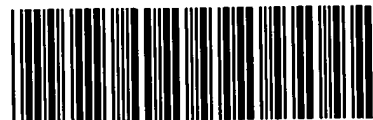


Registered number: 11504751

TRAVEL CONTENT LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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TRAVEL CONTENT LIMITED

CONTENTS

	Page
Company information	1
Group strategic report	2 - 6
Directors' report	7
Directors' responsibilities statement	8
Independent auditor's report	9 - 12
Consolidated profit and loss account	13
Consolidated statement of comprehensive income	14
Consolidated balance sheet	15 - 16
Company balance sheet	17
Consolidated statement of changes in equity	18
Company statement of changes in equity	19
Consolidated statement of cash flows	20
Notes to the financial statements	21 - 51

TRAVEL CONTENT LIMITED

COMPANY INFORMATION

Directors	J M Campbell R Greene M D Keating B Lester J R Leveton J F Reid
Registered number	11504751
Registered office	Blackburn House Blackburn Road London NW6 1RZ
Independent auditor	Blick Rothenberg Audit LLP Chartered Accountants & Statutory Auditor 16 Great Queen Street Covent Garden London WC2B 5AH

TRAVEL CONTENT LIMITED

GROUP STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022.

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 TV network ("ReachTV"), in-airport and in-flight Wi-Fi networks, 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 content creation for its TV network and 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, Eurowings, and Agoda.

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 2022, consistent accounting policies are adopted across the Group, and the results of the Group can be found in these consolidated financial statements.

Business review

The year ending 31 December 2022 saw the Group's trading subsidiaries continue to return towards pre-pandemic activity levels. Across all regions, domestic and international passenger travel restrictions first introduced in 2020 continued to ease, enabling the Group to maintain operational profitability throughout.

The business continued to develop its digital content offering, with further investment in Navigator, which now partners with 12 travel companies including United Airlines, Agoda, easyJet, Singapore Airlines, Spirit, Avianca and Trivago. The Group's investment into ReachTV also continued, with refreshed screen offerings across multiple U.S. airports and the extension of high-profile content provision, such as NFL.

The Group continues to focus attention on developing the core strengths of the business to maintain and grow 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 2022

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, the return towards pre COVID-19 market demand seen throughout the year saw the Group deliver operational profitability in line with pre-pandemic levels. Furthermore, the Group's future performance (operational profitability and cash flow) is expected to grow beyond pre-pandemic levels and the board believes that the Group is well placed to take advantage of market opportunities as they arise.

At 31 December 2022, 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. The geographical spread of the Group's partner and operations contracts means that it can be impacted by any local political issues that arise within the 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 contracted 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 four 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 where appropriate. 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.

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.

TRAVEL CONTENT LIMITED

GROUP STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022 are set out below:

	2022 £	2021 £
Turnover	54,634,010	31,631,955
Gross profit	16,310,759	10,554,687
Gross profit margin %	29.9%	33.4%
EBITDA*	10,125,475	4,990,131
EBITDA %	18.50%	15.80%
Operating loss	(529,776)	(6,189,197)
Operating loss %	(1.0%)	(19.6%)
Cash	4,113,859	5,831,620
Net current assets**	3,329,117	(3,243,034)
Number of employees	174	158
Debtor days***	64	29

* EBITDA is calculated as Operating profit excluding charges for depreciation and amortisation. See note 6.

** Net current assets at 31 December 2022 of £3.3m (2021: liability of £3.2m) includes £1.8m (2021: £2.6m) 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 2022

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 2023 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. The Stagwell Group operates a Code of Conduct, which is provided to all Ink employees at the beginning of their employment.

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. The Code of Conduct sets out the expected ethical standards of all employees and this 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 2022

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: 22 December 2023

TRAVEL CONTENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Results and dividends

The loss for the year, after taxation and minority interests, amounted to £6,302,470 (2021 - loss £9,634,518).

The directors do not recommend payment of a dividend.

