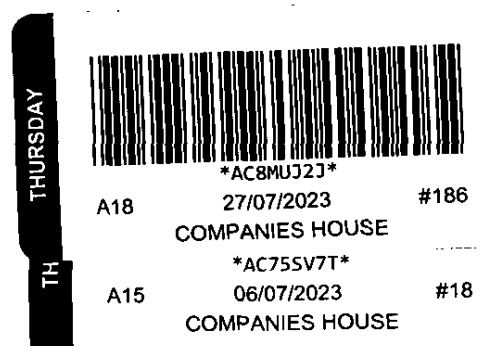


Tag Worldwide Tech Limited

Annual Report and Unaudited Financial Statements

For the extended period ended 31 December 2022

Company registration number 13755206



Contents

Company information	3
Strategic report	4
Directors' report	5
Statement of directors' responsibilities	6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10

Company information

Company registration number
13755206

Directors
F Aghoghovbia
G McGaghey
D Kassler

Registered office
1-5 Poland Street
London
W1F 8PR

Strategic report

Strategic report for the year ended 31 December 2022

The directors present their strategic report on Tag Worldwide Tech Limited (the 'Company') for the extended period from 19 November 2021 to 31 December 2022.

Introduction

The Company was incorporated on 19 November 2021. The Company's immediate parent undertaking was Wertheimer UK Limited up until 1 March 2022 when it ceased to be the parent undertaking and it was transferred to Tag Worldwide Holdings Limited, another entity within the Group and the ultimate parent undertaking is AI Wertheimer Holdings Limited which is owned by funds containing institutional owners and is controlled by funds advised by Advent International Corporation, a private equity investment company. The intermediate parent undertaking and the largest UK group to consolidate these financial statements is AI Wertheimer Parentco UK Limited (hereby referred to as the 'Group').

Principal activities and review of the business

Tag Worldwide Tech Limited is a Software Development and IT Consultancy Company for the Williams Lea Tag Group of companies which was acquired from Deutsche Post DHL on 30 November 2017. These financial statements reflect the results of the Company for the extended period ended 31 December 2022.

Subsequent events

On 7 March 2023, it was announced that Advent International had agreed to sell the Group's Tag business division ('Tag') which includes the Company to Dentsu Group Inc. ('Dentsu'), one of the world's largest global marketing and advertising agency networks. The transaction has been approved by the boards of directors of both the Group and Dentsu and is anticipated to close later in 2023 subject to receipt of required antitrust approvals and customary closing conditions.

Principal risks and uncertainties

The Company is a subsidiary of Tag Worldwide Holdings Limited, limited by shares. From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. The review of the business of the Group, which provides an analysis of the main trends and factors likely to affect the development, performance and position of the business, and a description of the principal risks and uncertainties facing the business, can be found in the Group financial statements of AI Wertheimer Parentco UK Limited.

By order of the Board



D Kassler
Director
30 June 2023

Directors' report

Directors' report for the period ended 31 December 2022

The directors present their annual report and the unaudited financial statements of the Company for the extended period ended 31 December 2022.

Results and dividends

The profit for the financial period amounted to £1,624,000. No dividend was paid during the period ended 31 December 2022. The directors do not recommend the payment of a final dividend.

At the period end the Company had net current liabilities of £8,089,000 and net assets of £1,624,000.

Directors

Unless otherwise indicated, the directors who served during the period and up until the date of approval of this report were as follows:

F Aghoghovbia (appointed on 19 November 2021)

G McGaghey (appointed on 19 November 2021)

D Kassler (appointed on 19 November 2021)

Going concern

The directors make an estimate of future performance of the Company in order to prepare the financial statements on a going concern basis. When assessing future performance, the directors consider financial projections which reflect current expected market conditions, liquidity requirements and opportunities and risks. The Company has obtained written confirmation from its parent undertaking Tag Worldwide Holdings Limited that it will provide finance, if required, for a period of at least twelve months from the date of approval of the Company's financial statements in order for the Company to meet its liabilities as they fall due. On this basis, the directors consider that the use of the going concern basis of accounting is appropriate.

