

**EBIQUITY US HOLDINGS LIMITED**

**(Registered number 08632518)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2018**



**EBIQUITY US HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2018**

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**EBIQUITY US HOLDINGS LIMITED  
DIRECTORS AND OTHER INFORMATION  
YEAR ENDED 31 DECEMBER 2018**

**DIRECTORS**

R Basil-Jones  
M J Sanford  
A P S Newman

**REGISTERED OFFICE**

CityPoint  
One Ropemaker Street  
London  
England  
EC2Y 9AW

**REGISTRATION**

Registered and incorporated in England & Wales  
Registration number 08632518

**INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP  
1 Embankment Place  
London  
WC2N 6RH

**EBIQUITY US HOLDINGS LIMITED**  
**STRATEGIC REPORT**  
**YEAR ENDED 31 DECEMBER 2018**

The Directors present their Strategic report on Ebiquity US Holdings Limited ("the Company") for the year ended 31 December 2018.

**REVIEW OF THE BUSINESS**

The principal activity of the Company is that of a holding company.

The Company is wholly-owned by Ebiquity US Holdings LLC, a company incorporated in the United States, who is ultimately owned by Ebiquity plc, a company incorporated in England and Wales.

The Company's financial results are set out in the income statement on page 9. The loss for the financial year of the Company amounted to \$5,830,000 (year ended 31 December 2017: loss of \$1,184,000) and will be transferred to reserves.

The statement of financial position of the Company at the financial year-end increased to total net liabilities of \$8,389,000 (31 December 2017: net liabilities of \$2,559,000) due an impairment of investments and an increase in amounts owed to group undertakings through interest charged on intercompany loans.

**KEY PERFORMANCE INDICATORS ("KPIs")**

The Directors of Ebiquity plc manage the Group's operations on a divisional basis. For this reason, the Company's Directors believe that analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company. The development, performance and position of the Central division of Ebiquity plc, which includes the Company, is discussed on pages 4 to 27 of the Group's Annual Report and Accounts which does not form part of this report. KPIs for the Group are discussed on pages 22 and 27 of the same report.

**PRINCIPAL RISKS AND UNCERTAINTIES**

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. Accordingly, the principal risks and uncertainties of Ebiquity plc, which includes those of this company, are discussed on pages 22 and 27 of the Group's Annual Report and Accounts which does not form part of this report.

Approved by the Board of Directors and signed on its behalf by



A P S Newman  
Director  
29 October 2019

**EBIQUITY US HOLDINGS LIMITED**  
**DIRECTORS' REPORT**  
**YEAR ENDED 31 DECEMBER 2018**

The Directors present their report together with the audited financial statements of Ebiquity US Holdings Limited for the year ended 31 December 2018.

**REVIEW OF THE BUSINESS**

The principal activity of the Company is that of a holding company.

The Company is wholly-owned by Ebiquity US Holdings LLC, a company incorporated in the United States, who is ultimately owned by Ebiquity plc, a company incorporated in England and Wales.

The Company's financial results are set out in the income statement on page 9. The loss for the financial year of the Company amounted to \$5,830,000 (year ended 31 December 2017: \$1,184,000) and will be transferred to reserves.

The statement of financial position of the Company at the financial year-end increased to total net liabilities of \$8,389,000 (31 December 2017: net assets of \$2,559,000) due an impairment of investments and an increase in amounts owed to group undertakings through interest charged on intercompany loans.

The Company is a private company limited by shares and is incorporated and domiciled in England and Wales.

**FUTURE DEVELOPMENTS**

The Company will continue to undertake similar business activities in the future.

**DIVIDENDS**

The Directors do not recommend the payment of a dividend (year ended 31 December 2017: \$nil). No dividends have been declared or paid post year end up to the point of the signing of the financial statements.

**FINANCIAL RISK MANAGEMENT**

From the perspective of the Company, the financial risks (that include but are not limited to credit risk, interest rate risk, currency risk and liquidity risk) are integrated with the financial risks of the Group and are not managed separately. Accordingly, the financial risks of Ebiquity plc, which includes those of the Company, are discussed on pages 95 to 99 of the Group's Annual Report and Accounts which does not form part of this report.

**POST STATEMENT OF FINANCIAL POSITION EVENTS**

There are no post Statement of Financial Position events.

