

AI Wertheimer Parentco UK Limited

Annual Report

Company registered number 11083865

31 December 2018

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Company information

Company registered number
11083865

Directors

J Brocklebank
C Benson
D Kassler

Registered office

55 Wells Street
London
W1A 3AE

Independent auditors

PricewaterhouseCoopers LLP
The Maurice Wilkes Building
St John's Innovation Park
Cowley Road
Cambridge
CB4 0DS

Strategic report

Strategic report for the period ended 31 December 2018

The directors present their strategic report on AI Wertheimer Parentco UK Limited (the “Company”) and its subsidiary companies (together the “Group”) for the period from incorporation on 27 November 2017 to 31 December 2018.

Incorporation of the Company and the acquisition of the Williams Lea Tag Group

The Company was incorporated on 27 November 2017 and acquired the Williams Lea Tag Group of companies from Deutsche Post DHL on 30 November 2017. These consolidated financial statements reflect the results of the Group for the period from the date of acquisition up to 31 December 2018.

Ownership

The Group is owned by funds containing institutional owners and is controlled by funds advised by Advent International Corporation, a private equity investment company.

Founded in 1984, Advent International is one of the largest and most experienced global private equity firms. With offices on four continents, Advent has established a globally integrated team of more than 195 investment professionals, focused on buyouts and growth equity investments in five core sectors. Since beginning its private equity strategy in 1989, Advent has invested \$44 billion in over 345 private equity investments across 41 countries, and as of 31 December 2018, managed \$36 billion in assets. For more than 30 years Advent International has sought to invest in well-positioned companies and partner with management teams to create value through sustained revenue and earnings growth.

The board that directs and controls the Group operates at the level of a subsidiary company, Wertheimer UK Limited.

History of the Group

The business began in 1820 when Wertheimer Lea was established to supply print to the financial sector.

In 2006 Deutsche Post DHL Group acquired The Williams Lea Group enhancing the Group’s financial strength and global reach. In November 2006 Williams Lea acquired The Stationery Office becoming a publisher for the public sector. In 2011 Williams Lea acquired Tag Worldwide, the international design and production company founded in 1998. The businesses were merged in 2014 to create a single business, Williams Lea Tag, a global group delivering integrated marketing and communications services and offering business process outsourcing to large companies.

On 30 November 2017, Williams Lea Tag was acquired by funds advised by Advent International Corporation.

Business model

The Williams Lea Tag Group is a global provider of marketing production and skilled business-critical support services worldwide. The Group comprises two strategic business units, Williams Lea and Tag.

Today we share one purpose: to create value for our clients by working smarter with fewer resources, enhancing efficiencies, improving their customers’ experience and strengthening their brand reputation. Our clients and their customers have always been at the heart of everything we do. Our long-term partnerships, great relationships, exceptional employees and leading technology have been the driving force behind our success.

Williams Lea is a global provider of skilled business-critical support services to financial, legal and professional services firms. From our humble beginnings as a print shop in London, to our position today as a global outsourcing leader, our business is built on a strong heritage, great relationships and a talented team. Williams Lea delivers efficient business processes in complex and highly regulated environments, connecting people, processes and technology to manage documents and streamline key back office functions.

Strategic report (continued)

Tag is a leading end-to-end global creative production and sourcing partner to brands and agencies. As a production and sourcing specialist, Tag offers a complementary skillset to in-house teams and advertising agencies to bring to life, extend and deploy creative ideas. As a client partner, Tag brings a consultative and collaborative approach to developing bespoke solutions for unique needs.

Strategy

The key future strategies to deliver growth in the Group's marketing production and skilled business critical support services are as follows:

- The creation of two strategic business units – Williams Lea (Business Support Services) and Tag (Marketing Production and Sourcing Services) with separate leadership and business plans.
- Investment in broader digital capabilities and drive efficiencies.
- Customer excellence programme to drive commercial effectiveness including investment in next generation technology platforms to enhance client experience and value.
- Building M&A pipeline to bolster capabilities and add service lines coupled with continued geographic expansion.

Review of the business

The period of review covered by these financial statements comprise the first period of trading following the acquisition of the Group on 30 November 2017.

Revenues for the period ended 31 December 2018 were €1.12bn with EBITDA before exceptional items of €48.9m. Exceptional costs of €48.6m were incurred during the period primarily relating to legal, professional and restructuring costs following the acquisition by the AI Wertheimer Group on 30 November 2017 and the subsequent restructuring of the Williams Lea Tag Group (further detail can be found in note 5 to the financial statements). The loss for the financial period, including exceptional items, amounted to €52.9m.

The Group had net assets at the period end of €126.0m.

Strategic report (continued)

The key performance measures of the business are set out in the table below:

Key Performance Indicators	Period from 27 November to 31 December 2018
Revenue	€1,122.9m
EBITDA before exceptional costs	€48.9m
Operating cash flow	€23.9m
Operating cash flow before exceptional items	€46.7m

Acquisitions

As disclosed in note 26 to the financial statements, during the year the Group acquired the following businesses:

- Taylor James (acquired on 24 August 2018): a computer-generated imagery specialist with expertise including the design and installation of displays for retail clients and also specialising in digital displays and content management.
- THP (acquired on 2 October 2018): an on-demand digital content and social media content agency based in Toronto, Canada, and operating across North America, the UK and Europe.
- Popcorn Global (acquired on 21 December 2018): Headquartered in Melbourne, Australia, and operating across Asia, North America and Europe, Popcorn Global is an end-to-end shopper marketing activation partner with advanced POS design and prototyping capabilities.

The acquisitions together contributed €4.6m to 2018 Group revenues.

Outlook

Tag

Within the creative production and sourcing market, the Directors see growth in decoupling and in-housing which is a very positive backdrop for the Group. Clients are seeking end to end services across channels to reduce cost and improve brand consistency.

Holding companies have been caught out by digital disruption, have been struggling to provide end-to end services and are hindered by a lack of transparency. A number of smaller start-ups also harnessing in-housing trend. The growth of consultants are a potential long-term threat but so far have had no impact.

Williams Lea

Within the skilled business critical support market, both legal and investment banking clients are targeting reductions in real estate and employment costs which is again a very positive development for the Group. Clients are looking for digital workflow technology to improve their internal processes.

A number of specialist competitors in both legal and investment banking are emerging at the higher end of the market.

The Group has few competitors with the equivalent geographic scale and breadth of services to compete effectively.

Regulations affecting the Group include GDPR and Cyber Security. GDPR favours scale providers with the technology and process compliance capabilities of the Group. Cyber protection is becoming increasingly important and the Group is responding to this with a significant investment in people and technology.

Strategic report (*continued*)

Principal risks and uncertainties

The Group assesses risk at board level and through other operational boards which meet on a regular basis. The principal risks and uncertainties facing the Group are set out below:

General business environment

The business of the Group substantially depends on the financial health of our customers which in turn depends on the global macro-economic environment.

Competition

The Group operates in a competitive environment and all contracts and processes are subject to regular analysis with the aim of retaining existing customers, growing the customer base and optimising the economic performance under customer contracts.

Employees

The hard work, expertise and commitment of its employees are essential to the commercial success of the Group and a high priority is placed on the effectiveness of employment practices and human resource development initiatives. Actions and programmes in relation to employee engagement and involvement are described in the Directors' report.

Information technology and cyber risks

Information technology is an integral part of the Group's service capability and its business performance depends heavily on the functioning and performance of its applications and infrastructure. Active risk management processes are in place to maximise the efficiency of the Group's technology. The directors continuously monitor data security compliance and risk.

Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's activities expose it to a variety of financial risks including inflation risk, credit risk, contract risk, market risk and liquidity risk.

Inflation risk

Inflation arises when goods and services sold by the Group are purchased from external suppliers. These costs are subject to regular review and competitive procurement processes. The Group is partially exposed to commodity price risk as a result of key raw materials historically showing volatility in price. These relate principally to the strategic sourcing service line and are also subject to regular review and competitive procurement processes. Where possible the Group passes the effects of such volatility on to its customers. Where not possible, this is communicated and the risk assessed by senior management.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations. Credit risk management follows normal best practice and includes varying levels of credit assessments according to customer size and active credit performance management through key performance indicators such as days' sales outstanding.

Contract risk

Contract risk is the risk of financial loss to the Group arising from contract breach. Contract risk is managed by a formal contract approval processes, active operational management and, to in some cases, certain risks are insured.

Strategic report (continued)

Market risk

Market risk is the risk that changes in foreign exchange rates and interest rates will affect the Group's income or costs.

- Foreign currency risk is attributable to investments, financing measures and operating activities. Cross-currency swaps are used to limit foreign currency risk. These transactions relate to the exchange rate hedging of all payments covering general business activities that are not made in the functional currency of the respective Group companies. The principle of matching currencies applies to the Group's financing activities.

- Hedging transactions performed in 2018 as part of foreign currency risk management related primarily to sterling, the US dollar and the Euro. Further details are set out in note 18.

- Interest rate risk results from changes in market interest rates, primarily for medium- and long-term debt. Interest rate swaps, cross-currency swaps and other types of interest rate contracts are entered into to hedge against this risk primarily under fair value or cash flow hedges, and depending on market conditions.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group aims to mitigate liquidity risk by managing cash generation by its operations and maintains funds on demand to meet all operational expenses including the servicing of financial obligations. Further details of the Group's bank facilities and other borrowings are set out in note 18.

Borrowings

The Group's borrowings were put in place at the time of the acquisition of the Williams Lea Tag Group of companies from Deutsche Post DHL on 30 November 2017.

Senior facilities

The Group's financing facilities with a syndicate of lenders comprises senior loans of €120m and a revolving credit facility of €30m, which are secured by a charge over all of the Group's subsidiaries. Interest is charged at a rate of EURIBOR (subject to a 1% floor when EURIBOR is less than zero) plus a margin of 5% and 3% on the senior loans and revolving credit facility, respectively. Interest on the senior loans is payable on a quarterly basis. All of the senior bank loans are repayable on 30 November 2022. Drawdowns of the revolving facility during the period ended 31 December 2018 which were repaid before the period end totalled €12.4m.

Hedging instruments

The Group has entered into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency payables incorporating an interest rate swap to hedge the Group's exposure to interest rate movements on the senior bank loans. Further details are set out in note 18.

