

**Company Registration No. 02956243**

**FGS Global (UK) Limited**  
**(previously known as The Finsbury**  
**Group Limited)**

**Annual Report and Financial Statements**

**31 December 2021**

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## **FGS Global (UK) Limited (previously known as The Finsbury Group Limited)**

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

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## **FGS Global (UK) Limited (previously known as The Finsbury Group Limited)**

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

#### **Officers and professional advisers**

##### **Directors**

R Rudd  
J Murgatroyd  
R Head  
F Birch

##### **Company Secretary**

WPP Group (Nominees) Limited

##### **Registered Office**

The Adelphi  
1-11 John Adam Street  
London  
WC2N 6HT  
United Kingdom

##### **Bankers**

HSBC Bank plc  
The Helicon  
2 South Place  
London  
EC2M 2UP  
United Kingdom

##### **Solicitors**

Squire Sanders (UK) LLP  
7 Devonshire Square  
London  
EC2M 4YH  
United Kingdom

##### **Auditor**

Deloitte LLP  
Statutory Auditor  
London  
United Kingdom

## **FGS Global (UK) Limited (previously known as The Finsbury Group Limited)**

### **Strategic report**

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

#### **Review of the business and key performance indicators**

The Finsbury Group Limited changed its name to FGS Global (UK) Limited on 27 July 2022. FGS Global (UK) Limited (Company) is a financial communications firm with three principal areas of operation – financial public relations, investor relations and regulatory affairs. There have not been any significant changes in the Company's principal activities in the year under review.

The profit after taxation for the year is £4,272,984 (2020: £4,167,396). Turnover for the year ended 31 December 2021 was £34,841,199 (2020: £29,942,129). The net assets at 31 December 2021 were £8,762,829 (2020: £4,122,155).

The Company's revenue increased by 16% in the year compared to a decrease of 10% in 2020. This is mainly as a result of increased global projects and a pick-up in some Capital Markets transactions. The Company continued to grow its business from clients looking to benefit from and leverage the Company's global offering and expertise. The Company continues to push for strong revenue growth of close to 10%. To achieve this growth the Company continues to invest and diversify the client offering to become the strategic advisor for the stakeholder economy.

Operating profit for the year is reported at £5,042,019 up 14% on 2020. This is mainly a function of increased revenue from global projects and increased Capital Markets transactions versus 2020. Cost increased over 2020 as the Company invests in people. The Company did not partake in any of the government Covid-19 initiatives in the current or prior years.

The Company's primary non-financial key performance indicator is employee numbers, increasing 5% from 107 in 2020 to 112 in 2021.

#### **Principal risks and uncertainties**

The management of the business and execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company are considered to be:

- competition;
- Covid-19 impact;
- Brexit and the continued impact on Capital Market's transactions and investments (such as Mergers, acquisitions and IPOs) within the UK which is a key driver of project revenue;
- ongoing war in Ukraine and the impact on the global economy;
- level of financial market activity;
- risks arising from current credit arrangements (including the availability of insurance) with clients;
- a dependency on key staff, suppliers and clients; and
- uncertainties posed by the potential impact of the economic outlook on business activities.

The Company has considerable financial resources together with contracts with a number of clients and suppliers across different geographic areas and industries. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The Company continues to diversify and broaden the offering to deal with any changes. Our strategy is to help businesses deal with the constant change in business. In order to do this the Company offers sound strategic advice, deep experience, real-time intelligence and flawless execution to the wider stakeholder community.

## **FGS Global (UK) Limited (previously known as The Finsbury Group Limited)**

### **Strategic report**

#### **S172 statement**

##### **Accountable for our decisions**

Our governance is designed to ensure that we take into account the views of a cross section of stakeholders, so that our decision-making is collaborative and well-informed as the success of our business is dependent on the support of all of our stakeholders. Building positive relationships with stakeholders that share our values is important to us, and working together towards shared goals assists us in delivering long-term sustainable success. Our FGS Global (Group) comprises a number of international offices, all of which have engagement with their own stakeholders as well as each other. Our governance framework delegates authority for local decision-making at individual office level up to defined levels of cost and impact which allows the individual businesses to take account of the needs of their own stakeholders in their decision-making. The leadership teams of each business make decisions with a long-term view in mind and with the highest standards of conduct in line with Group and WPP Plc policies. In order to fulfil their duties, the leaders of each office and the Group itself take care to have regard to the likely consequences on all stakeholders of the decisions and actions which they take. Where possible, decisions are carefully discussed with affected groups and are, therefore, fully understood and supported when taken. At Group level, the Board is well informed about the views of stakeholders and it uses this information to assess the impact of decisions on each stakeholder group as part of its own decision-making process. The Global Partnership Board has subcommittees that are dedicated to addressing the concerns of the wider stakeholder groups. The Group's key stakeholders are:

##### **Shareholders**

Management are shareholders in the Group alongside WPP so we are involved in all of the decisions that need to be made and rely on the support of our shareholders to implement change. We have an open dialogue with our shareholders through Global Partnership Board meetings, Regional Exco meetings, reporting, one-to-one meetings and other feedback loops. Discussions may cover a wide range of topics including financial performance, strategy, outlook, governance and ethical practices.

