

**Kantar UK Limited**  
**Annual Report and Financial Statements**  
**For the year ended 31 December 2021**  
Company Registration No: 03073845



**Kantar UK Limited**

**Annual Report and Financial Statements**

**For the year ended 31 December 2021**

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# **Kantar UK Limited**

## **Annual Report and Financial Statements 2021**

### **Officers and professional advisers**

#### **Directors**

A Cashman  
IC Dunkley  
C Morley (appointed 5 March 2021)  
KR Smith  
M Verman

#### **Registered Office**

TNS House  
Westgate  
London  
England  
W5 1UA

#### **Bankers**

National Westminster Bank PLC  
Piccadilly & New Bond Street  
63 Piccadilly  
London  
England  
W1J 0AJ

#### **Auditor**

Deloitte LLP  
Statutory Auditor  
1 New Street Square  
London  
EC4A 3HQ  
United Kingdom

# **Kantar UK Limited**

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

The directors present their Strategic report on Kantar UK limited (the “company”) for the year ended 31 December 2021.

### **Principal activity, business review and future developments**

The company's principal activity is the provision of market information services. A detailed description of Kantar UK limited's market and of the main trends and factors likely to affect the future development, performance and position of the company's business, which fulfils the requirements of the business review, can be found in the 2021 Annual Report of Kantar Global Holdings S.à.r.l.

The profit and loss account for the year is set out on page 13. Revenue has increased by 14.6% to £300.8m. The profit before tax increased by £12.3m to £41.0m. Net assets have increased from £178.6m to £198.8m.

### **Key performance indicators (KPIs)**

Kantar Group manage their Group's operations on a divisional basis. For this reason, the company's directors believe that analysis using other non-financial key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of Kantar UK limited.

### **Principal risks and uncertainties**

The directors of the company have considered the principal risks and uncertainties affecting the Company as at 31 December 2021 and up to date of this report. The principal risks for the company are shown below:

#### *COVID-19*

As with all businesses, the company has been impacted by the COVID-19 pandemic. The company continues to monitor and take measures to mitigate the effects of the challenges associated with COVID-19 in several respects.

Our first priority is the safety of our people and the resilience of the business; most operations moved to remote working in 2020 and we were in various stages of returning to the office in 2021.

The transition to remote working went remarkably well as our employees have shown tremendous focus and flexibility, partnering with our clients to continue to provide critical attitudinal and behavioural data that delivers real-time insight.

In response to the pandemic, we implemented a series of mitigation measures, including actions on our costs, cash flow and working capital. These measures were a combination of temporary measures and an acceleration of the transformation plan that had already been started.

The second quarter of 2020 represented our most difficult quarter of the pandemic. The business has shown improvement subsequently and we are currently trading back at pre-pandemic levels.

#### *Brexit*

The directors are, at the date of this report, continuing to monitor the ongoing uncertainty regarding Brexit and its potential impact on the company. Although the company trades with clients and suppliers across the region, and employs staff who are EU nationals, the directors consider that the risks presented by Brexit are manageable given the nature of the services provided by the company (i.e. no physical goods). As part of the Kantar network of companies, the directors consider that the company has access to sufficient expertise to manage the risks of Brexit effectively.

### **Section 172(1) Statement**

The directors of the company, as those of all UK companies, must act in accordance with section 172 of the UK Companies Act 2006. The directors are of the opinion that they have acted fairly and in good faith to promote the success of the company for the benefits of its members.

The directors have carried out these duties and have made decisions and undertaken short and long-term strategies to maintain its financial performance and position. The directors continue to recognise the importance of the company's partnership with all stakeholders, including employees, members, suppliers, customers and the community, as well as maintaining its high standards of business conduct and reputation.

## Kantar UK Limited

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

#### Section 172(1) Statement (continued)

We have representatives who attend and communicate with industry bodies in the markets in which we operate who engaged on issues that affect our people, clients and competitors. We contributed during the year to indexes that provide meaningful data on governance and policy issues.

