

Performance Horizon Group Limited

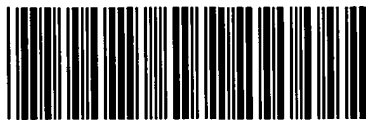
Report and Financial Statements

Year Ended

31 December 2023

Company Number 07188234

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Performance Horizon Group Limited

Report and financial statements
for the year ended 31 December 2023

Contents

Page:

1	Strategic report
4	Directors' report
6	Directors' responsibilities statement
7	Independent auditor's report
11	Consolidated statement of comprehensive income
12	Consolidated balance sheet
13	Consolidated statement of changes in equity
14	Consolidated statement of cash flows
15	Company balance sheet
16	Company statement of changes in equity
17	Notes forming part of the financial statements

Directors

Joseph Porten
Anuja Royan
John Elton
Matthew Gilbert
Steve Schlenker

Registered office

8th Floor, West One, Forth Banks, Newcastle upon Tyne, NE1 3PA

Company number

07188234

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Performance Horizon Group Limited

Strategic report for the year ended 31 December 2023

Introduction

The directors present their strategic report on the group for the year ended 31 December 2023.

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 in to existing workflows and systems via the open architecture and process 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 1,750 enterprise and mid-market clients worldwide, driving more than \$10 billion 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 \$73m to \$76m, a year on year increase of 4.6%. The net assets at 31 December 2023 are \$44m (2022: \$46m) with decrease mainly the result of amortization of intangible assets offset by increases in working capital. EBITDA decreased by 31% (\$5.9m,) but adjusted for the impact of FX gains and losses, share based compensation and other one-time non-operating costs, Adjusted EBITDA increased by 25% (\$4.8m) compared to 2022.

	2023	2022
	\$	\$
Operating profit/(loss)	(2,290)	398
Depreciation	123	358
Amortization	15,245	18,294
EBITDA	13,078	19,050
FX (gain)/loss	8,497	(2,836)
Share based compensation	1,472	1,429
One-time non-operating costs	949	1,537
Adjusted EBITDA	23,996	19,180

Employee numbers averaged 334 throughout 2023.

Principal risks and uncertainties

Change in market conditions following the UK decision to leave the EU

The UK's decision to leave the EU has not and 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 gives us the best performance and reliability.

Performance Horizon Group Limited

Strategic report (*continued*)
for the year ended 31 December 2023

Principal risks and uncertainties (*continued*)

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.

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 board of directors and are implemented by the group's finance department.

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 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 several 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. The main KPI used is Adjusted EBITDA which was \$24.0m during 2023 (2022 – \$19.2m).

Carbon Reporting

The level of greenhouse gas emissions for the period, relating to activities that the business is responsible for was approximately 463 kg Co2e. This is a total of 550,000 KWH and is equivalent of 1,425 kg Co2e per employee. In line with the reporting guidance the Gross CO2e has been further categorized as 40 kg CO2e transportation and 423 kg CO2e from purchased electricity.

Under the Companies (Directors' Report) and Limited Liability Partnership (Energy and Carbon Report) Regulation 2018, we are mandated to disclose our UK energy use and associated greenhouse gas (GHG) emissions.

The Group has continued to take energy saving measures, such as utilizing cloud network of servers to reduce purchased electricity required to operate the business. Management continues to maintain the low levels of climate exposure. Due to our operational structure, there are minimal amount of climate related risks as well as minimal opportunities to reduce our already minimal levels.

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.

Performance Horizon Group Limited

Strategic report (*continued*)
for the year ended 31 December 2023

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

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 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 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 the 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 Regulations: 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.

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

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Matthew Gilbert
Director

Date 3rd July, 2024

Performance Horizon Group Limited

Directors' report for the year ended 31 December 2023

The directors present their report and the financial statements for the year ended 31 December 2023.

Results and dividends

The loss for the year, after taxation, was \$8,860 (2022 - loss \$ 3,611).

The directors do not propose the payment of a dividend (2022 - \$ nil).

Directors

The directors who served during the year and up to the date of this report were:

Joseph Porten
Anuja Royan
John Elton
Matthew Gilbert
Steve Schlenker

Future developments

The business is focused on its core activities in four key geographical markets of USA, UK and 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 there will be further significant growth in 2024.

Engagement with employees

The company continues to provide employees with company updates and future projects, including quarterly town hall meetings, both on a worldwide scale and individual divisions. Executive leadership team is involved in all town hall meetings to ensure employees are aware of financial and economic factors, future budget and forecasting targets, as well as use the time to encourage employee involvement to raise questions and concerns.

Changes in presentation of the financial statements

These financial statements are presented in United States Dollars (USD); previously the financial statements were presented in GBP. As explained in more detail in the accounting policies, the Directors consider USD to be more closely aligned to the primary international market for the Company's services and with investor expectations.