##### **Colleagues**

Our people are key to our success and we want them to be successful individually and as a team. The Company has created a Diversity, Equity and Inclusion Committee (Roots) that works on ensuring that we are recruiting, training and raising awareness across the Group. There are many ways we engage with and listen to our people including colleague surveys, forums and listening groups, face-to-face briefings, newsletters and through our anonymous colleague concern line. We run mentoring programs and buddy-systems to allow colleagues to grow and develop but also to allow them to raise any concerns. There are two mental health allies within the Company and access to others within the wider WPP Group to ensure that we continue to focus the health and well-being. We operate appraisal programs that includes 360 feedback to allow colleagues needs and considerations to be addressed.

##### **Clients**

Our ambition is to be the best strategic advisors for the whole stakeholder economy. The one constant is the everchanging nature of business. We continue to grow and develop our core competencies to ensure that we can meet the changing needs of our clients to ensure that we continue to offer them sound strategic advice, deep experience, real time intelligence and flawless execution. We believe that we bring the expertise and tools to ensure we deliver best-in-class service to our clients. We build strong lasting relationships with our clients and spend considerable time with them to understand their needs and views and listen to how we can improve our offer and service for them. We use this knowledge to inform our decision-making, for example to adjust our proposition to suit client demands and apply global best practice.

## **FGS Global (UK) Limited (previously known as The Finsbury Group Limited)**

### **Strategic report**

#### **Suppliers**

We build strong relationships with our suppliers to develop mutually beneficial and lasting partnerships. Key areas of focus include innovation, mutual product development and sustainability. The Board recognises that relationships with suppliers are important to the Group's long-term success and is briefed on supplier feedback and issues on a regular basis. We continue to review our supplier listing to ensure that they align with our global policies.

#### **Communities**

We believe that it is very important to engage and participate with the communities in which we operate. Key areas of focus include how we can support local causes and issues through donations and pro bono work to create opportunities and help raise awareness of environmental and equality issues. The Global Partnership Board and the Roots Committee continue to work on ways in which we can ensure that local issues are heard. We partner with local charities and organisations at office and global (where necessary) level to provide support, raise awareness and funds. The key issues and themes across local communities are reported back to the Board.

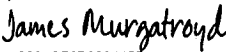
#### **Government and regulators**

We engage with the government and regulators as required to communicate our views to policy makers relevant to our business. Key areas of focus are compliance with laws and regulations. The Board is updated on legal and regulatory developments and takes these into account when considering future actions.

#### **Future developments**

The directors expect the general level of activity to be level with 2021 due to the increased pressure on the economy and the impact on Global Capital Markets. The Finsbury Glover Hering merger completed in January 2021 and the merger with SVC in November 2021 is expected to bring more shared growth opportunities and further increase our global expertise. Ongoing crisis mandates and growth in the ESG and Business Transformation practices should help boost project spend through 2022 onwards but this is expected to be tempered by increasing scrutiny on new and existing fees by increasingly procurement-savvy clients.

Approved by the Board of Directors  
and signed on behalf of the Board

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J Murgatroyd  
Director

16 May 2023

## **FGS Global (UK) Limited (previously known as The Finsbury Group Limited)**

### **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 December 2021. Information in relation to the future developments is included in the Strategic Report, as permitted by section 414 C (11) of the Companies Act 2006.

#### **Financial risk management**

The Company does not use derivatives to manage its financial risks. The most important components of financial risk are currency risk, credit risk, liquidity risk, and cash flow risk.

#### **Cash Flow and Currency Risks**

The Company's activities expose it to the financial risk of changes in foreign currency exchange rates. The parent company treasury team continue to support the Company to reduce the exposure through setting up foreign currency sales and transfers.

#### **Credit Risk**

The Company's principal financial assets are bank balances and cash and trade and other receivables. The Company's credit risk is primarily attributable to its trade receivables. The amount presented in the balance sheet are net of allowances for doubtful receivables. The allowance is made where there is an identified loss event. The Company has no significant concentration of credit risk, with exposure spread over a large number of clients.

#### **Liquidity Risk**

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company has the ability to avail of short-term loans from parent company.

#### **Covid-19 impact**

The longer-term impact of Covid-19 is still uncertain as some markets are slower to bounce back than others. Despite this, the Company expects to continue to perform with resilience and success. The Company continues to operate with a hybrid work environment that allows staff to continue to service clients. The directors have not and will not avail of any government assistance programs.

#### **Going concern**

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources, taking into account the available cash to continue in operational existence for the foreseeable future being at least for the next twelve months from the date of approval of this report. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in note 2.

#### **Dividends**

No dividends were paid in relation to 2021 (2020: £17,000,000). The remainder payment of the 2020 dividend, £7,000,000, was made in January 2021.