**DIRECTORS**

The Directors of the Company who served throughout the financial year and up to the date of signing of the financial statements were as follows:

A D Noble	(resigned 23 October 2018)
M J Sanford	
R Basil-Jones	(appointed 23 October 2018)
A P S Newman	(appointed 1 March 2019)

**EBIQUITY US HOLDINGS LIMITED  
DIRECTORS' REPORT (*continued*)  
YEAR ENDED 31 DECEMBER 2018**

**QUALIFYING DIRECTORS' THIRD-PARTY INDEMNITY PROVISION**

The Company purchased and maintained throughout the financial year and up to the date of approval of this report, qualifying Directors' and Officers' liability insurance in respect of its Directors and Officers.

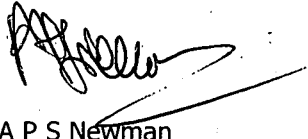
**DISCLOSURE OF INFORMATION TO AUDITORS**

- So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- They have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**GOING CONCERN**

The Directors are responsible for considering whether it is appropriate to prepare financial statements on a going concern basis. After making appropriate enquiries the Directors concluded that the Company has adequate resources to continue in operation for the foreseeable future. For this reason the Company continues to adopt the going concern basis in preparing the financial statements. A signed letter of support confirms that Ebiquity plc will continue to provide full financial support to the Company for at least one year from the signing of the financial statements for the year ended 31 December 2018.

The Directors' Report and the financial statements on pages 9 to 18 were approved by the Board of Directors on 29 October 2019 and are signed on its behalf by



A P S Newman  
Director  
29 October 2019

**EBIQUITY US HOLDINGS LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**YEAR ENDED 31 DECEMBER 2018**

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 year. 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 101 "Reduced Disclosure Framework", 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 101, 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.

**EBIQUITY US HOLDINGS LIMITED  
INDEPENDENT AUDITORS' REPORT**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EBIQUITY US HOLDINGS LIMITED  
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinion**

In our opinion, Ebiquity US Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2018; the income statement, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

**Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.



**EBIQUITY US HOLDINGS LIMITED**  
**INDEPENDENT AUDITORS' REPORT (continued)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EBIQUITY US HOLDINGS LIMITED**  
**(continued)**

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

*Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

**Responsibilities for the financial statements and the audit**

*Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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 company or to cease operations, or have no realistic alternative but to do so.

*Auditors' responsibilities for the audit of the financial statements*

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

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

*Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**EBIQUITY US HOLDINGS LIMITED**  
**INDEPENDENT AUDITORS' REPORT (*continued*)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EBIQUITY US HOLDINGS LIMITED**  
**(*continued*)**

**OTHER REQUIRED REPORTING**

**Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



*Richard Porter (Senior Statutory Auditor)*  
*for and on behalf of PricewaterhouseCoopers LLP*  
*Chartered Accountants and Statutory Auditors*  
*London*  
*29 October 2019*

**EBIQUITY US HOLDINGS LIMITED**  
**INCOME STATEMENT**  
**YEAR ENDED 31 DECEMBER 2018**

		<u>Year ended</u> <u>31 December</u> <u>2018</u> \$'000	<u>Year ended</u> <u>31 December</u> <u>2017</u> \$'000
	Note		
<b>Administrative expenses</b>		<u>(4,477)</u>	<u>-</u>
<b>Operating (loss)/result</b>	2	<u>(4,477)</u>	<u>-</u>
<b>Result before interest and taxation</b>		<u>(4,477)</u>	<u>-</u>
Finance costs	3	<u>(1,353)</u>	<u>(1,184)</u>
<b>Loss before income tax</b>		<u>(5,830)</u>	<u>(1,184)</u>
Tax on loss	4	<u>-</u>	<u>-</u>
<b>Loss for the financial year</b>		<u><u>(5,830)</u></u>	<u><u>(1,184)</u></u>

There is no recognised other comprehensive income other than the loss above and therefore no statement of comprehensive income has been included.