Subsequent events

Details of subsequent events are provided in the Strategic report.

Future developments

The directors intend to follow the strategy as set out in the Strategic report to continue to act as Software Development and IT Consultancy company for the Group.

Change of Accounting Period

The accounting period of the Company was extended to 31 December 2022 so as to align with the year end of the other companies within the Group.

Qualifying third-party indemnities

The directors have been indemnified against liability in respect of proceedings brought by third parties, subject to the conditions set out in the UK Companies Act 2006. A qualifying third-party indemnity provision was in force during the period and up until the date of approval of the financial statements.

Statement of directors' responsibilities

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Independent auditors

For the period ending 31 December 2022, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the Company to obtain an audit of its accounts for the period in question in accordance with section 476.

By order of the Board



D Kassler
Director
30 June 2023

Statement of Comprehensive Income
for the period ended 31 December 2022

		2022
	Notes	£'000
Turnover		5,189
Cost of sales		(3,166)
Gross profit		2,023
Administrative expenses	6	(18)
Operating profit		2,005
Profit before taxation		2,005
Taxation	7	(381)
Profit for the financial period		1,624

All results derive from continuing operations.

Balance Sheet

As at 31 December 2022

	Notes	2022 £'000
Fixed assets		
Intangible assets	8	<u>9,713</u> 9,713
Current assets		
Debtors: Amounts due within one year	9	<u>14,407</u> 14,407
Creditors: amounts falling due within one year	10	<u>(22,496)</u>
Net current liabilities		(8,089)
Total assets less liabilities		<u>1,624</u>
Net assets		<u>1,624</u>
Capital and reserves		
Called up share capital	11	-
Retained earnings		<u>1,624</u>
Total equity		<u>1,624</u>

For the period ending 31 December 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit of its accounts for the period in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The notes on pages 10 to 17 are an integral part of these financial statements.

The financial statements on pages 7 to 17 were authorised for issue by the board of directors on 30 June 2023 and were signed on its behalf by:



D Kassler
Director

Company registered number: 13755206

Notes to the financial statements *(continued)*

d. Consolidated financial statements

The Company is a wholly owned subsidiary of Tag Worldwide Holdings Limited and its ultimate parent undertaking is AI Wertheimer Holdings Limited. It is included in the consolidated financial statements of AI Wertheimer Holdings Limited which are publicly available.

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. The intermediate parent undertaking and the largest UK group to consolidate these financial statements is Tag Worldwide Holdings Limited Limited. The address of Tag Worldwide Holdings Limited Limited is 15 Poland Street, London, W1F 8PR.

e. Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

f. Financial instruments

Financial assets and liabilities

Basic financial assets and liabilities, including trade and other receivables, cash and bank balances, trade and other payables and loans from fellow group companies are recognised at transaction price, unless the arrangement constitutes a financing transaction. The Company currently has no such financing transactions.

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

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

g. 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.

h. Taxation

Taxation expense for the year comprises current and deferred tax recognised in the reporting year. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Notes to the financial statements (continued)

h. Taxation (continued)

i. Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the period. Tax is calculated on the basis of the tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii. Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

i. Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

- Technology platforms 3 - 5 years

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Costs associated with maintaining technology platforms are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Notes to the financial statements (continued)

j. Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Depreciation and residual values

Depreciation on computer and office equipment is calculated, using the straight-line method, to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

- Computer and office equipment 3 – 8 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Subsequent additions

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Group and the cost can be measured reliably.

De-recognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss within operating profit or loss.

k. Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit ('CGU')) may be impaired. If there is such an indication, the recoverable amount of the asset (or asset's CGU) is compared to the carrying amount of the asset (or asset's CGU).

The recoverable amount of the asset (or asset's CGU) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's CGU's) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's CGU) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised valuation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's CGU) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

l. Interest

Interest receivable and payable are recognised on an accruals basis.