#### **Directors**

The directors who served throughout the year and up to the date of signing were:

R Rudd  
J Murgatroyd  
R Head  
F Birch

## **FGS Global (UK) Limited (previously known as The Finsbury Group Limited)**

### **Directors' report**

#### **Disclosure of information to auditor**

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

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

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

#### **Events after the balance sheet date**

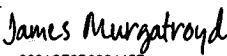
The Companies immediate parent, Fulham UK Holdco Limited, changed its name to FGS Global (UK Holdco) Limited on the 25 July 2022.

On 11<sup>th</sup> April 2023, Kohlberg Kravis Roberts & Co. L.P. ("KKR") announced that it was investing in FGS Global Inc.

#### **Auditor**

A resolution to re-appoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board

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J Murgatroyd  
Director

16 May 2023



## **FGS Global (UK) Limited (previously known as The Finsbury Group Limited)**

### **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

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

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

## **Independent auditor's report to the members of FGS Global (UK) Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of FGS Global (UK) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework" and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 24.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

#### **Other information**

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Independent auditor's report to the members of FGS Global (UK) Limited**

### **Responsibilities of directors**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Employment Law, the Data Protection Act 2018 and the Bribery Act 2010.

We discussed among the audit engagement team the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in revenue recognition in relation to the cut-off assertion for transactions that take place at or near year end where the revenue has not been recognised in the correct accounting period. Our specific procedures performed to address them are described below:

- Performing detail testing over a sample of the transactions at or near period end, by tracing to contract, settlement and evidence of occurrence.

## **Independent auditor's report to the members of FGS Global (UK) Limited**

### **Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)**

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of those charged with governance; and
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations.

### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

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

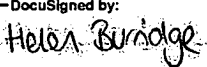
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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Helen Burridge (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
16 May 2023

## FGS Global (UK) Limited (previously known as The Finsbury Group Limited)

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

	Notes	2021 £	2020 £
<b>Turnover</b>	4	34,841,199	29,942,129
Cost of sales		(12,102,148)	(9,485,923)
<b>Gross profit</b>		22,739,051	20,456,206
Administrative expenses		(17,697,032)	(16,025,505)
<b>Operating profit</b>		5,042,019	4,430,701
Net interest payable	8	(303,090)	(330,221)
<b>Profit before taxation</b>	10	4,738,929	4,100,480
Tax on profit	9	(465,945)	66,916
<b>Profit after taxation</b>		4,272,984	4,167,396

Results are derived from continuing operations.


There are no other recognised gains and losses for the current and prior years other than those presented above. Accordingly, no separate statement of comprehensive income is presented.

**FGS Global (UK) Limited (previously known as The Finsbury Group Limited)****Balance sheet  
As at 31 December 2021**

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Right-of-use assets	11	5,281,642	6,192,887
Tangible assets	12	1,758,822	2,057,227
Investments	13	104,446	104,446
		<u>7,144,910</u>	<u>8,354,560</u>
<b>Current assets</b>			
Contract assets		234,266	283,590
Debtors	14	14,977,603	12,028,463
Cash at bank and in hand		6,976,111	12,441,286
		<u>22,187,980</u>	<u>24,753,339</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(14,948,968)</u>	<u>(22,145,158)</u>
<b>Net current assets</b>		<u>7,239,012</u>	<u>2,608,181</u>
<b>Total assets less current liabilities</b>		<u>14,383,922</u>	<u>10,962,741</u>
<b>Creditors: amounts falling due after more than one year</b>	16, 20	<u>(5,621,093)</u>	<u>(6,840,586)</u>
<b>Net assets</b>		<u>8,762,829</u>	<u>4,122,155</u>
<b>Capital and reserves</b>			
Called-up share capital	18	48,804	48,804
Share premium account		2,895,859	2,895,859
Profit and loss account		5,818,166	1,177,492
<b>Shareholders' funds</b>		<u>8,762,829</u>	<u>4,122,155</u>

The financial statements of FGS Global (UK) Limited (registered number 02956243) were approved by the Board of Directors and authorised for issue on 16 May 2023.

Signed on behalf of the Board of Directors

DocuSigned by:  
  
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 J Murgatroyd  
 Director

**FGS Global (UK) Limited (previously known as The Finsbury Group Limited)****Statement of changes in equity  
For the year ended 31 December 2021**

	<b>Called-up share capital £</b>	<b>Share premium account £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
<b>Balance at 1 January 2020</b>	<u>48,804</u>	<u>2,895,859</u>	<u>12,888,489</u>	<u>15,833,152</u>
Profit and total comprehensive income for the year	-	-	4,167,396	4,167,396
Dividends (Dividend per share: £0.00464)	-	-	(17,000,000)	(17,000,000)
Capital contribution for equity-settled share-based payments (see note 2)	-	-	1,121,607	1,121,607
<b>Balance at 31 December 2020</b>	<u>48,804</u>	<u>2,895,859</u>	<u>1,177,492</u>	<u>4,122,155</u>
Profit and total comprehensive income for the year	-	-	4,272,984	4,272,984
Capital contribution for equity-settled share-based payments (see note 2)	-	-	367,690	367,690
<b>Balance at 31 December 2021</b>	<u><u>48,804</u></u>	<u><u>2,895,859</u></u>	<u><u>5,818,166</u></u>	<u><u>8,762,829</u></u>