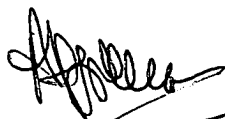
*The notes on pages 12 to 18 form part of these financial statements.*

**EBIQUITY US HOLDINGS LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018**

*Company number: 08632518*

		<b>31 December 2018</b>		<b>31 December 2017</b>	
	Note	\$'000	\$'000	\$'000	\$'000
<b>Fixed assets</b>					
Investments	5		<b>20,893</b>		25,370
<b>Creditors: amounts falling due within one year</b>	6	<b>(29,282)</b>		<b>(27,929)</b>	
<b>Net current liabilities</b>			<b>(29,282)</b>		<b>(27,929)</b>
<b>Total assets less current liabilities</b>			<b>(8,389)</b>		<b>(2,559)</b>
<b>Net liabilities</b>			<b>(8,389)</b>		<b>(2,559)</b>
<b>Capital and reserves</b>					
Called up share capital	7		-		-
Share premium account	8		<b>426</b>		426
Profit and loss account	8		<b>(8,815)</b>		<b>(2,985)</b>
<b>Total shareholders' deficit</b>			<b>(8,389)</b>		<b>(2,559)</b>

The financial statements on pages 9 to 18 were approved by the Board of Directors on 29 October 2019 and are signed on its behalf by



A P S Newman  
Director  
29 October 2019

*The notes on pages 12 to 18 form part of these financial statements.*

**EBIQUITY US HOLDINGS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note(s)	Called up share capital \$'000	Share premium account \$'000	Profit and loss account \$'000	Total shareholders' deficit \$'000
<b>At 1 January 2017</b>		-	426	(1,801)	(1,375)
Loss for the financial year		-	-	(1,184)	(1,184)
<b>Total comprehensive expense for the year</b>		-	-	(1,184)	(1,184)
<b>At 31 December 2017</b>		-	426	(2,985)	(2,559)
Loss for the financial year		-	-	(5,830)	(5,830)
<b>Total comprehensive expense for the year</b>		-	-	(5,830)	(5,830)
<b>At 31 December 2018</b>	7, 8	-	426	(8,815)	(8,389)

*The notes on pages 12 to 18 form part of these financial statements.*

**EBIQUITY US HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2018**

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of preparation**

The financial statements of the Company are presented as required by Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). They have been prepared on a going concern basis under the historical cost convention. The financial statements have been prepared in accordance with the Companies Act 2006 as applicable to companies using FRS 101. The accounting policies have been applied consistently.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- a) The requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based payment (details of the number of weighted-average exercise prices of share options, and how the fair value of goods and services received was determined)
- b) The requirements of IFRS 7 Financial Instruments: Disclosures
- c) The requirements of paragraphs 91 to 99 of IFRS 13 Fair value measurement (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- d) The requirement in paragraph 38 of IAS 1 Presentation of financial statements to present comparative information in respect of
  - i. paragraph 79(a)(iv) of IAS 1;
  - ii. paragraph 73(e) of IAS 16 Property, plant and equipment;
  - iii. paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the financial year);
- e) The following paragraphs of IAS 1 Presentation of financial statements
  - i. 10(d) (statement of cash flows),
  - ii. 10(f) (a statement of financial position as at the beginning of the preceding financial year when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
  - iii. 16 (statement of compliance with all IFRS)
  - iv. 38A (requirement for minimum of two primary statements, including cash flow statements)
  - v. 38B-D (additional comparative information),
  - vi. 40A-D (requirements for a third statement of financial position)
  - vii. 111 (cash flow statement information), and
  - viii. 134-136 (capital management disclosures)
- f) IAS 7 Statement of cash flows
- g) Paragraphs 30 and 31 of IAS 8 Accounting policies, changes in accounting estimates and errors (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- h) Paragraph 17 of IAS 24 Related party disclosures (key management compensation)
- i) The requirements in IAS 24 Related party disclosures to disclose related party transactions entered into between two or more members of a group.

**New standards, amendments and IFRIC interpretations**

IFRS 9 and IFRS 15 are new accounting standards that are effective for the year ended 31 December 2018. The adoption of these accounting standards has not had a material impact on the financial statements of the company. There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2018 that have had a material impact on the company.

**Consolidation**

The financial statements contain information about Ebiquity US Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Ebiquity plc.

**EBIQUITY US HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS *(continued)***  
**YEAR ENDED 31 DECEMBER 2018**

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***

**(a) Basis of preparation *(continued)***

**Going concern**

The Company has net current liabilities as at 31 December 2018. The financial statements have been prepared on a going concern basis as the Company has received confirmation from Ebiquity plc, its ultimate parent company, of its intention to provide continued financial support to the Company for a period of not less than twelve months from the date of approval of these financial statements.

