

COMPANY REGISTRATION NUMBER: 03565606

Clear Channel Holdings Limited
Annual Report & Financial Statements
For the year ended 31 December 2021

SATURDAY



ABGM4SW8

A11

12/11/2022

#154

COMPANIES HOUSE

Clear Channel Holdings Limited

Financial Statements

Year ended 31 December 2021

Contents	Page
Officers and Professional Advisers	1
Strategic Report	2-3
Directors' Report	4-6
Independent Auditor's Report to the Members	7-10
Statement of Comprehensive Loss	11
Statement of Financial Position	12
Statement of Changes in Equity	13
Notes to the Financial Statements	14-22

Clear Channel Holdings Limited

Officers and Professional Advisers

The Board of Directors

J Cochrane (appointed 7 January 2021)
C Eccleshare (resigned 27 January 2022)
M Saunter (resigned 4 January 2021)
A Tow
S Tolia (appointed 31 January 2022)

Company secretary

A Tow

Registered office

33 Golden Square
London
W1F 9JT

Auditor

Ernst & Young LLP
Chartered accountants and statutory auditor
1 More London Place
London
SE1 2AF

Bankers

Barclays Bank PLC
7th Floor
180 Oxford Street
London
W1D 1EA

Clear Channel Holdings Limited

Strategic report

Year ended 31 December 2021

The Directors present their strategic report for the year ended 31 December 2021.

Results

The Company's loss for the year amounted to £45,675k (2020: £17,191k). There was no dividend paid during the year (2020: £nil).

Principal activity and review of the business

The Company's principal activity is to act as a holding Company. The Company is a wholly owned subsidiary undertaking of Clear Channel International Holdings B.V.

The Company's key financial and other performance indicators during the financial year were as follows:

	2021	2020
	£000	£000
Operating loss	(45,675)	(17,191)
Net assets	59,488	66,421

The loss was driven by interest payments on loans due to parent and group undertakings.

Future developments

The Company intends to continue to hold its investments in subsidiaries operating in the outdoor advertising market and would consider future acquisitions and disposals where appropriate.

Principal risks and uncertainties

As a holder of significant investments in subsidiary companies, Clear Channel Holdings Limited has exposure to changes in the value of its investments based upon the performance of the investments and prevailing market conditions. The Company addresses this risk by active management of the underlying businesses of all investments. The Company's financial instruments comprise intercompany balances. The Company is not exposed to significant foreign exchange risk as most asset and liabilities are denominated in sterling or are naturally hedged with a back-to-back loan elsewhere within the Group.

COVID-19

In December 2019, COVID-19 was reported in Wuhan, China. On 11 March 2020, the World Health Organisation declared the outbreak a "pandemic", pointing to the sustained risk of further global spread. Since the Company is a holding entity, there is no immediate, direct impact to the Company as a result of COVID-19.

However, there are impacts to the indirect subsidiaries of the Company. During the second and third quarters of 2020 and into early 2021, the Company's subsidiaries' ("the Group's") operations were negatively impacted due to lockdowns, moratoriums, and mobility, travel and tourism restrictions across many of the markets in which there are operations. However, going into the second half of 2021 and into 2022 we have seen many of the markets recover very quickly.

In 2020 and into 2021 the Group took actions, including cost reduction initiatives such as contract renegotiations, application for governmental aid and reductions in headcount, to strengthen its financial position and support the continuity of its platform and operations. As our operating performance has improved into 2022, CCOH and the wider group have ceased certain of the temporary operating cost savings initiatives we implemented in response to COVID-19 and have increased our investment in our business through additional capital expenditures.

COVID-19 has not had a direct impact on the recoverability of the Company's investments in its

Clear Channel Holdings Limited

Strategic report (continued)

Year ended 31 December 2021

subsidiaries nor has it directly led to any impairment.

Ukraine and Russia conflict and the wider macroeconomic environment

On 24th February 2022 Russia launched a military invasion of Ukraine, prompting international economic sanctions. These sanctions have had far reaching economic impact, namely on fuel and electricity costs and supply chain pressures which have affected the group's operations. The ongoing conflict has also led to ongoing economic uncertainty.

