

Company registered number 11305472

Synamedia Holdings Limited
Annual Report and Financial Statements
For the year from 1 July 2019 to 28 June 2020

Synamedia Holdings Limited
Annual Report and Financial Statements
Year ended 28 June 2020

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Synamedia Holdings Limited
Strategic report
Year ended 28 June 2020

Introduction

The directors present their Strategic report for the year from 1 July 2019 to 28 June 2020. Synamedia Holdings Limited (the "Company") is a limited company incorporated on 11 April 2018 and domiciled in England. The financial statements cover the period from 1 July 2019 to 28 June 2020.

Principal activities and business review

On 30 April 2018, the Company entered into an agreement ("the Acquisition Agreement") whereby the Company and entities controlled by the Company would acquire from Cisco Systems, Inc. and certain of its subsidiaries (collectively, "Cisco") Cisco's Service Provider Video Software Solutions business ("the Acquisition"). The Acquisition was completed on 28 October 2018. Prior to completion, all activities undertaken were all preparatory to the Acquisition.

The Acquisition was structured such that certain newly incorporated subsidiaries of the Company acquired certain entities that were previously wholly owned by Cisco. Simultaneously, new and existing entities also acquired various assets and assumed various liabilities associated with the Business from Cisco. This includes the benefit and obligations of contracts with customers and vendors and material intellectual property rights.

The consideration for the Acquisition was payable in cash, using funds raised through equity contributions from the Company's parent, Triton UK Midco Limited, and subordinated loan note.

The Company's principal activities consist of being an intermediate holding company providing management services to its subsidiaries. The future plan is for the Company to continue such activities.

The loss for the financial year amounted to \$24.7m (2019: \$38.8m) and the net assets at 28 June 2020 were \$242.0m (2019: 178.9m).

Key performance indicators

The Directors consider the following to be the Company's key performance indicator:

	Year ending 28 June 2020	Period ending 30 June 2019
	\$m	\$m
Loss after tax	(24.7)	(38.8)

Loss after tax in current year largely represents interest costs on sub-ordinated borrowings. In the prior period the losses were higher mainly due to costs incurred in relation to the above referred acquisition.

Developments during the year

On 2 October 2019, the Company received additional funding from its parent, Triton UK Midco Limited, of \$79.7m. Accordingly, the share capital component of the Company's net equity increased by \$79.7m to \$297.4m with effect from this date.

On 2 October 2019, the loan of \$8.0m from Triton HoldCo Limited to the Company was contributed down into Triton HoldCo Limited's subsidiary entity, Triton UK Midco Limited in exchange for the issuance of shares to this value. As a second step, Triton UK Midco Limited contributed the receivable down into its subsidiary entity, the Company, in exchange for the issuance of shares to this value, thereby extinguishing the loan. As a result of these steps, the total share capital component of the Company's net equity increased from \$297.4m to \$305.5m.

There are no events after the balance sheet date.

Synamedia Holdings Limited

Strategic report *(continued)*

Year ended 28 June 2020

Subsidiaries and branches outside the UK

The Company has subsidiaries that operates a number of non-registered entities, such as branches, in jurisdictions outside of the UK. The various jurisdictions include Italy, Germany, Poland, Spain, France, Denmark, The Netherlands, Switzerland, Sweden, Hong Kong, South Korea and Australia.

Research and development

The Company has subsidiaries that operates a number of research and development sites in India, Israel, Belgium, Canada, the UK and the US and many of the subsidiaries' workforce are involved in research and development activities. The total expenditure on research and development activities in the year ended 28 June 2020 by the Company was \$nil (2019: nil).

People

The Company does not have direct employees however has subsidiaries that creates a diverse and inclusive working environment that allows the subsidiaries' employees to make an impact; apply creative thinking into their day-to-day work; and develop their skills and careers.

Synamedia Holdings Limited
Directors' report
Year ended 28 June 2020

The Directors present their report and the audited financial statements of the Company for the year ended 28 June 2020.

Future developments

Information about the future strategic direction of the Company, together with details of events that have occurred after the balance sheet date are included in the Strategic Report.