## FGS Global (UK) Limited (previously known as The Finsbury Group Limited)

### Notes to the financial statements Year ended 31 December 2021

#### 1. General information

FGS Global (UK) Limited (previously known as The Finsbury Group Limited) is incorporated in the United Kingdom under the Companies Act 2006.

FGS Global (UK) Limited (previously known as The Finsbury Group Limited) is a private company limited by shares and is registered in England and Wales. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on page 2.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

These financial statements are separate financial statements. The Company is exempt from the preparation and delivery of consolidated financial statements under Section 401, because it is included in the group accounts of WPP plc. The WPP plc group accounts are available to the public and can be obtained as set out in note 24. The registered office address of the parent company preparing consolidated accounts is Queensway House, Hillgrove Street, St Helier, Jersey, JE1 1ES.

#### Adoption of revised Standards

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective and had not yet been adopted by the International Accounting Standards Board (IASB):

IFRS 17	<i>Insurance Contracts</i>
IFRS 10 and IAS 28 (amendments)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to IFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to IAS 16	<i>Property, Plant and Equipment—Proceeds before Intended Use</i>
Amendments to IAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Annual Improvements to IFRS Standards 2018-2020 Cycle	<i>Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture</i>

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

#### 2. Significant accounting policies

##### Basis of accounting

The Company meets the definition of a qualifying entity under (FRS 100) 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, certain disclosure in respect of revenue from contracts with customers and certain related party impairment of assets, certain lease disclosures and related party transactions. Where required, equivalent disclosures are given in the WPP Plc group accounts.



## **FGS Global (UK) Limited (previously known as The Finsbury Group Limited)**

### **Notes to the financial statements Year ended 31 December 2021**

#### **2. Significant accounting policies (continued)**

##### **Basix of accounting (continued)**

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Accounting policies adopted and applied consistently throughout the current and preceding year are described below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

##### **Going concern**

The directors have identified risks and uncertainties facing the Company, arising from the current economic conditions and other factors, as set out in the strategic report and directors' report. The Company has considerable financial resources together with contracts with a number of clients and suppliers across different geographical areas and industries. Management continue to perform rolling forecasts and have sufficient resources to meet any liabilities obligations that may arise. As a consequence, the directors believe the Company is well placed to manage these risks and uncertainties into the foreseeable future being at least for the next twelve months from the approval of these financial statements. For this reason the directors continue to adopt the going concern basis in preparing the accounts.

##### **Tangible assets**

Tangible assets are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is provided on all tangible assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Computers	- 33% per annum
Short-term leasehold improvements	- over the term of the lease
Fixtures and fittings	- 20% per annum

Residual value is calculated on prices prevailing at the date of acquisition. Useful lives and residual values are reviewed at the end of every reporting period.

##### **Fixed assets investments**

Fixed asset investments, including investments in subsidiaries and associates, are shown at cost less provision for impairment.

##### **Contract assets under IFRS 15**

Contract assets represents third party costs billable to clients and is stated at the lower of cost and net realisable value.

## **FGS Global (UK) Limited (previously known as The Finsbury Group Limited)**

### **Notes to the financial statements Year ended 31 December 2021**

#### **2. Significant accounting policies (continued)**

##### **Basis of accounting (continued)**

##### **Financial instruments**

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The requirement under IFRS 9 to use an expected loss method of Impairment of financial assets did not have a material effect on the Company due to the short-term nature of the Company's trade and other receivables, which are mainly due from large national or multinational companies. Historical losses and other economic factors were considered.

##### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable nor deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

##### **Pension costs**

The Company operates a defined contribution scheme. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and actually paid are shown either as accruals or prepayments in the balance sheet.

## **FGS Global (UK) Limited (previously known as The Finsbury Group Limited)**

### **Notes to the financial statements Year ended 31 December 2021**

#### **2. Significant accounting policies (continued)**

##### **Basis of accounting (continued)**

##### **Foreign currencies**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange prevailing at the balance sheet date. Differences arising from movements in rates of exchange are recognised in the profit and loss account.

##### **Turnover and revenue recognition**

Revenue is typically derived from retainer fees and services to be performed subject to specific agreement. Revenue is recognised when a performance obligation is satisfied, in accordance with the terms of the contractual arrangement. Typically, performance obligations are satisfied over time as services are rendered. Revenue recognised over time is based on the proportion of the level of service performed. Either an input method or an output method, depending on the particular arrangement, is used to measure progress for each performance obligation. For most fee arrangements, costs incurred are used as an objective input measure of performance. The turnover and pre-tax profit, all of which arises in the United Kingdom, are attributable to one activity, the provision of communications advice. There is normally a direct relationship between costs incurred and the proportion of the contract performed to date. In other circumstances relevant output measures, such as the achievement of any project milestones stipulated in the contract, are used to assess proportional performance.

