

Jersey Registration number: 127764  
(UK Registration number: FC036304)

# S4 Capital Holdings Limited

Report and Unaudited Financial Statements

for the Year Ended 31 December 2020



## **S4 Capital Holdings Limited**

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## **S4 Capital Holdings Limited**

### **Company Information**

<b>Director</b>	Sir Martin Sorrell
<b>Company secretary</b>	Ogier Global Company Secretary (Jersey) Limited
<b>Registered office</b>	3rd Floor 44 Esplanade St Helier Jersey JE4 9WG

## **S4 Capital Holdings Limited**

### **Chartered Accountants' Report to the Director on the Preparation of the Unaudited Financial Statements of S4 Capital Holdings Limited for the Year Ended 31 December 2020**

We have prepared for your approval the financial statements of S4 Capital Holdings Limited for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at: <https://www.icaew.com/regulation/a-z>.

It is your duty to ensure that S4 Capital Holdings Limited has kept adequate accounting records and to prepare financial statements for S4 Capital Holdings Limited. You consider that S4 Capital Holdings Limited is exempt from any statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of S4 Capital Holdings Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

You have approved the financial information for the year and have acknowledged your responsibility for it, for the appropriateness of the financial reporting framework adopted as set out in note 2 and for providing all information and explanations necessary for its compilation.

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

This report is made solely to the director of S4 Capital Holdings Limited, as a body, in accordance with the terms of our engagement letter dated 28 October 2019. Our work has been undertaken solely to prepare for your approval the accounts of S4 Capital Holdings Limited and state those matters that we have agreed to state to them, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than S4 Capital Holdings Limited and its director as a body for our work or for this report.

**BDO LLP**

.....  
**BDO LLP**  
*Chartered Accountants*  
Reading  
United Kingdom  
RG1 1AZ

Date: 29 January 2022

## S4 Capital Holdings Limited

### Statement of Comprehensive Income for the Year Ended 31 December 2020

		Year ended 31 December 2020 \$ 000	Period ended 31 December 2019 \$ 000
	Note		
Administrative expenses		(530)	(18)
<b>Operating loss</b>		(530)	(18)
Finance income	5	4,474	4,130
Post-tax profit/(loss) of equity accounted subsidiaries	7	20,666	(3,158)
<b>Profit before tax</b>		24,610	954
Income tax receipt/(expense)	6	7	(8)
<b>Profit for the year/period</b>		24,617	946
<b>Other comprehensive (loss)/income:</b>			
<i>Items that will or may be reclassified to profit or loss</i>			
Exchange (loss)/gain arising on translation of subsidiary		(8,681)	119
<b>Other comprehensive (loss)/income for the year/period</b>		(8,681)	119
<b>Total comprehensive income for the year/period</b>		15,936	1,065

The above results were derived from continuing operations.

The notes on pages 7 to 19 form an integral part of these financial statements.

**S4 Capital Holdings Limited****(Registration number: 127764)****Statement of Financial Position as at 31 December 2020**

	Note	31 December 2020 \$ 000	31 December 2019 \$ 000
<b>Assets</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	7	197,361	66,149
<b>Total non-current assets</b>		197,361	66,149
<b>Current assets</b>			
Other receivables	8	97,021	96,141
Cash and cash equivalents		10,409	1,395
<b>Total current assets</b>		107,430	97,536
<b>Total assets</b>		304,791	163,685
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	12, 13	-	-
Share premium	13	192,523	159,165
Foreign currency translation reserve	13	(8,562)	119
Accumulated profit	13	70,235	4,392
<b>Total equity</b>		254,196	163,676
<b>Current liabilities</b>			
Trade and other payables	9	595	1
Loans and borrowings	10	50,000	-
Income tax liability		-	8
<b>Total current liabilities</b>		50,595	9
<b>Total equity and liabilities</b>		304,791	163,685

The director acknowledges his responsibility for complying with the requirements of the Overseas Companies Regulations 2009 with respect to accounting records and the financial information, including the appropriateness of the applicable financial reporting framework as set out in note 2, and for providing BDO LLP with all information and explanations necessary for its compilation.

