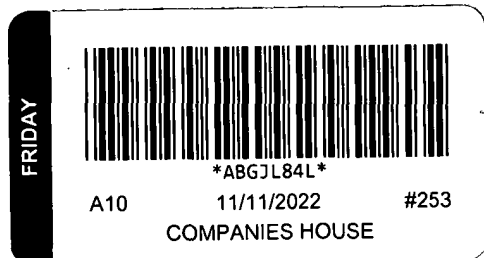


**PERFORMANCE HORIZON GROUP LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**



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**PERFORMANCE HORIZON GROUP LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	John Elton (appointed 17 February 2022) Steve Schlenker Ian Sigalow (resigned 17 February 2022) Anuja Royan Joseph Porten Matthew Gilbert (appointed 22 January 2021)
<b>Company secretary</b>	M Lemberg
<b>Registered number</b>	07188234
<b>Registered office</b>	8th Floor West One Forth Banks Newcastle upon Tyne NE1 3PA
<b>Independent auditors</b>	MHA MacIntyre Hudson Statutory Auditors Building 4, Foundation Park Roxborough Way Maidenhead SL6 3UD

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**PERFORMANCE HORIZON GROUP LIMITED**

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**PERFORMANCE HORIZON GROUP LIMITED**


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**GROUP STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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**Introduction**

The directors present their strategic report on the group for the year ended 31 December 2021.

**Business review**

Performance Horizon Group Limited provides an enterprise SaaS platform for managing, growing and scaling partnerships. The platform enables customers to manage partnerships at scale, optimise partner performance, automate reconciliation, ensure brand protection and compliance and integrate data into existing workflows and systems via the open architecture. The group processes payments globally in over 60 currencies. In 2020, Partnerize joined forces with Pepperjam and BrandVerity to establish the leading global solutions provider for affiliate marketing and partner automation including brand monitoring and compliance. Partnerize serves more than 1,825 enterprise and mid-market clients worldwide, driving more than \$7b in transactions via their relationships with an ecosystem of 750,000+ partners, including 250,000+ influencers. Partnerize services clients across industries including retail/e-commerce, D2C, travel, finance, telecom, subscriptions, and gaming.

The group has offices in the U.S.A., U.K., Japan, Australia, China and Ireland.

During the year the group grew revenue from £37.8m to £51.7m, a year on year increase of 37%. The growth was related to full year revenues for companies acquired in 2020, addition of new customers and increased volumes processed through the platform. The net assets at 31 December 2021 are £41.7m (2020: £36.3m). EBITDA improved from £8.4m at 31 December 2020 to £14.9m at 31 December 2021.

	Group 2021 £	Group 2020 £
Operating profit /(loss)	(980)	1,693
Depreciation	956	546
Amortisation	14,906	6,197
Normalised EBITDA	14,882	8,436

Employee numbers averaged 315 throughout 2021.

**Principal risks and uncertainties**
***Potential change in market conditions following the UK decision to leave the EU***

The UK's decision to leave the EU is not expected to have a significant operational impact on the group but we continue to closely monitor, consider and prepare for any direct or indirect areas of potential impact to the business as a result.

***Competitive risk***

The group monitors competitive activity and mitigates risk by ensuring we have an industry-leading product offering, value-based pricing strategies and we invest in building partner relationships and other value added initiatives to differentiate ourselves in the marketplace.

***Technological risk***

We have adopted an agile methodology for our technical product development enabling us to rapidly respond to market needs as well as being able to easily adopt new technologies as and when they become available. We utilise industry best practices to identify and review technologies to ensure we are always utilising technology that

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**PERFORMANCE HORIZON GROUP LIMITED**

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

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gives us the best performance and reliability.

***Cyber risk***

The group continues to invest significantly in security to protect its IT infrastructure from malicious attacks and we undertake regular activities with our employees to promote awareness of cyber and data security. The group also secures Cyber Risk insurance to cover for additional cyber security risks.

***COVID-19 and Macroeconomic risk***

The group is continually monitoring and adjusting to the ever changing business exposure to COVID-19, how the various markets continue to be impacted by the global pandemic and other Macroeconomic factors. We are actively assessing the financial impact with the business and ensuring we are mitigating any risks quickly. As part of the group's ongoing review, the directors have reviewed the company's position in detail and no issues have been noted in respect of continued funding or the group's ability to continue.

***Financial risk management***

The group's operations expose it to a variety of financial risks that include credit, liquidity and exchange rate risk. The group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group by monitoring levels of debt finance and related costs. The policies are set by the Audit Committee, are implemented by the group's finance department and reviewed by the Audit Committee.

***Credit risk***

Credit risk arises from cash deposits with financial institutions as well as outstanding receivables. The group has implemented policies that require appropriate credit checks on potential customers and the credit rating of financial institutions with whom funds are deposited are reviewed regularly.

***Liquidity risk***

The group actively monitors its future cash requirements in order to ensure that the group has sufficient funds for operations and planned expansion.

***Exchange rate risk***

The group holds assets and liabilities in different countries and undertakes trading activities in a number of countries. Inherent in these activities is an underlying risk of exchange rates. The group seeks to match income and expenditure to provide a natural hedge where possible and monitors assets and liabilities denominated in non-sterling currencies.

**Financial key performance indicators**

The group relies on different key performance indicators at an operational level. Such KPIs are used by the management team to monitor performance on a regular basis and are monitored regularly.

A KPI used is EBITDA which was £14.9m during 2021 (2020: £8.4m).

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**PERFORMANCE HORIZON GROUP LIMITED**

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

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

The Board of Directors, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its stakeholders as a whole, and in doing so have regard to a range of matters when making decisions for the long term. Key decisions and matters that are of strategic importance to the Company are appropriately informed by s172 factors.

Through an open and transparent dialogue with our key stakeholders, we have been able to develop a clear understanding of their needs, assess their perspectives and monitor their impact on our strategic ambition and culture. As part of the Board's decision-making process, the Board and its Committees consider the potential impact of decisions on relevant stakeholders whilst also having regard to a number of broader factors, including the impact of the Company's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term.

Narratives of how s172 factors have been applied by the Board can be found below by stakeholder type.

