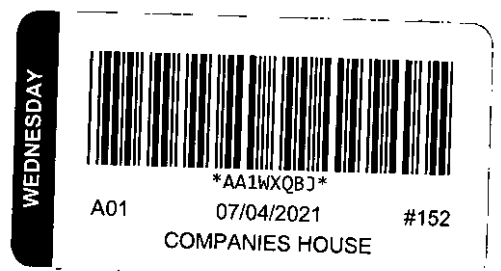


Registered number: 09331218

**VOLANTI HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2019**



# **VOLANTI HOLDINGS LIMITED**

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# **VOLANTI HOLDINGS LIMITED**

## **COMPANY INFORMATION**

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**Directors**

J M Campbell  
R Greene  
M D Keating  
S Leslie  
B Lester  
J Leveton  
J F Reid

**Registered number**

09331218

**Registered office**

Blackburn House  
Blackburn Road  
London  
NW6 1RZ

**Independent auditor**

Blick Rothenberg Audit LLP  
Chartered Accountants & Statutory Auditor  
16 Great Queen Street  
Covent Garden  
London  
WC2B 5AH

# **VOLANTI HOLDINGS LIMITED**

## **STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019**

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### **Introduction**

The principal activity of the Company during the period was that of an intermediary holding company for the wider Group. The principal activity of the Company's subsidiary companies ("Ink" / "Group") continued to be that of creating award-winning travel media, working with 24 of the worlds' largest travel partners. These partnerships allow more than one billion passengers to engage annually with Ink's media and create opportunities for advertisers to connect with a highly receptive audience through Ink's media portfolio.

Ink currently produces magazines in nine languages along with destination video content for many of the world's best-known airlines and travel companies. In addition, Ink sells an ever-increasing volume of digital media space across a growing spectrum including in-airport T.V. network ("ReachTV"), targeted advertising via boarding passes and confirmatory emails, as well as seat back advertising along with interior and exterior plane advertising. Its high-profile travel partners span the globe served via one of Ink's local offices and include American Airlines, United Airlines, Singapore Airlines, Etihad Airways, Virgin Atlantic, KLM, easyJet and Eurowings.

On 27 September 2018, The Stagwell Group acquired the majority shareholding of the Company's ultimate parent company, Volanti Media (Holdings) Limited, and Travel Content Limited was the vehicle in which this acquisition was made. The acquisition resulted in the funding facilities of Volanti Media (Holdings) Limited being repaid in full and replaced with a new funding structure via The Stagwell Group's UK Holding Company, Stagwell UK Holdings Limited. Prior to the 31 December 2019, the Company's immediate parent company transferred to Stagwell Creative Content & Media LLC and the ultimate parent company of the Group is Stagwell Media LP, both entities of which are incorporated in the United States of America.

Ink's primary subsidiary is eSubstance Limited. The financial statements of eSubstance Limited are available from Companies House. The directors are satisfied with the results of the Company's subsidiary undertakings, details of which can be found in the financial statements of the relevant subsidiary entity or in the group financial statements of Travel Content Limited, the immediate and ultimate U.K. parent company of the Company.

The financial period ends of all Ink companies is 31 December 2019 and consistent accounting policies are adopted across the Group.

### **Business review**

During the period Ink's main subsidiary, eSubstance Limited, grew its revenues from both print and digital media as a result of growth within existing product sales, including targeted advertising and destination videos, and via ReachTV. A number of new partnerships have been secured during the period, helping Ink to maintain strong operating profitability and cash generation, both reflecting the many successful developments and continued refocus of the business over the past 15 months.

The acquisition by The Stagwell Group and associated new funding structure will continue to be used to support the future growth plans of the Group as it continues to strengthen its market leading position, worldwide footprint and monetisation of its investment in digital content solutions for the travel industry. The board continues to focus attention on developing the core strengths of the business to maintain its market leading position in the provision of media to the travel industry and is committed to continue its ongoing investment to future proof the service.

# **VOLANTI HOLDINGS LIMITED**

## **STRATEGIC REPORT (continued) FOR THE PERIOD ENDED 31 DECEMBER 2019**

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### **Coronavirus and other principal risks and uncertainties**

The board regularly reviews and monitors risks that could affect Ink and identifies potential mitigating actions wherever possible.

