
Prodigious UK Limited

Annual Report and Financial Statements

for the year ended 31 December 2021

Registered Number: 00294029

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COMPANIES HOUSE

Directors

C Donald
C Kay
M Chapron

Secretary

P Muwanga

Auditor

Mazars LLP
30 Old Bailey
London
EC4M 7AU

Registered Office

1st Floor
2 Television Centre
101 Wood Lane
London
W12 7FR

Strategic Report

for the year ended 31 December 2021

Principal activity and review of the business

The principal activity of Prodigious UK Limited (“the Company”) continues to be the provision of a comprehensive service to clients covering advertising, marketing and allied services.

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

	2021 £’000	2020 £’000	Change %
Revenue	17,008	29,306	(42%)
Operating profit	604	644	(6%)
Profit after tax	522	432	21%
Shareholder’s deficit	(1,990)	(2,530)	(21%)
Current assets as a % of current liabilities	79%	69%	10%
Average number of employees	126	125	1%

Revenue has decreased by 42%. This was driven by a reduction in one off work on various clients. This reduction in revenue has resulted in a corresponding reduction in third-party costs. This has limited the decrease in operating profit to 6% which has been further driven by a reduction in freelancer costs and the Company’s share of office costs as part of an ongoing UK Group initiative to consolidate office premises.

Current assets as a percentage of current liabilities has increased by 12% due to higher intercompany receivables at the year-end.

The services offered by the Company have minimal environmental impact. However, the Board believes that good environmental practices support the Board’s strategy by enhancing the reputation of the firm.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company are broadly grouped as competitive and financial instrument risk.

Competitive risks

The Company operates in a highly competitive marketplace where margins are continually under pressure. However, the Company is well positioned to maintain its market share.

Financial instrument risks

The Company has established a risk and financial management framework whose primary objectives are to protect the Company from events that hinder the achievement of the Company’s performance objectives.

The objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at a business unit level.

Strategic Report (continued)

for the year ended 31 December 2021

Principal risks and uncertainties (continued)

Financial instrument risks (continued)

- *Exposure to liquidity, cash flow and credit risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. We aim to mitigate liquidity risk by managing cash generation by our operations and applying cash collection targets.

Cash flow risk is the risk that inflows and outflows of cash and cash equivalents will not be sufficient to finance the day-to-day operations. We manage cash flow risk by careful negotiation of terms with customers and suppliers.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Our policies are aimed at minimising such losses and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

- *Exposure to foreign exchange risk*

Foreign exchange risk is the risk arising from purchases and sales of goods or services denominated in foreign currencies. Our commercial dealings including intercompany activity are transacted in multiple foreign currencies and therefore expose the Company to a significant level of foreign exchange risk.

The Company manages this risk through the use of derivatives, namely currency forward contracts and currency swaps, with the overall aim being to minimise the foreign exchange charge or gain.

As regards intercompany loans/borrowings, these are subject to appropriate hedges if they present significant net exposures to exchange rate risk.

Covid-19

The declaration of the Covid-19 pandemic in 2020 resulted in unprecedented uncertainty to the global economy following the introduction of lockdown measures by national governments worldwide in a bid to combat the spread of the virus. Since the initial declaration, the Company has taken certain actions to effectively manage the impact of the pandemic on the Company which prioritised the health and safety of employees whilst supporting clients and managing the cost-base of the business. In this context, the Company has entered 2022 in an improving environment with various national governments including the UK government relaxing all restrictions related to the Covid-19 pandemic which has seen a recovery in economic activity.

However, there continues to be economic and social uncertainty related to the Covid-19 pandemic which could have an impact on economic activity in certain overseas markets in which the Company operates. This is largely driven by the potential impact from varying and ongoing Covid-19 restrictions which continue to be imposed by overseas national governments in their jurisdictions and has been factored by the Company as part of its going concern assessment.

In general, all of the principal risks and uncertainties above should be considered in light of the consequences of the Covid-19 pandemic.

Strategic Report (continued)

for the year ended 31 December 2021

This report was approved by the board of directors and signed on its behalf by:

Clare Donald
Clare Donald (Feb 24, 2023 08:32 GMT)

C Donald
Director

24 February 2023

Directors' Report for the year ended 31 December 2021

The directors present their report and the audited financial statements of Prodigious UK Limited ("the Company") for the year ended 31 December 2021.

Results and dividends

The Company recorded a profit after tax for the year of £522,000 (2020: £432,000). A dividend of £Nil (2020: £Nil) was declared and paid during the year.

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report on pages 2 to 4. These matters relate to the principal activity and financial risks.

