

**Company Registration No. 01976952**

**Associates in Advertising Limited**

**Annual Report and Financial Statements  
for the year ended 31 December 2021**



## **Associates in Advertising Limited**

### **Contents**

	<b>Page</b>
Company information	1
Strategic report	2
Directors' report	4
Directors' responsibilities statement	6
Independent auditor's report	7
Profit and loss account	11
Statement of comprehensive income	12
Balance sheet	13
Statement of changes in equity	14
Notes to the financial statements	15

## **Associates in Advertising Limited**

### **Annual report and financial statements 2021**

#### **Company information**

##### **Directors**

G Edwards  
M Abbey

##### **Registered office**

200 Aldersgate Street  
London  
EC1A 4HD

##### **Solicitors**

Gordons Partnership 2020 Limited  
22 Great James Street  
London  
WC1N 3ES

##### **Bankers**

NatWest Bank Plc  
135 Bishopsgate  
London  
EC2M 3UR

##### **Auditor**

Grant Thornton UK LLP  
Chartered Accountants & Statutory Auditor  
30 Finsbury Square  
London  
EC2A 1AG

## Associates in Advertising Limited

### Strategic report For the year ended 31 December 2021

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

#### Principal activity

The principal activities of the company are recruitment advertising and employee communication services.

#### Fair review of the business

The operating profit for the year was £2,276,000 (2020: £1,118,000) and the profit for the year after taxation amounted to £1,789,000 (2020: £1,019,000).

#### Key Performance Indicators

	2021 £ 000	2020 £ 000	Change %
Turnover	21,547	17,944	20.1%
Gross Profit	10,175	8,946	13.7%
Operating Profit	2,276	1,118	103.6%
Gross Profit Margin	47.2%	49.9%	(5.4%)
Operating Profit Margin	10.6%	6.2%	71.0%

The company saw stable gross profit margin in 2021 maintained by a large proportion of the company's revenue being recurring. Lower margin non-recurring revenue increased year on year causing a small decline in gross profit margin but increase in overall gross and operating profit.

#### Principal risks and uncertainties

The future prospects of the company are influenced by the demand for hiring talent and staff retention in the United Kingdom which in turn, is influenced by the strength of the United Kingdom economy.

The customer base exposes the company to foreign exchange risk in key global currencies, which are naturally hedged wherever possible.

The strong growth in the recruitment advertising market in 2021 has continued into 2022 with significant market developments in advertising technology (ad-tech) and new competitors entering the market. As the volume of ad-tech competitors grows we are prepared to continue to face margin pressure and increased competition but believe this will be offset by increased scale of opportunity and proportion of recurring revenue-based business in a maturing tech-driven market.

Whilst the global spread of COVID-19 has eased, the company remains ready to implement measures to minimise any adverse impact on our employees and customers. The company will continue to prioritise the health and safety of its employees, their families and their communities to ensure operations adhere to current local health guidelines. Our businesses have remained operational throughout the period of disruption caused by the COVID-19 pandemic and have continued to provide excellent service to our customers. Employees have returned to the office on hybrid working basis with no issues identified across any of our teams. Processes throughout our business such as billing, cash collection, timesheets, management information and payments to our people and suppliers continue to be completed without issues.

## **Associates in Advertising Limited**

### **Strategic report (continued)**

#### **For the year ended 31 December 2021**

Since the easing of lockdowns, the volume of work has steadily increased and turnover is now in excess of pre-COVID-19 levels. The company's turnover is somewhat protected through its diverse range of clients that operate in a wide variety of sectors and due to a high proportion of turnover being contractual on multi-year contracts. The company has continued to win significant work with existing and new clients with some clients experiencing significant increased requirement for our services because of COVID-19.

The uncertainty as to the future impact on the company of COVID-19 has been considered as part of the company's adoption of the going concern basis. The directors have taken appropriate steps to ensure there are no liquidity constraints during this period.