Ink's success is driven by growing demand from the advertising sector and, in particular, that which relates to the global travel industry. While these sectors continued to show strong growth within 2019, the emergence of COVID-19 has led to a significant downturn in current market demand and the associated performance of the business. While a sustained downturn would be significant to Ink, the board believes that a positive shift towards pre COVID-19 market demand is in sight and Ink is well placed to benefit from this. As such the negative impact to profitability and cash flows as a result of COVID-19 is expected to reverse within 2021 and Ink's strong liquidity position at 31 December 2019 means that it is able to sustain the business throughout this crisis and take advantage of market opportunities as they arise.

At 31 December 2019, Ink holds a large number of long-term partner contracts across the globe with contract end dates spread over a number of years to minimise the risk to the business of non-renewals. The impact of COVID-19 has resulted in amendments to a number of airline contracts, the majority being a revision to the services provided, with focus moving towards the provision of current and new digital product offering and away from traditional print products. Within the financial period there was a strong history of contract extensions and renewals and the pipeline of potential new contracts remains healthy.

The geographical spread of Ink's operations and airline contracts means that it can be impacted by any local political issues that arise within the airline's region of operation. During the period, Ink has been minimally impacted by political issues and, where deemed necessary, the results have been adjusted accordingly. Continued monitoring of these issues is being undertaken so that Ink can react to any developments in a timely and appropriate manner.

On 23 June 2016 the UK voted to exit from the European Union ("EU") in the EU referendum vote and on 29 March 2017 the UK government triggered Article 50, which marked the start of the process for the UK's exit from the EU. The UK left the European Union on 31 January 2020. The terms of a future trading relationship with the EU remain partially unknown; however, it is expected to impact the UK and European economies in both the short and long term. It is believed that the geographical spread of Ink's major contracts helps mitigate this risk and as negotiations progress the directors will continue to monitor the impacts of this decision and consider the impact it may have on the business.

### **Financial risks**

The financial risks experienced from Ink's activities include credit risk, liquidity risk and foreign exchange risk. These risks are regularly monitored by the board of directors and Ink's policy in respect of these risks are as follows:

Credit risk policy is to require appropriate credit checks on potential customers before sales are made and to take prepayments where applicable. Ink has a good track record of converting debt to cash.

Liquidity risk policy is to maintain readily accessible bank deposit accounts to ensure Ink has sufficient funds for the operations. The cash deposits are held in a number of current accounts in relevant currencies and could be utilised to fund any liquidity issues that at this stage are not foreseen.

Foreign exchange risk policy is to try to mitigate the risk to the business of any adverse movements in exchange rates, through matching the currency of revenue and costs, closely monitoring foreign exchange movements and utilising forward foreign currency contracts. As much of Ink's sales and operating activities are transacted in local currencies, movements in its reported currency (Sterling) has limited impact on its reported performance.

# **VOLANTI HOLDINGS LIMITED**

## **STRATEGIC REPORT (continued) FOR THE PERIOD ENDED 31 DECEMBER 2019**

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### **Employee diversity, equality and inclusion**

Ink is committed to a policy of recruitment and promotion based on aptitude and ability without discrimination of any kind. Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retraining of employees who become disabled whilst employed by the Group. Particular attention is given to the training, career development and promotion of disabled employees with a view to encouraging them to play an active role in the development of the business.

### **Employee involvement**

Members of the management team regularly discuss matters of current interest and concern to the business with members of staff throughout the territories where it operates.

### **Financial key performance indicators**

Ink uses a range of performance measures to monitor and manage the business effectively. These involve both financial and non-financial key performance indicators (KPI's).

The key financial performance indicators that Ink utilise for business performance management are turnover, gross profit, operating profit, cash, net current assets or liabilities and debtor days. These KPIs indicate the volume of business that has been undertaken as well as the efficiency and profitability of this business. The key non-financial performance indicator is number of employees.