##### a) Long term consequences

The directors met throughout the year and considered the purpose and strategy for the company, supported by a budget for the following year and a medium-term financial plan. Agenda items for the following year are set based on the discussions held and decisions taken by the Board throughout the year. For example, business development and operational progress are discussed to help maintain the long-term sustainability of the business model.

##### b) Interest of employees

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings, briefings and through Group and company communications. Employees are consulted regularly on a wide range of matters affecting their current and future interests.

##### c) Interest of other stakeholders

The company recognises the importance of its continued partnerships with its wider stakeholders including suppliers and customers, in delivering its business strategy and sustainability goals. The company aims to have an open and transparent relationship which is based on honesty and respect. The company engages in constant conversation with clients and suppliers on improving delivery of services and relationships.

##### d) Impact of community and environment

Corporate responsibility, including human rights, environmental stewardship and use of resources, sustainable solutions, greenhouse gas emissions and energy management are monitored with quarterly reporting of these to help the company plan for future actions to be taken in order for the business to help the local community and the environment.

##### e) High standards of business conduct

The company maintains high standards of business conduct focusing on business ethics, anti-bribery and anti-corruption. All employees are required to read and agree with all policies in regard to the Group's code of conduct, right to speak and anti-bribery. These are communicated on an annual basis by HR.

##### f) Act fairly between members

The directors aim to understand the views of its shareholders and always act in their best interests. In order to do this, the directors work closely with the shareholders to ensure operations, strategy and performance are aligned with their long-term objectives, while complying with the Articles of Association of the company, and in line with the highest standards of conduct as laid out in Group policies.

Approved by the Board and signed on its behalf by:



M Verman  
Director

30 June 2022

## **Kantar UK Limited**

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

The directors present their Annual Report together with the audited Financial Statements of the company for the year ended 31 December 2021.

In preparing the Directors' report, the directors have complied with s414C (11) of the Companies Act 2006 by including certain disclosures required by s172 within the Strategic report. This has been done in respect of future developments and principal risks.

#### **Dividends**

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

#### **Research and development**

In a competitive industry it is vital to find new products and services that meet client demand for additional insight and analysis. The company remains committed to meeting the needs of its customers with responsive service and innovative products combining speed and accuracy with reliable performance. The company will continue to invest to maintain leadership in providing market information services.

#### **Going concern**

The directors consider that the going concern assumption upon which these financials have been prepared continues to be appropriate, due to continuing support from the intermediate parent company, Kantar Group Holdings Ltd. Forecasts and cash flow projections have been produced by the Group, covering the period of 12 months from the date of signing these financial statements. These demonstrate the Group has sufficient funding to enable the company to meet its obligations as they fall due. Following correspondence with Group management, the directors of the company are satisfied that the Group will continue to invest in this entity as it is considered strategically beneficial to the Group.

The directors have a reasonable expectation, considering the support from the parent company, that the company has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of signing these financial statements. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

#### **Directors**

The directors of the company who served during the year and up to the date of signing these financial statements, are listed below:

A Cashman  
IC Dunkley  
C Morley (appointed 5 March 2021)  
KR Smith  
M Verman

The group to which the company belongs has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

## Kantar UK Limited

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

#### Energy and carbon reporting

##### Greenhouse Gas (GHG) Emissions

In line with the Greenhouse Gas Protocol (GHG) Corporate Accounting and Reporting Standard, The Kantar Group continues to be engaged in a process aimed at reducing our energy and greenhouse gas (GHG) emissions.

Kantar UK Limited maintains scope 1 & 2 emissions, which are generated from our offices. We have also included scope 3 emissions derived from the transmission and distribution of electricity to our various premises; we recognise that it is not mandatory to include but, as recommended by BEIS, we feel it appropriate to do so.

Kantar previously devised a strategy to reduce our carbon footprint significantly including:

- Encouraging employees to purchase renewable technology cars i.e., hybrid vehicles, battery electric vehicles,
- Purchasing energy efficient equipment where appropriate in our offices,
- Replacing HVAC systems with energy-efficient equipment where possible,
- Adopting behavioural change measures where possible.

Kantar was heavily impacted by the Covid pandemic during our financial year. We continue to work hard at reducing our emissions and reducing our carbon footprint.