#### **Future outlook and events after the balance sheet date**

The directors continue to look for appropriate business opportunities and are confident of the future prospects for the company.

Brexit and COVID-19 related uncertainty is expected to ease in 2022. The company will continue to focus on balancing the business portfolio across Europe, the directors will ensure profit continues to be maximized through development of existing accounts and new client wins.

The company is also paying attention to the inflation figures and the possibility of a slowdown in business activity throughout 2022.

*Gareth Edwards*

Approved by the Board and signed on its behalf by:

G Edwards  
Director

Date: 29 September 2022

## **Associates in Advertising Limited**

### **Directors' report For the year ended 31 December 2021**

The directors present their report annually on the affairs of the company, together with the audited financial statements and auditor's report, for the year ended 31 December 2021.

#### **Environment**

The company recognises the importance of its environmental responsibilities. As the principal activities of the company are recruitment advertising and employee communications services, they have limited impact on the environment.

#### **Going concern**

The directors have assessed the relevant business risks including the long-term impact of COVID-19, Brexit and other changes to the trading environment and the impact these events have on the financial and liquidity performance of the company. The directors have considered cash flows, revenues and profits.

The company is operationally strong with past performance showing that it consistently generates profit and cash. The directors have prepared forecasts and projections up until 31 December 2023. Reverse stress test and sensitivity analyses have been performed on these projections. These indicate that the company should maintain an adequate cash position for a period in excess of one year from the date of approval of these financial statements.

After consideration of these projections and after making due enquiries the directors have, at the time of approving the financial statements, an expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Consequently, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

#### **Financial risk management objectives and policies**

##### ***Objectives and policies***

#### **Credit risk**

The company's principal financial assets are bank balances and trade debtors. The company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of provisions for doubtful debts. The company has no significant concentration of credit risk, with exposure spread over a number of customers. The credit risk on liquid funds is limited because the counterparties are banks with credit-ratings assigned by international credit-rating agencies. The company does not enter into derivative financial instruments.

#### **Liquidity risk**

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company has access to short term funding through its parent undertaking.

#### **Dividends**

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

#### **Directors**

The directors, who served throughout the period except as noted, were as follows:

G Edwards  
M Abbey

## **Associates in Advertising Limited**

### **Directors' report (continued) For the year ended 31 December 2021**

#### **Auditor**

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

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

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

Grant Thornton UK LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:

*Garth Edwards*

G Edwards  
Director

Date: 29 September 2022

## Associates in Advertising Limited

### Directors' responsibilities statement

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. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, United Kingdom Accounting Standard and applicable law, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors confirm that:

- So far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- The directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant information and to establish that the company's auditor is aware of that information.

The directors are responsible for preparing the annual report in accordance with applicable law and regulations. The directors consider the annual report and the financial statements, taken as a whole, provides the information necessary to assess the company's performance, business model and strategy and is fair balanced and understandable.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

To the best of our knowledge:

- The financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company; and
- The strategic report and directors' report include a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties.

*Gareth Edwards*

G Edwards  
Director

Date: 29 September 2022



## **Independent auditor's report to the members of Associates in Advertising Limited**

### **Opinion**

We have audited the financial statements of Associates in Advertising Limited (the 'company') for the year ended 31 December 2021, which comprise Profit and loss account, Statement of comprehensive income, Balance sheet, Statement of changes in equity and 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 Financial Reporting Standard 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 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**

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of 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.

#### **Matter on which we are required to report under the Companies Act 2006**

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 the directors' report.