### **Statement by the directors on performance of their statutory duties in accordance with S172 (1) Companies Act 2006**

Section 172 (1)(a) to (f) requires the directors to act in the way they consider would be most likely to promote the success of the Company for the benefit of its members, as a whole, with regard to the following matters:

#### **a) The likely consequences of any decision in the long-term**

The directors believe that they have acted in the way they consider, in good faith, to promote the long-term success of the Company. Governance of the business is formalised in regular board meetings, with input from appropriate strategic advisors. Financial budgets until end of 2021 have been prepared allowing management to assess the long-term impact of operational and strategic decisions.

#### **b) The interests of the Company's employees**

The directors consider their people to be a key asset and the interests of their employees are considered when decisions are taken. The directors take care over the well-being and competency of all Company staff via regular on the job training and consultations with employees along with continuing investment in people and HR systems to promote good management, employee assessment and development.

Within the bounds of commercial confidentiality, management disseminates information to all levels of staff about matters that affect progress of the Company and are of interest and concern to them as employees.

The Company has an established policy that disabled persons, especially should they become disabled in the course of their employment with the Company, are employed where circumstances permit. The Company endeavours to ensure that disabled employees benefit from training and career development programmes in common with other employees.

#### **c) The need to foster the Company's business relationships with suppliers, customers and others**

The directors aim to work in partnership with customers and suppliers who reflected similar values and behaviours to the Company. Resources have been designated to increase the number and consistency of our customer and partner account management functions, as well as put in place strategic partnership roles for managing and communicating to current and potential suppliers. These resources include the development of social, ethical and environmental responsibility policies to ensure improved long-term position of the business. The Company fosters strong relationships with suppliers, customers, travel partners and wider stakeholders. The Company endeavours to ensure suppliers are paid within agreed credit terms.

# **VOLANTI HOLDINGS LIMITED**

## **STRATEGIC REPORT (continued) FOR THE PERIOD ENDED 31 DECEMBER 2019**

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### **d) The impact of the Company's operations on the community and environment**

The directors are mindful of the communities in which the business operates. Given the global nature of the business, with several regional sites around the world, it is important to have appropriate support to local communities. Where practical, these differences are considered and supported, including working arrangements, supply and community relations. The Company has developed social and environmental policies which are designed to reduce the impact of the Company's activities on the environment. A standing committee on the board looks at these issues regularly and puts best practice recommendations forward as appropriate.

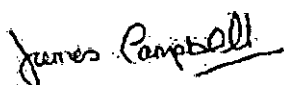
### **e) The desirability of maintaining a reputation for high standards of business conduct**

As part of the digital media and advertising community, it is of vital importance that high standards of professional business conduct are maintained. Strong ethical and business rigour is embedded via onboarding training for new employees and continued professional development programmes for existing employees. All employees are required to pass appropriate background checks and are required to undertake appropriate assessments. The director's intention is to behave responsibly and ensure that management operate the business in a responsible manner, whilst adhering to the high standards of business conduct and good governance expected.

### **Going concern**

As explained in Note 2.3 to the financial statements, the directors of the Company have decided that the Company's position within the Ink group, being that of an intermediary holding company, is no longer required and as such the directors have elected to wind up the affairs of the Company within the twelve-month period following the signing of these financial statements. Therefore, the directors do not consider the going concern basis of preparation of these financial statements to be appropriate and the financial statements have therefore not been prepared on this basis. No adjustments are necessary to the financial statements to reflect this basis of preparation.

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



**J M Campbell**  
**Director**

Date: 31 March 2021

# **VOLANTI HOLDINGS LIMITED**

## **DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019**

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The directors present their report and the financial statements for the period ended 31 December 2019.

### **Results and dividends**

The loss for the period, after taxation, amounted to £10,164 (2018: Loss of £50,185).

There were no dividends declared in the financial period (2018: £Nil)

### **Directors**

The directors who served during the period were:

J M Campbell  
R Greene (appointed 26 September 2018)  
M D Keating  
S Leslie  
B Lester (appointed 26 September 2018)  
J Leveton (appointed 26 September 2018)  
J F Reid (appointed 26 September 2018)  
A Bliss (appointed 26 September 2018 / resigned 30 June 2020)  
M E Lochner (appointed 26 September 2018 / resigned 16 August 2019)  
P Harkness (resigned 27 September 2018)

### **Auditor**

Blick Rothenberg Audit LLP were appointed as the company's independent auditors during the period.