Our calculated carbon footprint for our current financial year is 494,895 t CO<sub>2</sub>e (2020: 965,361 t CO<sub>2</sub>e) whilst energy consumption was 3,636,856 kWh (2020: 3,728,586 kWh)

We have reduced our emissions. Most of this reduction is through purchasing renewable energy guarantees of origin (REGO) backed electricity, meaning our electricity is from renewable sources, however, we continue to focus on behavioural change measures and good energy practices.

#### Methodology

We have reported all emission sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 as required. We have calculated and reported our emissions in line with the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors from the UK Government's GHG Conversion Factors for company Reporting 2020 (reference "Introduction guidance").

Energy consumption (kWh) from our buildings was calculated based on consumption data included on energy supply invoices. Transport energy consumption was calculated by dividing emissions totals by the corresponding conversion factor(s) outlined in government produced guidance.

The reporting period is the financial year 2021, the same as that covered by the Annual Report and Financial Statements. The boundaries of the GHG inventory are defined using the operational control approach. In general, the emissions reported are the same as those which would be reported based on a financial control boundary.

#### Emissions

	<b>2021</b> <b>Tonnes CO<sub>2</sub> equivalent (tCO<sub>2</sub>e)</b>	<b>2020</b> <b>Tonnes CO<sub>2</sub> equivalent (tCO<sub>2</sub>e)</b>
Scope 1 (natural gas)	236	212
Scope 1 (transport)	107	94
Scope 2 (electricity)	106	607
Scope 3 (electricity T & D*)	45	52
<b>Total</b>	<b>494</b>	<b>965</b>

\*Transmission and distribution losses.

## **Kantar UK Limited**

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

#### **Energy and carbon reporting (continued)**

Scope 1, 2 and 3 carbon intensity metric = 0.018 tCO<sub>2</sub>e / m<sup>2</sup> (2020: 0.04 tCO<sub>2</sub>e / m<sup>2</sup>) of floor area.

#### *Efficiency Measures Taken*

- 1) Continue to upgrade and replace aging office equipment with energy-efficient products,
- 1) Expanded video conferencing and online meetings (as opposed to F2F meetings),
- 2) Upgraded lighting portfolio where possible.

#### *Objectives for 2022*

- 1) Reduce our baseline electricity and gas consumption by 2%.
- 2) Continual review of existing operational and office equipment company policies.
- 3) Reviewing supply contracts to determine feasibility of renewable energy.
- 4) Assessment and implementation of the Energy Savings Opportunity Scheme (ESOS) recommendations.
- 5) Continue with our energy-savings program.

The company will report on progress within our next set of Annual Report.

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

The directors consider that the primary financial risks faced by the business are minimal, affecting primarily cash flow risk and credit risk. The directors do not believe that the company is exposed to significant price risk or liquidity risk. The company currently has sufficient cash to fund its activities.

#### *Cash flow risk*

The company's activities expose it to the financial risk of changes in foreign currency exchange rates. Where necessary, the company uses currency hedging to offset this risk. Foreign currency transactions are, where possible, kept to a minimum.

#### *Credit risk*

The company's principal financial assets are bank balances, trade and other receivables, and investments. The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for expected future credit losses. There is limited credit risk on liquid funds because the counterparties are clients with high credit ratings assigned by international credit-rating agencies.

The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

#### **Employee engagement**

Please refer to the Section 172(1) statement, paragraph b), in the Strategic report for detail of how during the financial year the directors have engaged with employees and had regard to employee interests.

#### **Business relationships**

Please refer to the Section 172(1) statement, paragraph c), in the Strategic report for detail of how during the financial year the Directors have had regard to the need to foster the company's business relationships with suppliers, customers and others, and the effect of that regard.



## **Kantar UK Limited**

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

#### **Statement of Corporate Governance arrangements**

The directors seek to apply high standards of corporate governance to the operation of the board and the company. However, the board have chosen not to adopt a corporate governance code for the year ended 31 December 2021.

The company's board is made up of the directors of the company as disclosed in the Directors' report. The board meets on a regular basis to consider and approve various commercial and administrative matters, in accordance with the company's articles of association and the governance requirements of the Kantar Group. Given the nature of matters considered by the board, the directors are comfortable that the board can effectively carry out its responsibilities without delegation to any committee.