#### **Matters on which we are required to report by exception**

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 for the financial statements**

As explained more fully in the directors' responsibilities statement, 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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 material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material

misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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

*How we obtained an understanding of the legal and regulatory framework and identified which laws and regulations we identified as being significant*

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and industry in which it operates through our commercial and sector experience. We determined the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the relevant tax legislation, and Companies Act 2006;
- We understood how the company is complying with those legal and regulatory frameworks by making enquiries of management and those charged with governance. We corroborated our enquiries through our review of board minutes and other information obtained during the course of the audit;
- We also enquired of management and those charged with governance concerning the company's policies and procedures relating to the identification, evaluation, detection and response to the risks of fraud and the establishment of internal controls to mitigate risks related to fraud. We enquired as to whether they had any knowledge of actual, suspected or alleged fraud.

*How we assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur*

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by considering management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls.
- We determined that the principal risks were in relation to the estimation and judgemental areas of recognition of revenue arising from contracts; potential management bias in determining accounting estimates, especially in relation to the valuation and potential impairments of receivables; and through management override of controls.

Our audit procedures included:

- Gaining an understanding of the controls that management has in place to prevent and detect fraud, and the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations;
  - Making enquiries of management and those charged with governance whether they were aware of any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual, suspected, or alleged fraud;
  - Challenging significant accounting assumptions, estimates and judgements made by management, including those relevant to recognition of revenue arising from contracts; potential management bias in determining potential impairments of receivables; and through management override of controls;
  - Using data interrogation software to identify and test large or unusual journal entries which may carry a higher risk of fraud;
  - Gaining and understanding of and testing significant identified related party transactions;
  - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item; and
  - Performing audit procedures to consider the compliance of disclosures in the financial statements with the applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment,

forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

*How we assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations*

- Our assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  - Knowledge of the industry in which the company operates;
  - Understanding of relevant legal and regulatory frameworks including United Kingdom Accounting Standards, including those related to the reporting frameworks including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the relevant tax legislation, and Companies Act 2006; and the application of the legal and regulatory requirements of these to Associates in Advertising Limited.

#### **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.

*Grant Thornton UK LLP*

**Marc Summers BSc (Hons) FCA**  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
**London**  
**29 September 2022**

## Associates in Advertising Limited

### Profit and loss account For the year ended 31 December 2021

	Notes	2021 £ 000	2020 £ 000
Turnover	3	21,547	17,944
Cost of sales		<u>(11,372)</u>	<u>(8,998)</u>
Gross profit		10,175	8,946
Administrative expenses		<u>(7,899)</u>	<u>(7,828)</u>
Operating profit	4	2,276	1,118
Interest payable and similar charges	5	<u>(81)</u>	<u>(41)</u>
Profit on ordinary activities before taxation	4	2,195	1,077
Tax on profit on ordinary activities	8	<u>(406)</u>	<u>(58)</u>
Profit for the financial year		<u>1,789</u>	<u>1,019</u>

The above results were derived from continuing operations.

The notes on pages 15 to 23 form an integral part of these financial statements.

## Associates in Advertising Limited

### Statement of comprehensive income For the year ended 31 December 2021

	2021 £ 000	2020 £ 000
Profit for the year	1,789	1,019
Other comprehensive income – foreign currency gain/(loss)	-	-
Total comprehensive income	1,789	1,019

The notes on pages 15 to 23 form an integral part of these financial statements.

## Associates in Advertising Limited

### Balance sheet

As at 31 December 2021

	Notes	2021 £ 000	2020 £ 000
<b>Fixed assets</b>			
Tangible assets	9	88	77
		<u>88</u>	<u>77</u>
<b>Current assets</b>			
Debtors due within one year	10	26,948	22,514
Cash at bank and in hand		4,015	2,867
		<u>30,963</u>	<u>25,381</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(18,858)</u>	<u>(15,054)</u>
<b>Net current assets</b>		<u>12,105</u>	<u>10,327</u>
<b>Net assets</b>		<u>12,193</u>	<u>10,404</u>
<b>Capital and reserves</b>			
Called-up share capital	13	41	41
Profit and loss account		<u>12,152</u>	<u>10,363</u>
<b>Shareholders' funds</b>		<u>12,193</u>	<u>10,404</u>

The financial statements of Associates in Advertising Limited (number 01976952) were approved by the Board of directors and authorised for issue on 29 September 2022.