Dividends

No dividends were paid in the year and none are recommended (2019: nil).

Donations

The Company made no political donations during the year. (2019: nil)

Directors

The Directors who served the Company during the year and up to the date of this report are shown below:

Yves Padrines (resigned 26 October 2020)
Paul Segre (appointed 26 October 2020)
Bijal Patel (appointed 19 August 2019)
Benoit Vauchy (resigned 23 January 2020)
Richard Andrew Sanders
Abraham Peled
Ryan Lanpher
Charles Richard Kenneth Medlock (resigned 19 August 2019)

Financial instruments

Financial instruments held by the Company mainly consist of amounts receivable and payable in ordinary course of business. These are held at amortised cost using the effective interest method.

Risks and uncertainties

The Company is mainly a holding company, however it is impacted by the following principal risks and uncertainties by way of operating through its subsidiaries:

Changes in economic and market conditions

The risk that results may be adversely affected by unfavourable economic or market conditions and uncertain geopolitical environments. Due to the global nature of the subsidiaries' operations and customers, political or economic changes or other factors in a specific country or region could arise.

Credit

Exposure to credit risk, particularly to subsidiaries' customers in less developed regions.

Liquidity and cash flow risk

The risk of insufficient cash flow in order to meet ongoing business obligations.

Synamedia Holdings Limited

Directors' report (continued)

Year ended 28 June 2020

Risks and uncertainties (continued)

Competitive landscape and product development

The risk that the Company's subsidiaries are unable to respond quickly to emerging technological trends and the subsidiaries' customers' changing needs to develop the next-generation products and services, resulting in competitors moving faster than the subsidiaries, leading to loss of customers.

Scale of change

The risk of loss of profit, opportunity, reputation or disruption to business activities resulting from the magnitude of change being undertaken by the Company's subsidiaries.

Reliance on third parties and supply chain issues

The risk of loss as a result of reliance by the Company's subsidiaries on third parties carrying out core business activities.

Data security

Financial loss and reputational damage due to a breach of confidential data or technology disruption caused by an internal or external attack on the Company's subsidiaries or its third party suppliers.

Going concern

The financial statements have been prepared on a going concern basis. The Company acts on behalf of its parent, the Synamedia Group (Triton UK Midco Limited), as an intermediate holding company. It made a loss of \$24.7 for the financial year (2019: \$38.8m) and the net assets at 28 June 20 were 242m (2019: 178.9m).

The Company remains reliant on support from the parent company, Triton UK Midco Limited, known as Synamedia Group. The Company has received written confirmation from the Synamedia Group of its intention and ability to continue to provide financial support to the Company for a period of at least 12 months from the date of signing of these financial statements. This will enable the Company to continue as a going concern.

In considering the going concern basis for preparing the financial statements, the Board has reviewed Synamedia Group's trading forecasts for the next 12 months. These forecasts, which include cash flow projections and comprise assumptions as to sales and profit performance, demonstrate the Group's ability to operate within its current borrowing facilities.

Notwithstanding the above, however, there remains a risk that the Company and its subsidiaries will not deliver those forecasts as a result of a downturn in one or more of the major economies in which the Company and its subsidiaries operates; a change in customer demand which could result in the Company's and its subsidiaries' sales and profits being worse than the Board is currently envisaging.

As a result, the Directors have also considered the actions they could take should such a scenario arise, and have concluded that they are confident they have adequate cash resources to ensure that the Company and its subsidiaries can meet their liabilities as they fall due for the foreseeable future, a period of not less than 12 months from the date of this report.

As at the date of signing of these financial statements, COVID-19 has not had a material impact on the financial performance or position of Synamedia Holdings Limited or the Synamedia Group.

The Synamedia Group has a high level of re-occurring revenue which provides some protection against the impact of COVID-19. That said, disruptions to supply chain that are outside of our control are possible. In addition, it is prudent to assume that we would not be unaffected should a global recession and significant increase in global unemployment occur and impact our customers' ability to generate revenue.