The company's shareholders are other legal entities in the Kantar Group. The company communicates to its shareholders via the Annual Report and Financial Statements, and otherwise as specific matters require.

#### **Subsequent events**

In November 2021, the company announced the proposed sale of its public sector business to Kantar Public UK limited, a wholly owned subsidiary and the transaction complete in January 2022. In May 2022, the Group announced the sale of its Kantar Public business to Trilantic Europe, a third-party buyer. The proposed transaction is expected to complete in the third quarter of 2022.

#### **Brexit**

Please refer to the Strategic Report for discussion of the expected impact of Brexit on the company.

#### **Employment of disabled persons**

The company gives full and fair consideration to applications for employment made by disabled persons having regard to their aptitudes and abilities. Appropriate training is arranged for disabled employees, including retraining for alternative work of employees who become disabled, to promote their career development within the company.

#### **Auditor**

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

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

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

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:



M Verman  
Director  
30 June 2022

## **Kantar UK Limited**

### **Directors' responsibilities statement For the year ended 31 December 2021**

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.

## **Kantar UK Limited**

### **Independent auditor's report to the members of Kantar UK Limited Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of Kantar 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 statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 25.

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.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Inspection of the letter of support provided by Kantar Group Holdings Ltd, a parent company.
- Assessment of the ability and intention of Kantar Group Holdings Ltd to provide the support, based on the assessment of the model used to prepare relevant forecasts, including historical accuracy of such forecasts, assumptions used and linkage to the Group business model.

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.

## **Kantar UK Limited**

### **Independent auditor's report to the members of Kantar UK Limited Report on the audit of the financial statements**

#### **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.

#### **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 framework 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, pensions legislation, 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 data privacy and employment regulations.

## **Kantar UK Limited**

### **Independent auditor's report to the members of Kantar UK Limited Report on the audit of the financial statements**

We discussed among the audit engagement team including relevant internal specialists such as tax and IT specialists regarding 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 the following area, and our specific procedures performed to address it are described below:

The accuracy of revenue recognised in relation to incomplete custom research contracts: We assessed the design and implementation of relevant controls and for a sample of contracts, created an independent estimate of the level of completion, based on the assessment of cost incurred at year end compared with total cost expected to complete the project.

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;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

#### **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.

## **Kantar UK Limited**

### **Independent auditor's report to the members of Kantar UK Limited Report on the audit of the financial statements**

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.

A handwritten signature in black ink, appearing to read 'J Black', with a long horizontal flourish extending to the right.

Jeremy Black (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

30 June 2022

## Kantar UK Limited

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

	Notes	2021			2020		
		£000	£000	£000	£000	£000	£000
		Continuing operations	Discontinued operations	Total	Continuing operations (as restated)	Discontinued operations (as restated)	Total
Turnover	3	231,207	69,583	300,790	219,341	43,203	262,544
Cost of sales		(75,018)	(38,061)	(113,079)	(81,231)	(20,981)	(102,212)
Gross profit		156,189	31,522	187,711	138,110	22,222	160,332
Administrative expenses		(234,056)	(18,739)	(252,795)	(224,404)	(12,825)	(237,229)
Other operating income	4	103,753	-	103,753	107,068	-	107,068
Operating profit		25,886	12,783	38,669	20,774	9,397	30,171
Interest receivable and similar income	5	4,161	-	4,161	187	-	187
Interest payable and similar charges	6	(1,813)	(46)	(1,859)	(1,600)	(54)	(1,654)
Profit before taxation	4	28,234	12,737	40,971	19,361	9,343	28,704
Tax on profit	9	(18,379)	(2,429)	(20,808)	(9,277)	(1,775)	(11,052)
Profit for the financial year		9,855	10,308	20,163	10,084	7,568	17,652

