

Atom42 Ltd

Report and Financial Statements

Year Ended

31 December 2018

Company Number 06106496



Atom42 Ltd

Report and financial statements for the year ended 31 December 2018

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Directors

A Atalla
P Egan
S Hargreaves
I Millner
A Wright

Company secretary

J Nix

Registered office

Third Floor, 10 Queen Street Place, London, EC4R 1BE

Company number

06106496

Independent auditors

PricewaterhouseCoopers LLP, 3 Forbury Place, 23 Forbury Road, Reading, RG1 3JH

Atom42 Ltd

Report of the directors for the year ended 31 December 2018

The directors present their report together with the audited financial statements for the year ended 31 December 2018.

Results

The profit and loss account is set out on page 6 and shows the profit for the year. Dividends of £898,205 (2017: £537,000) were paid during the year. Turnover and cost of sales were down from the prior year by £9,503,000 and £9,959,000 respectively. This was due to a fall in rechargeable costs billed on to a client in 2017 that moved in-house the services that were previously provided by the Company. However gross income has actually risen by £456,000 from the prior year as the Company has successfully replaced the loss of income from this client through new business wins.

Going Concern

The financial statements have been prepared under the going concern basis as the directors have undertaken a review of the future financing requirements for the ongoing operation of the Company, and are satisfied that sufficient cash facilities are secured, in respect of positive cash inflows from operations, to meet its working capital requirements for at least 12 months from the date of signing of these financial statements. The Company is profitable and has positive net assets. The directors accordingly consider it appropriate for the financial statements to be prepared on a going concern basis.

Principal activities

The principal activity of the Company during the year was that of an online marketing agency.

Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training, career development and promotion to disabled employees wherever appropriate.

Directors

The directors of the Company during the year were:

A Atalla
P Egan
S Hargreaves
I Millner
A Wright

Directors' responsibilities

The directors are responsible for preparing the report of the directors 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 that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) 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 year.

Atom42 Ltd

Report of the directors for the year ended 31 December 2018 (continued)

Directors' responsibilities (continued)

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

Statement of disclosure of information to auditors

In so far as each of the directors is aware:

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

Independent auditors

Ernst & Young LLP resigned as auditor of the Company and Group during the year and PricewaterhouseCoopers LLP was appointed as auditor by the directors.

PricewaterhouseCoopers LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

Small company exemptions

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006. The directors have also taken exemption under section 414B not to prepare a strategic report.

On behalf of the Board



A Atalla
Director

Date: 29 April 2019

Atom42 Ltd

Independent auditors' report

Independent auditors' report to the members of Atom42 Ltd

Report on the audit of the financial statements

Opinion

In our opinion, Atom42 Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2018; the profit and loss account for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

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

We have nothing to report in respect of the above matters.

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

Atom42 Ltd

Independent auditors' report (continued)

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Report of the Directors

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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Independent auditors' report (continued)

Responsibilities for the financial statements and the audit (continued)

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

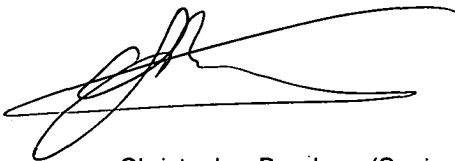
Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Christopher Boreham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading

29 April 2019

Atom42 Ltd

Profit and loss account for the year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Turnover	2	5,204	14,707
Cost of sales		(2,302)	(12,261)
Gross profit		2,902	2,446
Administrative expenses		(2,409)	(1,946)
Other income		17	-
Operating profit	5	510	500
Interest receivable and similar income	6	19	-
Interest payable and similar charges	7	(23)	(1)
Profit on ordinary activities before taxation		506	499
Taxation on profit on ordinary activities	8	(106)	31
Profit for the financial year	16	400	530

All recognised gains and losses are included in the profit and loss account.

The notes on pages 8 to 15 form part of these financial statements.

Atom42 Ltd

Balance sheet at 31 December 2018

Company number 06106496	Note	2018 £'000	2018 £'000	2017 £'000	2017 £'000
Fixed assets					
Intangible assets	9		2		-
Tangible assets	10		23		23
			<hr/>		<hr/>
			25		23
Current assets					
Debtors	11	1,300		1,749	
Cash at bank and in hand		104		1,376	
		<hr/>		<hr/>	
		1,404		3,125	
Creditors: amounts falling due within one year	12	(1,398)		(2,617)	
		<hr/>		<hr/>	
Net current assets			6		508
			<hr/>		<hr/>
Total assets less current liabilities			31		531
Provision for liabilities	13		-		(2)
			<hr/>		<hr/>
Net assets			31		529
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	15		1		1
Share premium account	16		9		9
Profit and loss account	16		21		519
			<hr/>		<hr/>
Shareholders' funds			31		529
			<hr/>		<hr/>

The financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and in accordance with Section 1A of FRS 102 for small entities.

The financial statements were approved by the Board of Directors and authorised for issue on 29 April 2019



A Atalla
Director

The notes on pages 8 to 15 form part of these financial statements.