Directors

The directors who served during the year were:

J M Campbell
R Greene
M D Keating
B Lester
J R Leveton
J F Reid
S Leslie (resigned 31 March 2023)

Matters covered in the Group 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.

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.

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



J M Campbell
Director

Date: 22 December 2023

TRAVEL CONTENT LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated financial statements in accordance with applicable law and regulations.

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

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TRAVEL CONTENT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRAVEL CONTENT LIMITED FOR THE YEAR ENDED 31 DECEMBER 2022

Opinion

We have audited the financial statements of Travel Content Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022, which comprise the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows, the consolidated statement of changes in equity, the company statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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 or the 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.

TRAVEL CONTENT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRAVEL CONTENT LIMITED (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the group strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the group strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, 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.

TRAVEL CONTENT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRAVEL CONTENT LIMITED (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the Group's sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested a sample of journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in [note 3] were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HM Revenue and Customs.

TRAVEL CONTENT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRAVEL CONTENT LIMITED (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

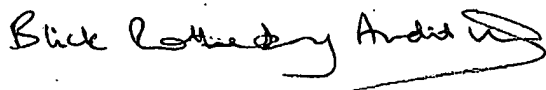
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

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.



Nicholas Winters (senior statutory auditor)

for and on behalf of

Blick Rothenberg Audit LLP

Chartered Accountants
Statutory Auditor

16 Great Queen Street
Covent Garden
London
WC2B 5AH

Date: 22 December 2023

TRAVEL CONTENT LIMITED

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

	Note	2022 £	2021 £
Turnover	4	54,634,010	31,631,955
Cost of sales		(38,323,251)	(21,077,268)
Gross profit		16,310,759	10,554,687
Administrative expenses		(17,194,969)	(17,137,819)
Other operating income	5	354,434	393,935
Operating loss	6	(529,776)	(6,189,197)
Interest receivable and similar income	9	390,476	227,565
Interest payable and similar expenses	10	(2,932,847)	(2,778,985)
Loss before taxation		(3,072,147)	(8,740,617)
Tax on loss	11	(2,137,600)	(114,842)
Loss for the financial year		(5,209,747)	(8,855,459)
Loss for the year attributable to:			
Non-controlling interests		1,092,723	779,059
Owners of the parent		(6,302,470)	(9,634,518)
		(5,209,747)	(8,855,459)

The notes on pages 21 to 51 form part of these financial statements.

TRAVEL CONTENT LIMITED

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

	2022 £	2021 £
Loss for the financial year	(5,209,747)	(8,855,459)
Other comprehensive income/(expense)		
Currency translation differences	369,264	(14,018)
Other comprehensive income/(expense) for the year	369,264	(14,018)
Total comprehensive loss for the year	(4,840,483)	(8,869,477)
(Loss)/profit for the year attributable to:		
Non-controlling interest	1,092,723	779,059
Owners of the parent Company	(5,933,206)	(9,648,536)
	(4,840,483)	(8,869,477)

The notes on pages 21 to 51 form part of these financial statements.

TRAVEL CONTENT LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	12	6,983,300	16,816,127
Tangible assets	13	2,452,273	923,543
		9,435,573	17,739,670
Current assets			
Stocks	15	147,724	164,343
Debtors: amounts falling due after more than one year	16	(1)	-
Debtors: amounts falling due within one year	16	17,102,856	9,733,404
Cash at bank and in hand		4,113,859	5,831,620
		21,364,438	15,729,367
Creditors: amounts falling due within one year	17	(18,035,321)	(18,972,401)
Net current assets/(liabilities)		3,329,117	(3,243,034)
<small>22 December 2022</small>			
Total assets less current liabilities		12,764,690	14,496,636
Creditors: amounts falling due after more than one year	18	(51,015,553)	(48,261,327)
Provisions for liabilities			
Deferred taxation	20	(548,390)	(582,689)
Other provisions	23	(330,000)	(330,000)
		(878,390)	(912,689)
Net liabilities		(39,129,253)	(34,677,380)