## Kantar UK Limited

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

	Notes	2021			2020		
		£000	£000	£000	£000	£000	£000
		Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Profit for the financial year		9,855	10,308	20,163	10,084	7,568	17,652
Items that will not be reclassified subsequently to the profit and loss account:							
Actuarial gain/(loss)	20	150	-	150	(50)	-	(50)
Change in recognisable surplus of plans with a surplus restriction	20	(90)	-	(90)	151	-	151
Total other comprehensive income for the period		60	-	60	101	-	101
Total other comprehensive income for the year attributable to the owners of the company		9,915	10,308	20,223	10,185	7,568	17,753



## Kantar UK Limited

### Balance sheet At 31 December 2021

	Notes	2021 £'000	2020 £'000
<b>Fixed assets</b>			
Intangible assets	10	83,446	62,652
Tangible assets	11	10,187	15,235
Investments	12	17,155	25,497
Right-of-use asset	13	19,072	23,767
Loan receivable	15	301,336	-
		<u>431,196</u>	<u>127,151</u>
<b>Current assets</b>			
Debtors	16	127,691	121,114
Cash at bank and in hand		24,795	165,578
		<u>152,486</u>	<u>286,692</u>
Creditors: amounts falling due within one year	17	(337,853)	(195,577)
Lease liability	14	(6,000)	(4,893)
Provisions for liabilities and charges - current	19	(3,118)	(3,341)
<b>Net current (liabilities)/ assets</b>		<u>(194,485)</u>	<u>82,881</u>
<b>Total assets less current liabilities</b>		<u>236,711</u>	<u>210,032</u>
Creditors: amounts falling due after more than one year	18	(8,366)	(8,366)
Lease liability	14	(26,929)	(20,505)
Provisions for liabilities and charges – non-current	19	(2,621)	(2,589)
<b>Net assets excluding pension surplus</b>		<u>198,795</u>	<u>178,572</u>
<b>Net assets including pension surplus</b>		<u>198,795</u>	<u>178,572</u>
<b>Capital and reserves</b>			
Called up share capital	21	37,384	37,384
Share premium account		23,534	23,534
Profit and loss account		137,877	117,654
<b>Shareholders' funds</b>		<u>198,795</u>	<u>178,572</u>

The financial statements of Kantar UK limited, registered number 03073845 on pages 13-40 were approved by the Board of Directors and authorised for issue on 30 June 2022.



M Verman  
Director

## Kantar UK Limited

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

	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
<b>Balance at 1 January 2020</b>	37,384	23,534	99,787	160,705
Profit for the period	-	-	17,652	17,652
Other comprehensive income for the period	-	-	101	101
<b>Total comprehensive income for the period</b>	37,384	23,534	17,753	17,753
Adjustment related to acquisition in the year	-	-	114	114
<b>Balance at 31 December 2020</b>	37,384	23,534	117,654	178,572
Profit for the period	-	-	20,163	20,163
Other comprehensive income for the period	-	-	60	60
<b>Total comprehensive income for the period</b>	37,384	23,534	20,223	20,223
<b>Balance as 31 December 2021</b>	37,384	23,534	137,877	198,795

## **Kantar UK Limited**

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

#### **1. Principal accounting policies**

Kantar UK limited (the company) is a company incorporated in the United Kingdom under the Companies Act 2006.

The company is a private company limited by shares and is registered in England and Wales. The address of the company's registered office is shown on page 1.

The principal accounting policies adopted in the preparation of these financial statements are set out below. They have all been applied consistently throughout the year and the preceding year.

#### **Basis of preparation**

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on page 2.

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006. The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, these financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, the company has taken advantage of certain 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, standards not yet effective, impairment of assets and related party transactions.

#### **Going concern**

The directors consider that the going concern assumption upon which these financials have been prepared continues to be appropriate, due to continuing support from the intermediate parent company, Kantar Group Holdings Ltd. Forecasts and cash flow projections have been produced by the Group, covering the period of 12 months from the date of signing these financial statements. These demonstrate the Group has sufficient funding to enable the company to meet its obligations as they fall due. Following correspondence with Group management, the directors of the company are satisfied that the Group will continue to invest in this entity as it is considered strategically beneficial to the Group.