*Shareholders:* As owners of our Group, we rely on the support of shareholders and their opinions are important to us. We have an open dialogue with our shareholders through one-to-one meetings, group meetings and regular communications. Discussions with shareholders cover a wide range of topics including financial performance, strategy, outlook, governance, and ethical practices. Shareholder feedback along with details of movements in our shareholder base are regularly reported to and discussed by the Board and their views are considered as part of decision-making.

*Colleagues/Employees:* Our people are key to our success, and we want them to be successful individually and as a team. There are many ways we engage with and listen to our people including regular all company meetings, regional meetings, employee surveys, forums, face-to-face briefings and internal communities. Key areas of focus include health and well-being, development opportunities, pay and benefits and updates on key performance indicators of the business. Regular reports about what is important to our colleagues are made to the Board ensuring consideration is given to colleague needs.

*Customers:* Our ambition is to deliver best-in-class service to our platform partners. We build strong lasting relationships with our partners through our Customer Success and Account Management teams and spend considerable time with them to understand their needs and views and listen to how we can improve our offer and services for them.

*Suppliers:* We build strong relationships with our suppliers to develop mutually beneficial and lasting partnerships. Engagement with suppliers is primarily through a series of interactions and formal reviews to discuss shared goals and strengthen relationships. Key areas of focus include innovation, product development, health and safety and sustainability. The Board recognises that relationships with suppliers are important to the Group's long-term success and is briefed on supplier feedback and issues on a regular basis.

*Community:* We engage with the communities in which we operate to build trust and understand the local issues that are important to them. Key areas of focus include how we can support local causes and issues, create opportunities to recruit and develop local people and help to look after the environment. We partner with local charities and organisations at a site level to raise awareness and funds. The key issues and themes across local communities are reported back to the Board.

*Government and Regulation:* We engage with the government and regulators through a range of industry consultations, forums and meetings. Key areas of focus are compliance with laws and regulations, health, and safety. The Board is updated on legal and regulatory developments and takes these into account when considering future actions.

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**PERFORMANCE HORIZON GROUP LIMITED**

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

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

DocuSigned by:

*Matthew Gilbert*

97C255088C864B6  
**Matthew Gilbert**  
Director

Date: 11/9/2022

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## PERFORMANCE HORIZON GROUP LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

#### Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

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

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make 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.

#### Results and dividends

The loss for the year, after taxation, amounted to £1,226,000 (2020 - £87,000).

The directors do not propose the payment of a dividend (2020: £nil).

#### Directors

The directors who served during the year were:

Steve Schlenker  
Ian Sigalow (resigned 17 February 2022)  
Anuja Royan  
Joseph Porten  
Matthew Gilbert (appointed 22 January 2021)

#### Future developments

The business is focused on its core activities in five key geographical markets of USA, the UK, Europe, Japan and Australia. The group is well placed to continue to expand its operations and take advantage of business opportunities. The directors look forward to the coming year with confidence that the group will continue to balance its growth and profitability.

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**PERFORMANCE HORIZON GROUP LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Research and development activities**

The company undertakes significant R&D activities in relation to its core business and takes advantage of the R&D tax reliefs to which it is entitled under Part 13 CTA 2009. In 2020, the key work undertaken included the development of additional partner management features and capabilities, enhancing its sophisticated data processing and storage capabilities, and expanding its data analytics and reporting capabilities to manage the complexity associated with the data created.

**Engagement with suppliers, customers and others**

More detailed information on the group's engagement with suppliers, customers and others can be found in the Strategic Report, and appears here by way of cross reference.

**Qualifying third party indemnity provisions**

Each of Steve Schlenker, Ian Sigalow, Anuja Royan, John Elton, Matt Gilbert and Joseph Porton have signed an Indemnification Agreement with the company that provides a level of indemnification against claims made against them in a form that is standard for such agreements.

**Greenhouse gas emissions, energy consumption and energy efficiency action**

The Company's greenhouse gas emissions and energy consumption have been detailed below. No further Group entity is required to be included in the report due to the exemptions applicable to overseas entities and for those subsidiaries which would not be obliged to report individually themselves.

We have fixed our base year of 2021, which was chosen as it was the first year for which we considered that we had reliable data and it was typical in respect of our operations. As a result, we have not included comparative periods.

	<b>2021</b>
Energy consumed from activities for which the Company is responsible involving the combustion of gas, and the annual quantity of energy consumed resulting from the purchase of electricity by the Company for its own use, in kWh	<b>89,569</b>

UK energy covers all electrical bills for which the Parent Company was responsible.

The company also had associated greenhouse gas emissions of 38.7 metric tonnes of carbon dioxide equivalent, which gives 2 tonnes of emissions per £1m of UK revenue.

**Financial Risk Management**

The directors' operations expose it to a variety of financial risks that include credit, liquidity and exchange rate risk. The directors have in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group by monitoring levels of debt finance and related costs. The policies are set by the board of directors and are implemented by the group's finance department.

**Going Concern**

The directors have at the date of approving these financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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**PERFORMANCE HORIZON GROUP LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Disclosure of information to auditors**

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 auditors are 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 auditors are aware of that information.

**Post balance sheet events**

There have been no significant events affecting the Group since the year end.

**Auditors**

The auditors, MHA MacIntyre Hudson, the UK firm representing Baker Tilly International, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

DocuSigned by:  
*Matthew Gilbert*  
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**Matthew Gilbert**  
Director

Date: 11/9/2022

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**PERFORMANCE HORIZON GROUP LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PERFORMANCE HORIZON GROUP LIMITED**

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**Opinion**

We have audited the financial statements of Performance Horizon Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2021 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditors' 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.