Post balance sheet events

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

Auditors

BDO LLP, who were appointed as auditors of the company by the directors, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

Performance Horizon Group Limited

Directors' report (*continued*)
for the year ended 31 December 2023

Statement of disclosure to auditor

Each Director in office at the date of approval of this annual report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Approval

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

DocuSigned by:



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Matthew Gilbert
Director

Date 3rd July, 2024

Performance Horizon Group Limited

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; and
- 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.

Performance Horizon Group Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERFORMANCE HORIZON GROUP LTD

Opinion on the financial statements

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 2023 and of the Group's loss and the Parent Company's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Performance Horizon Group Ltd ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2023 which comprise the Consolidated statement of comprehensive income, Consolidated balance sheet, Consolidated statement of changes in equity, Consolidated statement of cash flows, Company balance sheet, Company statement of changes in equity and notes to the financial statements, 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).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 or Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Strategic report, Directors' report and financial statements, other than the financial statements and our auditor's report thereon. 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.

Performance Horizon Group Limited

INDEPENDENT AUDITOR'S REPORT (*CONTINUED*) TO THE MEMBERS OF PERFORMANCE HORIZON GROUP LTD

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.

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

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

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

Performance Horizon Group Limited

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF PERFORMANCE HORIZON GROUP LTD

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

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations.

we considered the significant laws and regulations to be the applicable accounting framework, Companies Act 2006 and relevant tax legislation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be revenue recognition and management override of controls through journal entries.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Using data analytics to reconcile the underlying revenue platforms and associated transactions to the general ledgers and financial statements; and
- Assessing significant estimates made by management for bias including the recoverability of trade debtors by reference to historical information and the ageing of amounts outstanding.

Performance Horizon Group Limited

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF PERFORMANCE HORIZON GROUP LTD

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Joe Lucey

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Joe Lucey (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
July 3, 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Performance Horizon Group Limited

Consolidated statement of comprehensive income for the year ended 31 December 2023

	Note	2023 US\$	2022 US\$ <i>(as restated)</i>
Turnover	4	76,051	72,681
Cost of sales		3,082	4,082
Gross profit		72,969	68,599
Administrative expenses		(75,259)	(68,201)
Operating loss	5	(2,290)	398
Interest receivable	8	292	170
Interest payable and similar expenses	9	(4,571)	(3,158)
Loss before taxation		(6,569)	(2,590)
Taxation	10	(2,111)	(1,021)
Loss for the financial year		(8,680)	(3,611)
Currency translation differences		2,045	(4,496)
Total comprehensive income for the year		(6,635)	(8,107)
Loss for the year attributable to:			
Owners of the parent Company		(8,860)	(3,611)

All amounts relate to continuing activities.

The accompanying notes form part of these financial statements.

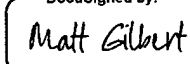
Performance Horizon Group Limited

Consolidated balance sheet at 31 December 2023

Company number 07188234	Note	2023 US\$	2023 US\$	2022 US\$ <i>(as restated)</i>	2022 US\$ <i>(as restated)</i>
Fixed assets					
Intangible assets	11		37,950		51,820
Tangible assets	12		50		157
			<u>38,000</u>		<u>51,977</u>
Current assets					
Debtors	14	106,106		123,504	
Cash at bank and in hand	15	127,967		105,098	
		<u>234,073</u>		<u>228,602</u>	
Creditors: amounts falling due within one year	16	<u>(188,008)</u>		<u>(186,056)</u>	
Net current assets			46,065		42,546
Debtors: amounts falling due after more than one year	14		4,899		4,945
Total assets less current liabilities			<u>88,964</u>		<u>99,468</u>
Creditors: amounts falling due after more than one year	17		(41,919)		(44,565)
Provisions for liabilities					
Deferred taxation	20		(3,112)		(4,692)
Net assets			<u>43,933</u>		<u>50,211</u>
Capital and reserves					
Called up share capital	21		6		6
Share premium account	22		80,013		80,937
Foreign exchange reserve	22		(818)		(2,863)
Other reserves	22		5,693		4,412
Profit and loss account	22		(40,961)		(32,281)
			<u>43,933</u>		<u>50,211</u>

The financial statements were approved by the Board of Directors and authorised for issue on 3rd July, 2024.

DocuSigned by:


 07C25508966488
 Matthew Gilbert
 Director

The accompanying notes form part of these financial statements.