The company's financial statements have been prepared in accordance with Section 396 of the Companies Act 2006 for overseas companies as modified by SI 2009/1801 Overseas Companies Regulations 2009.

Approved by the director:

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**Sir Martin Sorrell**  
 Director

*Sir Martin Sorrell*

Date: 28 January 2022

The notes on pages 7 to 19 form an integral part of these financial statements.  
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## S4 Capital Holdings Limited

## Statement of Changes in Equity for the Year ended 31 December 2020

	Share capital \$ 000	Share premium \$ 000	Foreign currency translation reserve \$ 000	Accumulated profit \$ 000	Total equity \$ 000
At 1 January 2020	-	159,165	119	4,393	163,677
<b>Comprehensive (loss)/income for the period</b>					
Profit for the year	-	-	-	24,617	24,617
Other comprehensive loss	-	-	(8,681)	-	(8,681)
<b>Total comprehensive (loss)/income</b>	-	-	(8,681)	24,617	15,936
<b>Contributions by and distributions to owners</b>					
Shares issued during the period (see note 12)	-	82,630	-	-	82,630
Dividends paid (see note 11)	-	(49,272)	-	-	(49,272)
Capital contribution	-	-	-	41,225	41,225
<b>Total contributions by and distributions to owners</b>	-	33,358	-	41,225	74,583
<b>At 31 December 2020</b>	-	<b>192,523</b>	<b>(8,562)</b>	<b>70,235</b>	<b>254,196</b>

The notes on pages 7 to 19 form an integral part of these financial statements.  
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**S4 Capital Holdings Limited****Statement of Changes in Equity for the Year ended 31 December 2020**

	Share capital \$ 000	Share premium \$ 000	Foreign currency translation \$ 000	Accumulated profit \$ 000	Total equity \$ 000
At 23 November 2018	-	-	-	-	-
<b>Comprehensive income for the period</b>					
Profit for the period	-	-	-	946	946
Other comprehensive income	-	-	119	-	119
<b>Total comprehensive income</b>	-	-	119	946	1,065
<b>Contributions by and distributions to owners</b>					
Shares issued during the period (see note 12)	-	159,165	-	-	159,165
Capital contribution	-	-	-	3,446	3,446
<b>Total contributions by and distributions to owners</b>	-	159,165	-	3,446	162,611
<b>At 31 December 2019</b>	-	159,165	119	4,392	163,676

The notes on pages 7 to 19 form an integral part of these financial statements.  
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## **S4 Capital Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **1 General information**

S4 Capital Holdings Limited ("the company") is a private company limited by share capital, incorporated and domiciled in Jersey. The company is a UK establishment of an overseas company in accordance with Section 1046 of the Companies Act 2006 and Regulation 4(1) of the Overseas Companies Regulations 2009. The address of the registered office is 3rd Floor 44 Esplanade, St Helier, Jersey, JE4 9WG.

#### **2 Accounting policies**

##### **Basis of preparation**

The company financial statements are unaudited and have been prepared under the historical cost convention and in accordance with Section 396 of the Companies Act 2006 for overseas companies as modified by SI 2009/1801 Overseas Companies Regulations 2009 and the recognition and measurement requirements of International Financial Reporting Standards as adopted by the EU ("IFRSs") issued by the International Accounting Standard Board ("IASB").

The company's functional and presentation currency is US Dollars.

The preparation of financial statements in conformity with the recognition and measurement requirements of IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

##### **Period of accounts**

The current period of account covers the year 1 January 2020 to 31 December 2020. The prior period of account covered the period from 23 November 2018 to 31 December 2019.

##### **Going concern**

The company generated an operating loss of \$530,000 and finance income of \$4,474,000 (period ended 31 December 2019: \$18,000 and \$4,130,000). The profit for the year ended 31 December 2020 was \$24,617,000 (period ended 31 December 2019: \$946,000). The company had total assets and net assets at 31 December 2020 of \$304,791,000 and \$254,196,000 (period ended 31 December 2019: \$163,685,000 and \$163,676,000).