Payment in kind loan

The Group's borrowings include a PIK loan of €107.8m at 31 December 2018 and repayments totalled €8.8m during the period. The loan is secured by a charge over all of the Group's subsidiaries and interest is charged at a rate of EURIBOR (subject to a 0% floor when EURIBOR is less than zero) plus a scaled margin starting at 6.25% in year one and rising to 9.5% in year six. The PIK loan is repayable on 31 May 2023. Interest is capitalised and will be settled on the date of final repayment.


Strategic report *(continued)*

Statement of compliance

The Directors consider the annual report and financial statements to comply with all aspects of the Guidelines for Disclosure and Transparency in Private Equity.

By order of the board

A handwritten signature in black ink, appearing to read 'CB', followed by a horizontal line.

Chris Benson
Director
 August 2019

55 Wells Street
London
W1A 3AE

Directors' report

Directors' report for the period ended 31 December 2018

The directors present their report and the audited financial statements of the Group and Company for the period from incorporation on 27 November 2017 to 31 December 2018.

Future developments

The Directors intend to follow the strategy as set out in the Strategic report, to build a strong, independent marketing and communications business.

Commentary

The commentary on the operational performance of the Group in the period is set out in the Strategic report.

Dividends

No dividends were paid or are recommended for the period.

Donations

During the period no political donations were made by the Group or the Company. Charitable donations amounted to €7,432.

Financial instruments

Details of financial instruments are provided in the Strategic report.

Directors

The directors who held office during the period and up until the date of approval of the financial statements unless otherwise indicated were as follows:

J Brocklebank (Appointed 30 November 2017)

C Benson (Appointed 22 March 2018)

D Kassler (Appointed 8 December 2017)

A Dawson (Appointed 30 November 2017) (Resigned 22 March 2018)

M Deltenre (Appointed 27 November 2017) (Resigned 30 November 2017)

L Harroch (Appointed 27 November 2017) (Resigned 30 November 2017)

Messrs Dawson, Brocklebank and Benson are representatives of Advent International Corporation. Summary details for each of the current directors of Advent International Corporation are shown below:

James Brocklebank, Managing Partner Advent International plc, London

Experience: James Brocklebank joined Advent in 1997. Based in London, he co-chairs Advent's global Executive Committee and is co-head of the firm's European business where he is also responsible for the European business and financial services sector team. Prior to Advent, James worked on international mergers and acquisitions in the London office of investment bank Baring Brothers and its affiliate Dillon, Read & Co. in New York. James has an MA in Geography from Cambridge University.

Investments: James has worked on 16 Advent investments, including Concardis GmbH, Equiniti, GFKL, Nets, Nexi, V. Group, Williams Lea Tag and Worldpay.

Directorships: Current: Nexi, Nets Holding, V.Group Limited, Williams Lea Tag

Previous: Equiniti, MACH, Tertio Telecoms, Worldpay

Directors' report (continued)

Chris Benson, Director Advent International plc, London

Experience: Chris Benson joined Advent in 2012. Previously, he worked for Actis, an emerging market private equity fund, making investments across Africa, Asia and Latin America. Prior to Actis, he was a consultant with OC&C Strategy Consultants in London.

Chris has an MA in Philosophy, Politics and Economics from Oxford University and an MBA from Harvard Business School, where he was a Fulbright Scholar.

Investments: Chris has worked on Advent's investments in Nexi, Towergate, V.Group, Williams Lea Tag and Worldpay.

Directorships: Current: Williams Lea Tag

David Kassler, Group CEO, Williams Lea Tag and CEO, Tag

Experience: David is an experienced executive with a 28-year track record of leading transformations in the Consumer, Media and Creative Industries. After spending 6 years as an Operating Partner in private equity with Terra Firma where (amongst other roles) he was Chairman of leading German retailer Tank & Rast. He has spent the last decade as CEO of private equity-backed businesses including the global music label EMI Music and Film and TV content platform Deluxe Entertainment. Earlier in his career David was a Marketing Director in the Czech beer industry, and a Strategy Consultant with OC&C. He is also a co-founder of the synchronised mobile video platform DeviceMesh where he is a non-executive director. David is a dual British/American citizen who lives in the UK.

Directorships: Current: Williams Lea Tag, DeviceMesh

Qualifying third-party and pension scheme indemnity provisions

A comprehensive insurance policy is in place against certain liabilities which could arise from a negligent act or a breach of duty by the Company's directors and officers and those of its subsidiaries in the discharge of their duties. This is a qualifying third party indemnity provision, which was in force throughout the financial period and at the date of approval of the financial statements.

Research and development

The Group's research and development activities are focussed on technology and efficiency activities, with specific attention to the digitalisation of marketing assets, process improvements in workflow management, and in developing solutions to data analytics relevant and available to clients.

Going concern

The directors make an estimate of the future performance of the Group and Company in order to prepare the financial statements on a going concern basis. When assessing future performance, the directors consider financial projections which reflect current expected market conditions, liquidity requirements and opportunities and risks. On the basis of their assessment, the directors are confident that the Group and Company has adequate resources to continue to trade for the foreseeable future, being a period of at least 12 months from the date of approving these financial statements. The Group and Company therefore continue to adopt the going concern as a basis for the preparation of these financial statements.

Post balance sheet events

There are no significant post balance sheet events to report.

Employees

The Group believes that the wellbeing of its employees and their active participation in two-way communication forums is fundamental to the success of the business. Regular meetings, conference calls and webcasts are held where Company strategy and operational matters are discussed. Training is provided according to structured training and development plans for employees at all levels.

Directors' report (continued)

Employee engagement surveys are conducted annually and the most recent one had a higher participation rate than in recent years. The results of the survey are built into communication and consultation plans for each employee or, where more relevant, Group of employees.

Full consideration is given to all applications for employment and to treat all staff fairly, regardless of gender, religion, race, age or disability. Where existing employees become disabled, it is the Company's policy, where practicable, to provide continuing employment under normal terms and conditions and to provide training and career development and promotion opportunities to disabled employees.

Senior employees participate directly in the success of the business through the Group's bonus schemes.

Gender diversity information

The Group is committed to providing equal opportunities in employment and eliminating unlawful and unfair discrimination in employment and against clients.

The Group values the differences that a diverse workforce brings to the organisation and will not discriminate because of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (which includes colour, nationality and ethnic or national origins), religion or belief, sex or sexual orientation (each of these being a "protected characteristic" in discrimination law). It will not discriminate because of any other irrelevant factor and will build a culture that values openness, fairness and transparency.

The gender split of the Group's work force at the end of December 2018 is set out below:

	Male	Female	Total
Board	3	0	3
Senior management	7	3	10
Total workforce	5,681	3,980	9,661

In accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2018, the Company published our Gender Pay Gap Analysis which can be viewed on the Company website at <https://www.wlt.com/gender-pay-gap-analysis>.

Environmental matters

The Group recognises that environmental issues are a fundamental challenge for the global community. We recognise that we have a responsibility to manage our environmental impacts that arise through our operations and supply chain activity.

The Group seeks to provide a holistic Environmental Management System that demonstrates our commitment to environmental protection, pollution prevention, waste reduction and the preservation of our natural resources.

We recognise our responsibility to manage the environmental impacts that arise through operations and the need to support our clients in achieving their environmental objectives. We believe we can affect positive environmental change within the market in which we operate and within the supply chain, that supports our products and services.

The Board supports this policy as it seeks to add value by safeguarding our reputation, minimising loss and providing continued productivity and service delivery.

Directors' report (continued)

Our Environmental Policy sets the high-level structure within which the Group can meet its legal, regulatory and contractual obligations. We will identify our environmental aspects and impacts within our operations and manage these in accordance with the EN ISO 14001 framework.

The Group's environmental objectives include:

- Demonstrate proactive leadership and management in the prevention and/or reduction of our environmental impact arising from our business operations.
- Implement energy and water efficiency programmes where economically and operationally practical.
- Comply and maintain regulatory compliance and other requirements to which we subscribe.
- Provide adequate information, instruction, training to our employees, visitors and contractors.
- Maintain our Forest Stewardship Council (FSC)® & Programme for the Endorsement of Forest Certification (PEFC) within the scope of our certifications.
- Continuously improve our management systems, monitor and communicate our performance.

We successfully achieved SKA Gold sustainability for the design and build of our Global HQ in London and endorsed by BREEAM 'Excellent' ratings, the world's longest established method of assessing, rating, and certifying the sustainability of buildings.

Social, community and human rights issues

The Group is developing its Corporate Social Responsibility strategy to widen its reach and measure its impact across the many communities we engage with. The Group conducted its first Corporate Social Responsibility assessment in January 2018 using the EcoVadis methodology and platform, where a Silver Rating was achieved. Our impact was assessed across four themes: environment, fair labour practices, ethics/fair business practices, and supply chain, and against 21 key CSR indicators.

Pursuant to Section 54(1) of the Modern Slavery Act 2015 the Group has taken and is continuing to take adequate practices to ensure that modern slavery or human trafficking is not taking place within our business or supply chain.

Modern slavery encompasses slavery, servitude, human trafficking and forced labour. The Group has a zero-tolerance approach to any form of modern slavery. We are strongly committed to playing our part in eradicating modern slavery by ensuring we act ethically and with integrity and transparency in all business dealings and to putting effective systems and controls in place to safeguard against any form of modern slavery taking place within the business or our supply chain.

As a global operator, employees of the Group participate in CSR activities in the territory in which they work. During 2018 our teams raised funds for and/or otherwise supported Make-A-Wish® International, flood victims in India, Unicef, Art Bra and Coastal Cleanup in the USA. In addition, the Group sponsored a Stop Slavery Summit in Hong Kong and created broadcast mental health campaign with MIND in the UK on a pro bono basis.

Branches outside the UK

During the period, the Group operated branches in: Denmark, Korea, the Netherlands, New Zealand, Poland, Romania, Saudi Arabia, South Africa, Taiwan, Turkey and the UAE.

Directors' report (*continued*)

Statement of directors' responsibilities

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

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

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

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' report is approved:

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

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and are deemed to be reappointed under Section 487(2) of the Companies Act 2006.