Statement of disclosure of information to the auditors

Each of the Directors who held office at the date of approval of this Directors' Report confirms that: so far as he/she is aware, there is no relevant audit information of which the Company's auditor is unaware; and that he/she has taken all steps that he/she ought to have taken as a Director to make him/her aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Synamedia Holdings Limited

Directors' report (continued)

Year ended 28 June 2020

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the Company financial statements in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. They have also been prepared under the historical cost convention and in accordance with the Companies Act 2006.

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 for that period.

In preparing the Company's financial statements the Directors, are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a 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 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.

Responsibility statement of the Directors in respect of the Annual report and accounts

The Directors confirm that, to the best of their knowledge, they have complied with these requirements and, having a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, continue to adopt the going concern basis in preparing the financial statements.

The Strategic Report and the Directors' Report comprising pages 1 to 5 have been approved and are signed by order of the Board by:

DocuSigned by:

Bijal Patel

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Bijal Patel
Director

10th December 2020

Synamedia Holdings Limited

Independent auditors' report to the members of Synamedia Holdings Limited

Year ended 28 June 2020

Opinion

We have audited the financial statements of Synamedia Holdings Limited for the year ended 28 June 2020 which comprise of the Statement of comprehensive income, the Statement of changes in equity, the Balance sheet and the related notes 1 to 13, 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 FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 28 June 2020 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 below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - effects of COVID-19

We draw attention to Note 1 of the financial statements which describes the impact of COVID-19 on the Company. Our opinion is not modified in respect of this matter.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- 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.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 5, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Synamedia Holdings Limited

Independent auditors' report to the members of Synamedia Holdings Limited (continued)

Year ended 28 June 2020

Other information (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 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 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 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, set out on page 5, 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.

Synamedia Holdings Limited

Independent auditors' report to the members of Synamedia Holdings Limited (continued)

Year ended 28 June 2020

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 <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Addison (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

11 December 2020

Synamedia Holdings Limited
Statement of comprehensive income
Year ended 28 June 2020

	Note	2020 \$m	2019 \$m
Selling, general and administrative expenses		(1.7)	(32.0)
Other income		-	9.7
Operating loss	2	(1.7)	(22.3)
Interest receivable	4	0.1	0.6
Interest payable	5	(23.1)	(17.1)
Loss on ordinary activities before taxation		(24.7)	(38.8)
Tax on loss on ordinary activities	6	-	-
Total comprehensive loss for the financial year		(24.7)	(38.8)

All of the activities of the Company are classed as continuing.

There is no difference between the loss for the financial year as shown in the statement of comprehensive income and its historical cost equivalent.

The Company has no other recognised items of income and expenses other than the results for the year as set out above.

The notes on pages 12 to 19 form part of these financial statements.

Synamedia Holdings Limited
Statement of changes in equity
Year ended 28 June 2020

	Note	Called-up share capital \$m	Retained loss \$m	Total \$m
Loss for the financial period		-	(38.8)	(38.8)
Proceeds from shares issued	11	217.7	-	217.7
Balance as at 30 June 2019		217.7	(38.8)	178.9
Loss for the financial year		-	(24.7)	(24.7)
Proceeds from shares issued	11	87.8	-	87.8
Balance as at 28 June 2020		305.5	(63.5)	242.0

The notes on pages 12 to 19 form part of these financial statements.

Synamedia Holdings Limited
Balance sheet
As at 28 June 2020

	Note	2020 \$m	2019 \$m Restated
Assets			
Non-current assets			
Investments	7	139.5	139.5
		139.5	139.5
Current assets			
Trade and other receivables	8	414.0	366.5
Cash and cash equivalents		2.8	0.1
		416.8	366.6
Current liabilities			
Trade and other payables	9	(18.6)	(23.5)
Shareholder loan payable		-	(8.0)
		(18.6)	(31.5)
Non-current liabilities			
Borrowings	10	(295.7)	(295.7)
		(295.7)	(295.7)
Net assets			
		242.0	178.9
Equity			
Called-up share capital	11	305.5	217.7
Retained loss		(63.5)	(38.8)
Total equity		242.0	178.9

These financial statements were approved by the Board of the Directors and authorised for issue on 10th December 2020 and are signed on their behalf by:

DocuSigned by:

Bijal Patel

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Bijal Patel

Director

Company number: 11305472

The notes on pages 12 to 19 form part of these financial statements.