The Group has taken actions to mitigate its risk in these areas, including but not limited to, detailed reviews of our supply chain and renegotiations of our electricity contracts.

There is remaining uncertainty around the impact these events. The group will continue to review the situation and act accordingly.

Section 172 Statement


The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') require directors to explain how they considered the interests of key stakeholders and the broader matters set out in Section 172(1) (a) to (f) of the Companies Act 2006 when performing their duty to promote the success of the Company under Section 172.

The principal activity of the Company is that of a holding company for which there are no external customers or suppliers. The Company also has no directly employed staff members. Therefore, the impact on the environment, community and other stakeholders is minimal. As the Company is a holding company, the Directors oversee the operations of our subsidiaries. The key stakeholders for our subsidiaries are customers, suppliers, employees, regulators and community and the environment. The Directors have considered the following in relation to the operations of our subsidiaries:

- Likely consequences of any decision in the long term;
- Interest of the subsidiaries' employees;
- The need to foster the subsidiaries' business relationships with suppliers, customers and others;
- The impact of the subsidiaries' operations on the community and environment;
- The desirability of the subsidiaries maintaining a reputation of high standards of business conduct; and
- The need to act fairly as between members of the company and subsidiaries.

The Directors consider which course of action best delivers the aim of the Company in the long-term and in doing so, act fairly as between the Company and our subsidiaries whilst considering other stakeholders where appropriate.

This report was approved by the Board of Directors on 4 November 2022 and signed on behalf of the board by:

DocuSigned by:

BA3CB8A95C0F450...
A Tow
Director

Clear Channel Holdings Limited

Directors' report

Year ended 31 December 2021

The Directors present their report and the financial statements of the Company for the year ended 31 December 2021.

Directors

The directors who served the Company during the year were as follows:

J Cochrane (appointed 7 January 2021)
C Eccleshare (resigned 27 January 2022)
M Saunter (resigned 4 January 2021)
A Tow

Dividends

The Directors do not recommend the payment of a dividend (2020: nil).

Going concern

The financial statements are prepared on a going concern basis. The Company is in a net assets position as of 31 December 2021. Cash flow forecasts to 30 November 2023 indicate that the Company is not expected to generate cash flows from its operations. In order to meet its liabilities as they fall due, the Company is therefore reliant on Clear Channel Outdoor Holdings, Inc. ('CCOH') providing the Company with sufficient cash as and when needed to settle liabilities.

The Directors of the Company have performed assessments over the following areas and based on these assessments have a reasonable expectation that there are no material uncertainties that may cast doubt on the Company's ability to adopt the going concern basis of accounting:

- The Directors have written assurance from CCOH confirming the provision of financial support to the Company for a period up to 30 November 2023.
- The Directors have considered the impact of COVID-19 as well as the wider macroeconomic environment on its business in preparing the company's cash flow forecasts up to 30 November 2023.
- CCOH's ability to fund the working capital, capital expenditures and other obligations depends on the future operating performance and cash flow from operations. CCOH has prepared consolidated cash flow forecasts for a period up to 30 November 2023. These forecasts demonstrate that CCOH will have sufficient cash to provide the financial support to all its subsidiaries and meet its obligations as they become due over the forecast period.

The Directors of the Company and its ultimate parent are also of the view that COVID-19 as well as the current issues being seen in the wider macroeconomic environment do not impact the Company's ability to continue as a going concern. The Company has the financial support of CCOH which has sufficient cash and liquidity to fund the Company's operations if necessary.

As disclosed in the latest 10Q issued by the ultimate parent company for Q2 2022, despite the current challenging macroeconomic environment, CCOH has continued to trade strongly since the initial negative impact of the COVID-19 pandemic in 2020 and early 2021 with positive trends in revenue across each business segment. As the operating performance has improved into 2022, CCOH and the wider group have ceased certain of the temporary operating cost savings initiatives that were implemented in response to COVID-19 and have increased investment in the business through additional capital expenditures. Management continues to remain agile enough to adapt to unpredictable events and requirements.