Performance Horizon Group Limited

Consolidated statement of changes in equity for the year ended 31 December 2023

	Called up share capital US\$	Share premium account US\$	Foreign exchange reserve US\$	Other reserves US\$	Profit and loss account US\$	Total equity US\$
At 1 January 2022 (as previously stated)	6	80,793	1,634	2,599	(32,614)	52,418
Effect of prior period adjustments (note 28)	-	-	-	-	3,944	3,944
At 1 January 2022 (as restated)	6	80,793	1,634	2,599	(28,670)	56,362
Comprehensive income for the year						
Loss for the year	-	-	-	-	(3,611)	(3,611)
Foreign exchange differences	-	-	(4,497)	384	-	(4,113)
Shares issued during the year	-	144	-	-	-	144
Share based compensation	-	-	-	1,429	-	1,429
At 31 December 2022 (as restated)	6	80,937	(2,863)	4,412	(32,281)	50,211
Comprehensive income for the year						
Loss for the year	-	-	-	-	(8,680)	(8,680)
Foreign exchange differences	-	-	2,045	(191)	-	1,854
Shares issued during the year	-	108	-	-	-	108
Treasury shares purchased	-	(1,032)	-	-	-	(1,032)
Share based compensation	-	-	-	1,472	-	1,472
At 31 December 2023	6	80,013	(818)	5,693	(40,961)	43,933

The accompanying notes form part of these financial statements.

Performance Horizon Group Limited

Consolidated statement of cash flows for the year ended 31 December 2023

	2023 US\$	2022 US\$ <i>(as restated)</i>
Cash flows from operating activities		
Loss for the financial year	(8,680)	(3,611)
Adjustments for:		
Amortisation of tangible assets	15,245	18,294
Depreciation, impairment and amortisation of fixed assets	122	358
Unrealised foreign exchange (gain)/loss	5,336	(28)
Interest payable and similar expenses	4,571	3,615
Interest received	(291)	(48)
Taxation charge	2,111	(8,823)
(Increase) in debtors	14,917	15,020
Increase in creditors	(2,440)	(18,060)
Share based payments	1,472	(1,429)
Taxation paid	(1,072)	-
	<hr/>	<hr/>
Net cash generated from operating activities	31,291	5,288
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of intangible assets	1,375	350
Increase in long-term deposits	(260)	-
Purchase of tangible assets	16	128
	<hr/>	<hr/>
Net cash from investing activities	1,131	478
	<hr/>	<hr/>
Cash flows from financing activities		
Issue of ordinary shares	108	144
Purchase of treasury stock	(728)	-
Repayment of loans	(2,250)	(4,188)
Interest paid	(4,426)	(3,615)
	<hr/>	<hr/>
Net cash used in financing activities	(7,296)	(7,659)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	25,126	(1,893)
Cash and cash equivalents at beginning of year	105,098	91,584
Foreign exchange gains and losses on cash and cash equivalents	(2,257)	15,407
	<hr/>	<hr/>
Cash and cash equivalents at end of year	127,967	105,098
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Cash and cash equivalents comprise:		
Cash at bank and in hand	127,967	105,098
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The accompanying notes form part of these financial statements.

Performance Horizon Group Limited


Company balance sheet at 31 December 2023

Company number 07188234	Note	2023 US\$	2023 US\$	2022 US\$ (as restated)	2022 US\$ (as restated)
Fixed assets					
Investments	13		122		122
Tangible assets	12		42		101
Intangible assets	11		1,446		1,048
			<u>1,610</u>		<u>1,271</u>
Current assets					
Debtors	14	1,351,024		746,314	
Cash at bank and in hand	15	36,803		64,284	
			<u>1,387,827</u>	<u>810,598</u>	
Creditors: amounts falling due within one year	16	(1,302,132)		(737,696)	
Net current assets			<u>85,695</u>		<u>72,902</u>
Debtors: amounts falling due after more than one year	14		4,589		4,811
Total assets less current liabilities			<u>91,894</u>		<u>78,984</u>
Creditors: amounts falling due after more than one year	17		(991)		(991)
Provision for deferred tax	20		245		342
Net assets			<u>91,148</u>		<u>78,335</u>
Capital and reserves					
Called up share capital	21		6		6
Share premium account	22		80,013		80,937
Foreign exchange reserve	22		(52)		(3,413)
Other reserves	22		5,722		4,416
Profit and loss account			5,459		(3,611)
			<u>91,148</u>		<u>78,335</u>

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 profit of the company for the year was \$9,070 (2022 - \$ 8,662).

The financial statements were approved by the Board of Directors and authorised for issue on 3rd July, 2024.

DocuSigned by:


Matthew Gilbert
Director

The accompanying notes form part of these financial statements.