TRAVEL CONTENT LIMITED**CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
Capital and reserves			
Called up share capital	21	153,154	153,154
Share premium account	22	846,846	846,846
Foreign exchange reserve	22	263,467	(105,797)
Share based payment reserve	22	1,625,170	1,236,560
Profit and loss account	22	(43,826,186)	(37,523,716)
Equity attributable to owners of the parent Company		(40,937,549)	(35,392,953)
Non-controlling interests		1,808,296	715,573
Total equity		(39,129,253)	(34,677,380)

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



J M Campbell
Director

Date: 22 December 2023

TRAVEL CONTENT LIMITED**COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
Fixed assets			
Investments	14	22,058,515	22,058,515
		<u>22,058,515</u>	<u>22,058,515</u>
Current assets			
Debtors: amounts falling due within one year	16	20,035,944	25,668,356
Cash at bank and in hand		21,351	21,448
		<u>20,057,295</u>	<u>25,689,804</u>
Creditors: amounts falling due within one year		(815,357)	(5,850,146)
Net current assets		<u>19,241,938</u>	<u>19,839,658</u>
Total assets less current liabilities		<u>41,300,453</u>	<u>41,898,173</u>
Creditors: amounts falling due after more than one year		(51,015,551)	(48,066,667)
Net liabilities		<u>(9,715,098)</u>	<u>(6,168,494)</u>
Capital and reserves			
Called up share capital	21	153,154	153,154
Share premium account	22	846,846	846,846
Share based payment reserve	22	1,625,170	1,236,560
Profit and loss account		(12,340,268)	(8,405,054)
Total equity		<u>(9,715,098)</u>	<u>(6,168,494)</u>

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 £3,935,214 (2021: £2,512,617).

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



J M Campbell
Director

Date: 22 December 2023

The notes on pages 21 to 51 form part of these financial statements.

TRAVEL CONTENT LIMITED

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

	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 income for the year								
(Loss)/profit for the year	-	-	-	-	(9,634,518)	(9,634,518)	779,059	(8,855,459)
Currency translation differences	-	-	(14,018)	-	-	(14,018)	-	(14,018)
Total comprehensive income for the year	-	-	(14,018)	-	(9,634,518)	(9,648,536)	779,059	(8,869,477)
Share based payments (note 25)	-	-	-	362,187	-	362,187	-	362,187
At 1 January 2022	153,154	846,846	(105,797)	1,236,560	(37,523,716)	(35,392,953)	715,573	(34,677,380)
Comprehensive income for the year								
(Loss)/profit for the year	-	-	-	-	(6,302,470)	(6,302,470)	1,092,723	(5,209,747)
Currency translation differences	-	-	369,264	-	-	369,264	-	369,264
Total comprehensive income for the year	-	-	369,264	-	(6,302,470)	(5,933,206)	1,092,723	(4,840,483)
Share based payments (note 25)	-	-	-	388,610	-	388,610	-	388,610
At 31 December 2022	153,154	846,846	263,467	1,625,170	(43,826,186)	(40,937,549)	1,808,296	(39,129,253)

The notes on pages 21 to 51 form part of these financial statements.

TRAVEL CONTENT LIMITED

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

	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 income for the year					
Loss for the year	-	-	-	(2,512,617)	(2,512,617)
Share based payments (note 25)	-	-	362,187	-	362,187
At 1 January 2022	153,154	846,846	1,236,560	(8,405,054)	(6,168,494)
Comprehensive income for the year					
Loss for the year	-	-	-	(3,935,214)	(3,935,214)
Share based payments (note 25)	-	-	388,610	-	388,610
At 31 December 2022	153,154	846,846	1,625,170	(12,340,268)	(9,715,098)

The notes on pages 21 to 51 form part of these financial statements.