Future developments

The directors do not foresee any material changes in the continuing operations of the business.

Directors

The directors of the Company who served during the year and up to the date of signing the financial statements were:

C Donald	(appointed 24 June 2021)
C Kay	(appointed 24 May 2022)
M Chapron	(appointed 24 June 2021)
M Djaba	(resigned 24 May 2022)
J-M Bonamy	(resigned 24 June 2021)

Directors' indemnity

The directors confirm that no qualifying third party indemnity provision in favour of any directors of the Company, as defined by Section 236 of the Companies Act 2006, either by the Company or by any other party, was in force at the time of the signing of the report, and that no such provision had been in force at any time in the year.

Post balance sheet events

Since the year ended 31 December 2021, the United Kingdom, the European Union, the United States of America and other Western nations have imposed economic sanctions on Russia and Russian interests worldwide in response to Russian forces entering Ukraine on 24 February 2022. The directors have considered the impact of the Company's ultimate parent undertaking Publicis Groupe S.A. subsequent announcement on 15 March 2022 that it had ceased all trading activities in Russia with immediate effect. Whilst it is too early to assess the full financial impact on the Company, a decline in activity may give rise to future impairment of assets and may create additional liabilities which cannot be quantified at this stage. As such, the directors have treated this as a non-adjusting post balance sheet event.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy

Directors' Report (continued)

for the year ended 31 December 2021

Disabled employees (continued)

of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employees' engagement

The Company places considerable value on its engagement with employees and has continued its previous practice of keeping them informed on matters affecting them as employees and in various factors affecting the performance of the Company through electronic communication. Employees are consulted regularly on a wide range of matters affecting their current and future interests.

Going concern

At 31 December 2021, the Company had net current liabilities of £2,940,000 (2020: £4,698,000) and has received written confirmation in the form of a letter of support from its immediate parent company, MMS UK Holdings Limited that it will provide the necessary funds to enable the Company to meet its liabilities as they fall due, for a period of at least twelve months from the date of approval of these financial statements.

The directors have prepared detailed budgets and financial forecasts taking into account expected future trading performance, including the prolonged impact of the Covid-19 pandemic, the impact on global economic activity of the economic sanctions imposed by the United Kingdom, the European Union, the United States of America and other Western nations on Russia and Russian interests in response to Russia entering Ukraine on 24 February 2022 and the support level received. Having assessed the position of the immediate parent company, the directors have a reasonable expectation that the Company has reasonable access to resources and support to continue in operational existence for the foreseeable future, being a period of at least twelve months from the approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Disclosure of information to the auditor

The directors who held office at the date of approval of this Directors' report confirm that:

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

This information is given and should be interpreted in accordance with s418 of the Companies Act 2006.

This report was approved by the board of directors and signed on its behalf by:

Clare Donald

Clare Donald (Feb 24, 2023 08:32 GMT)

C Donald

Director

24 February 2023

Statement of Directors' Responsibilities for the year ended 31 December 2021

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

Company law requires the directors to prepare financial statements for each financial year. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Prodigious UK Limited

for the year ended 31 December 2021

Opinion

We have audited the financial statements of Prodigious UK Limited (the 'Company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the notes to the financial statements, 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 state of the Company's affairs as at 31 December 2021 and of its profit 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.

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 of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such

Independent auditor's report to the members of Prodigious UK Limited (continued)

for the year ended 31 December 2021

Other information (continued)

material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 7, 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

Independent auditor's report to the members of Prodigious UK Limited (continued)

for the year ended 31 December 2021

Auditor's responsibilities for the audit of the financial statements (continued)

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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements UK tax legislation, employment regulation, health and safety regulation and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition, which we pinpointed to completeness and cut-off, and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

Independent auditor's report to the members of Prodigious UK Limited (continued)

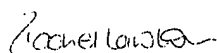
for the year ended 31 December 2021

Auditor's responsibilities for the audit of the financial statements (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. 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.



Rachel Lawton (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
30 Old Bailey
London
EC4M 7AU

27 February 2023

Statement of Comprehensive Income

for the year ended 31 December 2021

	Notes	2021 £'000	2020 £'000
Revenue	3	17,008	29,306
Administrative expenses		(16,404)	(28,662)
Operating profit	4	604	644
Interest payables and similar charges	8	(36)	(61)
Profit on ordinary activities before taxation		568	583
Taxation	9	(46)	(151)
Profit for the year		522	432
Other comprehensive income		-	-
Total comprehensive income for the year		522	432

The Company's revenue and operating profit all relate to continuing operations.

The notes on pages 15 to 33 form part of these financial statements.