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**PERFORMANCE HORIZON GROUP LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PERFORMANCE HORIZON GROUP LIMITED (CONTINUED)**

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**Other information**

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

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## PERFORMANCE HORIZON GROUP LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PERFORMANCE HORIZON GROUP LIMITED (CONTINUED)

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#### Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

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

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

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

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

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

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PERFORMANCE HORIZON GROUP LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PERFORMANCE HORIZON GROUP  
LIMITED (CONTINUED)

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**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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

*Jason Mitchell*

Jason Mitchell MBA BSc FCA (Senior Statutory Auditor)

for and on behalf of  
**MHA MacIntyre Hudson**

Statutory Auditor

Maidenhead, United Kingdom

Date: *9 November 2022*

**PERFORMANCE HORIZON GROUP LIMITED**

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

	Note	2021 £000	2020 £000
Turnover	4	51,667	37,799
Cost of sales		(2,045)	(4,430)
<b>Gross profit</b>		<u>49,622</u>	<u>33,369</u>
Administrative expenses		(50,621)	(31,718)
Other operating income	5	19	42
<b>Operating (loss)/profit</b>	6	<u>(980)</u>	<u>1,693</u>
Interest receivable and similar income	9	35	30
Interest payable and expenses	10	(2,155)	(1,147)
<b>(Loss)/profit before taxation</b>		<u>(3,100)</u>	<u>576</u>
Tax on (loss)/profit	11	1,874	(663)
<b>Loss for the financial year</b>		<u><u>(1,226)</u></u>	<u><u>(87)</u></u>
Foreign exchange on translation		1,088	244
<b>Total comprehensive income for the year</b>		<u><u>(138)</u></u>	<u><u>157</u></u>
<b>(Loss) for the year attributable to:</b>			
Owners of the parent Company		<u><u>(1,226)</u></u>	<u><u>(87)</u></u>

There were no recognised gains and losses for 2021 or 2020 other than those included in the consolidated statement of comprehensive income.

The notes on pages 24 to 50 form part of these financial statements.

**PERFORMANCE HORIZON GROUP LIMITED**  
**REGISTERED NUMBER: 07188234**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Intangible assets	12	55,877	69,753
Tangible assets	13	243	408
		<u>56,120</u>	<u>70,161</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	15	3,486	487
Debtors: amounts falling due within one year	15	34,845	30,943
Cash at bank and in hand	16	67,683	56,294
		<u>106,014</u>	<u>87,724</u>
Creditors: amounts falling due within one year	17	(79,540)	(78,321)
<b>Net current assets</b>		<u>26,474</u>	<u>9,403</u>
<b>Total assets less current liabilities</b>		<u>82,594</u>	<u>79,564</u>
Creditors: amounts falling due after more than one year	18	(36,612)	(37,233)
<b>Provisions for liabilities</b>			
Deferred taxation	21	(4,326)	(6,044)
		<u>(4,326)</u>	<u>(6,044)</u>
<b>Net assets</b>		<u><u>41,656</u></u>	<u><u>36,287</u></u>
<b>Capital and reserves</b>			
Called up share capital	22	6	5
Share premium account	23	63,550	59,207
Foreign exchange reserve	23	1,332	244
Other reserves	23	2,166	1,003
Profit and loss account	23	(25,398)	(24,172)
		<u>41,656</u>	<u>36,287</u>

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**PERFORMANCE HORIZON GROUP LIMITED**  
**REGISTERED NUMBER: 07188234**

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

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

DocuSigned by:

*Matthew Gilbert*

97C255088C664B6...

**Matthew Gilbert**

Director

Date: 11/9/2022

The notes on pages 24 to 50 form part of these financial statements.

**PERFORMANCE HORIZON GROUP LIMITED**  
**REGISTERED NUMBER: 07188234**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Intangible assets	12	3,227	4,899
Tangible assets	13	153	319
Investments	14	92	92
		<u>3,472</u>	<u>5,310</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	15	3,442	1,925
Debtors: amounts falling due within one year	15	213,056	213,092
Cash at bank and in hand	16	29,628	21,881
		<u>246,126</u>	<u>236,898</u>
Creditors: amounts falling due within one year	17	(197,335)	(201,237)
<b>Net current assets</b>		<u>48,791</u>	<u>35,661</u>
<b>Total assets less current liabilities</b>		<u>52,263</u>	<u>40,971</u>
Creditors: amounts falling due after more than one year	18	(747)	(747)
<b>Net assets</b>		<u><u>51,516</u></u>	<u><u>40,224</u></u>

**PERFORMANCE HORIZON GROUP LIMITED**  
**REGISTERED NUMBER: 07188234**

**COMPANY BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £000	2020 £000
<b>Capital and reserves</b>			
Called up share capital	22	6	5
Share premium account	23	63,550	59,207
Other reserves	23	2,166	1,003
Profit and loss account brought forward		(19,991)	(21,434)
Profit for the year		5,785	1,443
Profit and loss account carried forward		(14,206)	(19,991)
		<u>51,516</u>	<u>40,224</u>

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

DocuSigned by:

*Matthew Gilbert*

97C255088C664B6...

**Matthew Gilbert**  
 Director

Date: 11/9/2022

The notes on pages 24 to 50 form part of these financial statements.

## PERFORMANCE HORIZON GROUP LIMITED

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

	Called up share capital	Share premium account	Foreign exchange reserve	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000
At 1 January 2021	5	59,207	244	1,003	(24,172)	36,287
<b>Comprehensive income for the year</b>						
Loss for the year	-	-	-	-	(1,226)	(1,226)
Foreign exchange difference	-	-	1,088	-	-	1,088
Shares issued during the year (Note 22)	-	4,343	-	-	-	4,343
Share based compensation	-	-	-	1,163	-	1,163
<b>At 31 December 2021</b>	<b>5</b>	<b>63,550</b>	<b>1,332</b>	<b>2,166</b>	<b>(25,398)</b>	<b>41,655</b>

The notes on pages 24 to 50 form part of these financial statements.

## PERFORMANCE HORIZON GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Share premium account	Foreign exchange reserve	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000
At 1 January 2020 (as previously stated)	5	57,657	-	453	(23,028)	35,087
Prior year adjustment	-	-	-	-	(1,057)	(1,057)
At 1 January 2020 (as restated)	5	57,657	-	453	(24,085)	34,030
<b>Comprehensive income for the year</b>						
Loss for the year	-	-	-	-	(87)	(87)
Foreign exchange difference	-	-	244	-	-	244
Shares issued during the year	-	1,922	-	-	-	1,922
Share based compensation	-	-	-	550	-	550
Redemption of shares	-	(372)	-	-	-	(372)
<b>At 31 December 2020</b>	<b>5</b>	<b>59,207</b>	<b>244</b>	<b>1,003</b>	<b>(24,172)</b>	<b>36,287</b>

The notes on pages 24 to 50 form part of these financial statements.