They were signed on its behalf by:

*Gareth Edwards*

G Edwards

Director

The notes on pages 15 to 23 form an integral part of these financial statements.

## Associates in Advertising Limited

### Statement of changes in equity For the year ended 31 December 2021

	<b>Called-up share capital £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total £ 000</b>
<b>At 1 January 2020</b>	41	9,344	9,385
Profit for the year	-	1,019	1,019
Other comprehensive income	-	-	-
<b>Total comprehensive income</b>	-	1,019	1,019
<b>At 31 December 2020</b>	41	10,363	10,404

	<b>Called-up share capital £ 000</b>	<b>Profit and loss account £ 000</b>	<b>Total £ 000</b>
<b>At 1 January 2021</b>	41	10,363	10,404
Profit for the year	-	1,789	1,789
Other comprehensive income	-	-	-
<b>Total comprehensive income</b>	-	1,789	1,789
<b>At 31 December 2021</b>	41	12,152	12,193

The notes on pages 15 to 23 form an integral part of these financial statements.



## **Associates in Advertising Limited**

### **Notes to the financial statements For the year ended 31 December 2021**

#### **1. General information**

The company is a private company limited by share capital incorporated in England and Wales and domiciled in the United Kingdom.

The address of its registered office is:  
200 Aldersgate Street  
London  
EC1A 4HD

The nature of the company's operations and its principal activities are set out in the Strategic report on page 2.

#### **2. Accounting policies**

##### **Summary of significant accounting policies**

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

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

##### **Basis of accounting**

These financial statements have been prepared under the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Associates in Advertising Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to the presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

The functional currency of Associates in Advertising Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

##### **Going concern**

The directors have assessed the relevant business risks including the long-term impact of COVID-19, Brexit and other changes to the trading environment and the impact these events have on the financial and liquidity performance of the company. The directors have considered cash flows, revenues and profits.

The company is operationally strong with past performance showing that it consistently generates profit and cash. The directors have prepared forecasts and projections up until 31 December 2023. Reverse stress test and sensitivity analyses have been performed on these projections. These indicate that the company should maintain an adequate cash position for a period in excess of one year from the date of approval of these financial statements.

After consideration of these projections and after making due enquiries the directors have, at the time of approving the financial statements, an expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Consequently, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

##### **Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

## Associates in Advertising Limited

### Notes to the financial statements (continued) For the year ended 31 December 2021

#### 2. Accounting policies (continued)

##### Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold improvements	over term of lease
Furniture and equipment	20%
Computer equipment	33 – 50%

##### Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

## **Associates in Advertising Limited**

### **Notes to the financial statements (continued) For the year ended 31 December 2021**

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

##### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities.

Revenue is recognised in the period in which the service is provided. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

##### **Leases**

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

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

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

##### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at the transaction price less any provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

##### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised at the transaction price.

## Associates in Advertising Limited

### Notes to the financial statements (continued) For the year ended 31 December 2021

#### 2. Accounting policies (continued)

##### Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured based on management's best estimate of the future cash outflows expected as a result of past events.

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

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### i. Critical accounting judgements

###### *Revenue recognition - deferred income*

The key accounting judgement is in respect of deferred income and subsequent recognition of revenue over the life of projects undertaken for customers. Management judgement is required to determine the timing and period over which the services are performed and revenue recognised.

##### ii. Key sources of estimation uncertainty

There are no material key sources of judgement uncertainty

Apart from this, there were no critical judgements and sources of estimation uncertainty that the directors have needed to make in the process of applying the Company's accounting policies that had had any significant effect on the amounts recognised in the financial statements.

#### 3. Turnover

Turnover represents the value of goods and services supplied within the company's ordinary activities after deduction of value added tax and discounts. All of the turnover originates in the United Kingdom however some customers are situated outside of the United Kingdom.