Balance Sheet

at 31 December 2021

	Notes	2021 £'000	Restated 2020 £'000
Non-current assets			
Deferred tax	9	254	154
Intangible assets	10	26	68
Property, plant and equipment	11	670	1,946
		<hr/>	<hr/>
		950	2,168
Current assets			
Work in progress		1,557	1,448
Trade and other receivables	12	9,613	8,895
Cash and cash equivalents		-	26
Derivatives - Assets	17	-	2
		<hr/>	<hr/>
		11,170	10,371
Current liabilities			
Trade and other payables	13	(14,110)	(14,959)
Provisions	14	-	(102)
Derivatives - Liabilities	17	-	(8)
		<hr/>	<hr/>
		(14,110)	(15,069)
Net current liabilities			
		<hr/>	<hr/>
		(2,940)	(4,698)
Net liabilities			
		<hr/>	<hr/>
		(1,990)	(2,530)
Capital and reserves			
Called up share capital	15	28	28
Share premium		1,214	1,214
Retained earnings		(3,232)	(3,772)
		<hr/>	<hr/>
		(1,990)	(2,530)
		<hr/>	<hr/>

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

Clare Donald
Clare Donald (Feb 24, 2023 08:32 GMT)

C Donald
Director

24 February 2023

The notes on pages 15 to 33 form part of these financial statements.

Statement of Changes in Equity

for the year ended 31 December 2021

	Called-up share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
At 1 January 2020	28	1,214	(4,222)	(2,980)
Profit for the year	-	-	432	432
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	432	432
Share-based payments (see Note 16)	-	-	18	18
At 31 December 2020	28	1,214	(3,772)	(2,530)
Profit for the year	-	-	522	522
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	522	522
Share-based payments (see Note 16)	-	-	18	18
At 31 December 2021	28	1,214	(3,232)	(1,990)

The notes on pages 15 to 33 form part of these financial statements.

Notes to the financial statements for the year ended 31 December 2021

1. Accounting policies

1.1. Basis of preparation

Prodigious UK Limited ("the Company") is a private company limited by shares incorporated and domiciled in the United Kingdom and registered in England and Wales. The address of the registered office is 1st Floor, 2 Television Centre, 101 Wood Lane, London W12 7FR. These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101") and in accordance with the applicable provisions of the Companies Act 2006. Except for certain disclosure exemptions detailed below, the recognition, measurement and disclosure requirements of international accounting standards in conformity with the provisions of the Companies Act 2006 have been applied to these financial statements and, where necessary, amendments have been made in order to comply with the Companies Act 2006 and The Large and Medium-sized Companies and Groups Regulations 2008/410 ("Regulations").

Basis of measurement

The financial statements have been prepared under the historical cost convention except for certain financial instruments which are measured at fair value. The Company's functional and presentational currency is Pound Sterling.

Going concern

At 31 December 2021, the Company had net current liabilities of £2,940,000 (2020: £4,698,000) and has received written confirmation in the form of a letter of support from its immediate parent company, MMS UK Holdings Limited that it will provide the necessary funds to enable the Company to meet its liabilities as they fall due, for a period of at least twelve months from the date of approval of these financial statements.

The directors have prepared detailed budgets and financial forecasts taking into account expected future trading performance, including the prolonged impact of the Covid-19 pandemic, the impact on global economic activity of the economic sanctions imposed by the United Kingdom, the European Union, the United States of America and other Western nations on Russia and Russian interests in response to Russia entering Ukraine on 24 February 2022 and the support level received. Having assessed the position of the immediate parent company, the directors have a reasonable expectation that the Company has reasonable access to resources and support to continue in operational existence for the foreseeable future, being a period of at least twelve months from the approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Notes to the financial statements

for the year ended 31 December 2021

1. Accounting policies (continued)

1.1. Basis of preparation (continued)

Disclosure exemptions applied

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 paragraph 8:

- (i) The requirements of IFRS 2 'Share-based Payment' paragraphs 45(b) and 46 to 52 relating to certain disclosure requirements on share-based payments;
- (ii) The requirement of IFRS 7 'Financial Instruments: Disclosures' relating to the disclosure of financial instruments and the nature and extent of risks arising from such instruments;
- (iii) The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 'Revenue from Contracts with Customers'
- (iv) The applicable requirements of IAS 1 'Presentation of Financial Statements' relating to the disclosure of comparative information in respect of the number of shares outstanding at the beginning and end of the year (IAS 1.79(a)(iv)), the reconciliation of the carrying amount of property, plant and equipment (IAS 16.73(e)) and the reconciliation of the carrying amount of intangible assets (IAS 38(118)(e));
- (v) The requirements of IAS 1 'Presentation of Financial Statements' paragraph 16, the requirement to make an explicit and unreserved statement of compliance with IFRS;
- (vi) The requirements of IAS 1 'Presentation of Financial Statements' paragraphs 38A to 40D relating to disclosures of comparative information;
- (vii) The requirement of IAS 1 'Presentation of Financial Statements' paragraphs 134 to 136 relating to the disclosure of capital management policies and objectives
- (viii) The requirements of IAS 7 'Statement of Cash Flows' and IAS 1 'Presentation of Financial Statements' paragraph 10(d) and 111 relating to the presentation of a Cash Flow Statement;
- (ix) The requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' paragraphs 30 and 31 relating to the disclosure of standards, amendments and interpretations in issue but not yet effective;
- (x) The requirements of IAS 24 'Related Party Disclosures' paragraph 17 and 18(a) relating to the disclosure of key management personnel compensation and relating to the disclosure of related party transactions entered into between the Company and other wholly-owned subsidiaries of the group; and
- (xi) The requirements of IAS 36 'Impairment of Assets' paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) relating to certain disclosure requirements of impairment testing.

For the disclosure exemptions listed in points (i) to (ii) and (x), the equivalent disclosures are included in the consolidated financial statements of the group, Publicis Groupe S.A. which the Company is consolidated into.

Notes to the financial statements

for the year ended 31 December 2021

1. Accounting policies (continued)

1.1. Basis of preparation (continued)

Changes in accounting policies

New and amended standards and interpretations adopted

The following standards and interpretations have been adopted by the Company as they are mandatory for the year ended 31 December 2021:

	UK effective date Periods beginning on or after
Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	1 January 2021
IAS 1 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current	1 January 2021

The adoption of the standards and interpretations above has not had a material impact on the Company's financial statements.

1.2. Accounting principles

Revenue recognition

The Company's revenue stems from contracts with clients to provide creative and production services, direct and digital marketing, CRM (Customer Relationship Management), sales promotion and point of sales marketing, public relations, event management, institutional and financial communication as well as digital business transformation consulting.

Revenue recognised from contracts with clients comprises fees, commission, performance-based bonuses, and reimbursement of third-party costs incurred on behalf of clients and is stated exclusive of VAT, sales taxes and trade discounts. Fees are usually calculated on the basis of an hourly rate plus overheads and a margin. Commission-based contracts are calculated on the basis of a percentage of the total sum of costs paid to third parties to carry out the contract. Commission-based contracts mainly relate to media space bought on behalf of the clients and supervision of production carried out by third parties. Contracts are short-term in nature, generally under one year, and the Company typically has right to payment to the end of the contract or as a minimum for the work performed to date.

Performance obligations

Revenue is recognised when a performance obligation is satisfied in accordance with the terms of the contractual arrangement. Generally, the promised services in a contract are not considered distinct and are accounted for as a single performance obligation. The promised services are only distinct if the client can benefit from the services on its own and if the Company's promise to transfer these services is separately identifiable from other promises in the contract. As such, these services are recognised as separate performance obligations.

Notes to the financial statements

for the year ended 31 December 2021

1. Accounting policies (continued)

1.2. Accounting principles (continued)

Revenue recognition (continued)

Performance obligations (continued)

In creative advertising, there are two performance obligations, one for creative advisory services and the second for production, with the revenue being allocated for each performance obligation based on the stand-alone selling price as defined in the contract.

Variable considerations of the transaction price

Some contracts include incentives that are subject to qualitative or quantitative performance criteria. These variable components are only included in the transaction price when it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Performance-based incentives are typically only recognised when the performance criteria specified in the contract have been met and the client has confirmed its agreement.

Revenue recognition

Almost all the Company's revenue is recognised over time because the client simultaneously receives and consumes the benefit of the services or an asset is generated with no alternative use and for which the Company is entitled to payment for the work done to date.

For the majority of fee arrangements, revenue is recognised over time based on internal measurement which best describes the level of effort spent on the project, usually calculated using an input method on the basis of hours worked and direct external costs incurred on the project to date. For retainer arrangements with a dedicated team, the Company considers that its performance obligation is to be ready at all times to make resources available to the client. In this instance, revenue is recognised on a straight-line basis over the term of the contract.

For commission-based media contracts revenue is recognised at a point in time when the media is broadcast.

"Agent" vs. "Principal" Considerations

When third party suppliers are involved in providing services to clients, the Company considers that it is acting as "Principal" if at least one of the following criteria is satisfied:

- The Company obtains control of the asset or service before transferring it to the client;
- The Company has the ability to direct the supplier(s);
- The Company incorporates or combines the work of suppliers to deliver the promised goods or services to the client.