### **Matters covered in the strategic report**

As permitted by s414c(11) of the Companies Act 2006, the directors have elected to disclose information, required to be in the directors' report by Schedule 7 of the 'Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008', in the strategic report.

### **Disclosure of information to auditor**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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



**J M Campbell**  
Director

Date: 31 March 2021



# **VOLANTI HOLDINGS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2019**

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

Company law requires the directors to prepare financial statements for each financial period. 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 of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **VOLANTI HOLDINGS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VOLANTI HOLDINGS LIMITED (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019**

---

### **Opinion**

We have audited the financial statements of Volanti Holdings Limited (the 'company') for the period ended 31 December 2019, which comprise the profit and loss account, the balance sheet, the statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Emphasis of matter**

We draw attention to the Note 2.3 to the financial statements which explains that the directors intend to wind up the affairs of the company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis as described in Note 2.3. Our opinion is not modified in this respect of this matter.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, 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.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

# **VOLANTI HOLDINGS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VOLANTI HOLDINGS LIMITED (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019**

---

### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the 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.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 on page 9, 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 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.

### **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.

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

## **VOLANTI HOLDINGS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VOLANTI HOLDINGS LIMITED (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2019**

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#### **Use of our report**

This report is made solely to the company's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members for our audit work, for this report, or for the opinions we have formed.

*Blick Rothenberg Audit LLP*

David Hough (senior statutory auditor)

for and on behalf of  
**Blick Rothenberg Audit LLP**

Chartered Accountants  
Statutory Auditor

16 Great Queen Street  
Covent Garden  
London  
WC2B 5AH

Date: 6 April 2021

# VOLANTI HOLDINGS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2019

		18 months ended 31 December 2019 £	12 months ended 30 June 2018 £
	Note		
Turnover		-	-
Cost of sales		-	-
<b>Gross profit</b>		-	-
Administrative expenses	4	(10,164)	(23,542)
<b>Operating loss</b>		(10,164)	(23,542)
Interest payable and similar expenses	6	-	(1,304)
<b>Loss before tax</b>		(10,164)	(24,846)
Tax on loss	7	-	(25,339)
<b>Loss for the financial period/year</b>		<u>(10,164)</u>	<u>(50,185)</u>

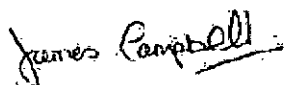
There are no items of other comprehensive income for either period/year other than the loss for the period/year. Accordingly, no statement of other comprehensive income has been presented.

The notes on pages 16 to 24 form part of these financial statements.

**VOLANTI HOLDINGS LIMITED****BALANCE SHEET  
AS AT 31 DECEMBER 2019**

	Note	31 December 2019 £	30 June 2018 £
<b>Fixed assets</b>			
Investments	8	4,031,453	4,031,453
		<u>4,031,453</u>	<u>4,031,453</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	5,093,977	5,080,443
		<u>5,093,977</u>	<u>5,080,443</u>
Creditors: amounts falling due within one year	10	(7,708,470)	(7,684,772)
		<u>(7,708,470)</u>	<u>(7,684,772)</u>
<b>Net current liabilities</b>		<b>(2,614,493)</b>	<b>(2,604,329)</b>
<b>Total assets less current liabilities</b>		<b>1,416,960</b>	<b>1,427,124</b>
<b>Net assets</b>		<b><u>1,416,960</u></b>	<b><u>1,427,124</u></b>
<b>Capital and reserves</b>			
Called up share capital	11	100	100
Share premium account	12	176,686	176,686
Profit and loss account	12	1,240,174	1,250,338
<b>Total equity</b>		<b><u>1,416,960</u></b>	<b><u>1,427,124</u></b>

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



**J M Campbell**  
Director

Date: 31 March 2021

The notes on pages 16 to 24 form part of these financial statements.