Third-party costs are included in revenue when the Company acts as principal with respect to the services provided to the client and are excluded when the Company acts as agent. Under IFRS 15, the principal versus agent assessment is based on whether the Company controls the relevant services before they are transferred to the client.

##### **Leases**

##### **The Company as lessee**

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Company and the lease does not benefit from a guarantee from the Company.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

## **FGS Global (UK) Limited (previously known as The Finsbury Group Limited)**

### **Notes to the financial statements Year ended 31 December 2021**

#### **2. Significant accounting policies (continued)**

##### **Basis of accounting (continued)**

##### **Leases (continued)**

- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'impairment of tangible and intangible assets' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset.

## **FGS Global (UK) Limited (previously known as The Finsbury Group Limited)**

### **Notes to the financial statements Year ended 31 December 2021**

#### **2. Significant accounting policies (continued)**

##### **Basis of accounting (continued)**

##### **Share-based payments**

The Company has applied the requirements of IFRS 2 to all unvested share-based payments. Certain employees of the Company benefit from equity-settled share-based payments through participation in stock option and restricted stock incentive schemes. Such awards are satisfied by the delivery of shares in WPP plc, the ultimate parent undertaking.

Equity-settled share-based payments are measured at fair value (excluding the impact of non-market-based vesting conditions) at the date of grant. Fair value is determined by the market price on that date or the application of a Black Scholes model, depending on the characteristics of the scheme concerned. For the years presented, the majority of the charge to the profit and loss account related to schemes where fair value equalled market price since the equity instrument had no restrictions that impact valuation. Market price on any given day is obtained from external, publicly available sources.

The fair value determined at the grant date is recognised in the profit and loss account as an expense on a straight-line basis over the relevant vesting period, based on the Company's estimate of the number of shares that will ultimately vest and adjusted for the effect of any other non-market based vesting conditions.

The Company charged £367,690 to the profit and loss account in the year ended 31 December 2021 (2020: £1,121,607) in relation to equity-settled share-based payments.

##### **Restricted stock schemes**

Certain employees participated in restricted stock schemes in the past, which are in most cases satisfied by the delivery of stock from one of the WPP plc ESOP Trusts. The most significant schemes are:

##### **Performance Share Awards (PSA)**

Grants of restricted stock under PSA are dependent upon annual performance targets, typically based on one or more of: operating profit; profit before taxation; and operating margin. Grants are made in the year following the year of performance measurement and will vest two years after grant provided the individual concerned is continually employed by a WPP Company throughout this time. No shares were granted in the year (2020: nil).

For share options outstanding at the 31 December 2021, these were exercised on 10th March 2022 with an exercise price of £9.98571 per share. There are no new grants under this scheme.

##### **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

## **FGS Global (UK) Limited (previously known as The Finsbury Group Limited)**

### **Notes to the financial statements Year ended 31 December 2021**

#### **2. Significant accounting policies (continued)**

##### **Basis of accounting (continued)**

##### **Financial assets at amortised cost**

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'financial assets at amortised costs'. Financial assets are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

##### **Impairment of financial assets**

Financial assets at amortised cost are stated net of provisions for impairment. The Company has applied the simplified approach to measuring expected credit losses, as permitted by IFRS 9. Therefore, the Company does not track changes in credit risk, but recognises a loss allowance based on the financial asset's lifetime expected credit loss. The Company measures expected credit losses based on the ageing of the receivable, based on the Company's historical experience and informed credit assessment. Credit losses are recognised where the Company has information that indicates it is unlikely to recover balances in full.

Impairments in terms of IFRS 9 are determined based on the expected credit loss (ECL) model, as opposed to an incurred loss model applied in terms of IAS 39. The ECL model applies to all financial assets measured at amortised costs. The calculation of the ECL incorporates forward-looking information.

This forward-looking view includes:

- Information based on expected future macro-economic conditions;
- Potential impacts based on industry specific challenges, including but not limited to potential legislative changes; and
- Expert management judgement.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

#### **3. Critical accounting judgements and key sources of estimation uncertainty**

In applying the Company's accounting policies, which are described in note 2, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

## FGS Global (UK) Limited (previously known as The Finsbury Group Limited)

### Notes to the financial statements Year ended 31 December 2021

#### 3. Critical accounting judgements and key sources of estimation uncertainty (continued)

##### *Critical judgements in applying the Company's accounting policies*

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

In applying IFRS 15, we have made estimates to Staff costs directly linked to Revenue based on portion of client time worked. This was based on a judgement call across the varying roles in the Company. The percentages established were used to split those Staff costs that should go under Direct costs and those that would remain in Administrative expenses.