Atom42 Ltd

Notes forming part of the financial statements for the year ended 31 December 2018

1 Accounting policies

Statement of compliance

Atom42 Ltd is a private company limited by shares and is incorporated in England and Wales. The address of its registered office is Third Floor, 10 Queen Street Place, London, EC4R 1BE.

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Section 1A of the Financial Reporting Standard 102 for small entities, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Basis of preparation

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The presentational currency is sterling, rounded to the nearest £'000.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going concern

The financial statements have been prepared under the going concern basis as the directors have undertaken a review of the future financing requirements for the ongoing operation of the Company, and are satisfied that sufficient cash facilities are secured, in respect of positive cash inflows from operations, to meet its working capital requirements for at least 12 months from the date of signing of these financial statements. The company is profitable and has positive net assets. The directors accordingly consider it appropriate for the financial statements to be prepared on a going concern basis.

Turnover and income recognition

Turnover is the total amount receivable by the Company for services provided in the year, excluding VAT.

In respect of contracts spanning the year end and contracts for on-going services, turnover represents the value of work performed in the year, including estimates of amounts not invoiced. Turnover in respect of these contracts is recognised by reference to the stage of completion. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover in respect of conditional or contingent fee arrangements, which is over and above any agreed minimum fee, is recognised when the conditions or contingency have been met.

Operating lease agreements

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against profits on a straight line basis over the period of the lease.

Fixed assets and depreciation

All fixed assets are initially recorded at cost.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	20% straight line
Computer equipment	-	33% straight line

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Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

Intangible assets and amortisation

All intangible assets are initially recorded at cost.

Amortisation is calculated so as to write off the asset over its useful economic life as follows:

Computer software	-	33% straight line
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Current taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the Company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured on an undiscounted basis using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Foreign currencies

The company's functional currency is the pound sterling.

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

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

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited directly to equity.

2 Turnover

The turnover and profit before tax are attributable to the principal activity of the Company.

Atom42 Ltd

Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

3 Employees

	2018 £'000	2017 £'000
Staff costs consist of:		
Wages and salaries	1,470	1,226
Social security costs	135	124
	<u>1,605</u>	<u>1,350</u>

The average number of employees, including directors, during the year was 40 (2017 - 40).

4 Directors

	2018 £'000	2017 £'000
Emoluments for qualifying services	181	24
Dividends	431	537
	<u>612</u>	<u>561</u>

5 Operating profit

	2018 £'000	2017 £'000
This has been arrived at after charging:		
Auditors' remuneration: audit of financial statements	<u>10</u>	<u>11</u>

6 Interest receivable and similar income

	2018 £'000	2017 £'000
Interest receivable from bank	1	-
Interest receivable from Group companies	<u>18</u>	<u>-</u>
	<u>19</u>	<u>-</u>

7 Interest payable and similar charges

	2018 £'000	2017 £'000
Interest payable to Group companies	<u>23</u>	<u>1</u>

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Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

8 Taxation on profit on ordinary activities

	2018 £'000	2017 £'000
(a) <i>Analysis of charge/(credit) in the year</i>		
<i>Current tax</i>		
UK corporation tax based on the results for the year at 19% (2017 - 19.25%)	101	-
Adjustments in respect of prior periods	7	-
Credit in respect of losses carried back	-	(26)
	<hr/>	<hr/>
Total current tax	108	(26)
<i>Deferred tax</i>		
Total deferred tax credit	(2)	(5)
	<hr/>	<hr/>
Tax charge/(credit) on profit on ordinary activities	106	(31)
	<hr/>	<hr/>

The tax rate for the current year is lower than the prior year, due to changes in the UK tax rate which decreased from 20% to 19% from 1 April 2017.

(b) *Factors affecting current tax charge/(credit)*

The tax assessed on the profit on ordinary activities for the year is different to the standard rate of corporation tax in the UK. The differences are explained below:

	2018 £'000	2017 £'000
Profit on ordinary activities before tax	506	499
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	96	96
Effects of:		
Expenses not deductible for tax purposes	3	2
Adjustments to tax charge in respect of previous periods	7	-
Share-based scheme deduction	-	(129)
	<hr/>	<hr/>
Total tax charge/(credit)	106	(31)
	<hr/>	<hr/>

Atom42 Ltd

Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

9 Intangible assets

	Computer software £'000
Cost	
At 1 January 2018	-
Additions	2
	<hr/>
At 31 December 2018	2
	<hr/>
Amortisation	
At 1 January 2018	-
Charge for the year	-
	<hr/>
At 31 December 2018	-
	<hr/>
Net Book Value	
At 31 December 2018	2
	<hr/>
At 31 December 2017	-
	<hr/>