Performance Horizon Group Limited

Company statement of changes in equity for the year ended 31 December 2023

	Called up share capital US\$	Share premium account US\$	Foreign Exchange reserve US\$	Other reserves US\$	Profit and loss account US\$	Total Equity US\$
At 1 January 2022 (as previously stated)	6	80,793	1,634	2,599	(16,753)	68,279
Effect of prior period adjustments (note 28)	-	-	-	-	4,480	4,480
At 1 January 2022 (as restated)	<u>6</u>	<u>80,793</u>	<u>1,634</u>	<u>2,599</u>	<u>(12,273)</u>	<u>72,759</u>
Comprehensive income for the year						
Profit for the year	-	-	-	-	8,662	8,662
Foreign exchange differences	-	-	(5,047)	388	-	(4,659)
Shares issued during the year	-	144	-	-	-	144
Share based compensation	-	-	-	1,429	-	1,429
At 31 December 2022 (as restated)	<u>6</u>	<u>80,937</u>	<u>(3,413)</u>	<u>4,416</u>	<u>(3,611)</u>	<u>78,335</u>
Comprehensive income for the year						
Profit for the year	-	-	-	-	9,070	9,070
Foreign exchange differences	-	-	3,361	(166)	-	3,195
Shares issued during the year	-	108	-	-	-	108
Treasury shares purchased	-	(1,032)	-	-	-	(1,032)
Share based compensation	-	-	-	1,472	-	1,472
At 31 December 2023	<u>6</u>	<u>80,013</u>	<u>(52)</u>	<u>5,722</u>	<u>5,459</u>	<u>91,148</u>

The accompanying notes form part of these financial statements.

Performance Horizon Group Limited

Notes forming part of the financial statements for the year ended 31 December 2023

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

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.

All amounts are stated in thousands USD unless per share amounts or as otherwise stated.

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).

These financial statements reflect the correction of a number of historic material errors. This is explained in more detail in Note 28.

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 following principal accounting policies have been applied:

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.

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.

Performance Horizon Group Limited

Notes forming part of the financial statements for the year ended 31 December 2023 (*continued*)

2 Accounting policies (*continued*)

Foreign currency translation

Functional and presentation currency

The Company's functional currency is GBP. The Directors have elected to present the consolidated financial statements in USD; the Company had previously presented its consolidated financial statements in GBP. The Directors consider USD to be more closely aligned to the primary international market for the Company's services and with investor expectations.

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 USD 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 into presentation currency are recognised in other comprehensive income.

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.

Performance Horizon Group Limited

Notes forming part of the financial statements for the year ended 31 December 2023 (*continued*)

2 Accounting policies (*continued*)

Cost of sales

Cost of sales includes direct costs incurred in the generation of revenue for the Company, including hardware maintenance and related subscriptions

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.

Interest income

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

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.

Borrowing costs

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

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.

Performance Horizon Group Limited

Notes forming part of the financial statements for the year ended 31 December 2023 (*continued*)

2 Accounting policies (*continued*)

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.

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.

Performance Horizon Group Limited

Notes forming part of the financial statements
for the year ended 31 December 2023 (*continued*)

2 Accounting policies (*continued*)

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

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 3 - 5 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.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Performance Horizon Group Limited

Notes forming part of the financial statements for the year ended 31 December 2023 (*continued*)

2 Accounting policies (*continued*)

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.

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.

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.

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.

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.

Treasury Stock

When the Company repurchases shares that have been previously issued, this is recorded in equity as treasury stock at the amount that was paid for the shares.

Performance Horizon Group Limited

Notes forming part of the financial statements for the year ended 31 December 2023 (continued)

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 a provision is recorded 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:

	2023 US\$	2022 US\$
Europe	13,915	14,318
Asia Pacific	5,957	8,168
North and South America	56,179	50,195
	<hr/>	<hr/>
	76,051	72,681
	<hr/> <hr/>	<hr/> <hr/>

Performance Horizon Group Limited

Notes forming part of the financial statements
for the year ended 31 December 2023 (continued)

5 Operating loss

	2023 US\$	2022 US\$
This is arrived at after charging:		
Research and development charged as an expense	7,507	8,429
Exchange differences	8,497	(2,836)
Amortisation of intangible assets	15,245	18,294
Depreciation of tangible assets	123	358
Operating lease expense	1,082	1,046

6 Auditor's remuneration

During the year, the Group obtained the following services from the Company's auditor:

	2023 US\$	2022 US\$
Fees payable to BDO LLP	220	-
Fees payable to previous auditor	-	221
	<u>220</u>	<u>221</u>

7 Employees

	Group 2023 US\$	Group 2022 US\$	Company 2023 US\$	Company 2022 US\$
Staff costs consist of:				
Wages and salaries	33,285	33,026	11,572	10,504
Social security costs	2,709	2,795	1,273	1,235
Cost of defined contribution scheme	1,069	935	384	355
	<u>37,063</u>	<u>36,756</u>	<u>13,229</u>	<u>12,094</u>

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

	Group 2023 Number	Group 2022 Number	Company 2023 Number	Company 2022 Number
Employees	<u>334</u>	<u>345</u>	<u>134</u>	<u>133</u>

Directors

Directors' remuneration for the year for their services to the Group were \$653 (2022: \$649). The emoluments of the highest paid director in 2023 was \$653 (2022: \$649).