##### *Key sources of estimation uncertainty*

The directors believe that there are no key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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

#### 4. Turnover

An analysis of the Company's turnover is as follows:

	2021 £	2020 £
<b>Continuing operations</b>		
Sales of services	34,481,199	29,942,129
<b>Total revenue</b>	<u>34,481,199</u>	<u>29,942,129</u>

The revenue is generated wholly in the United Kingdom.

#### 5. Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual accounts were £65,000 (2020: £59,000).

No non-audit services provided in the year (2020: nil).

## FGS Global (UK) Limited (previously known as The Finsbury Group Limited)

### Notes to the financial statements Year ended 31 December 2021

#### 6. Staff costs

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

	2021 Number	2020 Number
Operations	90	85
Administration	22	22
	<u>112</u>	<u>107</u>

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	17,724,913	14,060,470
Social security costs	3,123,434	2,178,022
Other pension costs	636,563	581,062
Share based payments	367,690	1,121,607
	<u>21,852,600</u>	<u>17,941,161</u>

#### 7. Directors' remuneration and transaction

	2021 £	2020 £
<b>Directors' remuneration</b>		
Emoluments	5,921,650	6,056,000
Company contributions to money purchase pension schemes	29,476	29,357
	<u>5,951,126</u>	<u>6,085,357</u>

	Number	Number
<b>The number of directors who:</b>		
Are members of a money purchase pension scheme	<u>2</u>	<u>2</u>
	<u>£</u>	<u>£</u>

<b>Remuneration of the highest paid director:</b>		
Emoluments	3,307,635	4,029,425
Company contributions to money purchase schemes	<u>-</u>	<u>-</u>

The highest paid director did not exercise any share options in the year and had no shares receivable under long-term incentive schemes.

#### Directors' transactions

Details of transactions with directors during the year are disclosed in note 21.



## FGS Global (UK) Limited (previously known as The Finsbury Group Limited)

### Notes to the financial statements Year ended 31 December 2021

#### 8. Net interest payable

	2021 £	2020 £
Lease interest	272,568	315,386
Bank interest	30,522	14,835
	<u>303,090</u>	<u>330,221</u>

#### 9. Tax on profit

The UK tax rate for the year ended 31 December 2021 is 19%. The reversal of a planned reduction to 19% was enacted in 2021 and, therefore, the rate used for deferred tax balances for 2021 is 19% (2020: 19%).

##### Factors that may affect future tax changes:

In the UK Budget on 3 March 2021, the Chancellor of the Exchequer announced an increase in the UK corporation tax rate from 19% to 25%, which is due to be effective from 1 April 2023. This change was not substantively enacted at the balance sheet date and hence has not been reflected in the measurement of deferred tax balances at the period end. When recalculated at the lower 19% rate the deferred tax liability would reduce by approximately £26,000. This reduction will be recognised in 2022.

	2021 £	2020 £
<b>Corporation income tax</b>		
<b>Current tax</b>		
Current year	(270,017)	-
Total tax charge (see below)	<u>(270,017)</u>	<u>-</u>
<b>Deferred tax</b>		
Current year	(247,541)	34,556
Adjustments in respect of prior years	51,612	32,360
Total deferred tax (charge)/credit (see below)	<u>(195,928)</u>	<u>66,916</u>
<b>Tax on profit</b>	<b>(465,945)</b>	<b>66,916</b>

## FGS Global (UK) Limited (previously known as The Finsbury Group Limited)

### Notes to the financial statements Year ended 31 December 2021

#### 9. Tax on profit (continued)

The (charge)/credit for the year can be reconciled to the profit in the profit and loss account as follows:

	2021 £	2020 £
<b>Profit before tax</b>	<b>4,738,929</b>	<b>4,100,480</b>
Tax on profit at effective UK corporation tax rate of 19% (2020: 19%)	(907,397)	(779,091)
Effects of:		
Expenses not deductible/income not taxable for tax purposes	(74,361)	(42,486)
Impact of rate change on Deferred Tax balances	26,067	76,210
Movement in short term timing differences	197,681	16,439
Prior year adjustments	51,612	32,360
WPP Group relief	233,317	763,484
<b>Total tax (charge)/credit for year</b>	<b>(465,945)</b>	<b>66,916</b>

A deferred tax asset of £486,416 (2020: £682,346) (see note 14) has been recognised in respect of capital allowances in excess of depreciation, deferred tax on share options and other timing differences as it is probable that there will be sufficient taxable profits against which the asset will reverse in the future.