Synamedia Holdings Limited
Notes to the financial statements
Year ended 28 June 2020

1. Accounting policies

Corporate information

The Company is a private limited company incorporated in the United Kingdom on 11 April 2018, which is registered and domiciled in the United Kingdom at One London Road, Staines-Upon-Thames, London, Middlesex, TW18 4EX.

On 30 April 2018, the Company entered into an agreement (“the Acquisition Agreement”) whereby the Company and entities controlled by the Company would acquire from Cisco Systems, Inc. and certain of its subsidiaries (collectively, “Cisco”) Cisco’s Service Provider Video Software Solutions business (“the Acquisition”). The Acquisition was completed on 28 October 2018. Prior to completion, the Company had no business and all activities undertaken prior to completion were all preparatory to the Acquisition.

Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, including FRS 101 ‘Reduced Disclosure Framework’ as issued by the Financial Reporting Council.

The Company’s financial statements are presented in US Dollars which is the Company’s functional currency and all values are rounded to the nearest one hundred thousand US Dollars, except when otherwise indicated.

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

Going concern

The financial statements have been prepared on a going concern basis. The Company acts on behalf of its parent, the Synamedia Group (Triton UK Midco Limited), as an intermediate holding company. It made a loss of \$24.7 for the financial year (2019: \$38.8m) and the net assets at 28 June 20 were 242m (2019: 178.9m).

The Company remains reliant on support from the parent company, Triton UK Midco Limited, known as Synamedia Group. The Company has received written confirmation from the Synamedia Group of its intention to continue to provide financial support to the Company. This will enable the Company to continue as a going concern.

In considering the going concern basis for preparing the financial statements, the Board has reviewed Synamedia Group’s trading forecasts for the next 12 months. These forecasts, which include cash flow projections and comprise assumptions as to sales and profit performance, demonstrate the Group’s ability to operate within its current borrowing facilities.

Notwithstanding the above, however, there remains a risk that the Company and its subsidiaries will not deliver those forecasts as a result of a downturn in one or more of the major economies in which the Company and its subsidiaries operates; a change in customer demand which could result in the Company’s and its subsidiaries’ sales and profits being worse than the Board is currently envisaging.

As a result, the Directors have also considered the actions they could take should such a scenario arise, and have concluded that they are confident they have adequate cash resources to ensure that the Company and its subsidiaries can meet their liabilities as they fall due for the foreseeable future, a period of not less than 12 months from the date of this report.

As at the date of signing of these financial statements, COVID-19 has not had a material impact on the financial performance or position of Synamedia Holdings Limited or the Synamedia Group.

Synamedia Holdings Limited
Notes to the financial statements (continued)
Year ended 28 June 2020

1. Accounting policies (continued)

Going concern (continued)

The Synamedia Group has a high level of re-occurring revenue which provides some protection against the impact of COVID-19. That said, disruptions to supply chain that are outside of our control are possible. In addition, it is prudent to assume that we would not be unaffected should a global recession and significant increase in global unemployment occur and impact our customers' ability to generate revenue.

Accordingly, the Directors believe that it is appropriate to prepare the financial statements on a going concern basis.

The Directors have prepared a forecast for the financial year starting in July 2020 and have modelled the potential impact COVID-19 could have on the Synamedia Group's liquidity and solvency. In reaching the conclusion that the going concern basis is appropriate, the Company has stress tested future cash flow forecasts to evaluate the impact of plausible downside scenarios. These include scenarios that reflect current market conditions and updated short term forecasts. Under all plausible scenarios, the Directors have concluded that the Synamedia Group retains sufficient liquidity and that therefore the going concern basis remains appropriate for the Company. However, to protect against a fall in revenues beyond that currently anticipated, the Directors are also developing contingency measures which include careful control of discretionary spend and capital expenditure, and further restructuring initiatives which are within the control of the Directors.