The directors have a reasonable expectation, considering the support from the parent company, that the company has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of signing these financial statements. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

#### **Amendments to International Financial Reporting Standards (IFRSs) and the new interpretations that are mandatory effective for the current year**

No such amendments or interpretations have a material impact on the financial statements in the current year.

#### **Basis of consolidation**

The financial statements are separate financial statements. No consolidated financial statements have been prepared as the company is included in the consolidated accounts prepared by its parent, Kantar Global Holdings S.à.r.l. Consequently, the company is exempt under section 400 of the Companies Act 2006 from preparing consolidated financial statements.

#### **Foreign currencies**

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the company operates (its functional currency). Monetary assets and liabilities in currencies other than the functional currency are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in currencies other than the functional currency are converted at rates of exchange prevailing at the date the transactions were made. Foreign exchange differences are dealt with through the profit and loss account.

## **Kantar UK Limited**

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

#### **1. Principal accounting policies (continued)**

##### **Revenue recognition**

Consistent with the industry, contracts are typically short-term in nature and tend to be cancellable by either party within a contractually agreed notice period, typically between one and six months. The company is generally entitled to payment for work performed to date.

Revenue comprises fees earned in respect of amounts billed and is stated exclusive of VAT, sales taxes and trade discounts. Revenue includes pass-through fees; these are fees charged directly to clients reflecting costs that the company pays to suppliers engaged to perform part or all of a specific project, and are predominantly data collection costs. Costs to obtain a contract are typically expensed as incurred as the contracts are generally short-term in nature.

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. Generally, the performance obligations are met uniformly over the period between the date on which a client agrees to a project and the date on which the findings are presented. When the terms of the transaction provide for licensing the right to access a product on a subscription basis, revenue is recognised over the subscription period, typically on a straight-line basis.

Turnover relating to contracts less payments on account is classified as 'amounts recoverable on contracts' within debtors. Amounts invoiced to clients in advance of revenue and profits being recognised are shown as 'payments received on account' within creditors. Provisions are made for losses on projects as soon as they are identified.

##### **Government grants**

Government grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognised in profit or loss in the period in which they become receivable.

##### **Business combinations**

In March 2020 the company acquired 100% of the share capital of Mavens Ltd, a market research business previously wholly independent of the Kantar Group. In September 2020, 100% of the trade and assets of Mavens were transferred ('hived up') to the company. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the company, liabilities incurred by the company to the former owners of the acquiree and the equity interest issued by the company in exchange for control of the acquiree. Acquisition and integration costs are expensed as incurred.

Goodwill is initially measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any), over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the profit and loss account. When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

There is currently no specific guidance on accounting for business combinations between entities under common control under IFRS Standards. In the absence of specific guidance, entities involved in common control transactions should select an appropriate accounting policy using the hierarchy described in paragraphs 10 to 12 of IAS 8. Because the hierarchy permits the consideration of pronouncements of other standard-setting bodies, the guidance on group reorganisations in UK GAAP may be useful in some circumstances. As such some of the principles of merger accounting under UK GAAP have been applied when accounting for the hive-up detailed above: change in the fair value of net assets acquired, between the date share capital of Mavens was acquired and the date of the hive up, has been recognised within reserves.

## **Kantar UK Limited**

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

#### **1. Principal accounting policies (continued)**

##### **Fixed asset investments**

Fixed asset investments are stated at cost, plus the initial fair value of contingent considerations, as mentioned above, less provisions for any permanent diminution in the value of investments.

##### **Goodwill**

Goodwill is not subject to amortisation but is assessed for impairment at the end of each financial reporting period.

##### **Non-current assets held for sale and discontinued operations**

Under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, where certain conditions are met, an asset or disposal group that is for sale should be recognised as "held for sale". An entity should classify a disposal group as held for sale if the carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable. Such assets are measured at the lower of carrying amount and fair value less costs to sell, and are not depreciated or amortised, excluding certain assets that are carried at fair value under IFRS 5.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The profit or loss from a discontinued operation shall be presented in the statement of comprehensive income in a column identified as relating to discontinued operations, separately from continuing operations and a total column shall also be presented and the comparatives restated accordingly. Assets and liabilities classified as held for sale are to be separately disclosed either on the face of the balance sheet or in a note. Comparative amounts for these major classes of assets and liabilities shall not be reclassified for the prior period presented.