When the Company acts as "Principal", the revenue is recognised for the gross amount invoiced to the client. When the Company acts as "Agent", revenue is recognised net of the pass-through costs to clients, which means that revenue recorded is solely comprised of fees or commission. In any case, out of pocket expenses reimbursed by clients (transport, hotels, meals, etc.) are always recognised in revenue.

Notes to the financial statements for the year ended 31 December 2021

1. Accounting policies (continued)

1.2. Accounting principles (continued)

Revenue recognition (continued)

Contract modifications

On occasion, the client may ask for changes to the scope of the services in the course of the contract. These changes are generally negotiated as new contracts encompassing the additional needs with the related compensation.

Effect of foreign currency

Transactions denominated in foreign currencies are translated into sterling at the actual exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is reported as an exchange gain or loss in the Statement of Comprehensive Income. The Company uses derivatives such as foreign currency hedges to hedge its current or future positions against foreign exchange rate risks. These derivatives are measured at fair value, determined by reference to observable market prices at the reporting date.

Pension

The Company operates a defined contribution scheme for its employees. Contributions to defined contribution schemes are recognised in the Statement of Comprehensive Income in the period in which they become payable.

Interest income and expense

Interest income arises from balances with group undertakings. Interest expense arises from financing activities. Interest income and expense are recognised in the Statement of Comprehensive Income using the effective interest method.

Income tax

UK corporation tax payable is provided on taxable profits at the current rate.

Deferred tax is recognised in respect of all temporary 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 temporary differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which temporary differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Intangible fixed assets

Intangible fixed assets are started net of accumulated amortisation and accumulated impairment losses.

Notes to the financial statements

for the year ended 31 December 2021

1. Accounting policies (continued)

1.2. Accounting principles (continued)

Intangible fixed assets (continued)

An item of intangible fixed assets that qualifies for recognition as an asset is measured at its cost which comprises the purchase price.

Amortisation is provided at rates calculated to write off the cost of the asset on a straight line basis over their estimated useful lives as follows:

Software	- 3 years
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Property, plant and equipment

Property, plant and equipment are stated net of accumulated depreciation and accumulated impairment losses.

An item of property, plant and equipment that qualifies for recognition as an asset is measured at its cost. Cost of an item of property, plant and equipment comprises the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and an initial estimate of the cost of dismantling and removing the asset and restoring the site on which it is located.

After recognition, all property, plant and equipment are carried at costs less any accumulated depreciation and any accumulated impairment losses.

Depreciation is provided at rates calculated to write off the cost of the asset on a straight line basis over their estimated useful lives as follows:

Leasehold improvements	- over the shorter of 10 years or remaining lease term
Furniture and equipment	- 3 to 8 years
Computer equipment	- 4 years

Residual value is calculated on prices prevailing at the date of acquisition. The carrying values of the property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying value of the asset and are recognised in the Statement of Comprehensive Income.

Work in progress

This mainly includes work in progress linked to the advertising business, i.e. the technical work involved in the creation and production of advertisements for print, TV, radio, publishing, etc. for which the client is ultimately liable but has not yet been invoiced. They are recognised on the basis of costs incurred and a provision is recorded when their net realisable amount is lower than cost. Un-billable work or costs incurred relating to new client development activities are not recognised as assets, except for tendering expenses which may be re-invoiced to the client under the terms of the contract. In order to assess the net realisable amount work in progress is reviewed on a case-by-case basis and written down, if appropriate, on the basis of criteria such as the existence of commercial disputes with the client.

Notes to the financial statements

for the year ended 31 December 2021

1. Accounting policies (continued)

1.2. Accounting principles (continued)

Trade and other receivables

Trade receivables are recognised at the initial amount of the invoice, except for longer-term debtors explained below. Trade receivables presenting a risk of non-recovery are subject to impairment. Such allowances are determined, on a case-by-case basis, using various criteria such as difficulties in recovering the receivables, the existence of any disputes and claims, or the financial position of the debtor. Due to the nature of the Company's activities, trade receivables are of a short-term nature and are measured at amortised cost using the effective interest method. Nevertheless, any trade and other receivables of a longer-term nature will be recognised at their discounted value.

Contract assets

Contract assets consist of revenue recorded when a performance obligation has been satisfied but not yet invoiced. Contract assets are transferred to trade receivables when the right to consideration becomes unconditional and the service is invoiced to the client in accordance with the terms of the contract.