The director has undertaken a detailed going concern assessment, reviewing its current and projected financial performance and position. The director believes that the forecasts have been prepared on a prudent basis and have also considered the impact of its investment and the events surrounding the COVID-19 pandemic. The director has concluded that the company will be able to operate within its facilities for the foreseeable future and that there are no material uncertainties which gives rise to a significant going concern risk.

Following the UK's departure from the EU in January 2020, the European Union (Withdrawal Agreement) Act 2020 defines the future trading and economic relationship between the parties. Now that the transition period has come to an end as at 31 December 2020, the company has assessed the structural risk associated with economic risk and political uncertainty caused by the withdrawal, and these are not deemed material.

The director therefore considers the company to be a going concern and has adopted the going concern basis of accounting in the preparation of the financial statements.

## **S4 Capital Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

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

The principal accounting policies applied in the preparation of these financial statements are set out below.

##### **Foreign currency transactions and balances**

Foreign currency transactions are translated into the functional currency using the average exchange rates in the month. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting period and exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Exchange differences arising on translating the cost, results and dividends of equity accounted subsidiaries are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

On disposal of an equity accounted subsidiary, the cumulative exchange differences recognised in the foreign exchange reserve relating to that subsidiary up to the date of disposal are transferred to the Statement of Comprehensive Income as part of the profit or loss on disposal.

##### **Income tax**

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

##### **Investment in subsidiaries**

Where the company has the power to control the financial and operating policy decisions of another entity, it is classified as an subsidiary. Investments in subsidiaries are initially recognised in the Statement of Financial Position at cost. Subsequently investments in subsidiaries are accounted for using the equity method, where the company's share of post-acquisition profits and losses and other comprehensive income is recognised in the Statement of Comprehensive Income (except for losses in excess of the company's investment in the subsidiary unless there is an obligation to make good those losses).

Profits and losses arising on transactions between the company and its subsidiaries are recognised only to the extent of unrelated investors' interests in the subsidiary. The company's share in the subsidiary's profits and losses resulting from these transactions is eliminated against the carrying value of the subsidiary. Any premium paid for an associate above the fair value of the company's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the subsidiary. Where there is objective evidence that the investment in an subsidiary has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

Share based payments issued to the employees in subsidiary companies from the ultimate parent company, S4 Capital plc, are recognised within equity of this company. The transaction is equity-settled and the company recognises the cost of the share-based payment as a capital contribution and as an addition to cost of investment in the subsidiaries.

Distributions received from subsidiaries reduce the carrying amount of the investment.

## **S4 Capital Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

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

##### **Impairment of investments**

The carrying amounts of the company's investments are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment reviews are performed by comparing the carrying value of the non-current asset with its recoverable amount, being the higher of the fair value less costs of disposal and value in use. The fair value less costs of disposal is considered to be the amount that could be obtained on disposal of the asset. Value in use is determined by discounting the future post-tax cash flows generated from continuing use of the asset using a post-tax discount rate, as this closely approximates applying pre-tax discount rates to pre-tax cash flows. Where a potential impairment is identified using post-tax cash flows and post-tax discount rates, the impairment review is re-performed on a pre-tax basis in order to determine the impairment loss to be recorded in profit or loss.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

##### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

##### **Financial instruments**

Financial instruments include cash and cash equivalents, loan due from group undertakings, bank borrowings, amounts owed to group undertakings and accruals.

##### **Financial assets and financial liabilities – recognition and derecognition**

Financial assets and financial liabilities comprise all assets and liabilities reflected in the Statement of Financial Position. The company initially recognises financial assets and financial liabilities issued on the date when they are originated.

The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the company is recognised as a separate asset or liability.

The company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position if, and only if, the company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## **S4 Capital Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

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

##### **Financial assets and liabilities- measurement**

These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less loss allowances.

##### **Impairment of financial assets**

Loss allowances for financial assets are based on assumptions about risk of default and expected loss rates.

The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Financial assets are measured through a loss allowance at an amount equal to:

- 1) The 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- 2) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

A loss allowance for full lifetime expected credit losses is used for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition.

For all other financial instruments, expected credit losses are measured at an amount equal to the 12-month expected credit losses.