##### **Other intangible assets**

Identifiable intangible assets acquired as part of a business combination are recognised separately from goodwill if their fair value can be measured reliably on initial recognition and it is probable that the expected future economic benefits that are attributable to the asset will flow to the company. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and impairment losses. Amortisation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight line basis over its estimated useful life as follows:

Customer relationships	11 years
------------------------	----------

##### **Development expenditure**

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible assets so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible assets; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated

## Kantar UK Limited

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

#### 1. Principal accounting policies (continued)

##### Development expenditure (continued)

Intangible asset can be recognised, development expenditure is recognised in the profit and loss in the period in which it is incurred. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

##### Tangible and intangible fixed assets

Fixed assets are stated at original cost when acquired, less accumulated depreciation and amortisation. Depreciation and amortisation is calculated to write off the cost less the estimated residual value of each asset principally on a straight-line basis over its expected useful life as follows:

Freehold land	No depreciation
Freehold buildings	33 years
Software and databases	3 years or remaining life if shorter
Fixtures, fittings, equipment and motor vehicles	3 - 10 years
Leasehold refurbishments	5 - 10 years or remaining life if shorter

Useful lives and residual values are reviewed at the end of each reporting period. Amortisation is included in the administrative expenses line in the profit and loss account.

##### Impairment of tangible and intangible assets

At each balance sheet date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

##### Pension arrangements

The company operates a number of contributory pension plans. The majority of employees participate in defined contribution plans that are set up through insurance companies. Contributions are also made to personal pension plans at equivalent rates. Payments in respect of such current service contributions are charged to the profit and loss account as they fall due.

The company also operated one defined benefit pension plan. Obligations under the defined benefit plan are measured at discounted present values by actuaries, while plan assets are recorded at fair value. The operating and financing costs of this plan are recognised separately in the profit and loss account. Financing costs are recorded in finance costs and recognised in the years in which they arise. Actuarial gains and losses are taken directly to reserves in the year in which they arise.

##### Financial instruments

Financial assets and financial liabilities are recognised on the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# Kantar UK Limited

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

### 1. Principal accounting policies (continued)

#### Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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 or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

##### Deferred tax

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.

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.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

#### Provisions

A provision is recognised when there is a present obligation, whether legal or constructive, as a result of a past event for which it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

#### Leases

The company in accordance with IFRS 16 applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### i) Right-of-use assets

The company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the

## **Kantar UK Limited**

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

#### **1. Principal accounting policies (continued)**

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

lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

##### ii) Lease liabilities

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects the company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the company uses its incremental borrowing rates at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

##### iii) Short-term leases and leases of low-value assets

The company applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.



## Kantar UK Limited

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

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

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The critical judgements 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, are discussed below.

##### Critical judgements

Deferred tax assets: Judgement is required when considering all available evidence and the associated weighting to be given in support of recognition of deferred tax assets. Further information regarding the nature of deferred tax assets is provided in note 9.

##### Key sources of estimation uncertainty

Revenue recognition: Estimates are required in assessing progress on performance obligations where revenue is recognised over time. See notes 16 and 17 for the value of amounts recoverable on contracts and payments received on account, driven by the estimated stage of completion on projects.

#### 3. Turnover

Turnover represents the total amount earned by the company in respect of market research services sold to customers, excluding Value Added Tax. The geographical analysis by destination is as follows:

	2021 £'000	2020 £'000
United Kingdom	216,846	183,156
Continental Europe	67,965	61,515
Asia	2,063	2,052
Americas	13,623	14,684
Middle East & Africa	293	1,137
	<u>300,790</u>	<u>262,544</u>

## Kantar UK Limited

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

#### 4. Profit before taxation

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

	2021 £'000	2020 £'000
Depreciation/amortisation charge for the year:		
- tangible fixed assets	3,108	3,708
- other intangible fixed assets	4,093	2,822
Research and development	72	112
Impairment of investment	8,342	-
Intercompany loan waiver	(8,342)	-
Fees payable to the company's auditor for the audit of the company's annual financial statements	284	258
Government grant income	-	(90)
Gain on disposal of tangible fixed assets	(18,959)	-
Foreign exchange losses/ (gains)	2,122	(1,481)

Other operating income of £103.7m (2020: £107.0m) shown in the profit and loss account relates to service recharges to fellow subsidiaries.