TRAVEL CONTENT LIMITED

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

	2022 £	2021 £
Cash flows from operating activities		
Loss for the financial year	(5,209,747)	(8,855,459)
Adjustments for:		
Share based payment charge	388,610	362,187
Amortisation of intangible assets	10,007,032	10,969,460
Depreciation of tangible assets	648,219	209,869
Interest received	(390,476)	(227,565)
Taxation charge	2,137,600	114,841
Decrease in stocks	16,619	22,954
(Increase) in debtors	(7,369,450)	(4,025,338)
Increase in creditors	2,017,753	4,745,482
Increase/(decrease) in provisions	-	(231,451)
Corporation tax (paid)/received	(1,573,129)	329,560
Foreign translation movements	(39,641)	8,577
Net cash generated from operating activities	633,390	3,423,117
Cash flows from investing activities		
Purchase of intangible fixed assets	(174,205)	(865,280)
Purchase of tangible fixed assets	(2,176,946)	(816,115)
Net cash from investing activities	(2,351,151)	(1,681,395)
Net (decrease)/increase in cash and cash equivalents	(1,717,761)	1,741,722
Cash and cash equivalents at beginning of year	5,831,620	4,089,898
Cash and cash equivalents at the end of year	4,113,859	5,831,620
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,113,859	5,831,620
	4,113,859	5,831,620

TRAVEL CONTENT LIMITED

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

1. General information

Travel Content Limited ('the Company') and its subsidiaries ('the Group') provide media creation, advertising and marketing services to the travel industry. The Group predominantly produces travel media for the world's leading travel brands.

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 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 judgment 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 year:

- 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 year:

TRAVEL CONTENT LIMITED

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

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 financial statements have been prepared on a going concern basis notwithstanding the fact that the group has a deficiency on total equity at the end of the year. The directors consider this basis to be appropriate as the company has sufficient facilities available from its shareholders to fund its working capital requirements for 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 Stagwell Inc. The effects of COVID-19 have been considered within the directors' 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.

TRAVEL CONTENT LIMITED

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

2. Accounting policies (continued)

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.

Magazine and ancillary advertising income are invoiced and recognised in the month in which the service is delivered. Targeted advertising such as social media advertisement, confirmatory emails and boarding passes is recognised in the month in which the advertising occurs. TV advertising 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.

TRAVEL CONTENT LIMITED

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

2. Accounting policies (continued)

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated profit and loss account 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.

2.6 Operating leases: the Group as lessor

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

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.

TRAVEL CONTENT LIMITED

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

2. Accounting policies (continued)

2.7 Operating leases: the Group as lessee

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

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

Temporary rent concessions occurring as a direct consequence of the COVID-19 pandemic have been recognised on a systematic basis over the periods that the change in lease payments is intended to compensate. This is conditional on:

- the change in lease payments resulting in revised consideration for the lease that is less than the consideration for the lease immediately preceding the change;
- any reduction in lease payments affecting only payments originally due on or before 30 June 2022;
- there being no significant change to other terms and conditions of the lease.

2.8 Government grants

Grants of a revenue nature are recognised in the consolidated profit and loss account in the same period as the related expenditure.

The company was in receipt of Coronavirus Job Retention Scheme payments during the prior year. This grant is of a revenue nature and is recognised in the profit and loss account in other operating income in the same period as the related expenditure.

2.9 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.10 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 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 profit or loss 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.

TRAVEL CONTENT LIMITED

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

2. Accounting policies (continued)

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 condition.

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 year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 2022

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 over its estimated 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.

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.

TRAVEL CONTENT LIMITED

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

2. Accounting policies (continued)

2.16 Tangible fixed assets (continued)

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.17 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.

Gains and losses on remeasurement are recognised in profit or loss for the period.

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.

TRAVEL CONTENT LIMITED

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

2. Accounting policies (continued)

2.20 Financial instruments

The Group has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

The Group has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Group's balance sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, 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.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

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 the deduction of all its liabilities.