The loss allowance for financial instruments is measured at an amount equal to lifetime expected losses if the credit risk of a financial instrument has increased significantly since initial recognition, unless the credit risk of the financial instrument is low at the reporting date in which case it can be assumed that credit risk on the financial instrument has not increased significantly since initial recognition. The credit risk is considered low if there is a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. It is presumed the credit risk has increased significantly when contractual payments are more than 30 days past due. If a significant increase in credit risk that had taken place since initial recognition and has reversed by a subsequent reporting period (cumulatively credit risk is not significantly higher than at initial recognition) then the expected credit losses on the financial instrument revert to being measured based on an amount equal to the 12-month expected credit losses.

Impairment provisions for receivables from group undertakings and loans to group undertakings are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

## **S4 Capital Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **3 Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of certain financial assets, liabilities, income and expenses.

The use of estimates and assumptions is principally limited to the determination of provisions for impairment as explained in more detail below:

##### **Provisions for impairment**

In determining impairment of financial assets, judgement is required in the estimation of the amount and timing of future cash flows as well as an assessment of whether the credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of expected credit losses.

The director does not consider that there are any other critical accounting estimates or key sources of estimation uncertainty which could materially affect the reported results or the reported value of assets and liabilities in the next financial year.

#### **4 Financial instruments - fair values and risk management**

The director has overall responsibility for the determination of the company's risk management objectives and policies. The overall objective of the board is to set policies that seek to reduce risk as far as possible without unduly affecting the company's competitiveness and flexibility. The company reports in US Dollars. All funding requirements and financial risks are managed based on policies and procedures adopted by the director. The company does not issue or use financial instruments of a speculative nature.

The company is exposed to the following financial risks:

- Market risk
- Liquidity risk
- Foreign exchange risk

In common with all other businesses, the company is exposed to risks that arise from its use of financial instruments. The principal financial instruments used by the company, from which financial instrument risk arises, are as follows:

- Cash and cash equivalents
- Loan due from group undertakings
- Trade payables
- Amounts owed to group undertakings
- Floating-rate bank loans
- Accruals

To the extent financial instruments are not carried at fair value in the Statement of Financial Position, the carrying amount approximates to fair value as of the period end.

## S4 Capital Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 4 Financial instruments - fair values and risk management (continued)

##### Financial instruments by category

Financial assets as at 31 December

	2020 \$000	2019 \$000
Cash and cash equivalents	10,409	1,395
Other receivables	97,012	96,141
Financial assets measured at amortised cost at 31 December	<u>107,421</u>	<u>97,536</u>

Financial liabilities as at 31 December

	2020 \$000	2019 \$000
Trade and other payables	595	1
Loans and borrowings	50,000	-
Financial liabilities measured at amortised cost at 31 December	<u>50,595</u>	<u>1</u>

The management of risk is a fundamental concern of the company's management. This note summarises the key risks to the company and the policies and procedures put in place by management to manage them.

##### A) Market risk

Market risk arises from the company's use of foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates (currency risk).

##### B) Foreign exchange risk

Foreign exchange risk is the risk that movements in exchange rates affect the profitability of the business.

##### C) Liquidity risk

Liquidity risk arises from the management of working capital. It is the risk that the company will encounter difficulty in meeting its financial obligations as they fall due. The company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The table below analyses the company's financial liabilities by contractual maturities and all amounts disclosed in the table are the undiscounted contractual cash flows:

	Within 1 year \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
Trade and other payables	595	-	-	-
Loans and borrowings	-	-	50,000	-
Financial instruments at amortised cost	<u>595</u>	<u>-</u>	<u>50,000</u>	<u>-</u>

## S4 Capital Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 4 Financial instruments - fair values and risk management (continued)

The company's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareowners and benefits for other stakeholders; and
- to provide an adequate return to shareowners by pricing products and services commensurately with the level of risk.

The capital structure of the company consists of shareowners' equity as set out in the Statement of Changes in Equity. All working capital requirements are financed from existing cash resources and borrowings.