Cash and cash equivalents

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

Trade and other payables

This line item includes all operating payables (including notes payable and accrued supplier invoices) related to the purchase of goods and services. These payables are generally due within less than one year. Financial liabilities are measured at amortised cost using the effective interest method.

Contract liabilities

Contract liabilities correspond to deferred income. These are considerations received or invoiced to clients for which the Company has an obligation to provide goods or services.

Contract liabilities do not include client advances for external costs incurred on behalf of clients and that are directly pass-through to the clients when the Company acts as "Agent". Such advances are recorded under Trade payables.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Dilapidations are provided for on leasehold properties where the terms of the lease require the Company to make good any changes made to the property during the period of the lease.

Notes to the financial statements

for the year ended 31 December 2021

1. Accounting policies (continued)

1.2. Accounting principles (continued)

Financial liabilities carried at fair value

Derivative financial instruments, including hedge accounting

The Group holds derivative financial instruments to hedge its foreign exchange risk exposures.

On initial designation of the hedge, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be “highly effective” in offsetting the changes in the cash flows of the respective hedged items during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80-125 percent.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the Statement of Comprehensive Income as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described in Note 17.

Equity and reserves

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

Share premium represents the difference between the issue price and the nominal value of the shares issued.

Retained earnings include all current and prior period retained profits.

Share-based payments

Equity-settled transactions

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award.

Fair value is determined by an external valuer using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any service and performance (vesting conditions), other than performance conditions linked to the price of the shares of the Company (market conditions). Any other conditions which are required to be met in order for an employee to become fully entitled to an award are considered to be non-vesting conditions. Like market performance conditions, non-vesting conditions are taken into account in determining the grant date fair value.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market vesting condition, which are treated as vesting irrespective of whether or not the market vesting condition or non-vesting condition is satisfied, provided that all other non-market vesting conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of achievement or otherwise of non-market vesting

Notes to the financial statements for the year ended 31 December 2021

1. Accounting policies (continued)

1.2. Accounting principles (continued)

Share-based payments (continued)

Equity-settled transactions (continued)

conditions and of the number of equity instruments that will ultimately vest or, in the case of an instrument subject to a market condition or a non-vesting condition, be treated as vesting as described above. The movement is a cumulative expense since the previous balance sheet date is recognised in the Statement of Comprehensive Income, with a corresponding entry in equity. Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period.

In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled (including when a non-vesting condition within the control of the entity or employee is met), it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the Statement of Comprehensive Income for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense in the Statement of Comprehensive Income.

2. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires of the use of certain critical accounting judgements and estimates regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Information about critical accounting judgements and key sources of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the relevant notes highlighted below:

- revenue recognition on client projects; and
- fair-value measurement of stock options awarded under Publicis Groupe S.A.'s stock option plans.

Detailed disclosures concerning these matters are provided in Notes 1.2 and 16.

Notes to the financial statements

for the year ended 31 December 2021

3. Revenue

The activities of the Company during the year were principally related to the provision of a comprehensive service to clients covering advertising, marketing and allied services. The directors believe that such activities comprise a unified class of business which cannot be further analysed into segments.

An analysis of revenue by geographical market is given below:

	2021 £'000	2020 £'000
United Kingdom	14,729	24,031
Europe	2,194	4,982
USA	85	293
	<u>17,008</u>	<u>29,306</u>

4. Operating profit

Operating profit is stated after charging / (crediting):

	2021 £'000	2020 £'000
(Gain) / loss on transactions denominated in foreign currency	(32)	30
Amortisation of intangible fixed assets (Note 10)	41	39
Depreciation of property, plant and equipment (Note 11)	660	844
Loss on disposal of property, plant and equipment	707	-
Auditor's remuneration (Note 5)	18	18
Staff costs (Note 6)	8,674	9,145
	<u>8,674</u>	<u>9,145</u>

5. Auditor's remuneration

The remuneration of the auditor is further analysed as follows:

	2021 £'000	2020 £'000
Audit of the financial statements – Company	<u>18</u>	<u>18</u>

Notes to the financial statements

for the year ended 31 December 2021

6. Employees

Staff costs were as follows:

	2021 £'000	2020 £'000
Wages and salaries	7,340	7,766
Social security costs	1,138	1,180
Defined contribution pension scheme costs	196	199
	<u>8,674</u>	<u>9,145</u>

Included in total staff costs is £160,000 (2020: £Nil) in respect of directors' remuneration (see Note 7) and a total expense for share-based payments of £18,000 (2020: £18,000) arising from transactions accounted for as equity-settled share-based payment transactions (see Note 16).