Clear Channel Holdings Limited

Directors' report (continued)

Year ended 31 December 2021

Management has taken decisive actions in order to mitigate any unforeseen financial impact. Based on CCOH's cashflow forecasts, no additional financing is required for a period up to 30 November 2023 and it will have sufficient funds to trade and settle liabilities as they fall due for a period up to 30 November 2023.

Therefore, the Directors of the Company conclude that CCOH has the ability to provide financial support to the Company for a period up to 30 November 2023. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

Events after the reporting date

No significant events occurred after the balance sheet date.

Directors' responsibilities statement

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

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

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

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

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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

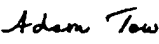
Clear Channel Holdings Limited

Directors' report (continued)

Year ended 31 December 2021

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the Board of Directors on 4 November 2022 and signed on behalf of the board by:

DocuSigned by:

8A3CB8A95C0F450...
A Tow
Director

Independent Auditor's Report to the Members of Clear Channel Holdings Limited

Opinion

We have audited the financial statements of Clear Channel Holdings Limited for the year ended 31 December 2021 which comprise the Statement of Comprehensive Loss, the Statement of Financial Position and the Statement of Changes in Equity 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included evaluating the reasonableness of management's assessment of going concern. The company is reliant on a letter of financial support from its ultimate parent, Clear Channel Outdoor Holdings, Inc. (CCOH). We assessed whether the ultimate parent has the ability to provide the financial support to the company for a period to 30 November 2023, which included a review of liquid funds and facilities available to the ultimate parent throughout the forecast period. Based on the procedures performed, we have concluded that the ultimate parent has the ability to provide financial support to the company in order for the company to remain as a going concern for a period to 30 November 2023.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 30 November 2023.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. 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.

Independent Auditor's Report to the Members of Clear Channel Holdings Limited (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Independent Auditor's Report to the Members of Clear Channel Holdings Limited (continued)

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.

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant corporation tax compliance regulation in the United Kingdom.
- We understood how the company is complying with those frameworks by making enquiries of management and those charged with governance to understand how the company maintains and communicates policies and procedures in these areas and understand the entity level controls.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations, with a focus on the most significant reporting and tax regulations referenced above. Our procedures involved obtaining and reading correspondence with relevant authorities where available and verifying legal and professional service expenses to source documentation to understand their nature and assist in identifying any non-compliance matters. We involved our tax specialists in our review of management's tax calculations and tax returns.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by assessing the risk of management override

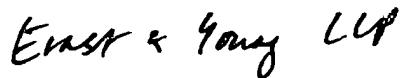
Independent Auditor's Report to the Members of Clear Channel Holdings Limited (continued)

through non-standard journal entries and performing journal entry testing using a risk-based approach.

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.



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

4 November 2022

Clear Channel Holdings Limited

Statement of Comprehensive Loss

Year ended 31 December 2021

	Note	2021 £000	2020 £000
Foreign exchange (loss)/gain		(2)	362
Interest payable and similar charges	3	(45,673)	(17,553)
Operating loss	4	(45,675)	(17,191)
Loss on ordinary activities before taxation		(45,675)	(17,191)
Tax on loss on ordinary activities	5	-	-
Loss for the financial year and total comprehensive expense		(45,675)	(17,191)

All the activities of the Company are from continuing operations.

There is no difference between the results reported above and their historical cost equivalent.

The notes on pages 14 to 22 form an integral part of the financial statements.

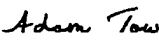
Clear Channel Holdings Limited

Statement of Financial Position

31 December 2021

	Note	2021 £000	2020 £000
Fixed assets			
Investments	6	780,258	741,516
Current assets			
Debtors: Amounts falling due within one year	7	164,844	163,194
Cash at bank and in hand		127	128
		<u>164,971</u>	<u>163,322</u>
Creditors: amounts falling due within one year	8	<u>(885,741)</u>	<u>(838,417)</u>
Net current liabilities		<u>(720,770)</u>	<u>(675,095)</u>
Total assets less current liabilities		<u>59,488</u>	<u>66,421</u>
Capital and reserves			
Called up share capital	9	48,742	10,000
Retained earnings	10	10,746	56,421
Net assets		<u>59,488</u>	<u>66,421</u>

These financial statements were approved by the Board of Directors and authorised for issue on 4 November 2022, and are signed on behalf of the Board by:

DocuSigned by:

 BA3CB8A95C0F450...
 A Tow
 Director

The notes on pages 14 to 22 form an integral part of the financial statements.