Key management personnel include all directors and a number of senior managers across the group who together have authority and responsibility for planning, directing and controlling the activities of the group. The total compensation paid to key management personnel for services provided to the group were \$1,804 (2022 - \$1,690).

Performance Horizon Group Limited

Notes forming part of the financial statements
for the year ended 31 December 2023 (*continued*)

		2023 US\$	2022 US\$
8	Interest receivable		
	Other interest receivable	292	170
		<u>292</u>	<u>170</u>
9	Interest payable and similar expenses		
	Bank interest payable	4,571	3,158
		<u>4,571</u>	<u>3,158</u>
10	Taxation		
	<i>Corporation tax</i>		
	Current tax on profits of the year	3,395	1,128
	Adjustment in respect of previous periods	271	-
		<u>3,666</u>	<u>1,128</u>
	<i>Foreign tax</i>		
	Foreign tax on income for the year	368	(78)
	Foreign tax in respect of prior periods	302	527
		<u>670</u>	<u>449</u>
	Total current tax	<u>4,336</u>	<u>1,577</u>
	<i>Deferred tax</i>		
	Origination and reversal of timing differences	(2,616)	(965)
	Adjustment in respect of prior period	391	760
	Derecognition of previously recognised asset	-	(351)
		<u>(2,225)</u>	<u>(556)</u>
	Total deferred tax	<u>(2,225)</u>	<u>(556)</u>
	Taxation on loss	<u>2,111</u>	<u>1,021</u>

Performance Horizon Group Limited

Notes forming part of the financial statements
for the year ended 31 December 2023 (continued)

10 Taxation (continued)

Factors affecting tax charge for the year

In the March 2021 Budget, it was announced that the UK corporation tax rate would increase from 19% to 25% at 1 April 2023. The differences are explained below:

	2023 US\$	2022 US\$
Loss on ordinary activities before tax	(6,569)	(2,590)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2022 - 19%)	(1,642)	(492)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	378	1,606
Capital allowances for year in excess of depreciation	(292)	(10)
Utilisation of tax losses		(563)
Higher rate taxes on overseas earnings	2,263	(17)
Adjustments to tax charge in respect of prior periods	963	1,103
Deferred tax charged at lower rate	90	(255)
Deferred tax not recognised	351	(351)
Total tax charge for the year	2,111	1,021

Factors that may affect future tax charges

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

Performance Horizon Group Limited

Notes forming part of the financial statements
for the year ended 31 December 2023 (continued)

11 Intangible assets

Group	Covenants not to compete US\$	Customer relationships US\$	Developed Software US\$	Intellectual property US\$	Goodwill US\$	Total US\$
<i>Cost</i>						
At 1 January 2023 (as restated)	600	33,400	10,646	5,739	47,273	97,658
Additions	-	-	1,375	-	-	1,375
At 31 December 2023	<u>600</u>	<u>33,400</u>	<u>12,021</u>	<u>5,739</u>	<u>47,273</u>	<u>99,033</u>
<i>Amortisation</i>						
At 1 January 2023 (as restated)	600	16,143	6,860	5,739	16,496	45,838
Charge for the year	-	6,680	1,812	-	6,753	15,245
At 31 December 2023	<u>600</u>	<u>22,823</u>	<u>8,672</u>	<u>5,739</u>	<u>23,249</u>	<u>61,083</u>
<i>Net book value</i>						
At 31 December 2023	<u>-</u>	<u>10,577</u>	<u>3,349</u>	<u>-</u>	<u>24,024</u>	<u>37,950</u>
At 31 December 2022 (as restated)	<u>-</u>	<u>17,257</u>	<u>3,786</u>	<u>-</u>	<u>30,777</u>	<u>51,820</u>

Performance Horizon Group Limited

Notes forming part of the financial statements
for the year ended 31 December 2023 (*continued*)

11 Intangible assets (<i>continued</i>)	Developed software US\$	Intellectual property US\$	Total US\$
<i>Company</i>			
<i>Cost</i>			
At 1 January 2023	5,645	2,039	7,684
Additions	1,190	-	1,190
At 31 December 2023	6,835	2,039	8,874
<i>Amortisation</i>			
At 1 January 2023	4,597	2,039	6,636
Charge for the year	792	-	792
At 31 December 2023	5,389	2,039	7,428
<i>Net book value</i>			
At 31 December 2023	1,446	-	1,446
At 31 December 2022	1,048	-	1,048