10 Tangible assets

	Computer equipment £'000	Fixtures and fittings £'000	Total £'000
Cost			
At 1 January 2018	149	100	249
Additions	16	1	17
	<hr/>	<hr/>	<hr/>
At 31 December 2018	165	101	266
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 2018	138	88	226
Charge for the year	12	5	17
	<hr/>	<hr/>	<hr/>
At 31 December 2018	150	93	243
	<hr/>	<hr/>	<hr/>
Net Book Value			
At 31 December 2018	15	8	23
	<hr/>	<hr/>	<hr/>
At 31 December 2017	11	12	23
	<hr/>	<hr/>	<hr/>

Atom42 Ltd

Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

11 Debtors

	2018 £'000	2017 £'000
Trade debtors	312	578
Amounts owed by Group undertakings	400	-
Other debtors	280	50
Corporation tax	-	26
Prepayments and accrued income	308	1,095
	<u>1,300</u>	<u>1,749</u>

12 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Trade creditors	112	979
Amounts owed to Group undertakings	512	22
Corporation tax	32	-
Other creditors	278	56
Other taxation and social security	236	592
Accruals and deferred income	228	968
	<u>1,398</u>	<u>2,617</u>

13 Provision for liabilities

	2018 £'000	2017 £'000
Deferred taxation (note 14)	-	2
	<u>-</u>	<u>2</u>

14 Deferred taxation

	2018 £'000	2017 £'000
At 1 January	(2)	(7)
Utilised during the year	2	5
	<u>-</u>	<u>-</u>
At 31 December	-	(2)
The deferred taxation balance is made up as follows:		
	2018 £'000	2017 £'000
Short term timing differences	-	(2)
	<u>-</u>	<u>(2)</u>

Atom42 Ltd

Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

15 Share capital

	Allotted, called up and fully paid			
	2018 Number	2017 Number	2018 £	2017 £
Ordinary shares of £1 each	1,000	1,000	1,000	1,000
Ordinary atom shares of £0.01 each	8,635	8,635	86	86
B Ordinary shares of £0.0001 each	100,000	100,000	10	10
C Ordinary shares of £1 each	1	1	1	1
	<u>109,636</u>	<u>109,636</u>	<u>1,097</u>	<u>1,097</u>

Events during the financial year

There have been no changes to shares in the current year.

Events during the previous financial year

During the year 100,000 B Ordinary shares were issued at par and one C Ordinary share was issued at par.

On 16th November 2017 the Company bought back and cancelled 420 Ordinary atom shares. Subsequently a further 7,055 Ordinary atom shares were issued.

Voting rights attached to the different classes of share vary, with one vote being attached to each Ordinary share and one vote being attached to every 100 Ordinary atom shares. There are no voting rights attached to B Ordinary shares or C Ordinary shares. Rights to dividends are at the discretion of the board for all classes of share.

16 Reserves

	Profit and loss account £'000	Share premium £'000
At 1 January 2018	519	9
Profit for the year	400	-
Dividends paid	(898)	-
	<u>21</u>	<u>9</u>
At 31 December 2018		

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

Atom42 Ltd

Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

17 Commitments under operating leases

As at 31 December 2018, the Company had future minimum lease payments under non-cancellable operating leases for each of the following periods as set out below:

	2018 £'000	2017 £'000
Operating leases which expire:		
Not later than one year	104	87
Later than one year and not later than five years	130	234
	<hr/>	<hr/>
	234	321
	<hr/>	<hr/>

The Company leased its previously occupied building to a fellow subsidiary of the group during the year ended 31 December 2018. On 28 February 2019, the sublease arrangement was terminated by the fellow subsidiary and the building remains unoccupied. The lease expires in March 2021 and an estimated onerous lease provision has been calculated of £217,000. However, this has not been recognised within the financial statements as the Company has entered into a cross guarantee arrangement with the parent company, Iris Nation Worldwide Limited, which will bear the costs of the remaining lease liability.

18 Related party transactions

The Company has taken advantage of the exemption included in Section 1AC. 35 of FRS 102 from disclosing transactions with other wholly owned subsidiaries of the immediate parent company, Iris Nation Worldwide Limited, and with other Group companies where transactions are concluded under normal market conditions.

19 Controlling parties

The directors consider the ultimate parent company and the controlling party to be Cheil Worldwide Inc., a company incorporated in the Republic of Korea.

The directors consider the immediate parent company to be Iris Nation Worldwide Limited, a company incorporated in England and Wales.

The smallest Group in which the results of the Company for the year ended 31 December 2018 are consolidated is that headed by Iris Nation Worldwide Limited, a company incorporated in England and Wales.

The largest Group in which the results of the Company for the year ended 31 December 2018 are consolidated is that headed by Cheil Worldwide Inc., a company incorporated in the Republic of Korea. Cheil Worldwide Inc. prepares Group financial statements and copies can be obtained from 222 Itaewon-ro, Yongsan-gu, Seoul 04404, Korea.

20 Post balance sheet events

During the year 31 December 2018, the Company approached HMRC to seek settlement in regard to disguised remuneration and loan arrangements, which arose prior to the acquisition by Iris. It is expected this liability will be settled in 2019. An estimated provision of this expected settlement has been recognised within the financial statements. This liability will be financed by cash held in a retention fund under the terms of the Share Sale and Shareholders Agreement.