Clear Channel Holdings Limited**Statement of Changes in Equity****31 December 2021**

	Called up share capital £000	Retained earnings £000	Total £000
At 1 January 2020	10,000	73,612	83,612
Comprehensive loss for the year	–	(17,191)	(17,191)
Total comprehensive expense for the year	–	(17,191)	(17,191)
At 31 December 2020	10,000	56,421	66,421
Comprehensive loss for the year	–	(45,675)	(45,675)
New shares issued (note 9)	38,742	–	38,742
At 31 December 2021	48,742	10,746	59,488

The notes on pages 14 to 22 form an integral part of the financial statements.

Clear Channel Holdings Limited

Notes to the Financial Statements

Year ended 31 December 2021

1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

Company Information

Clear Channel Holdings Limited is a private company limited by shares incorporated in England and Wales. The Company's registered office and principal place of business is 33 Golden Square, London, W1F 9JT. The Company's principal activities are disclosed in the Directors Report.

2. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom.

The financial statements present information about the Company as an individual undertaking and not about its group, as the Company has taken advantage of the exemption of s401 of the Companies Act 2006 not to prepare group financial statements.

The financial statements have been prepared on a going concern basis.

The financial statements are prepared in sterling, which is the functional currency of the entity. Numbers are rounded to the nearest thousand.

Going concern

The financial statements are prepared on a going concern basis. The Company is in a net assets position as of 31 December 2021. Cash flow forecasts to 30 November 2023 indicate that the Company is not expected to generate cash flows from its operations. In order to meet its liabilities as they fall due, the Company is therefore reliant on Clear Channel Outdoor Holdings, Inc. ('CCOH') providing the Company with sufficient cash as and when needed to settle liabilities.

The Directors of the Company have performed assessments over the following areas and based on these assessments have a reasonable expectation that there are no material uncertainties that may cast doubt on the Company's ability to adopt the going concern basis of accounting:

- The Directors have written assurance from CCOH confirming the provision of financial support to the Company for a period up to 30 November 2023.
- The Directors have considered the impact of COVID-19 as well as the wider macroeconomic environment on its business in preparing the company's cash flow forecasts up to 30 November 2023.
- CCOH's ability to fund the working capital, capital expenditures and other obligations depends on the future operating performance and cash flow from operations. CCOH has prepared consolidated cash flow forecasts for a period up to 30 November 2023. These forecasts demonstrate that CCOH will have sufficient cash to provide the financial support to all its subsidiaries and meet its obligations as they become due over the forecast period.

The Directors of the Company and its ultimate parent are also of the view that COVID-19 as well as the current issues being seen in the wider macroeconomic environment do not impact the Company's ability to continue as a going concern. The Company has the financial support of CCOH which has sufficient cash and liquidity to fund the Company's operations if necessary.

As disclosed in the latest 10Q issued by the ultimate parent company for Q2 2022, despite the

Clear Channel Holdings Limited

Notes to the Financial Statements

Year ended 31 December 2021

2. Accounting policies (continued)

current challenging macroeconomic environment, CCOH has continued to trade strongly since the initial negative impact of the COVID-19 pandemic in 2020 and early 2021 with positive trends in revenue across each business segment. As the operating performance has improved into 2022, CCOH and the wider group have ceased certain of the temporary operating cost savings initiatives that were implemented in response to COVID-19 and have increased investment in the business through additional capital expenditures. Management continues to remain agile enough to adapt to unpredictable events and requirements.

Management has taken decisive actions in order to mitigate any unforeseen financial impact. Based on CCOH's cashflow forecasts, no additional financing is required for a period up to 30 November 2023 and it will have sufficient funds to trade and settle liabilities as they fall due for a period up to 30 November 2023.