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**PERFORMANCE HORIZON GROUP LIMITED**


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


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	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2021	5	59,207	1,003	(19,991)	40,224
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	5,785	5,785
<b>Contributions by and distributions to owners</b>					
Shares issued during the year	-	4,343	-	-	4,343
Share based compensation	-	-	1,163	-	1,163
<b>Total transactions with owners</b>	-	4,343	1,163	-	5,506
<b>At 31 December 2021</b>	<b>5</b>	<b>63,550</b>	<b>2,166</b>	<b>(14,206)</b>	<b>51,515</b>

The notes on pages 24 to 50 form part of these financial statements.

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**PERFORMANCE HORIZON GROUP LIMITED**


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


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	Called up share capital £000	Share premium account £000	Other reserves £000	Profit and loss account £000	Total equity £000
At 1 January 2020 (as previously stated)	5	57,657	453	(20,521)	37,594
Prior year adjustment	-	-	-	(913)	(913)
At 1 January 2020 (as restated)	<u>5</u>	<u>57,657</u>	<u>453</u>	<u>(21,434)</u>	<u>36,681</u>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	1,443	1,443
<b>Other comprehensive income for the year</b>	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	1,443	1,443
<b>Contributions by and distributions to owners</b>					
Shares issued during the year	-	1,922	-	-	1,922
Share based compensation	-	-	550	-	550
Redemption of shares (Note 22)	-	(372)	-	-	(372)
<b>Total transactions with owners</b>	-	1,550	550	-	2,100
<b>At 31 December 2020</b>	<u>5</u>	<u>59,207</u>	<u>1,003</u>	<u>(19,991)</u>	<u>40,224</u>

The notes on pages 24 to 50 form part of these financial statements.

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**PERFORMANCE HORIZON GROUP LIMITED**


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


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	2021 £000	2020 £000
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(1,226)	(87)
<b>Adjustments for:</b>		
Amortisation of intangible assets	14,906	6,197
Depreciation of tangible assets	956	546
Interest paid	2,155	1,147
Interest received	(35)	(30)
Taxation charge	(1,874)	663
(Increase) in debtors	(3,902)	(8,133)
Increase in creditors	1,220	28,215
Share based payments	1,163	550
Taxation paid	(147)	(97)
<b>Net cash generated from operating activities</b>	<u>13,216</u>	<u>28,971</u>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(1,297)	(56)
Purchase of tangible fixed assets	(790)	(257)
Interest received	35	30
Purchase of trade and assets	-	(6,111)
Purchase of subsidiaries	-	(58,224)
Cash acquired on business combinations	-	9,827
<b>Net cash from investing activities</b>	<u>(2,052)</u>	<u>(54,791)</u>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	4,344	301
Redemption of ordinary shares	-	(372)
New secured loans	-	36,518
Repayment of loans	(831)	(2,878)
Interest paid	(2,155)	(1,147)
Loan notes issued	(2,998)	-
<b>Net cash used in financing activities</b>	<u>(1,640)</u>	<u>32,422</u>
<b>Net increase in cash and cash equivalents</b>	<u>9,524</u>	<u>6,602</u>
Cash and cash equivalents at beginning of year	56,294	55,312
Foreign exchange gains and losses	1,865	(5,620)
<b>Cash and cash equivalents at the end of year</b>	<u><u>67,683</u></u>	<u><u>56,294</u></u>

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**PERFORMANCE HORIZON GROUP LIMITED**

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

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	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<b>67,683</b>	<b>56,294</b>
	<u><b>67,683</b></u>	<u><b>56,294</b></u>
	<u><b>67,683</b></u>	<u><b>56,294</b></u>

The notes on pages 24 to 50 form part of these financial statements.

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**PERFORMANCE HORIZON GROUP LIMITED**


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**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2021**


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	<b>At 1 January 2021 £000</b>	<b>Cash flows £000</b>	<b>At 31 December 2021 £000</b>
Cash at bank and in hand	56,294	11,389	67,683
Debt due after 1 year	(36,486)	621	(35,865)
Debt due within 1 year	(823)	(401)	(1,224)
	<u>18,985</u>	<u>11,609</u>	<u>30,594</u>

The notes on pages 24 to 50 form part of these financial statements.

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**PERFORMANCE HORIZON GROUP LIMITED**

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

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**1. General information**

Performance Horizon Group Limited is a private company limited by shares and incorporated in the United Kingdom. The address of the registered office is 8th Floor, West One, Forth Banks, Newcastle Upon Tyne, NE1 3PA.

**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 Statement of Comprehensive Income in these financial statements.

The company has also taken advantage of the exemption of not preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows.

The following principal accounting policies have been applied:

**2.2 Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the 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 Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

**2.3 Going concern**

The directors have at the date of approving these financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

With circumstances changing rapidly due to COVID-19 and macro-economic conditions and its impact of industries, the directors continue to evaluate these conditions and company's exposure.

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PERFORMANCE HORIZON GROUP LIMITED

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

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2. Accounting policies (continued)

2.4 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.

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.

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**PERFORMANCE HORIZON GROUP LIMITED**

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

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**2. Accounting policies (continued)****2.5 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.

The Company's revenue is comprised fees to access the platform, managed services and implementation and integration fees. The fees related to the access of the platform are based on either a) monthly and annual subscription for access to the platform, or b) variable commissions earned based on the transactions that are processed by the platform.

For the year ended December 31, 2020, the Company changed its accounting policy for the variable commissions. Historically, the Company has accrued revenue at the time the transactions along with corresponding reserves for expected returns and rejections of this transactions. The Company adopted a new policy and restated revenues from the year ended December 31, 2020 whereby revenue on the variable commissions is now recognised once the transaction is approved by the customer.

**2.6 Research and development**

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

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

**2.7 Interest income**

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

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**PERFORMANCE HORIZON GROUP LIMITED**

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

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**2. Accounting policies (continued)****2.8 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.

**2.9 Borrowing costs**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**2.10 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.