# **VOLANTI HOLDINGS LIMITED**

## **STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2019**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 July 2017</b>	<b>100</b>	<b>176,686</b>	<b>1,300,523</b>	<b>1,477,309</b>
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(50,185)	(50,185)
<b>At 30 June and 1 July 2018</b>	<b>100</b>	<b>176,686</b>	<b>1,250,338</b>	<b>1,427,124</b>
<b>Comprehensive income for the period</b>				
Loss for the period	-	-	(10,164)	(10,164)
<b>At 31 December 2019</b>	<b>100</b>	<b>176,686</b>	<b>1,240,174</b>	<b>1,416,960</b>

The notes on pages 16 to 24 form part of these financial statements.

# **VOLANTI HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019**

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### **1. General information**

Volanti Holdings Limited is a private company limited by shares and incorporated in England and Wales. The address of its registered office and principal place of business is Blackburn House, Blackburn Road, London, NW6 1RZ.

The financial statements are presented in Sterling (£).

### **2. Accounting policies**

#### **2.1. Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland ('FRS 102') and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates.

The following principal accounting policies have been applied:

#### **2.2. Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Travel Content Limited as at 31 December 2019 and these financial statements may be obtained from Blackburn House, Blackburn Road, London, NW6 1RZ.

#### **2.3. Going Concern**

Since the balance sheet date, the directors of the Company have decided that for strategic reasons the Company is no longer required to operate in its current form as an intermediary holding company and the affairs of the Company will be wound up within a period of twelve months from the date of these financial statements. Accordingly, they have elected to prepare the financial statements on a basis other than going concern. No adjustments are necessary to the financial statements to reflect this basis of preparation. The striking off process of the company has not yet formally commenced.



# **VOLANTI HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019**

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

#### **2.4. Change in accounting period**

The current period reflects an eighteen-month period and the comparative period reflects a twelve-month period. The company's year-end changed to align it to its ultimate parent company's year-end.

#### **2.5. Foreign currency translation**

##### **Functional and presentation currency**

The company's functional and presentational currency is GBP.

##### **Transactions and balances**

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

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

#### **2.6. Finance costs**

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

#### **2.7. Current and deferred taxation**

The tax expense for the period 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 operates and generates income.

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)**

**2.8. Financial instruments**

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

**Financial assets**

Basic financial assets, including intercompany working capital balances and intercompany financing are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

**Financial liabilities**

Basic financial liabilities, including loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

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

**Impairment of financial assets**

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

# **VOLANTI HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019**

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

#### **Derecognition of financial assets and financial liabilities**

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

#### **2.9. Investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in joint ventures are stated at the amount of the company's share of net assets. The company's share of the profits or losses of the joint venture is included in the profit and loss account using the equity accounting basis.

#### **2.10. Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### **2.10. Share Premium**

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

#### **2.11. Related party transactions**

The company discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transaction of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transaction on the financial statements.

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

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

#### **Critical judgements in applying the entity's accounting policies**

No significant judgements have had to be made by management in preparing these financial statements.

### **4. Operating Profit / (Loss)**

Fees in respect of audit and taxation services were borne by Travel Content Limited.

### **5. Directors' emoluments**

Within the period from 1 July 2018 to 30 September 2018, directors' remuneration was borne by Volanti Management Limited. With effect from 01 October 2018, the employment of the directors of Volanti Management Limited were transferred to Travel Content Limited.

# VOLANTI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

### 5. Directors' emoluments (continued)

The costs of director related services received by the company are charged under the Management Services Agreement. During the period, £nil (12 months ended 30 June 2018: £nil) was recharged in relation to director costs.

### 6. Interest payable and similar expenses

	18 months ended 31 December 2019 £	12 months ended 30 June 2018 £
Loan interest payable	-	1,304
	<u>-</u>	<u>1,304</u>

### 7. Taxation

	18 months ended 31 December 2019 £	12 months ended 30 June 2018 £
<b>Corporation tax</b>		
Current tax on losses for the period	-	25,339
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	-
<b>Taxation on loss on ordinary activities</b>	<u>-</u>	<u>25,339</u>

The tax assessed for the period/year is higher than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	18 months ended 31 December 2019 £	12 months ended 31 December 2018 £
Loss on ordinary activities before tax	<u>(10,164)</u>	<u>(50,185)</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(1,931)	(9,535)

## VOLANTI HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

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#### 7. Taxation (continued)

##### Effects of:

Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,931	34,874
<b>Total tax charge for the period/year</b>	<b>-</b>	<b>25,339</b>

##### Factors that may affect future tax charges

A reduction to the UK corporation tax rate to 17%, effective from 1 April 2020, was substantively enacted as part of the Finance (No. 2) Act 2016 on 6 September 2016. Deferred taxes at the balance sheet date have been measured using the enacted tax rates based on when the timing difference is expected to reverse and reflected in these financial statements.