#### 4. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2021 £ 000	2020 £ 000
Depreciation expense	84	96
Operating lease expense	435	456
Foreign exchange loss/(gain)	198	271

## Associates in Advertising Limited

### Notes to the financial statements (continued) For the year ended 31 December 2021

#### 5. Interest payable and similar charges

	2021 £ 000	2020 £ 000
Bank charges	20	20
Bank interest payable	61	21
	<u>81</u>	<u>41</u>

#### 6. Staff costs

The average monthly number of employees (including executive directors) was:

	2021 No.	2020 No.
Administration	12	10
Sales and operations	77	79
Management	6	8
	<u>95</u>	<u>97</u>

Their aggregate remuneration comprised:

	2021 £ 000	2020 £ 000
Wages and salaries	5,415	6,040
Social security costs	697	686
Pension costs	143	155
	<u>6,255</u>	<u>6,881</u>

#### Directors' remuneration

The directors' remuneration for the year was as follows:

	2021 £ 000	2020 £ 000
Emoluments	316	439
Company contributions to money purchase pension schemes	11	17
	<u>327</u>	<u>456</u>

In respect of the highest paid director:

	2021 £ 000	2020 £ 000
Emoluments	316	271
Company contributions to money purchase pension schemes	11	11
	<u>327</u>	<u>282</u>

## Associates in Advertising Limited

### Notes to the financial statements (continued)

#### For the year ended 31 December 2021

##### 7. Auditor's remuneration

Fees payable to Grant Thornton UK LLP and their associates for the audit of the company's annual financial statements were £35,000 (2020: £30,000). See table below for analysis.

**Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements**

	2021 £ 000	2020 £ 000
<b>Total audit fees</b>	35	30
Taxation compliance services	5	5
Other taxation advisory services	-	-
<b>Total non-audit fees</b>	5	5
<b>Total</b>	40	35

##### 8. Tax on profit on ordinary activities

The tax charge comprises:

	2021 £ 000	2020 £ 000
<b>Current taxation on profit on ordinary activities</b>		
UK corporation tax on income for the period	403	223
UK corporation tax adjustment to prior periods	-	(149)
<b>Total current tax</b>	403	74
<b>Deferred tax</b>		
Arising from origination and reversal of timing differences	6	(16)
Arising from changes in tax rates and laws	(6)	-
Arising from previously unrecognised tax loss of prior periods	3	-
<b>Total deferred tax</b>	3	(16)
<b>Total tax on profit on ordinary activities</b>	406	58

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK of 19% (2020: 19%).

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2021 £ 000	2020 £ 000
<b>Profit on ordinary activities before tax</b>	2,195	1,077
Tax on profit on ordinary activities at standard UK corporation tax rate of 19% (2020: 19%)	417	205
Effects of:		
Expenses not deductible	13	3
Fixed asset differences	(5)	-
Prior period adjustment	-	(149)
Prior period deferred tax movement	3	-
Tax increase (decrease) arising from group relief	(18)	-
Tax rate changes	(4)	(1)
<b>Tax charge for the year</b>	406	58

## Associates in Advertising Limited

### Notes to the financial statements (continued) For the year ended 31 December 2021

#### 9. Tangible assets

	Leasehold improvements £ 000	Furniture and equipment £ 000	Computer equipment £ 000	Total £ 000
<b>Cost or valuation</b>				
At 1 January 2021	427	213	583	1,223
Additions	-	-	106	106
Disposals	(427)	(213)	(465)	(1,105)
At 31 December 2021	-	-	224	224
<b>Depreciation</b>				
At 1 January 2021	395	192	559	1,146
Charge for the year	33	9	42	84
Disposals	(428)	(201)	(465)	(1,094)
At 31 December 2021	-	-	136	136
<b>Net book value</b>				
At 31 December 2021	-	-	88	88
At 31 December 2020	32	21	24	77

#### 10. Debtors due within one year

	2021 £ 000	2020 £ 000
Trade debtors	5,920	4,409
Other receivables	1,526	898
Accrued revenue	16	51
Prepayments	46	210
Amounts due from other group companies	19,101	16,581
Amounts due from related parties	321	344
	26,930	22,493
Deferred tax asset	18	21
	26,948	22,514

Amounts owed by related parties relate to some intercompany trading balances and intercompany recharges and may be recalled at any time unless otherwise agreed.