#### 5 Finance income

	Year ended 31 December 2020 \$ 000	Period ended 31 December 2019 \$ 000
Interest income on financial assets measured at amortised cost	<u>4,474</u>	<u>4,130</u>

## S4 Capital Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 6 Income tax expense

Tax charged to profit or loss:

	Year ended 31 December 2020 \$ 000	Period ended 31 December 2019 \$ 000
<b>Current taxation</b>		
UK corporation tax at 19% (2019: 19%)	-	8
Adjustments in respect of prior periods	(7)	-
Total current tax (credit)/charge for the year/period	<u>(7)</u>	<u>8</u>

The tax charge on the profit for the year is lower than (2019: lower than) the standard rate of corporation tax of 19%.

Company profits are subject to Jersey corporate tax at a rate of 0%.

The differences are reconciled below:

	Year ended 31 December 2020 \$ 000	Period ended 31 December 2019 \$ 000
Profit on ordinary activities before tax	<u>24,610</u>	<u>954</u>
Corporation tax at standard rate of 19% (2019: 19%)	4,676	181
<b>Effects of:</b>		
Expenses not deductible for tax purposes	97	2
Group relief claimed	(847)	(775)
Share of equity-accounted subsidiary (profit)/loss	(3,926)	600
Adjustments to tax charge in respect of previous periods	(7)	-
Total tax (credit)/charge	<u>(7)</u>	<u>8</u>

The company is a UK resident for tax purposes and therefore the UK corporation tax rate of 19% is applied.

#### Factors that may affect future tax charges

Changes substantively enacted as part of the Finance Act 2016 on 15 September 2016, legislated for a reduction of UK corporation tax to 17% effective from 1 April 2020. On 17 March 2020, it was announced that this change was to be reversed and the rate remains at 19% from 1 April 2020. Subsequent to the reporting date, on 3 March 2021, it was announced that the main rate of corporation tax would increase to 25% with effect from 1 April 2023.

There were no other factors that may affect future tax charges.



## S4 Capital Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 7 Investments in subsidiaries

	\$ 000
<b>Equity accounted investment in subsidiaries</b>	
<b>At 23 November 2018</b>	-
Additions	65,742
Post-tax losses for the period	(3,158)
Capital contribution	3,446
Exchange gain on translation	119
<b>At 31 December 2019</b>	66,149
Post-tax profits for the year	20,666
Capital contribution	119,227
Exchange loss on translation	(8,681)
<b>At 31 December 2020</b>	<u>197,361</u>

The director believes that the carrying value of the investments is supported by their underlying net asset values.

As the subsidiary was profit making, an adjustment to the carrying value of the investment of \$20,666,000 (2019: loss of \$3,158,000) was recognised during the year. A capital contribution of \$1,775,000 (2019: \$3,446,000) has been recognised as an increase in the company's investment in relation to share based payment charges for the employees of the subsidiary.

As a result of acquisitions as well as the group reorganisation effected during the year the company's subsidiary, S4 Capital US Holdings LLC, became the immediate parent company of the group companies listed as indirect subsidiaries below. As part of the restructuring the company made a capital contribution to S4 Capital US Holdings LLC of \$117,452,000.

Details of the company's subsidiaries as at 31 December 2020 are as follows:

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2020	2019
S4 Capital US Holdings LLC	Holding company	850 New Burton Road, Suite 201, Dover, Delaware, 19904 USA	100%	100%

## S4 Capital Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 7 Investments in subsidiaries (continued)

Details of the indirect subsidiaries as at 31 December 2020 are as follows:

Name of subsidiary	Country of incorporation
MediaMonks US Holdco Inc.	United States of America
Firewood Marketing Inc.	United States of America
Firewood Marketing Ireland Ltd.	Ireland
Decoded US Holdco Inc.	United States of America
Decoded Advanced Media LLC	United States of America
Decoded Advertising LLC	United States of America
Decoded Intelligence LLC	United States of America
Decoded Advertising UK Limited	United Kingdom
MightyHive Inc.	United States of America
IMAgency USA Inc.	United States of America
BlueTide S.A.P.I DE C.V.	Mexico
Jeronimo Holdings, LLC.	Delaware
Circus US.LLC.	Delaware
Metric US Holdco Inc.	United States of America
Metric Theory LLC	United States of America
MediaMonks Inc.	United States of America
The Monastery LLC	United States of America
Circus US Holdco Inc.	United States of America
Circus LAX LLC	Delaware
Made.for.Digital Inc.	United States of America
Orca US Holdco Inc.	United States of America
Orca Pacific Manufacturers Representatives LLC	United States of America

#### 8 Other receivables

	2020 \$ 000	2019 \$ 000
Loan due from group undertakings	97,012	96,141
Prepayments	9	-
	<u>97,021</u>	<u>96,141</u>

The loan due from group undertakings is repayable on demand and accrues interest at 4.5% per annum.