In the Spring Budget 2020 on, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020.

As the proposal to keep the rate at 19% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

#### 8. Investments

	<b>Investments in subsidiary companies £</b>
<b>Cost</b>	
At 1 July 2018 and 31 December 2019	<b>4,031,453</b>
<b>Net book value</b>	
At 31 December 2019	<b><u>4,031,453</u></b>
At 30 June 2018	<b><u>4,031,453</u></b>

# VOLANTI HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

### 8. Investments (continued)

#### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Country of registration or incorporation	Class of shares	Holding
eSubstance Limited	Blackburn House, Blackburn Road, London, NW6 1RZ	England	Ordinary	100%
Ink Publishing (PTE) Limited	51 Changi Business Park Central 2, The Signature, #04-11A/12, Singapore 486066	Singapore	Ordinary	100%
Ink Publishing Corporation	806 S Douglas Road, Suite 300, Miami, Florida 33134	USA	Ordinary	100%
Ink do Brazil	rua Paulo Orozimbo, 675, suite 62, Cambuci, Post Code 01535-001, Sao Paulo, Brazil	Brazil	Ordinary	100%
Ink Publishing (HK) Limited	806-807, 8F, One Pacific Place, 88 Queensway, Hong Kong	Hong Kong	Ordinary	100%
Ink Publishing Advertising (Shanghai) Co Limited *	Room AO1, Floor 20, No 55 TianLin East Road, Xuhui District, Shanghai, PRC	China	Ordinary	100%
Travel Content LLC	806 S Douglas Road, Suite 300, Miami, Florida 33134	USA	Ordinary	51%

\* held indirectly

Ink Publishing (PTE) Limited, Ink Publishing Corporation and Ink do Brazil are engaged in providing travel related content driven communications solutions.

Ink Publishing (HK) Limited and Ink Publishing Advertising (Shanghai) Co Limited are non-trading.

### 9. Debtors

	2019 £	2018 £
<b>Due within one year</b>		
Amounts owed by subsidiary undertakings	3,684,839	3,684,839
Amounts owed by group undertakings	1,409,138	1,376,593
Taxation and social security	-	9,011
Prepayments and accrued income	-	10,000
	<u>5,093,977</u>	<u>5,080,443</u>

Amounts owed by group undertakings and subsidiary undertakings are interest free, have no fixed repayment date and are repayable on demand.

## VOLANTI HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

#### 10. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	-	11,836
Amounts owed to subsidiary undertakings	7,708,470	7,672,936
	<u>7,708,470</u>	<u>7,684,772</u>

Amounts owed to subsidiary undertakings are interest free, have no fixed repayment date and are repayable on demand.

#### 11. Share capital

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
100,000 (2018 – 100,000) Ordinary shares of £0.001 each	<u>100</u>	<u>100</u>

#### 12. Reserves

##### Share premium account

The share premium reserve includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

##### Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

#### 13. Related party transactions

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group.

#### 14. Ultimate parent company

The company considers Stagwell Media LP, an entity incorporated in the United States of America, its ultimate controlling party.

Volanti Media Limited, a company incorporated in the United Kingdom, is the immediate parent company. The smallest and largest group in which the results of the company are consolidated is that of Travel Content Limited, a company incorporated in the United Kingdom. The consolidated financial statements of Travel Content Limited can be obtained from Blackburn House, Blackburn Road, London, NW6 1RZ.

## **VOLANTI HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019**

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#### **15. Post balance sheet events**

The following events have taken place since 31 December 2019:

- The directors of the Company have decided that the Company's position within the Ink group, being that of an intermediary holding company, is no longer required and as such the directors have decided the affairs of the Company will be wound up within the twelve-month period following the signing of these financial statements. As at the date of approval of the financial statements the striking off process of the company has not yet formally commenced.