By order of the board



Chris Benson
Director

27 August 2019

55 Wells Street
London
W1A 3AE

Independent auditors' report to the members of AI Wertheimer Parentco UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, AI Wertheimer Parentco UK Limited's Group financial statements and Company financial statements (the "financial statements"):

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

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated and Company balance sheets as at 31 December 2018; the Consolidated profit and loss account and statement of comprehensive income, the Consolidated statement of cash flows, and the Consolidated and Company statements of changes in equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Independent auditors' report to the members of AI Wertheimer Parentco UK Limited (*continued*)

Reporting on other information

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

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

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

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

Strategic report and Directors' report

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

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 14, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Independent auditors' report to the members of AI Wertheimer Parentco UK Limited (*continued*)

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Andy Grimby (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge

27 August 2019

Consolidated profit and loss account
for the period ended 31 December 2018

		Period from 27 November 2017 to 31 December 2018 €'000
	<i>Note</i>	
Revenue	3	1,122,947
EBITDA before exceptional items		48,852
Exceptional items	5	(48,570)
Amortisation	6	(23,549)
Depreciation	6	(11,112)
Operating loss	4,6	(34,379)
Interest receivable and similar income	8	4,798
Interest payable and similar charges	9	(20,745)
Loss before taxation		(50,326)
Tax on loss	10	(2,582)
Loss for the period		(52,908)
Loss attributable to owners of the parent		(51,791)
Loss attributable to non controlling interests		(1,117)
		(52,908)

Consolidated statement of comprehensive income
for the period ended 31 December 2018

	Period from 27 November 2017 to 31 December 2018
	€'000
Loss for the period	(52,908)
Other comprehensive (loss)/income:	
Currency translation differences	(3,739)
Remeasurement of net defined benefit obligation	(158)
Deferred tax arising on (losses)/gains recognised in this statement	12
Other comprehensive loss for the period, net of tax	(3,885)
Total comprehensive loss for the period	<u>(56,793)</u>
 Total comprehensive loss attributable to owners of the parent	 (55,573)
Total comprehensive loss attributable to non controlling interests	(1,220)
	<u>(56,793)</u>

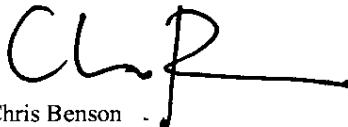
Consolidated and Company balance sheets

At 31 December 2018

	Note	Group €'000	Company €'000
Fixed assets			
Intangible assets	11	293,722	-
Tangible assets	12	23,380	-
Investments	13	-	177,403
		<u>317,102</u>	<u>177,403</u>
Current assets			
Inventories	14	12,329	-
Debtors	15	252,116	603
Cash at bank and in hand		45,793	-
		<u>310,238</u>	<u>603</u>
Creditors: amounts falling due within one year	16	(231,439)	-
Net current assets		<u>78,799</u>	<u>603</u>
Total assets less current liabilities		395,901	178,006
Creditors: amounts falling due after more than one year	17	(241,163)	-
Post-employment benefits	19	(8,262)	-
Provisions for other liabilities	20	(20,468)	-
Net assets		<u>126,008</u>	<u>178,006</u>
Capital and reserves			
Called up share capital	23	177,307	177,307
Share premium account		700	700
Retained earnings		(51,539)	(1)
Accumulated other comprehensive (loss)/income		(3,782)	-
Total equity attributable to owners of the parent		<u>122,686</u>	<u>178,006</u>
Non-controlling interests	30	3,322	-
Total equity		<u>126,008</u>	<u>178,006</u>

The notes on pages 24 to 62 are an integral part of these financial statements.

These financial statements on pages 18 to 62 were authorised for issue by the board of directors on ~~27~~ August 2019 and were signed on its behalf by:



Chris Benson

Director

Company registered number:

11083865

Consolidated and Company statements of changes in equity
for the period ended 31 December 2018

	Called up share capital €000	Share premium account €000	Retained earnings €000	Accumul- ated other compre- hensive (loss)/ income €000	Equity attribut- able to the owners of the parent €000	Non controll- ing interest €000	Total equity €000
Group							
Balance on incorporation of parent on 27 November 2017	35	-	-	-	35	-	35
Loss for the period	-	-	(51,791)	-	(51,791)	(1,117)	(52,908)
Other comprehensive loss for the period	-	-	-	(3,782)	(3,782)	(103)	(3,885)
Total comprehensive loss for the period	-	-	(51,791)	(3,782)	(55,573)	(1,220)	(56,793)
New shares issued	177,272	700	-	-	177,972	-	177,972
Total changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	252	-	252	(252)	-
Total transactions with owners, recognised directly in equity	177,272	700	252	-	178,224	(252)	177,972
Transactions with non- controlling interests	-	-	-	-	-	4,794	4,794
Balance as at 31 December 2018	177,307	700	(51,539)	(3,782)	122,686	3,322	126,008

Consolidated and Company statements of changes in equity (continued)
for the period ended 31 December 2018

	Called up share capital €000	Share premium account €000	Retained earnings €000	Total equity €000
Company				
Balance on incorporation 27 November 2017	35	-	-	35
Loss for the period	-	-	(1)	(1)
Total comprehensive loss for the period	-	-	(1)	(1)
New shares issued	177,272	700	-	177,972
Total transactions with owners, recognised directly	177,272	700	-	177,972
Balance as at 31 December 2018	177,307	700	(1)	178,006

Consolidated cash flow statement
for the period ended 31 December 2018

	<i>Note</i>	Period from 27 November 2017 to 31 December 2018 €'000
Net cash from operating activities	25	31,157
Taxation paid		(7,221)
Net cash generated from operating activities		23,936
Cash flow from investing activities		
Purchase of subsidiaries (net of cash acquired)	26	(338,777)
Purchase of intangible fixed assets	11	(25,691)
Purchase of tangible fixed assets	12	(8,831)
Receipts from sales of tangible fixed assets		355
Interest received	8	4,798
Net cash used in investing activities		(368,146)
Cash flow from financing activities		
Receipts from senior loan facilities (net of issue costs)	25	113,884
Receipts from payment in kind loan	25	110,000
Repayments of payment in kind loan		(8,800)
Interest paid		(8,705)
Proceeds from issue of shares to owners of the parent	23	178,007
Receipts from non-controlling interests	30	4,794
Net cash used in financing activities		389,180
Net increase in cash and cash equivalents		44,970
Cash and cash equivalents at the beginning of the period		-
Exchange gains on cash and cash equivalents		823
Cash and cash equivalents at the end of the period		45,793
Cash and cash equivalents consist of:		
Cash at bank and in hand		45,793
		45,793

The Company is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption provided by FRS 102, para 1.12 (b) not to present the Company cash flow statement.

Notes to the financial statements

1 Accounting policies

General information

AI Wertheimer Parentco UK Limited ('the Company') and its subsidiaries ('the Group') provide marketing and communications services.

AI Wertheimer Parentco UK Limited is a private company limited by shares and is incorporated in the United Kingdom and registered in England. The address of its registered office is 55 Wells Street, London W1A 3AE.

Statement of compliance

The Group and individual financial statements of AI Wertheimer Parentco UK Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

The Group has early adopted the amendments to FRS 102 published in December 2017 and effective for accounting periods beginning 1 January 2019 or after.

Summary of significant accounting policies

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

a. Basis of preparation

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

The Company has not presented its individual profit and loss account as allowed under section 408 of the Companies Act 2006. The Company's loss for the period was €1,000.

b. Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. The Company has taken advantage of the following exemptions in its individual financial statements on the basis that it is a qualifying entity:

- from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48 and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures;
- from disclosing the Company key management personnel compensation in total, paragraph 33.7; and
- from preparing a statement of cash flows under FRS 102 paragraph 1.12(b), on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these statements, includes the Company's cash flows.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

c. Going concern

The Group meets its day-to-day working capital requirements through its own financial resources as well as, from time to time, through bank facilities. The current economic conditions continue to create uncertainty over (a) the level of demand for the Group's products; and (b) the availability of bank finance for the foreseeable future. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

d. Basis of consolidation

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings together with the Group's share of the results of associates made up for the period from 27 November 2017 to 31 December 2018.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the Group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity it accounts for that entity as a subsidiary.

Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the Group holds a long-term interest and where the Group has significant influence. The Group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate. The results of associates are accounted for using the equity method of accounting.

Any subsidiary undertakings or associates sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.

Where control of a subsidiary is lost, the gain or loss is recognised in the consolidated income statement. The cumulative amounts of any exchange differences on translation, recognised in equity, are not included in the gain or loss on disposal and are transferred to retained earnings. The gain or loss also includes amounts included in other comprehensive income that are required to be reclassified to profit or loss but excludes those amounts that are not required to be reclassified.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on transactions with associates to the extent of the Group's interest in the entity.

e. Foreign currency

The Group financial statements are presented in Euros and rounded to thousands. The Company's functional and presentation currency is the Euro.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

Notes to the financial statements (*continued*)

1 Accounting policies (*continued*)

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses that relate to borrowings, hedging activities and cash and cash equivalents are presented in the profit and loss account within 'finance (expense)/income'. All other foreign exchange gains and losses are presented in the profit and loss account within 'Other operating (losses)/gains'.

The trading results of Group undertakings are translated into Euros at the average exchange rates for the period. The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the period-end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in 'Other comprehensive income' and allocated to non-controlling interest as appropriate.

f. Revenue recognition

All income relating to normal business operations is recognised as revenue in the profit and loss account. All other income is reported as other operating income.

Revenue is recognised to the extent that the Group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from the provision of services is recognised when the risks and rewards of ownership have transferred to the buyer, the Group retains no continuing involvement or control, the amount of revenue can be measured reliably, it is probable that future economic benefits will flow to the Group and when delivery of those services is complete. Revenue that meets these criteria but that has not been invoiced is recognised as accrued income. When assessing the value of accrued income management considers factors including selling price, the ageing profile and historical experience. Revenue that has been invoiced but that does not meet the recognition criteria is deferred and any related direct costs are recognised as work in progress.