Therefore, the Directors of the Company conclude that CCOH has the ability to provide financial support to the Company for a period up to 30 November 2023. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of CCOH, which can be obtained from 4830 North Loop 1604 East, Suite 111, San Antonio Texas 78249, United States of America. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the Company;
- (b) Disclosures in respect of financial instruments have not been presented; and
- (c) Disclosures in respect of related parties have not been presented.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings, to the extent that they are used to finance or provide a hedge against foreign equity investments, which are taken directly to reserves together with the exchange difference on the carrying amount of the related investments. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in reserves.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

Clear Channel Holdings Limited

Notes to the Financial Statements

Year ended 31 December 2021

2. Accounting policies (continued)

Investments

Investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. The Company assesses at each reporting date whether there is an indication that an investment may be impaired. If any such indication exists, the Company makes an estimate of the investment's recoverable amount. Where the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount. A previously recognised impairment loss is reversed only if there was an event not foreseen in the original impairment calculations, such as a change in use of the investment or a change in economic conditions. The reversal of an impairment loss would be to the extent of the lower of the recoverable amount and the carrying amount that would have been determined had no impairment loss been recognised for the investment in prior years.

Financial Instruments

Financial Asset

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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

Amounts owed by and to parent and group undertakings

Amounts owed by and to parent and group undertakings consist of current account balances and loan balances, including interest thereon.

All loan balances are repayable on demand and are therefore classified as current.

Clear Channel Holdings Limited

Notes to the Financial Statements

Year ended 31 December 2021

2. Accounting policies (continued)

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Deferred tax assets and liabilities are not discounted.

Key sources of estimation uncertainty

The Company assesses at each reporting date whether there is an indication that an investment may be impaired. If any such indication exists, the Company makes an estimate of the investment's recoverable amount. Where the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount. A previously recognised impairment loss is reversed only if there was an event not foreseen in the original impairment calculations, such as a change in use of the investment or a change in economic conditions.

Clear Channel Holdings Limited

Notes to the Financial Statements

Year ended 31 December 2021

3. Interest payable and similar charges

	2021 £000	2020 £000
Interest payable to parent and group undertakings	(45,673)	(17,553)

4. Operating Loss

Operating loss is stated after (debiting)/crediting:

	2021 £000	2020 £000
Foreign exchange (loss)/gain	(2)	362

Auditors' remuneration is borne in full by Clear Channel International Limited (Clear Channel Holdings Limited's subsidiary undertaking).

The Company does not have any directly employed staff and it is not charged an allocation of staff costs by the Group.

5. Tax

Reconciliation of tax income

	2021 £000	2020 £000
Loss on ordinary activities before taxation	(45,674)	(17,191)
Tax at the standard rate of 19% (2020: 19%)	(8,678)	(3,267)
Expenses not deductible for tax purposes	3,187	2,247
Income not taxable for tax purposes	(922)	(948)
Remeasurement of deferred tax for changes for rate changes	(924)	-
Group relief surrendered	5,781	1,771
Deferred tax not recognised	926	197
Total income tax expense in income statement	-	-

From 1 April 2023, the main rate of corporation tax will rise from 19% to 25%. This rate change received Royal Assent on 10 June 2021. Deferred tax balances have been calculated with reference to the rate substantively enacted at the balance sheet date, being 19%.

Factors that may affect future tax income

There was £3,844k unrecognised deferred tax asset at 31 December 2021 (2020: £942k) in respect of tax losses carried forward. Deferred tax assets have not been recognised to the extent that they exceed deferred tax liabilities in the year.

Clear Channel Holdings Limited

Notes to the Financial Statements

Year ended 31 December 2021

6. Investments

	Investments in subsidiaries
	£000
Cost	
At 1 January 2021	741,516
Additions	38,742
At 31 December 2021	<u>780,258</u>
Impairment	
At 1 January 2021 and 31 December 2021	<u>-</u>
Carrying amount	
At 31 December 2021	<u>780,258</u>
At 31 December 2020	<u>741,516</u>

On 25 January 2021 the Company subscribed for 38,741,675 ordinary shares of £1.00 each in the capital of Clear Channel International Limited (CCI) in full and final satisfaction of an intercompany debt owed by CCI to the Company of USD \$53,000,000 arising under a loan agreement originally executed between CCI (as borrower) and Clear Channel International Holdings B.V (as lender) which has been subsequently assigned to the Company.