	£
Brought forward deferred tax asset (2020)	682,346
Tax credit for year (see movements below)	(195,928)
Carried forward deferred tax asset (2021)	<u>486,416</u>

	£
Movement in fixed assets	(40,611)
Movement in Pension provision	16,911
Deferred tax on Share plans	(223,840)
Adjustments in respect of previous periods	51,612
Deferred tax movement in 2021	<u>(195,928)</u>

## FGS Global (UK) Limited (previously known as The Finsbury Group Limited)

### Notes to the financial statements Year ended 31 December 2021

#### 10. Profit before taxation

Profit before taxation is stated after charging/(crediting):

	2021 £	2020 £
Net foreign exchange losses/(gains)	102,283	(6,455)
Depreciation of tangible assets	426,607	415,498
Depreciation of right-of-use assets under lease	956,976	956,425
Operating lease rentals		
- Other	11,712	13,142
Staff costs (see note 6)	21,852,600	17,941,161

#### 11. Right-of-use assets

	Building £	Cars £	Total £
<b>Cost</b>			
At 1 January 2021	7,977,339	151,566	8,128,905
Addition	-	45,731	45,731
At 31 December 2021	7,977,339	197,297	8,174,636
<b>Depreciation</b>			
At 1 January 2021	1,872,516	63,502	1,936,018
Charge for the year	924,674	32,302	956,976
At 31 December 2021	2,797,190	95,804	2,892,994
<b>Net book value</b>			
At 31 December 2021	5,180,149	101,493	5,281,642
At 31 December 2020	6,104,823	88,064	6,192,887

## FGS Global (UK) Limited (previously known as The Finsbury Group Limited)

### Notes to the financial statements Year ended 31 December 2021

#### 12. Tangible assets

	Computers £	Short-term leasehold improvements £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 January 2021	496,520	2,715,751	729,256	3,941,527
Additions	96,855	21,471	9,876	128,202
At 31 December 2021	593,375	2,737,222	739,132	4,069,729
<b>Depreciation</b>				
At 1 January 2021	438,109	859,112	587,079	1,884,300
Charge for the Year	55,000	295,883	75,724	426,607
At 31 December 2021	493,109	1,154,995	662,803	2,310,907
<b>Net book value</b>				
At 31 December 2021	100,266	1,582,227	76,329	1,758,822
At 31 December 2020	58,411	1,856,639	142,177	2,057,227

#### 13. Fixed asset investments

	Shares in subsidiary undertakings £
<b>Cost and net book value</b>	
Balance as at 1 January 2021 and 31 December 2021	104,446

Investments in subsidiary undertakings comprise ordinary shares of the follow companies:

Name of Company	Country of incorporation	Principal activity	Holdin g	Address
<b>Subsidiary</b>				
FIPRA UK Limited	United Kingdom	Dormant	100%	Tenter House, 45 Moorfields, London, EC2Y 9AE
Finsbury.com Limited	United Kingdom	Dormant	100%	Tenter House, 45 Moorfields, London, EC2Y 9AE
Finsbury Saudi Public Relations and Communications company	Kingdom of Saudi Arabia	Active – PR and marketing communications	100%	PO Box 3388 Riyadh, 12211, Saudi Arabia

## FGS Global (UK) Limited (previously known as The Finsbury Group Limited)

### Notes to the financial statements Year ended 31 December 2021

#### 14. Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	10,584,829	7,192,119
Amounts owed by other WPP group undertakings	2,262,435	206,678
Other debtors	21,407	330
Prepayments	324,987	1,780,491
Accrued income	1,297,529	2,166,499
	<u>14,491,187</u>	<u>11,346,117</u>
	2021 £	2020 £
Amounts falling due after more than one year:		
Deferred tax asset	486,416	682,346
	<u>14,977,603</u>	<u>12,028,463</u>

Amounts owed by other WPP group undertakings are unsecured, interest free and repayable on demand.

A provision at the year end is held of £728,703 (2020: £636,718). These are, therefore, excluded from the final closing trade debtors balance recognised in the accounts.

The average credit period for rendering of services is 33 days, since the majority of debtors have a 30-day credit term and several debtors have over 30 being 60, 90 or 120. The Company has adopted a policy of dealing with only creditworthy counterparties. Adequate credit assessment is made before accepting a new customer.

Included in the Company's trade receivables balance are debtors with a carrying amount of £4,103,958 (2020: £3,467,869) which are past due at the end of the reporting period for which the amounts are still considered recoverable. The Company does not hold any collateral over these balances.

The full £10,584,829 trade debtor balance is considered recoverable.

## FGS Global (UK) Limited (previously known as The Finsbury Group Limited)

### Notes to the financial statements Year ended 31 December 2021

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

	2021 £	2020 £
Trade creditors	365,303	166,574
Amounts owed to other WPP group undertakings	829,266	277,006
Amounts owed to Parent group	1	12,961,821
Other taxes and social security	2,675,493	4,033,527
Accruals	8,687,625	1,902,147
Deferred income	503,109	1,322,023
Other creditors	358,298	272,155
Corporation tax liability	270,017	-
Lease liabilities (note 20)	1,259,856	1,209,905
<b>Total creditors falling due within one year</b>	<b>14,948,968</b>	<b>22,145,158</b>

Amounts owed to other WPP group undertakings are unsecured, interest free and repayable on demand.