Interest income is recognised as it accrues using the effective interest rate method.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

g. Exceptional items

Items which are significant by virtue of their size or nature and which are considered non-recurring are classified as exceptional items. Such items, which include for example restructuring and transformation costs of the Group, are included within the appropriate profit and loss account category but are highlighted separately in the notes to the financial statements. Exceptional items are excluded from the underlying profit measures used by the Board to monitor and measure the underlying performance of the Group (see note 5).

h. Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Annual bonus plans

The Group operates a number of annual bonus plans for employees. An expense is recognised in the profit and loss account when the Group has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

Defined contribution pension plans

The Group operates a number of country-specific defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

Defined benefit pension plans

The Group operates defined benefit plans for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Defined benefit pension plans (continued)

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Re-measurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- i. the increase in pension benefit liability arising from employee service during the period; and
- ii. the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as 'Finance expense'.

The Company has no employees and thus there are no employee benefits.

i. Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Notes to the financial statements (continued)

1 Accounting policies (continued)

j. Business combinations and goodwill

Business combinations are accounted for by applying the purchase method. The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages the cost is the consideration at the date of each transaction.

Contingent consideration is initially recognised at estimated amount where the consideration is probable and can be measured reliably. Where (i) the contingent consideration is not considered probable or cannot be reliably measured but subsequently becomes probable and measureable or (ii) contingent consideration previously measured is adjusted, the amounts are recognised as an adjustment to the cost of the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

On acquisition, goodwill is allocated to cash-generating units ('CGU's') that are expected to benefit from the combination.

Goodwill is amortised over its expected useful life which is estimated to be 10 or 20 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. No reversals of impairment are recognised.

k. Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated, impairment losses.

Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

- Brand	7 to 15 years
- Customer relationships	15 years
- Technology platforms	2 years
- Goodwill	10 to 20 years

Intangible assets under development are not amortised until they are brought full into use, at which point they are transferred into the appropriate intangible asset category above.

Amortisation is included in administrative expenses in the profit and loss account.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Costs associated with maintaining technology platforms are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

1. *Tangible assets*

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Land & buildings

Land and buildings include short leasehold improvements. Land and buildings are stated at cost less accumulated depreciation and accumulated impairment losses.

Plant and machinery, computer and office equipment

Plant and machinery and fixtures, fittings, tools and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation and residual values

Depreciation on assets is calculated, using the straight-line method, to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

- | | |
|---------------------------------|------------------------------|
| - Buildings | over the period of the lease |
| - Plant and machinery | 10 – 15 years |
| - Computer and office equipment | 3 – 8 years |

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Group and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Assets in the course of construction

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use.

De-recognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss within other operating loss or profit.

m. Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

n. Leased assets

At inception the Group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Finance leased assets

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the Group's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

Notes to the financial statements (continued)

1 Accounting policies (continued)

Finance leased assets (continued)

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of present value of minimum lease payments. Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

o. Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

Goodwill is allocated on acquisition to the cash generating unit expected to benefit from the synergies of the combination. Goodwill is included in the carrying value of cash generating units for impairment testing.

p. Investments – Company

Investments in a subsidiary companies and associates are held at cost less accumulated impairment losses.

q. Inventories

All inventories are stated at the lower of cost and estimated selling price less costs to sell. The cost is recognised as an expense in the period in which the related revenue is recognised.

Raw materials, consumables and goods for resale

Cost is determined on the first-in, first-out (FIFO) method. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition.

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Work in progress and finished goods

Cost of work in progress and finished goods includes all costs incurred in bringing each product and service to its present location and condition. Cost includes direct materials, labour plus attributable overheads based on a normal level of activity.

r. Amounts recoverable on contracts

Direct incremental costs incurred on contracts prior to and during service commencement and reimbursable during the contract are included in amounts recoverable on contracts and amortised over the life of the contract.

s. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

t. Provisions and contingencies

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations might be small. In particular:

Restructuring provisions are recognised when the Group has a detailed, formal plan for the restructuring and has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected and therefore has a legal or constructive obligation to carry out the restructuring; and

Provision is not made for future operating losses.

Provisions are measured at the present value of the expenditures 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. The increase in the provision due to passage of time is recognised as a finance cost.

Contingent liabilities are not recognised, except those acquired in a business combination. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Group's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

Notes to the financial statements (continued)

1 Accounting policies (continued)

u. Financial instruments

The Group has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets and liabilities, including trade and other receivables, cash and bank balances, trade and other payables and loans from fellow Group companies are recognised at transaction price, unless the arrangement constitutes a financing transaction. The Group currently has no such financing transactions.

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

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

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

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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

Financial liabilities

Basic financial liabilities, including trade payables and other payables, bank loans and loans from fellow Group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is recognised in profit or loss.

Trade payables 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 payment is due within one period or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Financial liabilities (continued)

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Hedging arrangements

The Group applies hedge accounting for transactions entered into to manage the fair value risks of borrowings. Cross currency interest rate swaps are held to manage the fair value risks which could arise from changes in interest rates and foreign currency rates.

Changes in the fair values of derivatives designated as fair value hedges are recognised in directly in profit or loss.

Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the hedged debt instrument is derecognised or the hedging instrument is terminated.

v. *Share capital*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

w. *Distributions to equity holders*

Dividends and other distributions to the Group's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

x. *Related party transactions*

The Group discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

Notes to the financial statements (*continued*)

2 Accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key accounting estimates and assumptions

The preparation of the financial statements requires exercise of judgment by management, who are required to make certain assumptions and estimates that may affect the amounts of the assets and liabilities included in the balance sheet, the amounts of income and expenses and the disclosures regarding contingent liabilities. These judgements include estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are as follows:

Technology platforms

Development expenditure on internal technology platforms is capitalised in accordance with the accounting policy for intangible assets. Initial capitalisation is based on management's judgement that technical and economic feasibility is confirmed, usually when a development project has reached a defined milestone. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

Income taxes

The Group has operating activities around the globe and is subject to local tax laws. Management uses estimates in calculating the amounts of current and deferred taxes in the relevant countries. Although management believes that it has made a reasonable estimate in relation to tax matters that are inherently uncertain, there can be no guarantee that the actual outcome of these uncertain tax matters will correspond exactly to the original estimate made. Any difference between the actual outcomes of these uncertain tax matters could have an effect on the tax liabilities and deferred taxes in the period in which the matter is finally decided.

Impairment of intangible assets and goodwill

At each reporting date, the Group considers whether intangible assets and/or goodwill are impaired. Where an indication of impairment is identified, the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

Estimation of work in progress

The Group makes an estimate of the recoverable value of work in progress. When assessing the recoverable value of work in progress management considers factors including selling price, the ageing profile and historical experience.

Impairment of debtors

The Group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Fair values in business combinations

The fair values of tangible and intangible assets acquired on the acquisition of subsidiaries involves the use of valuation techniques and the estimation of future cash flows to be generated over a number of years. In addition the estimation of any contingent consideration payable requires estimation of the level of profitability of the business acquired. The estimation of the fair values requires the combination of assumptions including revenue growth, sales mix and volumes and customer churn rates. In addition the use of discount rates requires judgement.

Notes to the financial statements *(continued)*

2 Accounting judgements and estimation uncertainty *(continued)*

Key accounting estimates and assumptions (continued)

Provisions

Provision is made for dilapidations, onerous leases, onerous contracts and employee benefits. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

Defined benefit pension scheme

The Group has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 19 for the disclosure relating to the defined benefit pension schemes.

Notes to the financial statements (continued)

3 Revenue

The table below sets out an analysis of the Group's revenue by geography and business operation.

	Marketing services *2018 €'000	Communica- tion services *2018 €'000	Total *2018 €'000
UK, Rest of Europe, Middle East and Africa	285,790	224,362	510,152
Americas	196,132	220,786	416,918
Asia-Pacific	141,130	54,747	195,877
Total revenue	623,052	499,895	1,122,947

4 Net operating expenses

	*2018 €'000
<i>Net operating expenses of the Group, including exceptional items (note 5), comprise:</i>	
Cost of sales	572,598
Administration expenses	600,537
Other operating income	(15,805)
	1,157,330

5 Exceptional items

<i>Exceptional items included within net operating expenses (note 4) are categorised as follows:</i>	*2018 €'000
Cost of sales	1,671
Administration expenses:	
Severance costs	8,921
Legal and professional fees	21,600
System separation and implementation costs	10,119
Other staff and reorganisation costs	6,259
	48,570

Exceptional costs were largely incurred as a result of the restructuring of the Williams Lea Tag Group following the acquisition by the AI Wertheimer Group on 30 November 2017. There have been significant changes and restructuring of the Williams Lea Tag Group to make it operationally independent from its previous owners DP DHL.

* For the period from 27 November 2017 to 31 December 2018.

Notes to the financial statements *(continued)*

6 Operating loss

	*2018
	€'000
<i>Operating loss is stated after charging/(crediting)</i>	
Wages and salaries	388,417
Social security costs	31,274
Other pension costs	14,026
Total staff costs	433,717
Operating lease rentals	39,871
Foreign exchange losses	3,088
Foreign exchange gains	(2,002)
Exceptional items	48,570
Amortisation	23,549
Depreciation	11,112
Loss on disposal of tangible fixed assets	80
Reversal of impairment of trade receivables	(316)
	*2018
<i>Auditors' remuneration:</i>	€'000
Audit of the Company and the Group consolidated financial statements	133
Amounts receivable by the Company's auditors and their associates in respect of:	
Audit of the Company's subsidiaries	1,331
Tax and other advisory services	28
Tax compliance services	682

7 Employees and directors

Employees

The Company has no employees. The average number of persons employed by the Group (including directors) during the period, analysed by category, was as follows:

	Group
	*2018
	€'000
Marketing services	2,354
Communication services	6,759
Administration	507
	9,620

Directors

Directors' emoluments during the period for both the Company and the Group were €nil. There are no post-employment benefits accruing for the directors under defined benefit schemes and no directors were members of defined contribution schemes. No directors exercised any share options during the period.

* For the period from 27 November 2017 to 31 December 2018.

Notes to the financial statements *(continued)*

7 Employees and directors *(continued)*

Key management compensation

Key management includes the directors and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	*2018
	€'000
Salaries and other short-term benefits	4,869

8 Interest receivable and similar income

	*2018
	€'000
Bank interest receivable	417
Net foreign exchange gains on senior bank loans	3,791
Other interest receivable	590
	4,798

9 Interest payable and similar charges

	*2018
	€'000
Senior bank loan interest	9,574
Amortisation of capitalised bank fees	1,226
Payment in kind loan interest	7,226
Net interest on post-employment benefits	246
Net foreign exchange losses on senior bank loans	1,806
Other interest	667
	20,745

* For the period from 27 November 2017 to 31 December 2018.