The average monthly number of persons employed by the Company during the year was:

	2021 No.	2020 No.
Advertising	108	103
Administration	18	22
	<u>126</u>	<u>125</u>

7. Directors' remuneration

Three directors of the Company are also directors of a number of subsidiaries of the ultimate parent undertaking. The directors do not believe that it is practicable to apportion the remuneration between remuneration as directors of the Company and their remuneration as directors of the fellow subsidiary companies. The directors' remuneration is therefore disclosed in the accounts of the fellow subsidiaries that make the remuneration payments.

There was 1 (2020: None) director directly remunerated by the Company:

	2021 £'000	2020 £'000
Emoluments	158	-
Defined contribution pension scheme costs	2	-
	<u>160</u>	<u>-</u>

There was 1 (2020: None) director who was a member of a money purchase pension scheme during the year.

Notes to the financial statements

for the year ended 31 December 2021

7. Directors' remuneration (continued)

There was 1 (2020: None) director who was granted share options and no (2020: None) directors exercised options during the current year.

8. Interest payable and similar charges

	2021 £'000	2020 £'000
Intercompany interest payable	36	61

9. Taxation

(a) Analysis of charge for year

	2021 £'000	2020 £'000
Current tax:		
Corporation tax	146	186
Total current tax	146	186
Deferred tax:		
Origination and reversal of temporary difference	(39)	(59)
Adjustment in respect of previous periods	-	24
Change in tax rate	(61)	-
Total deferred tax (see Note 9(c))	(100)	(35)
Tax on profit on ordinary activities (see Note 9(b))	46	151

Notes to the financial statements

for the year ended 31 December 2021

9. Taxation (continued)

(b) Factors affecting tax charge for the year

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are reconciled below:

	2021 £'000	2020 £'000
Profit on ordinary activities before taxation	568	583
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	108	111
Expenses not deductible for tax purposes	21	16
Share based payments	(22)	-
Adjustment in respect of previous periods	-	24
Remeasurement of deferred tax for changes in tax rates	(61)	-
Total tax (see Note 9(a))	46	151

(c) Deferred taxation

	Accelerated capital allowances £'000	Other temporary differences £'000	Total £'000
At 1 January 2020	119	-	119
Credit to profit and loss	59	-	59
Deferred tax in respect of prior year	(24)	-	(24)
At 31 December 2020	154	-	154
Credit to profit and loss	36	3	39
Change in tax rates	59	2	61
At 31 December 2021	249	5	254

Notes to the financial statements

for the year ended 31 December 2021

9. Taxation (continued)

Analysis of deferred tax balances for financial reporting purposes:

	2021 £'000	2020 £'000
Deferred tax assets	254	154

(d) Factors that may affect future tax charges

The UK Government has announced plans to increase the standard rate of corporation tax from 19% to 25% from 1 April 2023. This change has been substantively enacted by the year end and therefore has been reflected in the calculation of deferred tax above.

10. Intangible fixed assets

	Software £'000
Cost:	
At 1 January 2021	226
Disposals	(2)
At 31 December 2021	224
Amortisation:	
At 1 January 2021	158
Charge for the year	41
Disposals	(1)
At 31 December 2021	198
Net book value:	
At 31 December 2021	26
At 31 December 2020	68

Notes to the financial statements

for the year ended 31 December 2021

11. Property, plant and equipment

	Leasehold improvements £'000	Furniture and equipment £'000	Computer equipment £'000	Total £'000
Cost:				
At 1 January 2021	1,153	3,588	210	4,951
Additions	-	83	9	92
Disposals	(1,094)	(471)	-	(1,565)
At 31 December 2021	59	3,200	219	3,478
Depreciation:				
At 1 January 2021	388	2,423	194	3,005
Charge for the year	90	564	6	660
Disposals	(468)	(389)	-	(857)
At 31 December 2021	10	2,598	200	2,808
Net book value:				
At 31 December 2021	49	602	19	670
At 31 December 2020	765	1,165	16	1,946

12. Trade and other receivables

	2021 £'000	2020 £'000
Trade receivables	370	705
Amounts owed by group undertakings	4,919	2,995
Prepayments	313	140
Contract assets	3,985	4,871
Other receivables	26	184
	9,613	8,895

Notes to the financial statements

for the year ended 31 December 2021

13. Trade and other payables

	2021 £'000	Restated 2020 £'000
Trade payables	1,198	1,366
Amounts owed to group undertakings	5,802	8,013
Other taxation and social security costs	358	250
Accruals	3,291	2,007
Contract liabilities	1,819	2,150
Payments on account	1,637	1,022
Other payables	5	151
	<u>14,110</u>	<u>14,959</u>

Reclassification adjustments have been recognised in respect to:

- Corporation tax and Amounts owed to group undertakings as at 31 December 2021; and
- Other taxation and social security costs, Accruals and Amounts owed to group undertakings as at 31 December 2021.