Cash flow statement

At 28 June 2020, the Company was a wholly owned subsidiary of Triton UK Midco Limited, which prepares publicly available consolidated Group financial statements including a group cash flow statement. In accordance with FRS 101 paragraph 8 (h), no cash flow statement is therefore included in these financial statements.

Consolidated financial statements

At 28 June 2020, the Company was a wholly owned subsidiary of Triton UK Midco Limited, which prepares publicly available consolidated Group financial statements. Therefore the Company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. The address of the ultimate parent's registered office is One London Road, Staines-Upon-Thames, London, Middlesex, TW18 4EX.

Related party transactions

As the Company is a wholly owned subsidiary of Triton UK Midco Limited, the Company has taken advantage of the exemption contained in FRS 101 paragraph 8 (k) and has therefore not disclosed transactions with wholly owned subsidiaries which form part of the group.

Financial instruments

At 28 June 2020, the Company was a wholly owned subsidiary of Triton UK Midco Limited, which prepares publicly available consolidated Group financial statements including Financial Instruments disclosure. In accordance with FRS 101 paragraph 8 (d), no disclosures on financial instruments is therefore included in these financial statements.

Financial instruments are held at amortised cost using the effective interest method.

Foreign currency translation

The Company financial statements are presented in US Dollars, which is the Company's presentational currency and the functional currency of the Company. Transactions in other currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement, except for differences on monetary assets and liabilities that form part of the Company's net investment in a foreign operation. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

The assets and liabilities of entities whose functional currency is not US Dollar are translated into US Dollars at the rate of exchange ruling at the balance sheet date. Income and expense are translated at the average exchange rate for the period.

Non-monetary items that are measured in terms of historical cost in a currency other than US Dollar are translated using the exchange rates as at the dates of the initial transactions.

Synamedia Holdings Limited
Notes to the financial statements (continued)
Year ended 28 June 2020

1. Accounting policies (continued)

Income and deferred taxes

The Company's tax charge on ordinary activities is the sum of the total current and deferred tax charges calculated by reference to the legal requirements applying to each jurisdiction in which the Company operates.

As an integral part of this process, the Company applies its judgement in order to determine the tax charge applying to those matters for which the final tax treatment is considered by the Company to be uncertain.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences are recognised in the period in which such determination is made.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception:

Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Further details are provided in Note 6.

Investments

Investments in subsidiary undertakings are stated at cost less accumulated impairment losses.

The Company assesses at the end of each reporting period whether there is objective evidence that an investment in a subsidiary is impaired. An investment in a subsidiary or associate is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the investment in a subsidiary or associate that can reliably be measured.

Trade receivables

Trade receivables are recognised initially at fair value. They are subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Trade payables

Payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

Borrowings

The Company's subordinated loan notes are held at amortised cost using the effective interest method. The effective interest calculation includes capitalised finance costs. Interest accruals and other costs related to borrowings are shown as finance costs in the income statement.

Revenue recognition

Revenue represents the consideration received or receivable from the Company's subsidiaries for services and products provided and is stated excluding sales tax, trade discounts and other provisions (for example rebates and rights of return). The Company recognises revenue when it satisfies a performance obligation by transferring control of a product or service to a subsidiary.

Interest income

Interest income, including interest on bank deposits is recognised using the effective interest method.

Interest expense

Interest expense, including finance costs on borrowings are recognised using the effective interest method.

2. Operating loss

The Company's audit fees of \$8,000 (2019: \$7,000) were borne by the subsidiary undertaking Synamedia Limited.

Synamedia Holdings Limited
Notes to the financial statements (continued)
Year ended 28 June 2020

3. Particulars of employees

The Company had no employees during the financial year. The Directors have no contracts of service with the Company. The Directors did not receive any emoluments in the year in respect of their services as Directors of the Company.