Performance Horizon Group Limited

Notes forming part of the financial statements
for the year ended 31 December 2023 *(continued)*

12 Tangible fixed assets

Group	Plant and machinery US\$	Fixtures and fittings US\$	Office equipment US\$	Total US\$
<i>Cost</i>				
At 1 January 2023	1,248	260	396	1,904
Additions	0	0	16	16
Disposals	(298)	(173)	(326)	(797)
	<u>950</u>	<u>87</u>	<u>86</u>	<u>1,123</u>
At 31 December 2023				
<i>Amortisation</i>				
At 1 January 2023	1,103	255	389	1,747
Charge for the year	115	3	5	123
Disposals	(298)	(173)	(326)	(797)
	<u>920</u>	<u>85</u>	<u>68</u>	<u>1,073</u>
At 31 December 2023				
<i>Net book value</i>	30	2	18	50
At 31 December 2023	<u>145</u>	<u>5</u>	<u>7</u>	<u>157</u>
At 31 December 2022				

Performance Horizon Group Limited

Notes forming part of the financial statements
for the year ended 31 December 2023 *(continued)*

12 Tangible fixed assets *(continued)*

Company	Plant and machinery US\$	Fixtures and fittings US\$	Office equipment US\$	Total US\$
<i>Cost or valuation</i>				
At 1 January 2023	925	102	228	1,255
Additions	-	-	14	14
Disposals	(192)	(87)	(209)	(488)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2023	733	15	33	781
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 January 2023	822	102	229	1,153
Charge for the year	74	-	-	74
Disposals	(192)	(87)	(209)	(488)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2023	704	15	20	739
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 December 2023	29	-	13	42
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2022	101	-	-	101
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

13 Fixed asset investments

Company	Investments in subsidiary companies US\$
<i>Cost of valuation</i>	
At 1 January 2023	122
	<hr/>
At 31 December 2023	<u>122</u>
	<hr/>

Performance Horizon Group Limited

Notes forming part of the financial statements
for the year ended 31 December 2023 *(continued)*

13 Fixed asset investments *(continued)*

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered address	Class of share	Holding
Leads Box Limited	West One, Forth Banks, Newcastle upon Tyne	Ordinary	100%
Performance Mash Limited	West One, Forth Banks, Newcastle upon Tyne	Ordinary	100%
Performance Horizon Inc	900 Rutter Avenue, Suite 22, Forty Fort PA, 18704	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, Chiyodaku, Tokyo, 102-0093 Japan	Ordinary	100%
Performance Horizon Group Software (Shanghai) Co. Ltd	Room 4273 CITIC Square, 1168 Nanjing Road West, Shanghai 200041, PR. 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%
1075 First Global Horizon Associates LLC	900 Rutter Avenue, Suite 22, Forty Fort PA, 18704	Ordinary	100%
MS Tech LLC	900 Rutter Avenue, Suite 22, Forty Fort PA, 18704	Ordinary	100%
Pepperjam LLC	900 Rutter Avenue, Suite 22, Forty Fort PA, 18704	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. Leads Box and Performance Mash Limited entities were officially closed in 2024.

Performance Horizon Group Limited

Notes forming part of the financial statements
for the year ended 31 December 2023 (*continued*)

14 Debtors

	Group 2023 US\$	Group 2022 US\$	Company 2023 US\$	Company 2022 US\$
Due after more than one year				
Notes receivable	4,476	4,780	4,476	4,780
Long-term leasehold deposits	423	165	113	31
	4,899	4,945	4,589	4,811
Due within one year				
Trade debtors	96,202	116,887	59,602	76,092
Amounts owed by group undertakings	-	-	1,286,880	668,609
Other debtors	1,100	217	542	-
Prepayments and accrued income	8,804	2,719	4,000	801
Corporation tax receivable	-	3,681	-	-
	106,106	123,504	1,351,024	745,502

The Company issued a note receivable with an officer, which is connected to the Company's stock compensation plan. The outstanding balance of \$4,424. Interest rate of 4% average for 2023 which is dependent on mid-term AFR. Interest income for 2023 was \$164 (\$132 in 2022).

Also included in notes receivable as at 31 December 2022 was a note receivable from a shareholder of the Company in the amount of \$300. During 2023 this was settled as part of the transaction to repurchase that shareholder's equity.