	Ownership Interest (Ordinary share capital)	Nature of Business	Country of registered office
Direct subsidiary undertakings			
Clear Channel International Limited	100%	Head Office	United Kingdom
Clear Channel Treasury Limited	100%	Treasury	United Kingdom
Indirect subsidiary undertakings and associates			
Clear Channel Ireland Ltd.	100%	Operating	Ireland
More O'Ferrall Ireland Ltd.	100%	Dormant	Ireland
Nitelites (Ireland) Ltd.	100%	Dormant	Ireland
Clear Channel NI Limited	100%	Operating	United Kingdom
NWP Street Limited	100%	Operating	United Kingdom
Clear Channel UK Limited	100%	Operating	United Kingdom
Vision Media Group UK Limited	100%	Operating	United Kingdom
The Kildoon Property Company Limited	100%	Property Management	United Kingdom
The Canton Property Investment Co. Limited	100%	Property Management	United Kingdom
Allied Outdoor Advertising Limited	100%	Dormant	United Kingdom
Arcadia Cooper Properties	100%	Dormant	United Kingdom
Barrett Petrie Sutcliffe Limited	100%	Dormant	United Kingdom
Barrett Petrie Sutcliffe London Limited	100%	Dormant	United Kingdom
C.F.D Billboards Limited	100%	Dormant	United Kingdom
Clear Channel Banners Limited	100%	Dormant	United Kingdom
Clear Channel (Midlands) Limited	100%	Dormant	United Kingdom
Clear Channel (North West) Limited	100%	Dormant	United Kingdom
Clear Channel (Scotland) Limited	100%	Dormant	United Kingdom

Clear Channel Holdings Limited

Notes to the Financial Statements

Year ended 31 December 2021

	Ownership Interest (Ordinary share capital)	Nature of Business	Country of registered office
Clear Channel (South West) Limited	100%	Dormant	United Kingdom
Clear Channel UK (Three) Limited	100%	Dormant	United Kingdom
Clear Channel UK One Limited	100%	Dormant	United Kingdom
Epiclove Limited	100%	Dormant	United Kingdom
FM Media Limited	100%	Dormant	United Kingdom
Foxmark (UK) Limited	100%	Dormant	United Kingdom
Grosvenor Advertising Limited	100%	Dormant	United Kingdom
KMS Advertising Limited	100%	Dormant	United Kingdom
Maurice Stam Limited	100%	Dormant	United Kingdom
Multimark Limited	100%	Dormant	United Kingdom
Parkin Advertising Limited	100%	Dormant	United Kingdom
Premium Outdoor Limited	100%	Dormant	United Kingdom
Regentfile Limited	100%	Dormant	United Kingdom
Rockbox Limited	100%	Dormant	United Kingdom
Signways Limited	100%	Dormant	United Kingdom
Sites International Limited	100%	Dormant	United Kingdom
Storm Outdoor Limited	100%	Dormant	United Kingdom
Torpix Limited	100%	Dormant	United Kingdom
Town and City Posters Advertising Limited	100%	Dormant	United Kingdom
Trainer Advertising Limited	100%	Dormant	United Kingdom
Vision Posters Limited	100%	Dormant	United Kingdom
			Peoples Republic of
Clear Channel (Guangzhou) Ltd	100%	Supply Chain	China
Clear Channel Holding AG	100%	Holding	Switzerland
Clear Channel Schweiz AG	100%	Operating	Switzerland
Clear Channel AIDA GmbH	100%	Operating	Switzerland
Clear Channel AWI AG	100%	Dormant	Switzerland
Clear Channel CAC AG	100%	Dormant	Switzerland
Clear Channel Felice GmbH	100%	Dormant	Switzerland
Clear Channel GmbH	100%	Dormant	Switzerland
Clear Channel Infotrak AG	100%	Dormant	Switzerland
Clear Channel Interpubli AG	100%	Dormant	Switzerland
Clear Channel OFEX AG	100%	Dormant	Switzerland
Clear Channel Plakatron AG	100%	Dormant	Switzerland
Clear Channel Overseas Limited	100%	Holding	United Kingdom
Clear Channel Sverige AB	100%	Operating	Sweden
Clear Channel Norway AS	100%	Operating	Norway
Clear Channel Danmark AS	100%	Operating	Denmark
Clear Channel Pacific Pte Ltd	100%	Holding	Singapore
Clear Channel Belgium Sprl	100%	Operating	Belgium
Illuminated Awnings Systems Limited	100%	Dormant	Ireland
Clear Channel Sales AB	100%	Operating	Sweden
More Alutech AB	50%	Operating	Sweden
Clear Channel Baltics & Russia AB	100%	Holding	Sweden
Outstanding Media Stockholm AB	100%	Operating	Sweden
Outdoor AB	48.5%	Operating	Sweden
Clear Channel Suomi Oy	100%	Operating	Finland
Service2Cities SA	99.99%	Operating	Belgium
Clear Channel Estonia OÜ	100%	Operating	Estonia
UAB Clear Channel Lietuva	100%	Operating	Lithuania
SIA Clear Channel Latvia	100%	Operating	Latvia