4. Interest receivable

	2020	2019
	\$m	\$m
Bank interest receivable	0.1	0.6
Total interest receivable	0.1	0.6

5. Interest payable

	2020	2019
	\$m	\$m
Interest payable on subordinated loan note	23.1	17.1
Total interest payable	23.1	17.1

6. Tax on loss on ordinary activities**(a) Factors affecting current tax credit**

The current tax assessed on the loss on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19.0% (2019: 19%).

	2020	2019
	\$m	\$m
Loss on ordinary activities before taxation	(24.7)	(38.8)
Loss on ordinary activities multiplied by the blended rate of tax in the UK of 19.0%	(4.7)	(7.4)
Impact of change in tax rate	-	-
Disallowed expenses	4.5	7.3
Non recognition of Deferred tax asset	0.2	0.1
Total tax credit	-	-
Deferred tax expense	-	-

There is an unrecognised deferred tax asset of \$0.2m (2019: \$0.1m) relating to trading losses carried forward at the balance sheet date. The asset has not been recognised due to uncertainty over utilisation of these losses in future periods.

(b) Factors that may affect future tax charges

A UK corporation tax rate of 19% was substantively enacted of 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. Deferred tax assets and liabilities are calculated in accordance with the newly enacted 19% rate.

Synamedia Holdings Limited
Notes to the financial statements (continued)
Year ended 28 June 2020

7. Investments in subsidiaries

	2020	2019
	\$m	\$m
Cost	139.5	Restated* 139.5

It is Company policy to align the year end of each subsidiary with that of the Company. However, some subsidiaries below have year ends that are non-coterminous where they are restricted on the year end options possible due to legislation in local jurisdictions. Of the amount above \$139.5m represents carrying value of investment in Synamedia Limited. (\$139.5m)

The Company has the following principal subsidiaries:

Subsidiary name	Address	Country of incorporation	Financial year end	Ordinary shares held %
UK subsidiary				
Synamedia Limited	1	England	28 Jun	100%
Overseas subsidiary				
Synamedia Americas Holdings INC	2	US	28 Jun	100%
Synamedia Vividtec Holdings INC	3	US	28 Jun	100%
Synamedia Americas LLC	2	US	28 Jun	100%
Synamedia Canada ULC	4	Canada	28 Jun	100%
Synamedia Vividtec Canada ULC	4	Canada	28 Jun	100%
Synamedia Vividtec Europe BVBA	5	Belgium	28 Jun	100%
Synamedia Asia Pte Ltd	6	Singapore	28 Jun	100%
Beijing NDS Information Technology Co Ltd	7	China	31 Dec	100%
NDS Technologies de Video Brazil Ltd	8	Brazil	31 Dec	100%
Synamedia India Private Limited	9	India	31 Mar	100%
TRISO Video Technologies India Private Ltd	9	India	31 Mar	100%
Synamedia Technologies Israel Ltd	10	Israel	31 Dec	100%

Principal place of business

- 1 One London Road, Staines-upon-Thames, Middlesex, TW18 4EX
- 2 3500 Hyland Avenue, Costa Mesa, California, 92626
- 3 5030 Sugarloaf Parkway, Building 2, Lawrenceville, Georgia, 30044, USA
- 4 Suite 1600, 140 Fullarton Street, London, Ontario, N6A 5P2
- 5 Luipaardstraat 12, Kortrijk, West-Vlaanderen 8500, Belgium
- 6 19-03 Centennial Tower, 3 Temasek Avenue 039190 Singapore
- 7 RM1202 12F, Block 1, No 66, Nanlishi Road, Beijing 100045
- 8 Av. Paulista, 2064, Andar 14, Bela Vista, Sao Paulo, 01.310-928
- 9 Block 9A, 9B Pritech Park SEZ, Sarjapur Outer Ring Road, Bellandur, Bangalore, Karnataka, 560103 India
- 10 5 Shlomo Halevi Street, Har Hotzvim High Tech Park, Jerusalem 9777019 Israel

*The carrying value of investment in subsidiaries has been reduced to correct the investment in Synamedia Technologies Israel Ltd which is being reflected as a direct investment in another subsidiary amounting to \$31.1m