TRAVEL CONTENT LIMITED

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

2. Accounting policies (continued)

2.20 Financial instruments (continued)

Basic financial liabilities, which include trade and other payables, bank loans, other loans and loans due to fellow group companies are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Group transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Group will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

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.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

TRAVEL CONTENT LIMITED

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

2. Accounting policies (continued)

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 profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

2.23 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 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 from the date of receipt.

2.26 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.

TRAVEL CONTENT LIMITED

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

3. Judgments 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 2.26, 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

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

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.

iii) Useful life of intangible fixed assets

The annual amortisation charge for intangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually.

TRAVEL CONTENT LIMITED

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

3. Judgments in applying accounting policies (continued)

They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. The remaining useful economic life of the goodwill, patents, trademarks and computer software is considered a source of significant estimation uncertainty.

4. Turnover

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

	2022 £	2021 £
Advertising revenue	53,486,416	31,145,363
Management service fees	260,737	-
Other income	886,857	486,592
	<u>54,634,010</u>	<u>31,631,955</u>

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	2,454,094	5,034,649
Rest of Europe	8,522,428	2,762,528
Rest of the world	43,657,488	23,834,778
	<u>54,634,010</u>	<u>31,631,955</u>

5. Other operating income

	2022 £	2021 £
Other operating income	178,717	28,737
Net rents receivable	175,717	165,189
Coronavirus Job Retention Scheme grant	-	200,009
	<u>354,434</u>	<u>393,935</u>

TRAVEL CONTENT LIMITED

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

6. Operating loss

The operating loss is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	648,219	209,869
Amortisation of intangible assets, including goodwill	10,007,032	10,969,460
Gain on foreign exchange	(321,916)	(50,630)
Defined contribution pension cost	186,402	133,927
Government grants	-	(200,009)
	<u> </u>	<u> </u>

7. Employees

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	10,968,149	11,027,908	1,345,606	1,658,250
Social security costs	1,427,811	939,854	200,270	142,261
Pension costs	186,402	133,927	63,661	45,399
	<u>12,582,362</u>	<u>12,101,689</u>	<u>1,609,537</u>	<u>1,845,910</u>

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

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Advertising sales	86	70	-	-
Creative solutions	6	9	-	-
Editorial & Design	39	36	1	1
Finance, Legal, HR & Administrative	18	18	1	1
Production	14	8	1	1
Sales support	9	14	-	-
IT	2	3	-	-
	<u>174</u>	<u>158</u>	<u>3</u>	<u>3</u>

TRAVEL CONTENT LIMITED

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

8. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	1,432,403	2,028,978
Company contributions to defined contribution pension schemes	6,728	5,271
	<u>1,439,131</u>	<u>2,034,249</u>

During the year retirement benefits were accruing to 3 directors (2021 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £521,004 (2021 - £741,294).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £2,243 (2021 - £1,757).

During the year 3 directors received shares under the long-term incentive schemes (2021 - 3)

During the year, the highest paid director had an interest in 154 £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, an interest in 596 £0.01 Growth shares with a nominal value of £596 and a premium of £58,993 and 20,658 £0.01 C Ordinary shares. The C Ordinary shares are part of the group's share award scheme and are unpaid.

9. Interest receivable

	2022 £	2021 £
Interest receivable from group undertakings	388,357	222,568
Other interest receivable	2,119	4,997
	<u>390,476</u>	<u>227,565</u>

10. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	80	8,624
Interest payable to group undertakings	2,931,281	2,770,361
Finance leases and hire purchase contracts	1,486	-
	<u>2,932,847</u>	<u>2,778,985</u>

TRAVEL CONTENT LIMITED

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

11. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	185,464	292,350
	<u>185,464</u>	<u>292,350</u>
Foreign tax		
Foreign tax on income for the year	1,980,582	984,103
	<u>1,980,582</u>	<u>984,103</u>
Total current tax	<u>2,166,046</u>	<u>1,276,453</u>
Deferred tax		
Origination and reversal of timing differences	(28,446)	(1,832,660)
Changes to tax rates	-	671,049
Total deferred tax	<u>(28,446)</u>	<u>(1,161,611)</u>
Tax on loss	<u>2,137,600</u>	<u>114,842</u>