**2.11 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.

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**PERFORMANCE HORIZON GROUP LIMITED**

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

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**2. Accounting policies (continued)**

**2.12 Current and deferred taxation**

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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**PERFORMANCE HORIZON GROUP LIMITED**

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

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**2. Accounting policies (continued)**

**2.13 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Covenants not to compete	-	2 years
Customer relationships	-	5 years
Goodwill	-	7 years
Trademarks and intellectual property	-	2 years
Software and developed technology	-	5 years

**2.14 Tangible fixed assets**

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

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

Depreciation is provided on tangible fixed assets over a period of 1 - 12 years.

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.

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**PERFORMANCE HORIZON GROUP LIMITED**

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

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**2. Accounting policies (continued)**

**2.15 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.16 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.17 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**2.18 Creditors**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.19 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.

**2.20 Financial instruments**

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

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**PERFORMANCE HORIZON GROUP LIMITED**

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

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key estimates in preparing these accounts are:

(i) Impairment of intangible assets, tangible assets and investments (Group and Company).

The Group considers whether intangible assets, and tangible assets are impaired. The Company considers whether investments are impaired.

Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

(ii) Trade debtors and other receivables

Where there is objective evidence that trade debtors and other receivables will not be collected in part or in full, a bad debt provision is recognised through the income statement to the extent of the impairment. For smaller accounts under Pepperjam, the Company looks at historical bad debt amounts and books a provision based on transaction volume. Any subsequent collection of amounts previously impaired is credited to the income statement.

**4. Turnover**

The Group operates globally from facilities in the United Kingdom, USA, Australia, Japan, Singapore and China. The Group operates in a single business segment, being the provision of online marketing tracking facilities. As a result, no segmental performance analysis is disclosed.

Analysis of turnover by country of destination:

	2021 £000	2020 £000
United Kingdom	11,256	9,321
Asia Pacific	6,167	7,059
Americas	34,244	21,419
	<u>51,667</u>	<u>37,799</u>

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**PERFORMANCE HORIZON GROUP LIMITED**


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


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**5. Other operating income**

	2021 £000	2020 £000
Rental income	19	42
	<u>19</u>	<u>42</u>

**6. Operating (loss)/profit**

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

	2021 £000	2020 £000
Research & development charged as an expense	4,253	4,589
Exchange differences (credited) / charged	(1,723)	5,168
Amortisation of intangible assets	14,906	6,197
Depreciation of tangible assets	956	546
	<u>956</u>	<u>546</u>

**7. Auditors' remuneration**

	2021 £000	2020 £000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	117	125
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
Taxation compliance services	37	-
All other services	7	5
	<u>44</u>	<u>5</u>

**PERFORMANCE HORIZON GROUP LIMITED**

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

**8. Employees**

Staff costs were as follows:

	<b>Group 2021 £000</b>	<i>Group 2020 £000</i>	<b>Company 2021 £000</b>	<i>Company 2020 £000</i>
Wages and salaries	25,573	16,484	9,308	8,033
Social security costs	2,147	1,515	832	811
Cost of defined contribution scheme	557	302	262	250
	<u>28,277</u>	<u>18,301</u>	<u>10,402</u>	<u>9,094</u>

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

	<b>Group 2021 No.</b>	<i>Group 2020 No.</i>	<b>Company 2021 No.</b>	<i>Company 2020 No.</i>
Employees	<u>315</u>	<u>336</u>	<u>123</u>	<u>142</u>

**Directors**

Directors' remuneration for the year for their services to the group were £470,145 (2020: £301,273). The emoluments of the highest paid director in 2021 was £470,145 (2020: £301,273).

One director (2021: none) exercised share options in the parent's shares during the year.

**9. Interest receivable**

	<b>2021 £000</b>	<i>2020 £000</i>
Bank interest receivable	35	30
	<u>35</u>	<u>30</u>

**10. Interest payable and similar expenses**

	<b>2021 £000</b>	<i>2020 £000</i>
Bank interest payable	2,155	1,147
	<u>2,155</u>	<u>1,147</u>

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**PERFORMANCE HORIZON GROUP LIMITED**


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


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**11. Taxation**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Corporation tax</b>		
Current tax on profits for the year	-	(59)
Adjustments in respect of previous periods	242	236
	<u>242</u>	<u>177</u>
<b>Foreign tax</b>		
Foreign tax on income for the year	431	1,437
Foreign tax in respect of prior periods	(724)	109
	<u>(293)</u>	<u>1,546</u>
<b>Total current tax</b>	<u>(51)</u>	<u>1,723</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(2,143)	(1,006)
Adjustment in respect of prior period	320	(54)
<b>Total deferred tax</b>	<u>(1,823)</u>	<u>(1,060)</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>(1,874)</u>	<u>663</u>

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**PERFORMANCE HORIZON GROUP LIMITED**


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


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**11. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
(Loss)/profit on ordinary activities before tax	<b>(3,100)</b>	<b>576</b>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	<b>(589)</b>	<b>109</b>
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>423</b>	<b>776</b>
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	<b>-</b>	<b>(624)</b>
Effects of overseas tax rates	<b>13</b>	<b>55</b>
Adjustments from prior periods	<b>(161)</b>	<b>290</b>
Deferred tax charged at lower rate	<b>(205)</b>	<b>-</b>
Deferred tax not recognised	<b>(1,355)</b>	<b>57</b>
<b>Total tax charge for the year</b>	<b>(1,874)</b>	<b>663</b>

**Factors that may affect future tax charges**

A reduction to the UK corporation tax rate down from 19% to 17% was announced in the 2016 Budget and enacted on 15 September 2016 (to be effective from 1 April 2020). However, it was announced in the 2020 Budget (and substantively enacted on 17 March 2020) that this reduction in rate would be reversed with 19% being maintained from 1 April 2020. Furthermore, in the March 2021 Budget, it was announced that the UK corporation tax rate would increase to 25% from 1 April 2023.

Deferred tax asset balances have not been recognised in the financial statements as their recoverability in the foreseeable future remains uncertain.