These reclassifications aid comparability for readers of the financial statements and there is no impact on the reported profit after tax or net liabilities in the prior year.

14. Provisions

	Severance £'000
At 1 January 2021	102
Released during the year	(102)
	<u>-</u>
At 31 December 2021	<u>-</u>

Severance

This provision was related to the future costs to be paid to former employees of the Company.

Notes to the financial statements

for the year ended 31 December 2021

15. Authorised and issued share capital

	2021 £'000	2020 £'000
<i>Allotted, called up and fully paid</i>		
19,705 (2020: 19,705) Ordinary 'A' shares of £1 each	20	20
8,445 (2020: 8,445) Ordinary 'B' shares of £1 each	8	8
	<hr/>	<hr/>
	28	28
	<hr/>	<hr/>

All shares rank pari passu for dividend rights and provide the holder with one vote.

16. Share-based payments

The total expense recognised for share-based payments in respect of employee services received during the year to 31 December 2021 is £18,000 (2020: £18,000). The total expense arose from equity-settled share-based payment transactions.

Free share plans (senior employees):

Free shares are granted to senior employees of the Company at the discretion of the Management Board of the ultimate parent company Publicis Groupe S.A.. The free share plans outstanding at 31 December 2021 have the following characteristics:

Long Term Incentive Plan known as (LTIP) 2021

Under this plan, a certain number of Groupe managers were granted free shares, subject to three conditions:

- A continued presence condition during the three-year vesting period;
- Conditions for achieving the Groupe's revenue growth and profitability targets for the year 2021; and
- Conditions based on progress main on the CSR (corporate social responsibility) policy, in the area of both Diversity, Equality and Inclusion and in the area of combating climate change, for which indicative interim points have been set. At the end of 2021, the percentage of women in key management positions as well as the percentage of change of integration of renewable energies in the Groupe will be assessed against targets set.

The shares ultimately awarded in accordance with the level of attainment of these performance targets will be deliverable at the end of a three-year period, i.e. in March 2024 (or September 2024, depending on the date on which said shares were awarded).

Moreover, the Management Board, at its meeting in September 2021, decided to implement a specific individual plan, subject to only a 3-year continued presence condition during the vesting period, whose shares will be deliverable in September 2024.

Notes to the financial statements

for the year ended 31 December 2021

17. Financial instruments

The derivatives, which have a three month life, are valued based on a discounted cash flow, using quoted forward rates (an observable input) and discounted at a rate that takes into account credit risk.

Categories of financial instruments held at fair value

	2021 £'000	2020 £'000
Financial assets at fair value through profit and loss		
Derivative instruments – Assets	-	2
Financial assets at fair value through profit and loss		
Derivative instruments – Liabilities	-	(8)

18. Related party transactions

The Company has taken advantage of the exemption under IAS 24, “Related Party Disclosures”, not to disclose transactions with group undertakings as it is a subsidiary undertaking which is 100% controlled by the ultimate parent undertaking.

For the year ended 31 December 2021 the Company had the following transactions with other subsidiaries of Publicis Groupe S.A. that are not 100% owned.

	Payables		Receivables		Services		Billings	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Marcel	-	-	-	-	-	-	12	13
Publicis Conseil S.A.	-	-	-	-	-	19	-	82

19. Ultimate parent undertaking and controlling party

The immediate parent undertaking is MMS UK Holdings Limited, a company incorporated in England and Wales. The ultimate parent undertaking, controlling party and the parent undertaking of the largest and smallest group to include the Company in its group financial statements is Publicis Groupe S.A., incorporated in France. Copies of its consolidated financial statements are available from 133 Avenue des Champs Elysees, 75008 Paris, France.

Notes to the financial statements

for the year ended 31 December 2021

20. Post balance sheet events

Since the year ended 31 December 2021, the United Kingdom, the European Union, the United States of America and other Western nations have imposed economic sanctions on Russia and Russian interests worldwide in response to Russian forces entering Ukraine on 24 February 2022. The directors have considered the impact of the Company's ultimate parent undertaking Publicis Groupe S.A. subsequent announcement on 15 March 2022 that it had ceased all trading activities in Russia with immediate effect. Whilst it is too early to assess the full financial impact on the Company, a decline in activity may give rise to future impairment of assets and may create additional liabilities which cannot be quantified at this stage. As such, the directors have treated this as a non-adjusting post balance sheet event.