**(b) Reporting and functional currency**

Due to the nature and location of the operations of the Company, the majority of the transactions are denominated in US dollars. As a result, the Directors consider that US dollars are the most appropriate reporting and functional currency of the Company.

**(c) Deferred taxation**

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date except that the recognition of deferred tax assets is limited to the extent that the Company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

**(d) Investments**

Investments in subsidiaries are held at cost less accumulated impairment losses.

Where the purchase consideration for the acquisition of an interest in a subsidiary is contingent on one or more future events, the cost of investment includes a reasonable estimate of the fair value of the amounts of consideration that are expected to be payable in the future. The cost of investment and the contingent consideration liability is adjusted until the ultimate payable is known.

**(e) Foreign currency transactions**

The results and financial position of the Company are expressed in USD, which is the functional currency of the Company and the presentation currency for the Company financial statements.

Trading transactions denominated in foreign currencies are translated into USD at the exchange rate ruling when the transaction was entered into. Assets and liabilities expressed in foreign currencies are translated into USD at rates of exchange ruling at the end of the financial year.

All transactions involving foreign exchange gains and losses are dealt with through the income statement as and when they arise.

**EBIQUITY US HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (*continued*)**  
**YEAR ENDED 31 DECEMBER 2018**

**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)**

**(f) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

*Financial liabilities*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or as payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities comprise of trade and other payables.

The Company's payables are subsequently measured at amortised cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

**(g) Finance income**

Finance income is recognised using the effective interest method. When a loan and receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

**(h) Critical judgements and estimates in applying the accounting policy**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the financial year in which the estimates are revised and in any future financial years affected.

Critical accounting estimates include the terminal growth rate used in impairment assessments.

*Investments*

The Company has recorded an asset for investment in subsidiary companies. The directors believe the carrying value of these investments is supported by their underlying net assets. Any changes to the carrying value of investments after the measurement period are recognised in the income statement.



**EBIQUITY US HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 DECEMBER 2018**

**2 OPERATING RESULT**

The Directors' costs are borne by Ebiquity plc, the ultimate controlling parent undertaking, and are reflected in the financial statements of that company. These costs are not significant to the Company and are deemed insignificant for apportionment and are reflected in the financial statements of that company.

The auditors' remuneration in the current and prior financial years has been borne by Ebiquity plc, the ultimate controlling parent undertaking, and is reflected in the financial statements of that company. These costs are not significant to the Company and are deemed insignificant for apportionment and are reflected in the financial statements of that company.

Other than the Directors, there were no employees during the year ended 31 December 2018 (year ended 31 December 2017: nil).

**3 FINANCE COSTS**

	<u>Year ended 31 December 2018 \$'000</u>	<u>Year ended 31 December 2017 \$'000</u>
Loan interest payable to group undertakings	<u>1,353</u>	<u>1,184</u>

**4 TAX ON LOSS**

	<u>Year ended 31 December 2018 \$'000</u>	<u>Year ended 31 December 2017 \$'000</u>
UK corporation tax on loss for the year	<u>-</u>	<u>-</u>

The tax assessment for the year differs (2017: differs) to the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%). The differences are explained below.

	<u>Year ended 31 December 2018 \$'000</u>	<u>Year ended 31 December 2017 \$'000</u>
Loss before income tax	<u>(5,830)</u>	<u>(1,184)</u>
Loss before tax at standard rate of Corporation tax in the UK of 19.00% (year ended 31 December 2017: 19.25%)	<u>(1,108)</u>	<u>(228)</u>
Effects of:		
Expenses not deductible	<u>1,075</u>	<u>-</u>
Relieved to other group companies	<u>33</u>	<u>228</u>
Total tax charge for the year	<u>-</u>	<u>-</u>

**EBIQUITY US HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 DECEMBER 2018**

**4 TAX ON LOSS (continued)**

The applicable UK Corporation Tax rate is 19.00% for the year ended 31 December 2018 (2017: 19.25%).

Reductions in the UK corporation tax rate to 19% (effective from 1 April 2018) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. Further reductions to 17% (effective 1 April 2020) were substantively enacted on 6 September 2017. As these changes have been substantively enacted at the statement of financial position date, their effects are included in these financial statements.

There is no unrecognised deferred tax asset since no instances have arisen on which a deferred tax asset would be recognised (year ended 31 December 2017: none).