TRAVEL CONTENT LIMITED

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

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 19%). The differences are explained below:

	2022 £	2021 £
Loss on ordinary activities before tax	(3,072,148)	(8,740,617)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(583,708)	(1,660,717)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	1,096,886	1,103,821
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	928,002	635,676
Fixed asset differences	(192,957)	(11,423)
Adjustments to tax charge in respect of prior periods	62,629	336,632
Remeasurement of deferred tax for changes in tax rates	237,418	(367,840)
Other adjustments to agree foreign tax charge	589,330	78,693
Total tax charge for the year	2,137,600	114,842

Factors that may affect future tax charges

In the Spring Budget 2021, the UK 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. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

TRAVEL CONTENT LIMITED

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

12. Intangible assets

Group and Company

	Patents £	Trademarks £	Computer software £	Goodwill £	Total £
Cost					
At 1 January 2022	10,200,000	11,500,000	2,810,721	28,865,412	53,376,133
Additions	-	-	174,205	-	174,205
At 31 December 2022	10,200,000	11,500,000	2,984,926	28,865,412	53,550,338
Amortisation					
At 1 January 2022	8,550,000	7,475,000	1,795,888	18,739,118	36,560,006
Charge for the year on owned assets	1,650,000	2,300,000	283,949	5,773,083	10,007,032
At 31 December 2022	10,200,000	9,775,000	2,079,837	24,512,201	46,567,038
Net book value					
At 31 December 2022	-	1,725,000	905,089	4,353,211	6,983,300
At 31 December 2021	1,650,000	4,025,000	1,014,833	10,126,294	16,816,127

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.

TRAVEL CONTENT LIMITED

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

13. Tangible fixed assets

Group

	Long-term leasehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Other fixed assets £	Total £
Cost						
At 1 January 2022	1,134,742	153,605	161,896	1,013,015	476,543	2,939,801
Additions	863	3,047	372,412	1,663,496	137,129	2,176,947
Transfers between classes	-	-	462,812	-	(462,812)	-
At 31 December 2022	1,135,605	156,652	997,120	2,676,511	150,860	5,116,748
Depreciation						
At 1 January 2022	1,034,972	151,689	135,158	694,437	-	2,016,256
Charge for the year on owned assets	37,875	2,813	222,156	385,375	-	648,219
At 31 December 2022	1,072,847	154,502	357,314	1,079,812	-	2,664,475
Net book value						
At 31 December 2022	62,758	2,150	639,806	1,596,699	150,860	2,452,273
At 31 December 2021	99,770	1,915	26,738	318,577	476,543	923,543

TRAVEL CONTENT LIMITED

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

14. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2022	22,058,515
At 31 December 2022	22,058,515
Net book value	
At 31 December 2022	22,058,515
At 31 December 2021	22,058,515

TRAVEL CONTENT LIMITED

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

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
eSubstance Limited	Blackburn House, Blackburn Road, London, NW6 1RZ	Ordinary	100%
Volanti Media (Holdings) Limited	Blackburn House, Blackburn Road, London, NW6 1RZ	Ordinary	100%
Volanti Management limited*	Blackburn House, Blackburn Road, London, NW6 1RZ	Ordinary	100%
Volanti Media Limited*	Blackburn House, Blackburn Road, London, NW6 1RZ	Ordinary	100%
Volanti Holdings Limited*	Blackburn House, Blackburn Road, London, NW6 1RZ	Ordinary	100%
Ink Publishing (Holdings) Limited*	Blackburn House, Blackburn Road, London, NW6 1RZ	Ordinary	100%
Ink Publishing Corporation*	2711 Centerville Road, Wilmington, Newcastle, Delaware, 19808 USA	Ordinary	100%
Ink Publishing (HK) Limited*	Blackburn House, Blackburn Road, London, NW6 1RZ	Ordinary	100%
Ink Do Brazil*	Rua Paolo Orozimbo 675, suite 62, Cambuci, 01535-001, sao Paulo, Brazil	Ordinary	99.9%
Ink Publishing (PTE) Limited*	51 Changi Business Park, Central 2, The Signature, #04-11A/12, Singapore 486066	Ordinary	100%
Ink Publishing Advertising (Shanghai) Co. Limited*	Room A01, Floor 20, No 55 TianLin East Road, Xuhui District, Shanghai, PRC	Ordinary	100%
Travel Content LLC	251 Little Falls Drive, USA Wilmington, DE 19808, New Castle County	Ordinary	80%
Business Traveler LLC	Miami, Florida: 806 Douglas Rd Ste. 300 Coral Gables, FL 33134	Ordinary	75%