Notes to the financial statements *(continued)*

10 Income tax

	*2018
	€'000
<i>Analysis of charge in period</i>	
<i>UK corporation tax</i>	
Current tax on income for the period	-
<i>Foreign tax</i>	
Current tax on income for the period	4,995
Total current tax	<u>4,995</u>
<i>Deferred tax</i>	
Origination and reversal of timing differences	(3,592)
Effect of changes in tax rates	<u>1,179</u>
Total deferred tax	<u>(2,413)</u>
Tax on loss on ordinary activities	<u><u>2,582</u></u>

Factors affecting the tax charge for the current period

The current tax credit for the period is lower than the standard rate of corporation tax in the UK of 19%. The differences are explained below.

	*2018
	€'000
<i>Total tax reconciliation</i>	
Loss on ordinary activities before tax	<u>(50,326)</u>
Loss multiplied by standard rate of corporation tax	(9,562)
<i>Effects of:</i>	
Expenses not deductible for tax purposes	593
Tax rate differences	1,703
Lower tax rates on overseas earnings	1,959
Deferred assets not recognised	10,442
Foreign exchange and consolidation adjustments	(2,553)
Total tax credit	<u><u>2,582</u></u>

Factors that may affect future current and total tax charges

The UK corporation tax rate decreased from 20% to 19% from 1 April 2017. Changes to UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These included reductions to the main rate to reduce the rate to 17% from 1 April 2020. On 22 December 2018, The Tax Cuts and Jobs Act was enacted in the US which reduced the federal tax rate from 35% to 21% from 1 January 2018. The revised rates have been used to value deferred tax assets and liabilities.

The tax rate differences between the subsidiaries is due mainly to higher corporate tax rates in the US.

* For the period from 27 November 2017 to 31 December 2018.

Notes to the financial statements (continued)

11 Intangible assets

Group	Goodwill	Brands	Customer relationships	Technology platforms	Intangible assets under development	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Cost						
At date of incorporation	-	-	-	-	-	-
Acquired in business combinations	106,178	79,900	85,900	11,246	10,750	293,974
Additions	-	-	-	1,487	24,204	25,691
Transfers: tangible assets	-	-	-	2,162	(3,832)	(1,670)
Foreign currency translation adjustment	-	-	-	(55)	(541)	(596)
At 31 December 2018	106,178	79,900	85,900	14,840	30,581	317,399
Accumulated amortisation						
At date of incorporation	-	-	-	-	-	-
Charge for period	4,908	5,812	6,188	6,641	-	23,549
Foreign currency translation adjustment	-	-	-	128	-	128
At 31 December 2018	4,908	5,812	6,188	6,769	-	23,677
Net book value						
At 31 December 2018	101,270	74,088	79,712	8,071	30,581	293,722

The net book value of brands includes the following material items:

	Group
	2018
	€'000
Williams Lea Tag brand	70,604

The directors consider each acquisition separately for the purpose of determining the amortisation period of any goodwill that arises. Goodwill arising on the acquisition of AI Wertheimer Holdco UK Limited and its subsidiaries the Williams Lea Tag Group, on 30 November 2017 is being amortised evenly over the directors' estimate of its useful life of 20 years. Goodwill arising on the 2018 acquisitions of Taylor James Group, The Hot Plate Group and Popcorn Group is being amortised evenly over the directors' estimated useful life of 10 years for each acquisition.

Assessment of impairment of indicators

The Group assesses at each reporting date whether there are any indicators that the carrying values of intangible assets may be impaired. The Group is of the opinion that there were no impairment indicators as at 31 December 2018.

Company

The Company had no intangible assets at 31 December 2018.

Notes to the financial statements (continued)

12 Tangible assets

Group	Land and buildings €'000	Plant and machinery €'000	Computer and office equipment €'000	Assets in the course of construction €'000	Total €'000
Cost					
At date of incorporation	-	-	-	-	-
Acquired in business combinations	7,182	4,822	11,918	729	24,651
Additions	1,412	1,541	3,185	2,693	8,831
Disposals	(739)	(2,056)	(802)	(41)	(3,638)
Transfers: intangible assets	1,363	1,051	1,890	(2,634)	1,670
Foreign currency translation adjustment	(7)	(66)	(105)	(23)	(201)
At 31 December 2018	9,211	5,292	16,086	724	31,313
Accumulated depreciation					
At date of incorporation	-	-	-	-	-
Charge for period	2,322	2,460	6,330	-	11,112
Disposals	(647)	(1,828)	(727)	-	(3,202)
Foreign currency translation adjustment	7	(2)	18	-	23
At 31 December 2018	1,682	630	5,621	-	7,933
Net book value					
At 31 December 2018	7,529	4,662	10,465	724	23,380

The net book amount of land and buildings comprises:

	2018
	€'000
Short leasehold improvements	<u><u>7,529</u></u>

Company

The Company had no tangible assets at 31 December 2018.

Notes to the financial statements (continued)

13 Investments

Company	Shares in subsidiary under- taking €'000
<i>Cost</i>	
At date of incorporation	-
Additions	180,875
Disposals	(3,472)
At 31 December 2018	177,403
<i>Net book value</i>	
At 31 December 2018	177,403

In July 2018, the Company disposed of 347,212,136 shares held in AI Wertheimer Holdco UK Limited.

14 Inventories

Group	2018 €'000
Raw materials and consumables	1,145
Work in progress	9,992
Finished goods and goods for resale	1,192
	12,329

There is no significant difference between the replacement cost of the inventory and its carrying amount.

Company

The Company had no inventories at 31 December 2018.

15 Debtors

Group	2018 €'000
Trade debtors	173,492
Other debtors	17,092
Prepayments and accrued income	44,846
Corporation tax assets	3,537
Deferred tax assets (note 21)	13,149
	252,116
Trade debtors are stated after deducting provisions for impairment of	(1,179)
Other debtors includes amounts falling due after more than one year of	7,300

Company

The Company had debtors of €603,000 at 31 December 2018.

Notes to the financial statements *(continued)*

16 Creditors: amounts falling due within one year

Group

	2018
	€'000
Trade creditors	83,209
Corporation tax	2,531
Other taxation and social security costs	15,821
Other creditors	24,302
Accruals and deferred income	105,576
	<u>231,439</u>

Company

The Company had no creditors (amounts falling due within one year) at 31 December 2018.

17 Creditors: amounts falling due after more than one year

Group

	2018
	€'000
Loans and other borrowings (note 18)	222,646
Other creditors	15,602
Derivative financial instruments	2,915
	<u>241,163</u>

Other creditors

Other creditors includes contingent consideration payable on the Group's acquisitions (refer to note 26).

Derivative financial instruments

The Group entered into a series of cross currency interest rate swaps on 29 May 2018 to receive interest at EURIBOR and pay interest at fixed % rates. The swaps are based on a principal amount of €100m, the outstanding principal Euro amount of the Group's Euro senior bank loans, and mature on 29 February 2020. The instruments are used to hedge the Group's exposure to interest rate and currency movements on the senior bank loans. The hedging arrangement fixed the total interest payable on the Euro senior bank loans to an average rate of 8.55%. Payments on both the senior loans and the interest rate swaps are made quarterly until maturity. The fair value of the swaps is €2,915,000. During the period, a loss of €2,915,000 was recognised in the statement of comprehensive income.

Company

The Company had no creditors (amounts falling due after more than one year) at 31 December 2018.

Notes to the financial statements *(continued)*

18 Loans and other borrowings

Group	Senior bank loans €'000	Payment in kind loan €'000	Total €'000
Capital			
At date of incorporation	-	-	-
New borrowings	120,000	110,000	230,000
Capitalised interest	-	6,600	6,600
Repayments	-	(8,800)	(8,800)
Foreign currency translation adjustment	(358)	-	(358)
At 31 December 2018	<u>119,642</u>	<u>107,800</u>	<u>227,442</u>
Issue costs			
At date of incorporation	-	-	-
New borrowings	5,989	-	5,989
Amortisation for period	(1,223)	-	(1,223)
Foreign currency translation adjustment	30	-	30
At 31 December 2018	<u>4,796</u>	<u>-</u>	<u>4,796</u>
Net loans and other borrowings			
At 31 December 2018	<u>114,846</u>	<u>107,800</u>	<u>222,646</u>

Senior bank loans

The Group's financing facility with a syndicate of lenders includes senior loans of €120m, which are secured by a charge over all of the Group's subsidiaries. Interest is charged at a rate of EURIBOR (subject to a 1% floor when EURIBOR is less than zero) plus a margin of 5%. All of the senior bank loans are repayable on 30 November 2022.

Payment in kind loan

The PIK loan is secured by a charge over all of the Group's subsidiaries. Interest is charged at a rate of EURIBOR (subject to a 0% floor when EURIBOR is less than zero) plus a scaled margin starting at 6.25% in year one and rising to 9.5% in year 6. The PIK loan is repayable on 31 May 2023.

Revolving facility

The Group's financing facility with a syndicate of lenders also includes a revolving facility of €30m, which is secured by a charge over all of the Group's subsidiaries. Interest is charged at a rate of EURIBOR (subject to a 1% floor when EURIBOR is less than zero) plus a margin of 3%. Drawdowns on the facility during the period totalled €12.4m. There were no outstanding drawdowns as at 31 December 2018.

Company

The Company had no loans and other borrowings as at 31 December 2018.

Notes to the financial statements (continued)

19 Post-employment benefits

Group

Defined contribution pension schemes

The Group operates a number of country-specific defined contribution plans for its employees. The pension charge for the period represents contributions payable by the Group to the plans and amounted to €14,026,000. There were no outstanding or prepaid contributions as at 31 December 2018. The plan's assets are held separately from the Group in independently administered funds.

Defined benefit schemes

The Group also operates a number of country-specific defined benefit schemes for its employees, in the UK, Germany, France and India. Details of the material Group schemes are disclosed below.

a. UK defined benefit bridging pension scheme

The UK Group funds a bridging pension scheme for certain former employees of the Stationery Office Limited who are made redundant between the ages of 50 and 60, with entitlements structured on age and service. The arrangement is closed to further accrual. The scheme was valued by a qualified independent actuary at 31 December 2018, using the assumptions below.