#### 16. Creditors: amounts falling due after more than one year

	2021 £	2020 £
Lease liabilities (note 20)	5,621,093	6,840,586
<b>Total creditors falling due more than one year</b>	<b>5,621,093</b>	<b>6,840,586</b>

#### 17. Retirement benefit schemes

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost represents contributions payable by the Company to the fund, which amounted to £636,563 (2020: £581,062). As of 31 December 2021, pension costs payable totalled £152,830 (2020: £66,685).

## FGS Global (UK) Limited (previously known as The Finsbury Group Limited)

### Notes to the financial statements Year ended 31 December 2021

#### 18. Called-up share capital

	2021 £	2020 £
Authorised, issued and fully paid:		
4,804,746,700 (2020: 3,660,356,000) Ordinary shares of £0.00001 each	48,804	36,603
Nil (2020: 1,220,118,670) Growth shares of £0.00001 each	-	12,201
	<u>48,804</u>	<u>48,804</u>

Each ordinary share is entitled to one vote in any circumstances and is entitled *pari passu* with other ordinary shares to dividend payments or any other distribution. Growth shares have no voting rights and are not entitled to dividend payments nor any other distribution. Each ordinary share is entitled *pari passu* with other ordinary shares to participate in a distribution arising from a winding up of the Company in priority over growth shares.

On 18 January 2021, 244,023,734 growth shares of £0.00001 each were converted from growth shares to ordinary shares. On 13 May 2021, 976,094,936 growth shares of £0.00001 each were converted from growth shares to ordinary shares.

#### 19. Financial commitments

At the balance sheet date, the Company had outstanding commitments for total future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Commitment expiring:		
- within one year	<u>11,712</u>	<u>13,570</u>

Operating lease payments primarily represent rentals payable by the Company for its office equipment. These are low value hence classified as operating leases for 2021.

#### 20. Lease liability

	Building £	Car £	Total £
Balance at 31 December 2020	7,960,884	89,607	8,050,491
Addition	-	45,731	45,731
Cash payments	(1,452,881)	(34,960)	(1,487,841)
Interest expense	270,657	1,911	272,568
Balance at 31 December 2021	<u>6,778,660</u>	<u>102,289</u>	<u>6,880,949</u>
Lease within one year	1,226,058	33,798	1,259,856
Lease due after more than one year	<u>5,552,602</u>	<u>68,491</u>	<u>5,621,093</u>
<b>Total balance</b>	<b><u>6,778,660</u></b>	<b><u>102,289</u></b>	<b><u>6,880,949</u></b>

Leases include office premises under buildings, and car park lease and car lease under cars. Leases of land and buildings provide for the lessee to pay all insurance, maintenance and repair costs.

## **FGS Global (UK) Limited (previously known as The Finsbury Group Limited)**

### **Notes to the financial statements Year ended 31 December 2021**

#### **21. Transactions with directors**

The following transactions have taken place with directors:

Quasi-loan to directors:

The Company made unsecured non-interest-bearing quasi-loans to Mr Rudd at various times throughout the year, in respect of personal costs incurred by him and initially paid by the Company. At the balance sheet date there was a balance of £nil (2020: £nil) outstanding. The maximum outstanding at any point in the year was £20,333 (2020: £6,892).

#### **22. Guarantees and other financial commitments**

The Company participates in WPP group banking arrangements with its parent Company, WPP plc, and has access to a group cash management facility. The Company guarantees the facility to the extent of its cash deposited in the UK with its clearing bank. The Company, together with its parent, WPP plc, and certain other subsidiary undertakings, is party to the WPP group's syndicated banking arrangements. The Company has jointly and severally guaranteed the borrowings under these arrangements. Details of these arrangements are included in the financial statements of WPP plc.

#### **23. Ultimate parent company and controlling party**

The directors regard FGS Global (UK Holdco) Limited (previously known as Fulham UK Holdco Limited), a Company incorporated in England and Wales, as the immediate parent Company. The Company is a wholly owned subsidiary of FGS Global Inc, incorporated in Delaware, United States. WPP plc, a Company incorporated in Jersey, as the ultimate parent company and controlling party with the majority stake in FGS Global Inc.

At the year end the parent undertaking of the largest and smallest group of undertakings for which group financial statements are drawn up and of which the Company is a member is WPP plc, registered at 13 Castle Street, St. Helier, Jersey, JE1 1ES.

Copies of the financial statements of WPP plc are available at [www.wppinvestor.com](http://www.wppinvestor.com).

#### **24. Events after Balance Sheet date**

The Finsbury Group Limited changed its name to FGS Global (UK) Limited on the 27<sup>th</sup> July 2022.

The Companies immediate parent, Fulham UK Holdco Limited, changed its name to FGS Global (UK Holdco) Limited on the 25 July 2022.

On 11<sup>th</sup> April 2023 KKR announced that it was investing in FGS Global Inc with the transaction due to complete in Q3 2023. This results in no change in ultimate parent company.