TRAVEL CONTENT LIMITED

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

Subsidiary undertakings (continued)

(continued)

eSubstance Limited, Ink Publishing (PTE) Limited, Ink Publishing Corporation, Business Traveler LLC, Travel Content LLC 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.

At the balance sheet date, Volanti Media (Holdings) Limited, Volanti Management Limited, Volanti Media Limited, Volanti Holdings Limited and Ink Publishing (Holdings) Limited operated as intermediate holding companies. Following a group reorganisation in January 2023, Travel Content Limited became the immediate parent undertaking of eSubstance Limited. From that date, Volanti Media (Holdings) Limited, Volanti Management Limited, Volanti Media Limited, Volanti Holdings Limited and Ink Publishing (Holdings) Limited became dormant and in December 2023 those companies were voluntarily struck off the Register of Companies.

*held indirectly

15. Stocks

	Group 2022 £	Group 2021 £
Raw materials and consumables	147,724	164,343
	147,724	164,343

The difference between purchase price or production cost of stocks and their replacement cost is not material.

TRAVEL CONTENT LIMITED

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

16. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Due within one year				
Trade debtors	12,323,858	5,725,877	-	-
Amounts owed by group undertakings	-	-	19,939,003	23,386,756
Amounts owed by joint ventures and associated undertakings	2,994,132	2,802,005	-	1,868,341
Other debtors	304,112	209,403	77,662	56,522
Prepayments and accrued income	1,480,754	996,119	19,279	46,920
Deferred taxation	-	-	-	309,817
	17,102,856	9,733,404	20,035,944	25,668,356

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

17. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	4,668,693	3,570,242	666,993	-
Amounts owed to parent undertakings	965,384	2,038,537	-	1,868,341
Amounts owed to related parties	-	272,361	-	-
Amounts owed to other group undertakings	-	-	-	3,041,198
Corporation tax	756,708	957,318	88,158	88,158
Other taxation and social security	375,678	401,901	-	-
Other creditors	1,185,812	1,192,017	-	-
Accruals and deferred income	10,083,046	10,540,025	60,206	852,449
	18,035,321	18,972,401	815,357	5,850,146

TRAVEL CONTENT LIMITED

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

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Other creditors	-	194,660	-	-
Accruals and deferred income	10,844,052	7,895,169	10,844,052	7,895,168
Preference shares treated as debt	40,171,501	40,171,498	40,171,499	40,171,499
	<u>51,015,553</u>	<u>48,261,327</u>	<u>51,015,551</u>	<u>48,066,667</u>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 21.

19. Financial instruments

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	<u>18,083,903</u>	<u>9,014,361</u>	<u>20,035,944</u>	<u>25,307,096</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(68,899,535)</u>	<u>(62,131,022)</u>	<u>(51,742,750)</u>	<u>(53,828,655)</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.