**5 INVESTMENTS**

Total fixed asset investments comprise of:

	<u><b>Investment in subsidiary undertakings \$'000</b></u>
At 1 January 2018	25,370
Impairment	(4,477)
<b>At 31 December 2018</b>	<b><u>20,893</u></b>

The impairment recognised in the year relates to the adjustment of the investment carrying value to bring it in line with the value in use calculation of the subsidiaries.

Under IFRS an impairment is required when the carrying value exceeds the recoverable amount, defined as the higher of fair value less costs to sell and value in use.

The value in use calculation is determined from a three year pre-tax cash flow forecast based on the following financial year's forecast. For the 2020 and 2021 financial years, the forecast is as per management and market expectations. The forecast 2021 balances are taken to perpetuity in the model.

The value in use calculations are based on assumptions regarding the discount rates, and revenue and cost growth rates.

The Company holds investments in the following companies, which are incorporated in the United States of America, unless otherwise stated:

<u>Name of undertaking</u>	<u>Class of share capital held</u>	<u>Percentage held</u>	<u>Nature of business</u>
Ebiquity Inc	Ordinary \$1	100%	Media monitoring and consultancy
FirmDecisions ASJP LLC	Ordinary \$1	100%	Media consultancy
Stratigent LLC	Ordinary \$1	100%	Multi-channel analytics
Xtreme Information (USA) Limited <sup>1</sup>	Ordinary \$1	100%	Non-trading

<sup>1</sup> Incorporated in England and Wales

The directors believes that the carrying value of the investment is supported by its underlying net assets.

**EBIQUITY US HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 DECEMBER 2018**

**6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<u>31</u> <u>December</u> <u>2018</u> \$'000	<u>31</u> <u>December</u> <u>2017</u> \$'000
Amounts owed to group undertakings	<u>29,282</u>	<u>27,929</u>

Amounts owed to group undertakings includes an amount including interest of \$21,824,000 owed to Ebiquity US Holdings LLC which is unsecured, bears interest at US LIBOR + 2.75% per annum and is repayable on demand.

Also included within amounts owed to group undertakings is an amount including interest of \$3,350,000 owed to Ebiquity US Financing Limited which is unsecured, bears interest at US LIBOR + 2.65% per annum and is repayable on demand.

The residual balance in amounts owed to group undertakings are unsecured, interest free and are repayable on demand.

**7 CALLED UP SHARE CAPITAL**

	<u>31</u> <u>December</u> <u>2018</u> \$	<u>31</u> <u>December</u> <u>2017</u> \$
<b>Allotted, called up and fully paid</b>		
3 (31 December 2017: 3) Ordinary shares of \$1	<u>3</u>	<u>3</u>

**8 RESERVES**

**Share premium account**

The share premium reserve shows the amount subscribed for share capital in excess of the nominal value.

**Profit and loss account**

The profit and loss account shows the cumulative net gains and losses recognised in the income statement.

For detailed movements on each of the above reserves, refer to the statement of changes in equity.

**9 RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the disclosure exemption permitted under FRS 101 in relation to the requirements in IAS 24 "Related party disclosures", not to disclose related party transactions entered into with wholly owned entities that are part of the Ebiquity plc group as the Company is included within the published consolidated financial statements of Ebiquity plc.

There were no other related party transactions in either financial year.

**EBIQUITY US HOLDINGS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (*continued*)**  
**YEAR ENDED 31 DECEMBER 2018**

**10 ULTIMATE PARENT COMPANY**

The immediate parent undertaking is Ebiquity US Holdings LLC, a company incorporated in the United States. Ebiquity US Holdings Limited is incorporated and domiciled in England and Wales.

The ultimate parent undertaking and controlling party is Ebiquity plc which is the parent undertaking and the smallest and largest group to consolidate these financial statements. Copies of the consolidated financial statements of Ebiquity plc may be obtained from the Company Secretary at CityPoint, One Ropemaker Street, London, EC2Y 9AW.

**11 CONTINGENT LIABILITY**

A composite Guarantee has been given by certain subsidiary companies of Ebiquity plc. As such the bank holds fixed and floating charges over the current and future assets of the Company. The Group had outstanding gross bank borrowings of \$43,381,000 (31 December 2017: \$44,937,000) at the financial year-end.