Performance Horizon Group Limited

Notes forming part of the financial statements
for the year ended 31 December 2023 (*continued*)

15 Cash and cash equivalents

	Group 2023 US\$	Group 2022 US\$	Company 2023 US\$	Company 2022 US\$
Cash at bank and in hand	127,967	105,098	36,803	64,284

16 Creditors: amounts falling due within one year

	Group 2023 US\$	Group 2022 US\$	Company 2023 US\$	Company 2022 US\$
Commissions payable	168,498	169,574	71,848	88,229
Deposits paid by customers	4,493	4,947	4,174	3,313
Bank loans	2,812	2,250	-	-
Accruals	2,558	3,062	934	717
Deferred revenue	2,004	2,015	939	692
Other taxation and social security	6,136	2,248	3,796	(188)
Amounts Owed to Group	-	-	1,219,386	643,695
Other creditors	1,507	1,960	1,055	425
	<u>188,008</u>	<u>186,056</u>	<u>1,302,132</u>	<u>736,883</u>

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

17 Creditors: amounts falling due after more than one year

	Group 2023 US\$	Group 2022 US\$	Company 2023 US\$	Company 2022 US\$
Bank loans	41,342	44,155	-	-
Less: Unamortized borrowing costs	(414)	(581)	-	-
Accrued dividends	991	991	991	991
	<u>41,919</u>	<u>44,565</u>	<u>991</u>	<u>991</u>

Bank loans include term loan with outstanding balance of \$39,375 at the end of 2023 (\$44,115 at 2022), with interest rate of which is based on LIBO screen rate (9% average for 2023). Monthly interest payments and quarterly principal payments (quarterly principal payments range from \$563 to \$844 as loan matures) made in accordance with loan agreement, with maturity date of July 2025. Quarterly covenants are monitored each quarter.

Included within bank loans is a subordinated promissory note with a principal amount of \$4,780, which attracts an interest rate at the rate on the bank loan plus 1%, which averaged 10% for 2023. The maturity date of this promissory note is 26 January 2026.

Accrued dividends relate to dividends proposed in 2019 and which have been agreed will not be paid until a future change of control event occurs. No dividends have been declared in subsequent years to date.

Performance Horizon Group Limited

Notes forming part of the financial statements
for the year ended 31 December 2023 (*continued*)

18 Loans

Future payments under bank loans are as follows:

Analysis of the maturity of loans is given below:

	Group 2023 \$	Group 2022 US\$
Amounts falling due within one year		
Bank loans	2,812	2,250
Amounts falling due 1-2 years		
Bank loans	36,563	7,593
Amounts falling due 2-5 years		
Bank loans	4,779	36,562
	44,154	46,405
	44,154	46,405

19 Financial instruments

	Group 2023 US\$	Group 2022 US\$
Financial assets		
Financial assets measured at amortised cost	225,357	222,774
	225,357	222,774
Financial liabilities		
Financial liabilities measured at amortised cost	222,688	229,811
	222,688	229,811
	222,688	229,811

Financial assets measured at amortised cost comprise cash and cash equivalents, notes receivable, long term leasehold deposits, trade and other debtors.

Financial liabilities measured at amortised cost comprise Commissions payable, deposits paid by customers, accruals, amounts owed to joint ventures and loans.

20 Deferred taxation

	2023 US\$	2022 US\$
Group		
At beginning of year	4,692	-
Charged to profit or loss	(2,616)	5,247
Adjustment to prior year	1,036	(963)
Arising on business combinations	-	760
Utilised in year	-	(352)
	3,112	4,692
	3,112	4,692

Performance Horizon Group Limited

Notes forming part of the financial statements
for the year ended 31 December 2023 *(continued)*

20 Deferred taxation *(continued)*

Company	US\$
At beginning of year	(340)
Charged to profit or loss	390
Adjustment to prior year	(294)
At end of year	<u>(244)</u>

The provision for deferred taxation is made up as follows:

	Group 2023 US\$	Group 2022 US\$	Company 2023 US\$	Company 2022 US\$
Accelerated capital allowances	(289)	(225)	225	248
Short term timing differences	(16)	1,555	20	94
Losses in year	(558)	(908)	-	-
Intangible assets	2,723	4,270	-	-
US losses not recognised	1,252	-	-	-
	<u>3,112</u>	<u>4,692</u>	<u>245</u>	<u>342</u>

At the balance sheet date, the Group has deferred tax assets not recognised of \$848 (2022 - \$446) relating to tax losses on the basis that the timing of future utilisation is uncertain.

21 Share capital

	2023 US\$	2022 US\$
<i>Allotted, called up and fully paid</i>		
58,499 (2022 – 59,010) ordinary shares of \$0.00010 each	<u>6</u>	<u>6</u>

Ordinary Shares outstanding at 31 December 2023 are comprised of the following:

	Number of Shares
Common shares	15,174,707
Deferred Shares	152,714
Series A-1	4,839,910
Series A-2	7,474,506
Series B	6,138,240
Series C	10,444,480
Series D	2,928,840
Series E	10,268,930,
Series Z	502,370

The authorised share capital represents the Company's total authorised share capital. All classes of shares are included in the authorised amount.