20. Deferred taxation

Group

	2022 £
At beginning of year	(582,689)
Charged to profit or loss	34,299
At end of year	<u><u>(548,390)</u></u>

TRAVEL CONTENT LIMITED

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

20. Deferred taxation (continued)

Company

	2022 £
At beginning of year	309,817
Charged to profit or loss	(309,817)
At end of year	-

The provision for deferred taxation is made up as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Accelerated capital allowances	(548,390)	(1,102,231)	-	-
Tax losses carried forward	-	190,720	-	-
Losses and other deductions	-	328,822	-	309,817
	(548,390)	(582,689)	-	309,817

21. Share capital

	2022 £	2021 £
Shares classified as equity		
Allotted, called up and fully paid		
144,600 (2021 - 144,600) Ordinary B shares of £1.0000 each	144,600	144,600
52,000 (2021 - 52,000) Ordinary C shares of £0.0100 each	520	520
150,000 (2021 - 150,000) Ordinary D shares of £0.0100 each	1,500	1,500
653,400 (2021 - 653,400) Ordinary A shares of £0.0100 each	6,534	6,534
	153,154	153,154
	2022 £	2021 £
Shares classified as debt		
Allotted, called up and fully paid		
24,027,248 (2021 - 24,027,248) Preference B shares of £0.0001 each	24,027,248	24,027,248
12,267,500 (2021 - 12,267,500) Preference A shares of £0.0001 each	12,267,500	12,267,500
3,876,751 (2021 - 3,876,751) Preference C shares of £0.0001 each	3,876,751	3,876,751
	40,171,499	40,171,499

TRAVEL CONTENT LIMITED

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

21. Share capital (continued)

Share capital classified as equity

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.

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

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 2022

22. 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

This 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.

23. Provisions

Group

	Dilapidation provision £
At 1 January 2022	330,000
At 31 December 2022	<u>330,000</u>

Dilapidations of £330,000 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 2022

24. Analysis of net debt

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Group			
Cash at bank and in hand	5,831,620	(1,717,760)	4,113,860
Preference shares	(40,171,499)	-	(40,171,499)
	<u>(34,339,879)</u>	<u>(1,717,760)</u>	<u>(36,057,639)</u>

TRAVEL CONTENT LIMITED

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

25. Share-based payments

The group has long term incentive plans with equity settled share-based awards granted to certain employees, including management. Awards granted have performance-based vesting conditions and vest over 5 years. At 31 December 2022 a number of employees within the Group held shares in the parent company, including B Ordinary Shares, C Ordinary Shares and 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 is 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 2022 was £388,610 (2021: £362,187); 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) 2022	Number 2022	Weighted average exercise price (pence) 2021	Number 2021
Outstanding at the beginning of the year	8.22	269,121	8.22	269,121
Outstanding at the end of the year	8.22	269,121	8.22	269,121

	2022	2021
	Black-Scholes Option Pricing Model	Black-Scholes Option Pricing Model
Option pricing model used		
Weighted average share price (pence)	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%

TRAVEL CONTENT LIMITED

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

25. Share-based payments (continued)

	2022 £	2021 £
Equity-settled schemes - share based payment expense	388,610	362,187

26. Commitments under operating leases

At 31 December 2022 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	1,196,259	994,499
Later than 1 year and not later than 5 years	2,411,893	3,287,350
	3,608,152	4,281,849

27. Future income from operating leases

At 31 December 2022 the Group had future minimum lease receipts under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	141,036	141,036
Later than 1 year and not later than 5 years	94,024	235,060
Later than 5 years	-	-
	235,060	376,096

TRAVEL CONTENT LIMITED

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

28. 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		Amount due (to)/from related parties	
		2022 £	2021 £	2022 £	2021 £
Entity with joint control	Loan	188,834	-	2,994,132	2,805,298
Entity with joint control	Sales and trade receivables	11,029,865	3,045,748	7,667,534	2,920,579
Entity with joint control	Receipt of services	(1,647,918)	(573,315)	(1,173,869)	(272,362)
Joint venture	Loan	-	-	(3,210,050)	(3,734,761)
Parent undertaking	Loan	-	-	(965,384)	(2,038,537)
Entity where certain directors are also directors	Receipt of services	(47,405)	(72,544)	(22,631)	(7,536)

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 prior year 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.

29. 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.