Clear Channel Holdings Limited

Notes to the Financial Statements

Year ended 31 December 2021

7. Debtors: amounts falling due within one year

	2021	2020
	£000	£000
Amounts owed by group undertakings	164,841	163,191
Other debtors	3	3
	<u>164,844</u>	<u>163,194</u>

8. Creditors: amounts falling due within one year

	2021	2020
	£000	£000
Amounts owed to group undertakings	721,772	675,226
Amounts owed to parent undertakings	163,969	163,191
	<u>885,741</u>	<u>838,417</u>

For loans that used LIBOR in 2020 the interest rates were transitioned to risk-free rates plus margins ranging from 0% – 6.9% in 2021 (Risk-free rates are backward looking transaction-based market borrowing rates). Before 2021 the interest rate on these intercompany loans were set by the applicable local market inter-bank offered rates of the currency of the loan plus margin 0%-3.65%.

9. Called up share capital

Authorised share capital

	2021		2020	
	No	£	No	£
Ordinary shares of £1 each	<u>692,600,000</u>	<u>692,600,000</u>	<u>692,600,000</u>	<u>692,600,000</u>

Issued, called up and fully paid

	2021		2020	
	No	£	No	£
Ordinary shares of £1 each	<u>48,741,675</u>	<u>48,741,675</u>	<u>10,000,000</u>	<u>10,000,000</u>

On 25 January 2021 an execution of a deed of assignment was approved pursuant to which Clear Channel International Holdings B.V. ("Assignor") assigned to the Company all of its rights and interests in a loan for the principal amount of USD \$53,000,000 between Clear Channel International Limited (as borrower) and the Assignor (as lender), in consideration for the issuance and allotment by the Company to the Assignor of 38,741,675 ordinary shares of £1.00 each in the Company.

Each ordinary share entitles the shareholder to one vote per share and a dividend that is lawfully declared by ordinary resolution.

10. Retained earnings

The retained earnings records accumulated profit and loss.

Clear Channel Holdings Limited

Notes to the Financial Statements

Year ended 31 December 2021

11. Related party transactions

The Company is included within the publicly available consolidated financial statements of Clear Channel Outdoor Holdings, Inc. As a result, the Company has taken advantage of the exemptions within section 33 of FRS 102 and has not disclosed details of related party transactions with entities in the Clear Channel Outdoor Holdings, Inc. group as it is a wholly owned subsidiary.

12. Controlling party

The immediate parent company of Clear Channel Holdings Limited is Clear Channel International Holdings BV, a company incorporated in the Netherlands.

The largest group and the ultimate parent undertaking for which group financial statements are prepared and of which the Company is a member is CCOH which is incorporated in the United States of America. Copies of its consolidated financial statements are available from 4830 North Loop 1604W, Suite 111, San Antonio, Texas 78249, United States of America.

13. Events after the reporting date

No significant events occurred after the balance sheet date.