Performance Horizon Group Limited

Notes forming part of the financial statements for the year ended 31 December 2023 (*continued*)

21 Share capital (*continued*)

Voting Rights

The class A1 and 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 class B, C and D shares rank *pari passu* with the class A1 and A2 shares and carry the same voting and liquidation rights.

The 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 class 2 and 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.

During 2023, a total of 112,461 shares were allotted for a total consideration of \$108,245

All shares were allotted at par.

22 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.

Profit and loss account

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

Performance Horizon Group Limited

Notes forming part of the financial statements
for the year ended 31 December 2023 (continued)

23 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-settles 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 conditions.

Share option activity for the year ended 31 December 2023 is presented below:

	Weighted average exercise price	Number	Weighted average exercise price	Number
	2023	2023	2022	2022
Outstanding at the beginning of the year	1.83	6,757,528	1.27	6,197,858
Granted during the year	3.11	445,096	4.06	975,000
Forfeited during the year	1.98	(409,141)	1.73	(178,497)
Exercised during the year	0.95	(113,447)	0.85	(162,432)
Expired during the year	1.22	(991,690)	1.14	(74,401)
	<u>2.97</u>	<u>5,688,346</u>	<u>1.83</u>	<u>6,757,528</u>

At the 31 December 2023, 3,618,013 (2022: 3,286,099) of the options were exercisable.

The following inputs were used in the Black Scholes model used to value share option grants:

	2023	2022
Weighted average share price (USD)	3.11	4.06
Exercise price (USD)	3.11	4.06
Expected volatility	50%	50%
Expected dividend growth rate	0%	0%
Risk-free interest rate	4.11%	4.22%
	<u>4.11%</u>	<u>4.22%</u>

Compensation cost recorded during the year was:

	2023 US\$	2022 US\$
Equity-settled schemes	1,472	1,428
	<u>1,472</u>	<u>1,428</u>

Performance Horizon Group Limited

Notes forming part of the financial statements
for the year ended 31 December 2023 (*continued*)

24 Commitments under operating leases

At 31 December 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023 US\$	Group 2022 US\$	Company 2023 US\$	Company 2022 US\$
Not later than one year	481	836	281	296
Later than one year and not later than five years	774	683	529	270
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>1,255</u>	<u>1,519</u>	<u>810</u>	<u>566</u>

25 Related party disclosures

In 2023, the Group continued to use 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 \$16 with ACG in the year ended 31 December 2023 (\$188 in 2022).

As described in note 13, the Company issued a note receivable with an officer, which is connected to the Company's stock compensation plan. The outstanding balance of \$4,424. Interest rate of 4% average for 2023 which is dependent on mid-term AFR. Interest income for 2023 was \$164 (\$132 in 2022).

During 2023, a note receivable from a shareholder of the Company in the amount of \$300 was settled as part of the transaction to repurchase that shareholder's equity.

26 Post balance sheet events

There were no post balance sheet events.

27 Controlling party

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

28 Prior Period adjustment

The prior year Consolidated statement of comprehensive income, Consolidated statement of financial position Consolidated statement of cash flows and Company statement of financial position have been restated to correct material prior period errors.

The effect of the prior period errors on equity and profit/loss is as follows:

Performance Horizon Group Limited

Notes forming part of the financial statements
for the year ended 31 December 2023 *(continued)*

28 Prior Period adjustment (continued)

Group

	Notes	Equity as at 1 January 2022 \$	Equity as at 31 December 2022 \$	Loss for the year ended 31 December 2022 \$
As previously reported		52,418	46,080	(3,798)
<i>Adjustments to prior period</i>				
Creditors – Commissions Payable	a	4,480	4,480	-
Creditors – other taxation and social security	b	322	322	-
Goodwill	c	(858)	(671)	187
As restated		56,362	50,211	(3,611)

Company

	Notes	Equity as at 1 January 2022 \$	Equity as at 31 December 2022 \$	Profit for the year ended 31 December 2022 \$
As previously reported		68,279	73,875	8,662
<i>Adjustments to prior period</i>				
Creditors – Commissions Payable	a	4,480	4,480	-
As restated		72,759	78,355	8,662

(a) Publisher Commissions

In prior periods, the publisher commission liability was overstated due to payments being expensed rather than offset against the liability. As a result, publisher commission liability has been overstated historically \$4,480.

(b) VAT, Sales and Use Tax, and Consumption Tax Liability

In 2019 the Group recorded a liability for \$832 for the calculated exposure to sales taxes, however, it was subsequently identified that this had been overstated by \$322.

(c) Goodwill

Certain liabilities were overstated in the opening balance sheet of Pepperjam on acquisition in July 2020, resulting in a corresponding overstatement of Goodwill, each by \$961. Accordingly, as a result, amortization of Goodwill has also been overstated annually by \$187.