Valuation assumptions	2018
Long term inflation assumption	2.25%
Rate of increase in pensions in payment	2.25%
Discount rate	2.30%

The long term inflation and pension increases assumptions are based on CPI.

The post-retirement mortality assumptions used are based on the S2PA CMI 2017 1.0% LTR and are as follows:

	2018 Years
Life expectancy from age 60	
Males currently aged 60	86.4
Female currently aged 60	88.4

b. The movements on the Group defined benefit pension scheme liabilities during the period, by country, were as follows:

	UK €'000	Germany €'000	India €'000	Group €'000
At date of incorporation	-	-	-	-
Acquired in business combinations	7,613	468	580	8,661
Additional amounts provided	-	14	328	342
Amounts released unused	-	-	(110)	(110)
Debited to other comprehensive income	147	11	-	158
Interest cost	226	20	-	246
Amounts paid	(572)	-	(371)	(943)
Actuarial gain/(loss)	-	2	58	60
Foreign exchange adjustment	(125)	-	(27)	(152)
At 31 December 2018	7,289	515	458	8,262

Company

The Company has no employees and therefore does not operate a pension scheme.

Notes to the financial statements *(continued)*

20 Provisions for other liabilities

	Deferred tax (Note 21)	Dilapidations and onerous leases	Onerous contracts	Employee benefits	Total
	€'000	€'000	€'000	€'000	€'000
At date of incorporation	-	-	-	-	-
Amounts arising on business combinations	9,397	2,745	12,637	3,760	28,539
Reclassifications		-	(1,052)	-	(1,052)
Utilised during the period		-	(2,756)	(1,872)	(4,628)
Charge/(credit) to P&L for the period:					
Additional amounts provided	(2,466)	299	36	105	(2,026)
Amounts released unused		(42)	-	(76)	(118)
Foreign exchange translation adjustment		(53)	(86)	(108)	(247)
At 31 December 2018	6,931	2,949	8,779	1,809	20,468

Dilapidations and onerous leases

As part of the Group's property leasing arrangements there is an obligation to restore property to its original condition at the end of the lease. The expected cost is charged to profit and loss at the start of the lease and deferred in its entirety. This deferred expenditure is amortised on a straight-line basis over the term of the lease. The provision is expected to be utilised between 2019 and 2028 as the leases terminate.

Where leasehold properties become vacant, the Group provides for all costs, net of anticipated income, to the end of the lease or the anticipated date of the disposal or sublease. This provision relates to properties in London which were vacated by Williams Lea Tag during the period before acquisition from 2015 to 2017 and are surplus to the Group's requirements. The provision is expected to be utilised over the life of the related leases to 2019 and 2020 respectively.

Onerous contracts

The Group regularly assesses its client and supplier contracts to ensure that the expected economic benefits exceed the unavoidable costs of meeting the Group's obligations under those contracts. Where costs to fulfil a contract are determined as exceeding the economic benefits, an immediate charge is made to profit and loss. The provision is expected to be utilised between 2019 and 2022.

Employee benefits

The Group operates a non-qualified deferred compensation plan for employees in the US. Employees decide how much they wish to defer from receipt as income and select the funds in which those funds should be invested. There is no employer investment involvement and no funding assumptions are required.

Notes to the financial statements (continued)

21 Deferred tax

The elements of the deferred tax assets and provisions are as follows:

Group	2018
	€'000
<i>Asset (note 15)</i>	
Difference between accumulated depreciation and amortisation and capital allowances	3,231
Other timing differences	2,670
Tax losses	4,813
Post-employment benefits	1,885
Provisions for other liabilities	550
	<u>13,149</u>
<i>Provisions (note 20)</i>	
Acquired intangible assets	<u>6,931</u>

	Acquired intangible assets	Tax losses	Capital allowances	Post- employment benefits	Other timing differences	Total
Group	€'000	€'000	€'000	€'000	€'000	€'000
At date of incorporation	-	-	-	-	-	-
Amounts arising from business combinations	(9,397)	9,427	369	1,797	1,595	3,791
Credit to the profit and loss for the period	2,466	(4,614)	2,862	74	1,625	2,413
Charge to other comprehensive income	-	-	-	14		14
At 31 December 2018	<u>(6,931)</u>	<u>4,813</u>	<u>3,231</u>	<u>1,885</u>	<u>3,220</u>	<u>6,218</u>

22 Financial instruments

Group	2018
	€'000
<i>Financial assets that are debt instruments measured at amortised cost</i>	
Trade debtors	173,492
Other debtors	17,092
	<u>190,584</u>
<i>Financial liabilities measured at fair value through profit or loss</i>	
Derivative financial instruments	<u>2,915</u>
<i>Financial liabilities measured at amortised cost</i>	
Senior bank loan	114,846
Payment in kind loan	107,800
Trade creditors	83,209
Accruals	105,575
Other creditors	39,806
	<u>451,236</u>

Notes to the financial statements *(continued)*

23 Share capital

Group and company

Ordinary shares of €0.01 each	2018 Number 000s	2018 €'000
<i>Allotted, called up and fully paid</i>		
At date of incorporation	3,500	35
Issued during business combination	17,727,206	177,272
At 31 December 2018	17,730,706	177,307

The ordinary shares issued by the Company have full voting, dividend and capital distribution rights. They do not confer any rights of redemption.

24 Capital and other commitments

(a) The Group's capital commitments at the end of the financial period, for which no provision has been made, are as follows:

	2018 €'000
Contracted	-

(b) The Group had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2018 €'000
Not later than one year	20,079
Later than one year and not later than five years	35,967
Later than five years	16,783
	72,829

Company

The Company had no capital or other commitments as at 31 December 2018.

Notes to the financial statements (continued)

25 Notes to the cash flow statement

	2018 €'000
Loss for the financial period	(52,908)
Adjustments for:	
Tax on loss	2,582
Net interest expense	15,947
Operating loss	(34,379)
Amortisation of intangible assets	23,549
Depreciation of tangible fixed assets	11,112
Loss on disposal of tangible assets	80
Reversal of impairment of trade receivables	(316)
Post-employment benefits less payments	(343)
Other provisions less payments	(4,612)
	(4,909)
Working capital movements	
Increase in inventories	(4,526)
Decrease in debtors	13,828
Increase in creditors	26,764
Net cash from operating activities	31,157

Analysis of changes in net debt

	At date of incorpora- tion €'000	Acquisitions €'000	Cash flow €'000	Other non cash changes €'000	Foreign exchange adjustment €'000	At end of period €'000
Cash at bank and in hand	-	62,304	(17,334)	-	823	45,793
Cash and cash equivalents	-	62,304	(17,334)	-	823	45,793
Senior bank loans (net of issue costs)	-	-	(113,884)	(1,324)	362	(114,846)
Payment in kind loan	-	-	(101,200)	(6,600)	-	(107,800)
Total	-	62,304	(232,418)	(7,924)	1,185	(176,853)

Notes to the financial statements (continued)

26a Business combination: Williams Lea Tag Group

On 30 November 2017 AI Wertheimer Parentco UK Limited acquired 100% of the issued share capital of AI Wertheimer Holdco UK Limited, AI Wertheimer Holdco UK Limited acquired 100% of AI Wertheimer Debtco UK Limited, AI Wertheimer Debtco UK Limited acquired 100% of AI Wertheimer Midco UK Limited, AI Wertheimer Midco UK Limited acquired 100% of Wertheimer UK Limited and in turn Wertheimer UK Limited, Wertheimer Germany GmbH and AI Wertheimer USA Inc acquired the Williams Lea Tag Group for a total of €391.3m.

The total consideration paid for the Williams Lea Tag Group on 30 November 2017 included €21m of contingent consideration. During December 2018, in accordance with the terms of the sales and purchase agreement, €11.6m of the contingent consideration was repaid to Wertheimer UK Limited and AI Wertheimer USA Inc.

The goodwill arising from the acquisition is attributable to the acquired customer base and future revenue streams projected by the Williams Lea Tag Group.

Management have estimated the useful life of the goodwill to be 20 years. The acquired subsidiaries are all established in their regional markets and have a long track record of stable revenue. The amortisation period is mitigated by the low customer churn rates that have historically been experienced by the Williams Lea Tag Group of companies.

The following tables summarise the consideration paid by the Group and the fair value of assets acquired and liabilities assumed at the acquisition date.

Consideration at 30 November 2018	2018 €'000
Cash	391,344
Contingent consideration refunded	(11,600)
Total	<u>379,744</u>
For cash flow disclosure purposes the amounts are disclosed as follows:	
Total consideration	379,744
Less: Cash and cash equivalents acquired	(62,304)
Net cash outflow	<u>317,440</u>

Recognised amounts of identifiable assets acquired and liabilities assumed:

		Book values €'000	Adjustments €'000	Fair value €'000
	Note			
Intangible fixed assets	(a)(b)	47,648	140,148	187,796
Tangible fixed assets	(c)	24,613	(963)	23,650
Inventories	(d)	6,840	462	7,302
Debtors	(d)(e)	252,892	(1,650)	251,242
Cash at bank and in hand		62,304	-	62,304
Creditors	(d)(f)	(194,360)	(4,123)	(198,483)
Provisions	(f)	(6,929)	(12,213)	(19,142)
Post-employment benefits		(8,650)	-	(8,650)
Deferred tax assets/(liabilities)	(g)	14,031	(15,459)	(1,428)
Total identifiable assets		<u>198,389</u>	<u>106,202</u>	<u>304,591</u>
Goodwill arising on acquisition				75,153
Total				<u>379,744</u>

Notes to the financial statements *(continued)*

26a Business combinations *(continued)*

The adjustments arising on acquisition were in respect of the following:

- a. The recognition of intangible assets in respect of the WLT brands and customer relationships.
- b. The recognition of the technology platforms used in the acquired business at fair value and a decrease in the value of acquired technology.
- c. The drop in value to plant and equipment as a result of a sale to a third party.
- d. A change to the accounting policy for income recognition and related cost of sales accruals and work in progress.
- e. An impairment to the value of prepayments.
- f. An additional provision for onerous client and supplier contracts.
- g. Deferred tax adjustments arising as a result of the acquisition adjustments, including de-recognition of the previously recognised deferred tax assets and a deferred tax provision on acquired intangibles.

The onerous contract provision covered the cost of fulfilling the client contract for a further 4 years. The amount has not been discounted, as the effect of discounting is immaterial.

