwards if the number of B Ordinary shares in issue reduces below 144,600. After repayment of the preference share capital, the shares as a class are also entitled to a maximum of 14.8% of the proceeds available on a return of capital, reduced pro rata if the number of B Ordinary shares in issue falls below 144,600.

TRAVEL CONTENT LIMITED

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

24. Share capital (continued)

C Ordinary shares

The shares have voting rights of up to 5% on vested shares. The maximum dividend attributable to the class is 5.2% pro-rated down if there are less than 52,000 C Ordinary shares in issue. On a return of capital, the maximum proceeds attributable to the class, after repayment of the preference shares, are 5.2%, pro-rated down if the number of C Ordinary shares in issue falls below 5.2%.

The C Ordinary shares are also subject to time-based vesting conditions. Immediately prior to (but conditional upon the occurrence of) an exit event, the vesting of the C Ordinary shares shall accelerate and the vested portion of C Ordinary shares shall be 100%.

D Ordinary shares

The shares do not have dividend or voting rights. On a return of capital, after payment to all preference shareholders, the shares are entitled to up to 15% of the proceeds on an exit, subject to achieving a defined ratchet. The ratchet is based on the percentage increase in average EBITDA above £6.5 million over a trailing two-year period. If the ratchet is not achieved, then the shares convert to Deferred Shares.

Deferred shares

These are non-voting, non-dividend paying shares. The shares are entitled to £1 per share on an exit.

Share capital classified as debt

On 27 September 2018 the company issued 14,020,000 Preference shares of £1 each with a nominal value of £0.0001. During the period, 1,752,500 Preference shares were repaid with a total value of £1,752,500.

Also, the company issued 24,027,248 A Preference shares and 3,876,751 B Preference shares of £1 each with a nominal value of £0.0001.

Preference shares

These shares have a priority right of return at a rate of 3% above LIBOR. The shares do not have voting rights.

A Preference shares

These shares have an annual coupon of 7%, compounded annually and rank behind the Preference Shares. These shares do not have voting rights.

B Preference shares

These shares have an annual coupon of 7%, compounded annually and rank behind the Preference Shares but pari passu with the A Preference shares (meaning they are effectively a single class). These shares do not have voting rights.

TRAVEL CONTENT LIMITED

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

25. Reserves

Share premium account

The share premium reserve includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Foreign exchange reserve

The foreign exchange reserve comprises the exchange differences occurring on consolidation when translating a subsidiary entity's statutory figures.

Share based payment reserve

Comprises the equity settled share based payment reserve which represents the value of equity settled share based payments provided to employees, including key management, as part of their remuneration.

Non-controlling interests

This represents the cumulative distributable profits and losses net of dividends and other revaluations (where appropriate) attributable to those shareholders of subsidiary companies where the Group does not have a wholly owned interest.

26. Analysis of net debt

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	4,089,898	1,741,722	5,831,620
Preference shares	(40,171,499)	-	(40,171,499)
	<u>(36,081,601)</u>	<u>1,741,722</u>	<u>(34,339,880)</u>

TRAVEL CONTENT LIMITED

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

27. Share-based payments

As part of the wider Group reorganisation on 27 September 2018, the Group adopted long term incentive plans whereby equity settled share-based awards were granted to certain employees, including key management. Awards granted have performance-based vesting conditions and vest over 5 years. At 31 December 2021 a number of employees within the Group held shares in the parent company, including B Ordinary Shares, C Ordinary Shares, D Ordinary Shares. The effective strike price of these shares is determined by reference to the Preference Share value on the date of an exit event, which is the only vesting condition associated to the Ordinary Shares.

D Ordinary Shares are subject to a defined ratchet, the ratchet being based on the percentage increase in average EBITDA growth (trailing two-year-period versus defined level at date of grant). The B and C Ordinary Shares are considered to be classified as equity settled and hence have been valued as at the date of grant. There is no contractual life applicable to the B, C and D Ordinary Shares and there are no cash settlement alternatives.

The fair value of the options at the grant date was calculated using the Black-Scholes model, which is considered to be the most appropriate generally accepted valuation method of measuring fair value.

The expense recognised for share based payments in respect of employee services received during the year to 31 December 2021 is £362,187 (2020: £388,610); the full portion of the expense arising from equity settled share based payment transactions.

Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the year are as follows:

	Weighted average exercise price (pence) 2021	Number 2021	Weighted average exercise price (pence) 2020	Number 2020
Outstanding at the beginning of the year	8.22	269,121	8.22	269,121
Granted during the year	-	-	-	-
Outstanding at the end of the year	8.22	269,121	8.22	269,121

TRAVEL CONTENT LIMITED

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

27. Share based payments (continued)

	2021 Black-Scholes Option Pricing Model	2020 Black-Scholes Option Pricing Model
Option pricing model used		
Weighted average share price	£42.92	£42.92
Exercise price (pence)	£39.14	£39.14
Weighted average contractual life	5 years	5 years
Expected volatility	40%	40%
Interest yield	7.4%	7.4%
Risk-free interest rate	1.2%	1.2%
	2021 £	2020 £
Equity settled schemes - share based payment expense	362,187	388,610

28. Commitments under operating leases

At 31 December 2021 the Group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £
Not later than 1 year	994,499	789,386
Later than 1 year and not later than 5 years	3,287,350	3,519,886
Later than 5 years	-	202,582
	4,281,849	4,511,854

29. Future income from operating leases

At 31 December 2021 the Group and the company had future minimum lease receipts under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £
Not later than 1 year	141,036	141,036
Later than 1 year and not later than 5 years	235,060	387,849
Later than 5 years	-	-
	376,096	528,885

TRAVEL CONTENT LIMITED

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

30. Related party transactions

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the Group.

Transactions with other related parties are as follows:

Relationship	Transaction	Amount 2021 £	Amount due from/(to) related parties 2021 £	Amount 2020 £	Amount due (to)/ from related parties 2020 £
Entity with joint control	Loan		2,805,298	-	2,484,483
Entity with joint control	Sales and trade receivables	3,045,748	2,920,579	-	-
Entity with joint control	Receipt of services	(573,315)	(272,362)	-	-
Joint venture	Loan	-	(3,734,761)	-	(999,725)
Parent undertaking	Loan	-	(2,038,537)	-	(1,831,502)
Entity where certain directors are also directors	Receipt of services	(72,544)	(7,536)	(137,194)	(13,983)

Amounts due from entity with joint control are secured, interest bearing and due for repayment within one year. Amounts due to parent undertaking are secured, interest bearing and due for repayment after more than one year. Amounts due to joint venture are unsecured, interest free and due for repayment within one year.

During the period certain directors had an interest in 388 £0.0001 B Preference shares with a nominal value of £388 and a premium of £3,876,363, an interest in 144,600 £1.00 B Ordinary shares with a nominal value of £144,600, an interest in 1,500 £0.01 Growth shares with a nominal value of £1,500 and a premium of £148,500 and 52,000 £0.01 C Ordinary shares. The C Ordinary shares are part of the Group's share award scheme and are unpaid.

TRAVEL CONTENT LIMITED

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

31. Post balance sheet events

Effective 24 March 2022, the Group acquired the Business Traveler USA brand, and has since launched a traveler magazine and online website.

During 2020 Ink launched a social media focused digital targeted advertising product named 'Navigator by Ink' to accelerate its digital footprint and since 31 December 2021 Ink has secured a new partner in the online travel agency space named Agoda.

32. Immediate and ultimate controlling party

Midas Corporate HoldCo (US) Inc, an entity incorporated in the United States of America, is the immediate parent of the Group.

The ultimate parent undertaking is Stagwell Inc., listed on the NASDAQ (STGW). The registered address of Stagwell Inc. is One World Trade Centre, 63rd Floor, New York, NY 10007.

The smallest and largest group to consolidate these financial statements is that headed by Stagwell Inc., the consolidated accounts of which may be obtained from One World Trade Centre, 63rd Floor, New York, NY 10007.

The Group considers Stagwell Inc., an entity incorporated in the United States of America, its ultimate controlling party.

33. Group companies

The following UK subsidiaries will take advantage of the audit exemption set out within section 479A of the Companies Act 2006 for the period ended 31 December 2021. Unless otherwise stated, the undertakings listed below are owned, either directly or indirectly, by Travel Content Limited

Name	Security	Registered address	Company Number
Volanti Holdings Limited	Ordinary	Blackburn House, Blackburn Road, London, NW6 1RZ	09331218
Volanti Media Limited	Ordinary	Blackburn House, Blackburn Road, London, NW6 1RZ	10812511
Volanti Media (Holdings) Limited	£1 Ordinary ; £1 A Ordinary	Blackburn House, Blackburn Road, London, NW6 1RZ	10812060
Volanti Management Limited	Ordinary	Blackburn House, Blackburn Road, London, NW6 1RZ	10812330
Ink Publishing Holdings Limited	£0.001 Ordinary ; £0.001 A Ordinary ; £0.001 B Ordinary ; £0.001 C Ordinary	Blackburn House, Blackburn Road, London, NW6 1RZ	05879839
eSubstance Limited	Ordinary	Blackburn House, Blackburn Road, London, NW6 1RZ	03829537