Notes to the financial statements (continued)

m. Dividends

Dividends receivable are recognised when the right to receive payment is established. The right to receive dividends is established, for interim dividends, when they are paid and, for final dividends, when they are approved by shareholders at an Annual General Meeting.

n. Foreign currencies

The Company's functional and presentational currency is the pound sterling. 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 exchange 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 the profit and loss account except where deferred in other comprehensive income as qualifying cash flow hedges.

o. Related parties

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with its parent or with members of the same group that are wholly owned.

4. Critical accounting judgments and estimation uncertainty

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.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment within the next financial year are addressed below.

i. Impairment of investments

The Company considers whether investments are impaired. Where the investments are no longer trading, an impairment is considered based on their net underlying assets.

5. Employees and directors

Employees

There were no persons (including directors) employed by the Company at any point during the period ended 31 December 2022.

Directors

Two of the directors are paid by Wertheimer UK Limited, which are also directors. The remaining director is paid by Tag Europe Limited. Accordingly, these financial statements include no disclosures in respect of directors' remuneration.

Notes to the financial statements (continued)

6. Administrative expenses

	2022 £'000
Intercompany Management fee	2
Foreign exchange loss	16
	<u>18</u>

7. Taxation

	2022 £'000
Current tax	
UK corporation tax on profit for the period	381
Total current tax (credit)/charge	<u>381</u>

Reconciliation of tax on profit/(loss)

The income tax expense/credit differs from the amount that would have resulted from applying the standard rate of corporation tax in the UK to the profit/(loss) before taxation for the year as follows:

	2022 £'000
Total tax reconciliation	
Profit/(loss) before taxation	2,005
Income tax (credit)/charge at UK corporation tax rate of 19% (2021: 19%)	<u>381</u>
Total tax (credit)/charge	<u>381</u>

Tax rate change

In the Autumn Statement in November 2022, the UK Government confirmed that the standard rate of UK corporation tax will increase to 25% with effect from 1 April 2023.

Notes to the financial statements (continued)

8. Intangible Assets

	Technology platforms	Intangible assets under development	Total
	£'000	£'000	£'000
Cost			
At 19 November 2021	-	-	-
Transfer from other group companies	156	10,133	10,289
Transfer from WIP	3,682	(3,682)	-
At 31 December 2022	3,838	6,451	10,289
Accumulated amortisation			
At 19 November 2021	-	-	-
Charge for the year	576	-	576
At 31 December 2022	576	-	576
Net book value			
At 31 December 2022	3,262	6,451	9,713

9. Debtors

	2022 £'000
Amounts owed by group undertakings	14,407
Amounts owed by group undertakings falling due within one year are unsecured and are repayable on demand.	

10. Creditors: amounts falling due within one year

	2022 £'000
Amounts due to group undertakings	22,496
Amounts due to group undertakings falling due within one year are unsecured and are repayable on demand.	

Notes to the financial statements (continued)

11. Called up share capital

	2022 Number	2022 £'000
<i>Allotted, called up and fully paid</i>		
1 ordinary share £0.01 each, issued on 19 November 2021	1	-
	<u>1</u>	<u>-</u>

The Company's share capital on the date of incorporation was 1p.

The ordinary shares issued by the Company have full voting, dividend and capital distribution rights. They do not confer any rights of redemption.

12. Related parties

The Company is exempt from disclosing related party transactions as they are with other companies that are wholly owned within the group.

13. Parent undertaking and controlling party

Tag Worldwide Holdings Limited is the Company's immediate parent undertaking. AI Wertheimer Parentco UK Limited is the parent undertaking of the largest UK group of which the Company is a member and for which consolidated financial statements are prepared. Copies of the group financial statements of AI Wertheimer Parentco UK Limited can be obtained from 1-5 Poland Street, London W1F 8PR.

The directors regard the ultimate controlling party as GPE VIII funds managed by Advent International Corporation.