Notes to the financial statements (continued)

26b Business combination: Taylor James Group

On 24 August 2018, Wertheimer UK Limited acquired 100% of the issued share capital of Taylor James Holdings Limited, the UK holding company for the Taylor James Group of entities, for total consideration of €11.5m. As a result, AI Wertheimer Holdings Limited is now the ultimate holding company of the Taylor James Group, a European and Americas marketing services business.

The total consideration includes €3.3m of contingent consideration. This figure represents the Management's current best estimate of the amount that will become payable between August 2019 and August 2021.

The goodwill of €9.9m arising from the acquisition is attributable to the future revenue streams projected by the Taylor James Group.

Management have estimated the useful life of the goodwill to be 10 years.

The following tables summarise the consideration paid by the Group, the revised fair value of assets acquired, liabilities assumed and the non-controlling interest at the acquisition date.

Consideration as at 24 August 2018	2018
Business combination	€'000
Cash	8,018
Directly attributable costs	153
Estimated contingent consideration	3,343
Total	11,514
For cash flow disclosure purposes the amounts are disclosed as follows:	
Cash consideration paid	8,171
Less: cash and cash equivalents acquired	(821)
Net cash outflow	7,350

Recognised amounts of identifiable assets acquired and liabilities assumed:

	Book values	Adjustments	Fair value
Note	€'000	€'000	€'000
Tangible fixed assets	208	-	208
Inventories	66	-	66
Debtors	1,346	-	1,346
Cash at bank and in hand	821	-	821
Creditors	(753)	-	(753)
Loans	(128)	-	(128)
Deferred tax liabilities	(5)	-	(5)
Total identifiable assets	1,555	-	1,555
Goodwill arising on acquisition			9,959
Total			11,514

As at the date of preparing the 2018 Group financial statements, no adjustments to the values of the acquired Taylor James assets and liabilities had been identified.

The revenue from Taylor James included in the consolidated income statement for 2018 was €2,484,000 for the four month period since acquisition. Losses of €241,000 have also been included over the same period.

Notes to the financial statements (continued)

26c Business combination: The Hot Plate Group

On 2 October 2018, Williams Lea (Canada) Holdings Limited acquired 100% of the issued share capital of 2368875 Ontario Inc, Wertheimer UK Limited acquired 100% of issued share capital of THP International Limited and Williams Lea Holdings Inc acquired 100% of the issued share capital of THP USA Inc. The three acquired entities make up The Hot Plate Group. Total consideration for the acquisitions was €23.0m. As a result, AI Wertheimer Holdings Limited is now the ultimate holding company of The Hot Plate Group, an advertising agency business based primarily in Canada.

The total consideration includes €11.2m of contingent consideration. This figure represents the Management's current best estimate of the amount that will become payable between October 2019 and October 2021.

The goodwill of €20.2m arising from the acquisition is attributable to the future revenue streams projected by The Hot Plate Group.

Management have estimated the useful life of the goodwill to be 10 years.

The following tables summarise the consideration paid by the Group, the revised fair value of assets acquired, liabilities assumed and the non-controlling interest at the acquisition date.

Consideration as at 2 October 2018	2018
Business combination	€'000
Cash	11,425
Directly attributable costs	389
Estimated contingent consideration	11,228
Total	23,042
For cash flow disclosure purposes the amounts are disclosed as follows:	
Cash consideration paid	11,814
Less: cash and cash equivalents acquired	(631)
Net cash outflow	11,183

Recognised amounts of identifiable assets acquired and liabilities assumed:

	Note	Book values €'000	Adjustments €'000	Fair value €'000
Tangible fixed assets	(a)	341	-	341
Inventories	(b)	25	-	25
Debtors	(c)	1,874	-	1,874
Cash at bank and in hand		631	-	631
Creditors		(21)	-	(21)
Total identifiable assets		2,850	-	2,850
Goodwill arising on acquisition				20,192
Total				23,042

As at the date of preparing the 2018 Group financial statements, no adjustments to the values of the acquired THP assets and liabilities had been identified.

The revenue from THP included in the consolidated income statement for 2018 was €2,131,000 for the three month period since acquisition. Profits of €505,000 have also been included over the same period.

Notes to the financial statements (continued)

26d Business combination: Popcorn Group

On 21 December 2018, Williams Lea Pty Limited acquired 100% of the issued share capital of Popcorn Displays Australia Pty Limited. The acquired entity has two wholly owned subsidiaries: Popcorn Displays USA Inc and Popcorn Displays (Shenzhen) Co Limited. Total consideration for the the shares was €5.3m. As a result, AI Wertheimer Holdings Limited is now the ultimate holding company of the Popcorn Group, a creative production business based primarily in Australia.

The total consideration includes €2.2m of contingent consideration. This figure represents the Management's current best estimate of the amount that will become payable between December 2019 and December 2021.

The goodwill of €4.3m arising from the acquisition is attributable to the future revenue streams projected by the Popcorn Group.

Management have estimated the useful life of the goodwill to be 10 years.

The following tables summarise the consideration paid by the Group, the revised fair value of assets acquired, liabilities assumed and the non-controlling interest at the acquisition date.

Consideration as at 21 December 2018	2018
Business combination	€'000
Cash	3,094
Estimated contingent consideration	2,169
Total	5,263
For cash flow disclosure purposes the amounts are disclosed as follows:	
Cash consideration paid	3,094
Less: cash and cash equivalents acquired	(290)
Net cash outflow	2,804

Recognised amounts of identifiable assets acquired and liabilities assumed:

	Note	Book values €'000	Adjustments €'000	Fair value €'000
Intangible fixed assets	(a)	108	(108)	-
Tangible fixed assets		452	-	452
Inventories		603	-	603
Debtors		922	-	922
Cash at bank and in hand		290	-	290
Creditors		(1,291)	-	(1,291)
Total identifiable assets		1,084	(108)	976
Goodwill arising on acquisition				4,287
Total				5,263

The adjustments arising on acquisition were in respect of the following:

- a. The de-recognition of goodwill and patent assets included on the acquired entity balance sheets.

The revenue and profits/losses of the Popcorn group for the 10 day period since acquisition are not material.

Notes to the financial statements (continued)

27 Events after the reporting period

There are no significant post balance sheet events to report.

28 Related party disclosures

Group and Company

Other than the transactions disclosed in note 7, Employees and directors, the Group's related party transactions were with wholly owned subsidiaries.

29 Controlling party

AI Wertheimer Holdings Limited is the Company's immediate parent undertaking. AI Wertheimer Holdings Limited is the parent undertaking of the largest group of which the Company is a member and for which consolidated financial statements are prepared. Copies of the group financial statements of AI Wertheimer Holdings Limited can be obtained from 55 Wells Street, London, W1A 3AE. The Group is ultimately owned by funds controlled by Advent International Corporation, a private equity investment company registered in the United States.

30 Non-controlling interests

Group

	2018
	€'000
At date of incorporation	-
Acquisition of AI Wertheimer Holdco UK Limited and subsidiary entities	-
Total comprehensive loss for the period attributable to non-controlling interests	(1,220)
Total changes in ownership interests in subsidiaries that do not result in a loss of control	(252)
Other transactions with non-controlling interests	4,794
At 31 December	<u>3,322</u>

Notes to the financial statements (continued)

31 Subsidiaries and related undertakings

The list of subsidiaries and other related undertakings is as follows:

Name	Address of the registered office	Interest	Nature of business
AI Wertheimer Holdco UK Limited (UK company no. 11024760)	55 Wells Street, London, W1A 3AE, UK	97.37%	Holding Company
AI Wertheimer Debtco UK Limited (UK company no. 11026824)	55 Wells Street, London, W1A 3AE, UK	100%	Holding Company
AI Wertheimer Midco UK Limited (UK company no. 11027218)	55 Wells Street, London, W1A 3AE, UK	100%	Holding Company
Wertheimer UK Limited (UK company no. 10888457)	55 Wells Street, London, W1A 3AE, UK	100%	Holding Company
AI Wertheimer USA Inc	381 Park Avenue South, 5th Floor, New York, NY 10016, USA	100%	Holding Company
Wertheimer Germany GmbH	c/o Williams Lea Tag GmbH, Menuhinstraße 6, 53113, Bonn, Germany	100%	Holding Company
GoodsandServices.tv Limited* (UK company no. 02302673)	55 Wells Street, London, W1A 3AE, UK	100%	Pre-media production and creative services
Lightbox Creative Services Limited (UK company no. 04268703)	55 Wells Street, London, W1A 3AE, UK	100%	Non-trading
LLC Williams Lea	Office 12, 5 Botanicheskoy Lane, 129090, Moscow, Russia	100%	Marketing and communication supply chain
Popcorn Displays (Shenzhen) Co Ltd	DG761, Floor 7, Huajia Plaza, Hubei Road, Dongmen Avenue, Luohu District, Shenzhen, P.R. China	100%	Non-trading
Popcorn Displays Australia Pty Limited	2/60-62 Clarence St, Sydney NSW 2000, Australia	100%	Design and manufacture of point of sale displays
Popcorn Displays USA Inc	381 Park Avenue South, 5th Floor, New York NY 10016, USA	100%	Design and manufacture of point of sale displays
Smoke and Mirrors Productions Limited*	55 Wells Street, London, W1A 3AE, UK	100%	Pre-media production and creative services
Tag Acquisitions Limited (UK company no. 06346620)	55 Wells Street, London, W1A 3AE, UK	100%	Non-trading
Tag Belgium SA	Rue Fourmois 15, 1050 Bruxelles, Belgium	100%	Marketing and communication supply chain
Tag Creative Limited (UK company no. 03773835)	55 Wells Street, London, W1A 3AE, UK	100%	In liquidation
Tag EquityCo Limited	c/o TMF (Cayman) Limited, Second Floor, The Grand Pavilion, Commercial Centre, 802 West Bay Road, PO Box 10338, Shedden Road, Grand Cayman, KY-1003, Cayman Islands	100%	Holding company

Notes to the financial statements (continued)