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**PERFORMANCE HORIZON GROUP LIMITED**


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**12. Intangible assets****Group**

	<b>Covenants not to compete £000</b>	<b>Customer relationships £000</b>	<b>Intellectual property and trademarks £000</b>	<b>Software and developed technology £000</b>	<b>Goodwill £000</b>
<b>Cost</b>					
At 1 January 2021	485	26,961	4,606	8,018	35,994
Additions	-	-	-	-	1,297
Foreign exchange	-	-	-	-	(267)
At 31 December 2021	<u>485</u>	<u>26,961</u>	<u>4,606</u>	<u>8,018</u>	<u>37,024</u>
<b>Amortisation</b>					
At 1 January 2021	49	2,682	360	1,332	1,888
Charge for the year	283	5,392	1,823	2,045	5,363
At 31 December 2021	<u>332</u>	<u>8,074</u>	<u>2,183</u>	<u>3,377</u>	<u>7,251</u>
<b>Net book value</b>					
At 31 December 2021	<u>153</u>	<u>18,887</u>	<u>2,423</u>	<u>4,641</u>	<u>29,773</u>
At 31 December 2020	<u>436</u>	<u>24,279</u>	<u>4,247</u>	<u>6,686</u>	<u>34,106</u>

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**PERFORMANCE HORIZON GROUP LIMITED**


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**12. Intangible assets (continued)**

	<b>Total £000</b>
<b>Cost</b>	
At 1 January 2021	76,064
Additions	1,297
Foreign exchange	(267)
At 31 December 2021	<u>77,094</u>
<b>Amortisation</b>	
At 1 January 2021	6,311
Charge for the year	14,906
At 31 December 2021	<u>21,217</u>
<b>Net book value</b>	
At 31 December 2021	<u><u>55,877</u></u>
At 31 December 2020	<u><u>69,754</u></u>

During the year, the group reassessed the estimated useful lives of the intangible assets it holds and the updated policy can be found in note 2.13.

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**12. Intangible assets (continued)****Company**

	Intellectual property £000	Computer software £000	Total £000
<b>Cost</b>			
At 1 January 2021	1,620	4,291	5,911
At 31 December 2021	<u>1,620</u>	<u>4,291</u>	<u>5,911</u>
<b>Amortisation</b>			
At 1 January 2021	63	948	1,011
Charge for the year	329	1,344	1,673
At 31 December 2021	<u>392</u>	<u>2,292</u>	<u>2,684</u>
<b>Net book value</b>			
At 31 December 2021	<u>1,228</u>	<u>1,999</u>	<u>3,227</u>
At 31 December 2020	<u>1,557</u>	<u>3,342</u>	<u>4,899</u>

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**PERFORMANCE HORIZON GROUP LIMITED**


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**13. Tangible fixed assets****Group**

	Plant and machinery £000	Fixtures and fittings £000	Office equipment £000	Other fixed assets £000	Total £000
<b>Cost or valuation</b>					
At 1 January 2021	1,938	241	718	76	2,973
Additions	127	20	643	-	790
Disposals	-	-	(3)	-	(3)
At 31 December 2021	<u>2,065</u>	<u>261</u>	<u>1,358</u>	<u>76</u>	<u>3,760</u>
<b>Depreciation</b>					
At 1 January 2021	1,650	226	644	44	2,564
Charge for the year	281	27	616	32	956
Disposals	-	-	(3)	-	(3)
At 31 December 2021	<u>1,931</u>	<u>253</u>	<u>1,257</u>	<u>76</u>	<u>3,517</u>
<b>Net book value</b>					
At 31 December 2021	<u>134</u>	<u>8</u>	<u>101</u>	<u>-</u>	<u>243</u>
At 31 December 2020	<u>288</u>	<u>15</u>	<u>73</u>	<u>32</u>	<u>408</u>

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**PERFORMANCE HORIZON GROUP LIMITED**


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**13. Tangible fixed assets (continued)****Company**

	Plant and machinery £000	Fixtures and fittings £000	Office equipment £000	Total £000
<b>Cost or valuation</b>				
At 1 January 2021	1,934	82	718	2,734
Additions	108	-	56	164
At 31 December 2021	<u>2,042</u>	<u>82</u>	<u>774</u>	<u>2,898</u>
<b>Depreciation</b>				
At 1 January 2021	1,646	72	696	2,414
Charge for the year on owned assets	263	5	63	331
At 31 December 2021	<u>1,909</u>	<u>77</u>	<u>759</u>	<u>2,745</u>
<b>Net book value</b>				
At 31 December 2021	<u>133</u>	<u>5</u>	<u>15</u>	<u>153</u>
At 31 December 2020	<u>288</u>	<u>10</u>	<u>21</u>	<u>319</u>

**14. Fixed asset investments****Company**

	Investments in subsidiary companies £000
<b>Cost or valuation</b>	
At 1 January 2021	92
At 31 December 2021	<u>92</u>

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**14. Fixed asset investments (continued)****Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
Leads Box Limited	West One, Forth Banks, Newcastle upon Tyne, United Kingdom	Ordinary	100%
Performance Mash Limited	West One, Forth Banks, Newcastle upon Tyne, United Kingdom	Ordinary	100%
Performance Horizon Inc	2912 Rosalie Ave, Baltimore, Maryland, USA	Ordinary	100%
Performance Horizon PTY Ltd	Suite 906, Level 9, 37 Bligh Street, Sydney, NSW 2000	Ordinary	100%
Performance Horizon PTE Ltd	50 Raffles Place, #32-01, Singapore, Land Tower, Singapore	Ordinary	100%
Performance Horizon Group KK	Hirakawa-cho 7F, 2-7-3, Hirakawa-cho, Chiyoda-ku, Tokyo, 102-0093 Japan	Ordinary	100%
Performance Horizon Group Software (Shanghai) Co., Ltd	Room 4273 CITIC Square, 1168 Nanjing Road West, Shanghai 200041, P.R. China	Ordinary	100%
Performance Horizonte Venda de Software Ltd	Avenida Francisco Matarazzo, 1752-15 andar, conjunto 1507-Agua Branca Sao Paulo, Brazil	Ordinary	100%
Performance Horizon GmbH	Rodingsmarkt 9, 20459 Hamburg	Ordinary	100%
1057 First Global Horizon Associates LLC	7 South Main Street, Wilkes Barre, PA 19701	Ordinary	100%
MS Tech LLC	7 South Main Street, Wilkes Barre, PA 19701	Ordinary	100%
Pepperjam LLC	7 South Main Street, Wilkes Barre, PA 19701	Ordinary	100%

MS Tech LLC and Pepperjam LLC are indirect holdings of the Company by virtue of Performance Horizon Group Limited's 100% ownership of 1057 First Global Horizon Associates LLC.