## S4 Capital Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 9 Trade and other payables

	2020 \$ 000	2019 \$ 000
Trade payables	-	1
Amounts owed to group undertakings	586	-
Accruals	9	-
	<u>595</u>	<u>1</u>

Amounts owed to group undertakings due within one year are interest free and repayable on demand.

#### 10 Loans and borrowings

	2020 \$ 000	2019 \$ 000
Bank loan (unsecured)	<u>50,000</u>	<u>-</u>

As of 15 July 2020, S4 Capital Group signed an additional facility agreement, consisting of a multi-currency Revolving Credit Facility (RCF) of EUR 43.5 million, of which at the end of the reporting period \$50,000,000 is drawn by the company. The loan is repayable in July 2023 and accrues interest at a rate of 2% plus LIBOR.

#### 11 Dividends

	Year ended 31 December 2020 \$ 000	Period ended 31 December 2019 \$ 000
<b>Ordinary dividends</b>		
Ordinary dividends of \$3,519,429 per share	<u>49,272</u>	<u>-</u>

## S4 Capital Holdings Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 12 Share capital

	2020		2019	
	No.	\$	No.	\$
<b>Authorised</b>				
Ordinary shares of £0.01 each	100,000	1,324	100,000	1,324
	2020		2019	
	No.	\$	No.	\$
<b>Issued and fully paid</b>				
Ordinary shares of £0.01 each	14	0.18	9	0.12

All Ordinary shares of £0.01 each are entitled to voting rights, payment of dividends and repayment of capital upon winding-up of the company. Ordinary shares are not redeemable.

On 18 April 2020 the company issued 1 Ordinary share of £0.01 each for a consideration of \$1,852,000 thereby creating a share premium of \$1,852,000.

On 29 May 2020 the company issued 1 Ordinary share of £0.01 each for a consideration of \$1,753,000, thereby creating a share premium of \$1,753,000.

On 31 December 2020 the company issued 2 Ordinary shares of £0.01 each for a consideration of \$78,001,000, thereby creating a share premium of \$78,001,000.

On 31 December 2020 the company issued 1 Ordinary shares of £0.01 each for a consideration of \$1,024,000, thereby creating a share premium of \$1,024,000.

#### 13 Reserves

##### *Share capital*

Called up share capital represents the nominal value of the shares issued.

##### *Share premium*

Amount subscribed for share capital in excess of nominal value.

##### *Foreign currency translation reserve*

Gains/losses arising on retranslating the net assets of overseas operations into US dollars.

##### *Accumulated profit*

All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

## **S4 Capital Holdings Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **14 Related party transactions**

During the previous period the company provided a loan to its wholly owned subsidiary, S4 Capital US Holdings LLC, of \$98,429,000. The loan is repayable on demand. Further loan amounts of \$855,000 were provided during the year. The loan accrued interest during the year of \$4,472,000 (period ended 31 December 2019: \$4,130,000) at an interest rate of 4.5% per annum. The company received an interest payment during the year of \$4,455,000 (2019: \$2,911,000), with an accrued interest receivable balance at the 31 December 2020 of \$17,000 (2019: \$nil). The loan balance of \$97,012,000 (2019: \$96,140,000) remains outstanding at the reporting date.

#### **15 Parent and ultimate parent undertaking**

The company's immediate and ultimate parent company is S4 Capital Plc, a company incorporated in England and Wales. Therefore, the only group in which the results of S4 Capital Holdings Limited are consolidated is that headed by S4 Capital Plc. Copies of these financial statements of S4 Capital Plc are available from 12 St James's Place, London, SW1A 1NX, United Kingdom.