31 Subsidiaries and related undertakings (continued)

Name	Address of the registered office	Interest	Nature of business
Tag Europe Limited* (UK company no. 02299109)	55 Wells Street, London, W1A 3AE, UK	100%	Marketing and communication supply chain
Tag Holdco Limited (UK company no. 06466891)	55 Wells Street, London, W1A 3AE, UK	100%	Holding Company
Tag India Private Limited	147, Tribhuvan Complex, Ishwar Nagar, Mathura Road, New Delhi, 110065, India	100%	Marketing and communication supply chain services
Tag NewCo Limited (UK company no. 06466926)	55 Wells Street, London, W1A 3AE, UK	100%	Non-trading
Tag Pac Limited* (UK company no. 06434923)	55 Wells Street, London, W1A 3AE, UK	100%	Marketing and communication supply chain
Tag Print Services Limited (UK company no. 03129538)	55 Wells Street, London, W1A 3AE, UK	100%	Non-trading
Tag Response Limited* (UK company no. 02656579)	55 Wells Street, London, W1A 3AE, UK	100%	Marketing and communication supply chain
Tag Sao Paulo Servicos de Consult Ltda.	Rua Wisard, no.305, Sala 52, Edificio W305, Bairro Vila Madalena, CEP 05434-080, Sao Paulo, Brazil	100%	Marketing and communication supply chain services
Tag Storage Limited (UK company no. 06477337)	55 Wells Street, London, W1A 3AE, UK	100%	Non-trading
Tag Topco Limited (UK company no. 07535335)	55 Wells Street, London, W1A 3AE, UK	100%	Holding Company
Tag Worldwide (Shanghai) Co Ltd.	Unit 05-06, 6F, Tower I, Shanghai Arch, 523 Lou Shan Guan Road, Shanghai 200051, P.R.China	100%	Marketing and communication supply chain services
Tag Worldwide (Singapore) Pte. Ltd.	77 Robinson Road, #11-03, Robinson 77, Singapore, 068896, Singapore	100%	Marketing and communication supply chain services
Tag Worldwide Australia Pty Ltd	Level 2, 60-62 Clarence Street, Sydney, New South Wales 2000, Australia	100%	Marketing and communication supply chain services
Tag Worldwide Group Limited* (UK company no. 01031786)	55 Wells Street, London, W1A 3AE, UK	100%	Marketing and communication supply chain
Tag Worldwide Holdings Limited (UK company no. 05885323)	55 Wells Street, London, W1A 3AE, UK	100%	In liquidation
Tag Worldwide USA Inc	381 Park Avenue South, 5th Floor, New York, NY 10016, USA	100%	Marketing and communication supply chain services
Taylor James Ltd	141 West, 28th Street, 6th Floor, New York NY 10001, USA	100%	Pre-media production and creative services
Taylor James Limited (UK company no. 04799582)	55 Wells Street, London, W1A 3AE, UK	100%	Pre-media production and creative services

Notes to the financial statements *(continued)*

31 Subsidiaries and related undertakings *(continued)*

Name	Address of the registered office	Interest	Nature of business
Taylor James GmbH	c/o Bunzel and Partner StbG mbH, Kronenstraße 1, 10119, Berlin, Germany	100%	Non-trading
Taylor James (Holdings) Limited <i>(UK company no. 09196645)</i>	55 Wells Street, London, W1A 3AE, UK	100%	Holding Company
The Stationery Office Holdings Limited <i>(UK company no. 03757233)</i>	55 Wells Street, London, W1A 3AE, UK	100%	Holding Company
The Stationery Office Limited* <i>(UK company no. 03049649)</i>	55 Wells Street, London, W1A 3AE, UK	100%	Marketing and communication supply chain
The Stationery Office Pension Trustees Limited <i>(UK company no. 04615331)</i>	55 Wells Street, London, W1A 3AE, UK	100%	Holding Company
THP International Limited <i>(UK company no. 10017658)</i>	55 Wells Street, London, W1A 3AE, UK	100%	Advertising agency
THP USA Inc	TRAC - The Registered Agent Company, 800 North State Street Suite 402, Dover, Kent DE, 19901, USA	100%	Advertising agency
THP Inc	349 Carlaw Avenue, Suite #301, Toronto ON M4M 2T1, Canada	100%	Advertising agency
TSO Holdings B Limited <i>(UK company no. 03658737)</i>	55 Wells Street, London, W1A 3AE, UK	100%	In liquidation
Williams Lea (Beijing) Limited	Room 12011, 12/F Excel Center, No.6 Wudinghou Street, Xicheng District, Beijing 100140, P.R.China	100%	Marketing and communication supply chain services
Williams Lea (Canada), Inc.	700-155 Av. University, Toronto, Quebec M5H3B7, Canada	100%	Marketing and communication supply chain services
Williams Lea (Hong Kong) Limited	4007 Central Plaza, 18 Harbour Road, Wanchai, Hong Kong	100%	Marketing and communication supply chain
Williams Lea (No. 1) Limited <i>(UK company no. 05245344)</i>	55 Wells Street, London, W1A 3AE, UK	100%	Non-trading
Williams Lea Tag (Thailand) Co., Ltd	No. 44, Soi Sukhumvit 64, Sukhumvit Road, Phra Khanong-Tai Sub-district, Phra Khanong District, Bangkok, Thailand	100%	Pre-media production and creative services
Williams Lea Argentina S.A.	c/o Severgnini Robiola Grinberg Larrechea, Reconquista 336, 2ndo Piso, Buenos Aires C1003ABH, Argentina	100%	Marketing and communication supply chain services

Notes to the financial statements *(continued)*

31 Subsidiaries and related undertakings *(continued)*

Name	Address of the registered office	Interest	Nature of business
Williams Lea Asia Limited	4007 Central Plaza, 18 Harbour Road, Wanchai, Hong Kong	100%	Marketing and communication supply chain
Williams Lea (Brazil) Assessoria Em Solucoes Empresariais Ltda.	Rua Wisard, no. 305, Sala 52, Edificio 'W305', Bairro Vila Madalena, Sao Paulo, CEP 05434-080, Brazil	100%	Marketing and communication supply chain services
Williams Lea (Canada) Holdings, Inc.	44 Chipman Hill Suite 1000, Saint John NB E2L 2A9, Canada	100%	Holding company
Williams Lea CCM Limited <i>(UK company no. 11605285)</i>	55 Wells Street, London, W1A 3AE, UK	100%	Non-trading
Williams Lea Finland Oy	c/o Revico Grant, Thornton Oy, Paciusgatan 27, Helsinki, 00271, Finland	100%	Marketing and communication supply chain services
WLT France SAS	1 Place Boieldieu, 75002 Paris, France	100%	Marketing and communication supply chain
Williams Lea Group Limited* <i>(UK company no. 01627560)</i>	55 Wells Street, London, W1A 3AE, UK	100%	Holding Company
Williams Lea Holdings Limited* <i>(UK company no. 05696914)</i>	55 Wells Street, London, W1A 3AE, UK	100%	Holding Company
Williams Lea India Private Limited	Module 0308, D Block Tidel Park, 4 Canal Bank Road, Taramani, Chennai 600113, India	100%	Marketing and communication supply chain services
Williams Lea International Limited <i>(UK company no. 02682240)</i>	55 Wells Street, London, W1A 3AE, UK	100%	Non-trading
Williams Lea Ireland Limited	Ground Floor, 8-9 Marino Mart, Fairview, Clontarf, Dublin 3, DO3 P590, Ireland	100%	Marketing and communication supply chain services
Williams Lea Italia S.r.l.	Via di Ripetta 141, 00186 Roma, Italy	100%	Non-trading
Williams Lea Holdings Inc	381 Park Avenue South, 5th Floor, New York, NY 10016, USA	100%	Holding Company
Williams Lea (US Acquisitions) Limited <i>(UK company no. 05245320)</i>	55 Wells Street, London, W1A 3AE, UK	100%	Non-trading
Williams Lea Inc	381 Park Avenue South, 5th Floor, New York, NY 10016, USA	100%	Marketing and communication supply chain services

Notes to the financial statements (continued)

31 Subsidiaries and related undertakings (continued)

Name	Address of the registered office	Interest	Nature of business
Williams Lea Japan Limited	Gotenyama Trust Tower, 9th Floor, 4-7-35 Kitashinagawa, Shinagawaku, Tokyo 140-0001, Japan	100%	Marketing and communication supply chain services
Williams Lea Limited* (UK company no. 02119266)	55 Wells Street, London, W1A 3AE, UK	100%	Marketing and communication supply chain
Williams Lea México, S. de R.L. de C.V.	Autopista Mexico-Queretaro Km 34.5, Nave 1, Col. Rancho San Isidro, Cuautitlán Izcalli, C.P. 54740, Mexico	100%	Marketing and communication supply chain services
Williams Lea Private Limited	8 Wilkie Road, #03-01 Wilkie Edge, Singapore 228095, Singapore	100%	Marketing and communication supply chain services
Williams Lea Pty Limited	Level 2, 60-62 Clarence Street, Sydney, New South Wales 2000, Australia	100%	Marketing and communication supply chain services
Williams Lea S.L.	c/o Arfa Oliver, Rambla Catalunya, 62 ppal.1ª, 08007 Barcelona, Spain	100%	Non-trading
Williams Lea Sweden AB	c/o Lindebergs Grant Thornton AB, Att: Lena Douhan, Box: 547, 61110 Nyköping, Sweden	100%	Non-trading
Williams Lea Tag (Malaysia) Sdn BHD.	Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8 Jalan Kerinchi, 59000 Kuala Lumpur, Malaysia	100%	Marketing and communication supply chain services
Williams Lea Tag GmbH	Menuhinstraße 6, 53113, Bonn, Germany	100%	Marketing and communication supply chain
Williams Lea Ukraine LLC	23 A Yaroslaviv Val Street, Kyiv 01034, Ukraine	100%	Non-trading
Williams Lea, s.r.o.	Mlynska 326/13, 110 00 Brno, Czech Republic	100%	Non-trading
WLT Netherlands B.V.	Anchoragelaan 32, 1118LD Schiphol, The Netherlands	100%	Marketing and communication supply chain
World Writers Limited (UK company no. 02406623)	55 Wells Street, London, W1A 3AE, UK	100%	Non-trading

All of the above subsidiaries are included in the consolidation.

* The financial statements for the year ended 31 December 2018 for these subsidiaries have been exempted from audit under section 479A of the Companies Act 2006 by way of parental guarantee from AI Wertheimer Parentco UK Limited.