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**15. Debtors**

	<b>Group 2021 £000</b>	<i>Group 2020 £000</i>	<b>Company 2021 £000</b>	<i>Company 2020 £000</i>
<b>Due after more than one year</b>				
Amounts owed by group undertakings	-	-	-	1,925
Notes receivable	3,442	-	3,442	-
Long-term leasehold deposits	44	487	-	-
	<u>3,486</u>	<u>487</u>	<u>3,442</u>	<u>1,925</u>

Included in Notes receivable is an amount owed by a director of the company. More information can be found in Note 26.

	<b>Group 2021 £000</b>	<i>Group 2020 £000</i>	<b>Company 2021 £000</b>	<i>Company 2020 £000</i>
<b>Due within one year</b>				
Trade debtors	30,189	27,843	2,293	1,746
Amounts owed by group undertakings	-	-	208,996	209,660
Other debtors	615	462	63	31
Prepayments and accrued income	3,097	1,631	1,294	846
Other taxation	12	198	-	-
Corporation tax receivable	932	809	410	809
	<u>34,845</u>	<u>30,943</u>	<u>213,056</u>	<u>213,092</u>

**16. Cash and cash equivalents**

	<b>Group 2021 £000</b>	<i>Group 2020 £000</i>	<b>Company 2021 £000</b>	<i>Company 2020 £000</i>
Cash at bank and in hand	67,683	56,294	29,628	21,881
	<u>67,683</u>	<u>56,294</u>	<u>29,628</u>	<u>21,881</u>

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**17. Creditors: Amounts falling due within one year**

	<b>Group 2021 £000</b>	<i>Group 2020 £000</i>	<b>Company 2021 £000</b>	<i>Company 2020 £000</i>
Bank loans and facilities	1,224	823	-	-
Trade creditors	11,665	15,482	11,141	10,011
Amounts owed to group undertakings	-	-	166,124	176,864
Amounts owed to publishers	57,765	20,396	17,110	11,875
Corporation tax	227	519	-	-
Other taxation and social security	1,586	2,068	409	1,064
Other sundry creditors	669	3,338	198	-
Accruals and deferred income	6,404	35,695	2,353	1,423
	<u>79,540</u>	<u>78,321</u>	<u>197,335</u>	<u>201,237</u>

Bank loans are secured by way of a collateral assignment of the Group's tangible and intangible assets.

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

	<b>Group 2021 £000</b>	<i>Group 2020 £000</i>	<b>Company 2021 £000</b>	<i>Company 2020 £000</i>
Bank loans	32,161	32,828	-	-
Accrued dividends	747	747	747	747
Subordinated promissory note	3,704	3,658	-	-
	<u>36,612</u>	<u>37,233</u>	<u>747</u>	<u>747</u>

Included within the subordinated promissory note is a principle amount of \$5,000,000 which attracts an interest rate of 6% per annum. The maturity date of this promissory note is January 26, 2026.

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**19. Loans**

Future payments under bank loans are as follows:

	<b>Group 2021 £000</b>	<i>Group 2020 £000</i>
<b>Amounts falling due within one year</b>		
Bank loans	1,224	823
	<u>1,224</u>	<u>823</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	1,247	1,243
	<u>1,247</u>	<u>1,243</u>
<b>Amounts falling due 2-5 years</b>		
Bank loans	30,914	31,585
	<u>30,914</u>	<u>31,585</u>
	<u>33,385</u>	<u>33,651</u>

**20. Financial instruments**

	<b>Group 2021 £000</b>	<i>Group 2020 £000</i>
<b>Financial assets</b>		
Financial assets measured at face value	67,683	56,294
Financial assets measured at amortised cost	30,804	28,305
	<u>67,683</u>	<u>56,294</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	118,246	111,791
	<u>118,246</u>	<u>111,791</u>

Financial assets measured at face value comprise cash and cash equivalents.

Financial assets measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise trade and other creditors, accruals and loans.

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**PERFORMANCE HORIZON GROUP LIMITED**


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**21. Deferred taxation****Group**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
At beginning of year	(6,044)	-
Charged to profit or loss	2,136	1,006
Relating to business combinations	(98)	(7,104)
Adjustment to prior period	(320)	54
<b>At end of year</b>	<b>(4,326)</b>	<b>(6,044)</b>
	<b>Group</b>	<b>Group</b>
	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Accelerated capital allowances	(4,494)	(7,345)
Short term timing differences	168	1,003
Losses	-	298
	<b>(4,326)</b>	<b>(6,044)</b>

At the Balance sheet date, the Group has deferred tax assets not recognised of £1,324,000 (2020: £2,322,000) relating to tax losses on the basis that the timing of future utilisation is uncertain.

**22. Share capital**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Allotted, called up and fully paid</b>		
58,877,660 (2020 - 53,799,514) shares of £0.0001 each	<b>6</b>	<b>5</b>

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**PERFORMANCE HORIZON GROUP LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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**22. Share capital (continued)**

The authorised share capital represents the company's total authorised share capital. All classes of shares are included in this authorised amount. There are 15,604,130 Ordinary shares in issue at the year end.

**Voting rights**

The 4,839,910 class A1 and 7,415,170 class A2 shares are entitled to one vote per share, and accrued preferential dividends up to 31 August 2014. They have the right to be converted to ordinary shares upon the occurrence of certain events stated in the company's articles of association and preferential rights in the event of liquidation.

The 6,138,240 class B shares, 10,444,480 class C shares and 2,928,840 class D shares rank pari passu with the class A1 and A2 shares and carry the same voting and liquidation rights.

The 10,268,930 class E shares carry the same voting rights as the class B shares, class C shares and class D shares and carry preferential rights over the other classes of share in the event of an exit or liquidation.