The Directors consider the carrying amounts of the financial assets above to approximate to their fair value.

## Associates in Advertising Limited

### Notes to the financial statements (continued) For the year ended 31 December 2021

#### 11. Creditors: amounts falling due within one year

	2021 £ 000	2020 £ 000
Trade creditors	567	3,313
Social security and other taxes	1,382	1,128
Other payables	-	-
Accrued and other liabilities	2,642	2,430
Deferred income and cash on account	9,115	5,079
Amounts due to other group companies	5,102	3,069
Amounts due to related parties	50	35
	<u>18,858</u>	<u>15,054</u>

The Directors consider the carrying amounts of the financial liabilities above to approximate to their fair value.

#### 12. Called-up share capital

##### Allotted, called-up and fully paid shares

	No. 000	2021 £ 000	No. 000	2020 £ 000
Ordinary shares of £1 each	41	41	41	41

The company has one class of ordinary shares which carry no right to fixed income.

The company's other reserves are as follows:

##### *Retained earnings*

The retained earnings reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

#### 13. Obligations under leases

##### Operating leases

The total of future minimum lease payments under non-cancellable operating leases fall due as follows:

	2021 £ 000	2020 £ 000
Within one year	84	421
Second to fifth years inclusive	1,406	-
After more than five years	-	-
	<u>1,490</u>	<u>421</u>



## Associates in Advertising Limited

### Notes to the financial statements (continued) For the year ended 31 December 2021

#### 14. Related party transactions

Transactions with related parties are listed below.

	Sales to related party £ 000	Purchases from related party £ 000	Amounts owed by related party £ 000	Amounts owed to related party £ 000
<b>2021</b>				
TMP Worldwide Advertising and Communications LLC	1,127	492	-	-
TMP Worldwide India Pvt. Ltd	17	22	-	-
TMP Worldwide Publicidade Brasil Limitada	-	(11)	-	-
TMP Worldwide (Singapore) Advertising Pte Ltd	161	291	321	50
	<u>1,305</u>	<u>794</u>	<u>321</u>	<u>50</u>
<b>2020</b>				
TMP Worldwide Advertising and Communications LLC	1,566	636	-	-
TMP Worldwide India Pvt. Ltd	-	32	-	35
TMP Worldwide Publicidade Brasil Limitada	-	11	-	-
TMP Worldwide (Singapore) Advertising Pte Ltd	71	97	344	-
	<u>1,637</u>	<u>776</u>	<u>344</u>	<u>35</u>

The company has taken advantage of the exemption available under Financial Report Standard 102 "Related Party Transactions" and has not disclosed details of transactions with group companies on the grounds that the company is a wholly owned subsidiary.

#### 15. Parent and ultimate parent undertaking

The company's immediate parent company is AIA Holdings Limited whose financial statements can be obtained at Companies House, Crown Way, Cardiff, CF14 3UZ. People in Business Limited is the immediate parent company of AIA Holdings Limited.

During the year ended 31 December 2021 and up until 18 July 2022, the company's ultimate holding company and ultimate controlling party was TMP Super HoldCo, LLC, a company registered in the United States of America. That company heads the largest group in which the financial statements are consolidated.

From 19 July 2022, the company's ultimate holding company and ultimate controlling party is Rally Topco, L.P., a company registered in the United States of America.

The smallest group in which the financial statements are consolidated is People in Business Limited. Copies of the financial statements of that company can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.