Synamedia Holdings Limited
Notes to the financial statements (continued)
Year ended 28 June 2020

8. Trade and other receivables

Amounts falling due within one year:	2020	2019
	\$m	\$m
Amounts owed by Group undertakings	413.8	366.4
Deferred taxation (note9)	-	-
Prepayments	0.2	0.1
Total trade and other receivables	414.0	366.5

Amounts owed by Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

*Amounts owed by Group undertakings has been increased by \$31.1m to correct the amount owed from a subsidiary resulting from an indirect investment in Synamedia Technologies Israel Ltd.

9. Trade and other payables

Amounts falling due within one year:	2020	2019
	\$m	\$m
Amounts owed to Group undertakings	18.3	10.0
Trade payables	0.3	2.8
Other payables	-	10.7
Total trade and other payables	18.6	23.5

Amounts due to Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

10. Borrowings

Subordinated loan note due in less than one year	2020	2019
	\$m	\$m
Subordinated loan note due in less than one year	-	-
Subordinated loan note due in more than one year	295.7	295.7
	295.7	295.7

Borrowings relate to \$295.7m of floating rate unsecured subordinated loan notes due 2026, of which all were issued. The variable interest charged is 6.0% plus LIBOR (or nil if LIBOR is less than zero).

Maturity of debt	2020	2019
	\$m	\$m
Amounts repayable:		
In more than five years	295.7	295.7

Synamedia Holdings Limited
Notes to the financial statements (continued)
Year ended 28 June 2020

11. Called up share capital

Authorised share capital:	2020	2019
	\$m	\$m
305,525,816 Ordinary shares of \$1 each	<u>305.5</u>	<u>217.7</u>
Allotted, called up and fully paid:		
	Number	\$m
Ordinary shares of \$1 each	<u>305,525,816</u>	<u>305.5</u>
		<u>217.7</u>

On 11 April 2018 1 ordinary share was issued for \$1.

In October 2018 217,722,897 ordinary shares were issued for \$217,722,897 and in October 2019 a further 87,802,918 shares were issued for \$87,802,918.

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

12. Related parties

During the year the Company had the following balances with related parties:

	2020	2019
	\$m	\$m
		Restated
		(see note 8)
Synamedia Limited	315.5	262.5
Synamedia Americas Holdings, Inc	55.8	60.8
Synamedia Vividtec Holdings, Inc.	42.3	42.4
TRISO Video Technologies India Private Ltd	0.1	0.5
Synamedia Vividtec Canada ULC	0.1	0.2
Total amounts owed by Group undertakings	<u>413.8</u>	<u>366.4</u>

Synamedia Holdings Limited
Notes to the financial statements (continued)
Year ended 28 June 2020

12. Related parties (continued)

	2020	2019
	\$m	\$m
Synamedia Americas LLC	3.3	3.3
Synamedia Vividtec Europe BVBA	2.0	2.0
Synamedia Canada ULC	1.7	1.7
Synamedia India Private Limited	2.6	0.7
Triton UK Midco Limited	0.5	0.5
Synamedia Asia Pte Ltd	0.4	0.4
Synamedia Technologies Israel Ltd	1.5	1.4
Triton Holdco Limited	2.5	-
Beijing NDS Information Technology Co Ltd	3.8	-
Total amounts owed to Group undertakings	<u>18.3</u>	<u>10.0</u>

All related parties above, except Triton Holdco Limited, are wholly owned subsidiaries of the Company. Transactions with Triton Holdco Limited during the year comprised of a receipt of \$2.6m for day to day operations.

13. Ultimate controlling party

Since 26 October 2018, the immediate parent company has been Triton UK Midco Limited, a company incorporated in England, and the ultimate controlling party has been Permira funds, a private equity investor.

Triton UK Midco Limited is the parent of the smallest and largest group in which subsidiary financial statements are consolidated. These financial statements can be obtained from its registered office located at One London Road, Staines-Upon-Thames, London, Middlesex, TW18 4EX.