The Series E shares also contain additional voting rights beyond the class B Shares, the class C shares and class D shares. Under these additional rights, the class Series E shares have separate approvals on mergers & acquisitions, issuing of new capital, incurring debt and paying dividends.

The 502,370 class Z and 727,500 class Z-2 shares carry no rights to vote in general meetings but rank pari passu with the ordinary shares in the event of a capital return on liquidation.

The deferred shares carry no rights to vote in general meetings and no rights to capital return on liquidation.

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**PERFORMANCE HORIZON GROUP LIMITED**


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**22. Share capital (continued)**

<b>Date of Issue</b>	<b>Number of Shares</b>	<b>Class of Share</b>	<b>Total Consideration Paid</b>
11-Jan-21	15,000	Ordinary	\$10,000 USD
22-Jan-21	360,000	Z-2	£17,000
8-Feb-21	95,692	Ordinary	£0 *
15-Feb-21	19,483	Ordinary	£0 *
25-Feb-21	547,000	Ordinary	£241,000
12-Mar-21	367,500	Z-2	£17,000
24-Mar-21	25,806	Ordinary	\$17,000 USD
30-Mar-21	2,082	Ordinary	£2,000
7-Jun-21	296,300	Ordinary	£39,000
18-Jun-21	11,246	Ordinary	\$10,000 USD
19-Jul-21	55,724	Ordinary	\$61,000 USD
3-Aug-21	11,350	Ordinary	£8,000
9-Sep-21	75,760	Ordinary	£52,000
9-Sep-21	383,000	Ordinary	\$609,000 AUD
12-Sep-21	2,679,889	Ordinary	\$4,824,000 USD
19-Oct-21	23,328	Ordinary	£19,000
26-Nov-21	5,000	Ordinary	£4,000
26-Nov-21	5,000	Ordinary	\$8,000 AUD
3-Dec-21	10,000	Ordinary	£4,000
3-Dec-21	9,000	Ordinary	\$6,000 USD
24-Dec-21	80,000	Ordinary	£35,000

\* these shares were issued at par

Upon issuing shares during the year, the Company has written off expenses totalling £5,000 (2020: £38,000) related to their allotment within the Share Premium account.

**23. Reserves****Share premium account**

Share premium reflects amounts paid over par on issued share capital.

**Foreign exchange reserve**

The foreign exchange reserve represents the impact of foreign exchange movements on consolidation of subsidiary companies.

**Other reserves**

The other reserves account reflects equity adjustments for share based payment charges.

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**23. Reserves (continued)****Profit and loss account**

The profit and loss account reflects accumulated profits/losses of the Company and Group.

**24. Share based payments**

The Company has an established Employee Share Option Plan under which options have been granted to certain employees and directors. The Schemes are equity-settled share based payment arrangements whereby the employees and directors are granted share options over the Company's equity instruments.

The scheme includes non market-based vesting conditions only, whereby the employee must remain in service over the vesting period. All options lapse on either the 5th or 10th anniversary of the date of the grant. There are no performance based vesting condition.

Share option activity for the year ended 31 March 2021 is presented below:

	<b>Weighted average exercise price (USD) 2021</b>	<b>Number 2021</b>	<i>Weighted average exercise price (USD) 2020</i>	<i>Number 2020</i>
Outstanding at the beginning of the year	0.65	5,716,778	0.63	5,996,448
Granted during the year	1.80	4,460,167	0.88	288,400
Forfeited during the year	1.29	(1,022,707)	0.77	(104,236)
Exercised during the year	1.00	(2,436,901)	0.46	(463,834)
Expired during the year	0.07	(444,450)		-
<b>Outstanding at the end of the year</b>	<b>1.27</b>	<b>6,272,887</b>	<b>0.65</b>	<b>5,716,778</b>

At the 31 December 2021 2,128,894 (2020: 3,439,637) of the options were exercisable.

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**24. Share based payments (continued)**

The fair value of the share options was calculated by applying a Black-Scholes model. The model inputs were as follows.

	<b>2021</b>	<b>2020</b>
Weighted average share price (USD)	<b>1.80</b>	<b>1.15</b>
Exercise price (USD)	<b>1.80</b>	<b>1.15</b>
Expected volatility	<b>55%</b>	<b>80%</b>
Expected dividend growth rate	<b>0%</b>	<b>0%</b>
Risk-free interest rate	<b>0.96%</b>	<b>1.62%</b>
	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Share based payment expense</b>		
Equity-settled schemes	<b>1,163</b>	<b>550</b>

**25. Commitments under operating leases**

At 31 December 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group</b>	<i>Group</i>	<b>Company</b>	<i>Company</i>
	<b>2021</b>	<i>2020</i>	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>	<b>£000</b>	<i>£000</i>
Not later than 1 year	<b>725</b>	<b>671</b>	<b>725</b>	<b>181</b>
Later than 1 year and not later than 5 years	<b>384</b>	<b>1,243</b>	<b>384</b>	<b>464</b>
	<b>1,109</b>	<b>1,914</b>	<b>1,109</b>	<b>645</b>

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**26. Related party transactions**

In 2020, the Group hired Accel-KKR Consulting Group ("ACG"), a consulting group owned by the Group's largest shareholder, to help the Company and Group assess certain markets and to support the integration of the two acquired companies. The Company spent \$193,604 with ACG in the year ended December 31, 2021 (2020: \$124,815).

In 2021, loan notes to a director and shareholder of the company amounting to £3,199,255 were advanced in exchange for a share issuance in the entity, and have been included in long-term notes receivable. The note uses a mid-term AFR rate for interest (which equated to approximately 3% in 2021) and is currently paid in kind to offset holdings in seller note. Once satisfied, interest will be paid in cash thereafter.

In addition, loan notes to a shareholder of the company amounting to £242,448 were advanced in exchange for a share issuance, also included in long-term notes receivable. These loan notes have a 2% fixed interest rate which is paid quarterly.

**27. Post balance sheet events**

There were no post balance sheet events.

**28. Controlling party**

No individual shareholder has a majority holding in the Company with the largest holding being 24.7% of the fully diluted share capital. There is, therefore, no ultimate controlling party of the company.