#### 5. Interest receivable and similar income, net

	2021 £'000	2020 £'000
Interest expense on defined benefit obligations	(10)	(19)
Interest income on the defined benefit pension scheme assets	15	30
Interest expense on effect of asset ceiling	(5)	(12)
Interest income other	4,161	188
	<u>4,161</u>	<u>187</u>

#### 6. Interest payable and similar expenses

	2021 £'000	2020 £'000
Interest payable – fellow subsidiaries	1,014	762
Interest expense for finance lease liabilities	845	892
	<u>1,859</u>	<u>1,654</u>

## Kantar UK Limited

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

#### 7. Directors' emoluments

The emoluments of the directors of the company were:

	2021 £'000	2020 £'000
Aggregate emoluments	2,060	951
Amounts receivable under long-term incentive schemes	-	127
Amounts paid on loss of office	-	109
Pension contributions to defined contribution scheme	56	69
	<u>2,116</u>	<u>1,256</u>

  

	2021 £'000	2020 £'000
Emoluments for the highest paid director	652	224
Pension contributions to defined contribution scheme	8	8
	<u>660</u>	<u>232</u>

Five (2020: Seven) directors remunerated by the company accrue retirement benefits under group defined contribution schemes and none are accruing benefit under defined benefit schemes.

The directors of Kantar UK limited are considered the key management personnel.

#### 8. Employee information

The average monthly number of employees (including directors) employed by the company during the year was made up as follows:

	2021 No.	2020 No.
Client services	1,103	1,150
Production services	546	569
Administration	376	392
	<u>2,025</u>	<u>2,111</u>

Staff costs (including directors) including severance costs comprised:

	2021 £'000	2020 £'000
Wages and salaries	117,199	99,933
Social security costs	13,401	12,845
Other pension costs	5,490	5,610
	<u>136,090</u>	<u>118,388</u>

## Kantar UK Limited

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

#### 9. Taxation on profit

The UK corporation tax rate is 19% for the years ended 31 December 2020 and 31 December 2021. In the 3 March 2021 budget, it was announced that the UK tax rate would increase to 25% from 1 April 2023 and this was substantively enacted on 24 May 2021. The rate of 25% has been reflected in the calculation of deferred tax at the statement of financial position date.

	2021 £'000	2020 £'000
<b>a) Analysis of tax charge/(credit) for the year</b>		
<b>Current tax</b>		
UK corporation tax	16,870	8,963
Adjustments in respect of prior years	(2,938)	739
	<b>13,932</b>	<b>9,702</b>
Overseas tax	5,000	2,943
Total current tax	<b>18,932</b>	<b>12,645</b>
<b>Deferred tax credit</b>		
Deferred tax credit for the current year	1,152	(716)
Impact of deferred tax at different rates	(1,469)	(877)
Prior year adjustment to deferred tax	2,193	-
Deferred tax credit	<b>1,876</b>	<b>(1,593)</b>
<b>TOTAL TAX CHARGE FOR THE PERIOD</b>	<b>20,808</b>	<b>11,052</b>
<b>b) Analysis of tax charge for the year</b>		
Profit on ordinary activities before tax	40,971	28,704
Tax calculated at the rate of 19%	7,784	5,454
Effects of:		
Expenses not deductible for tax purposes	481	512
Other adjustments	(1,629)	(741)
Nontaxable income	(585)	-
Imputed transfer pricing adjustment	12,622	3,022
Adjustments in respect of prior years – current tax	(2,938)	739
Adjustments in respect of prior years – deferred tax	2,193	-
Overseas taxes	5,000	2,943
Previously unrecognized deferred tax	(651)	-
Impact of change in rate for deferred tax	(1,469)	(877)
<b>TOTAL TAX CHARGE FOR THE PERIOD</b>	<b>20,808</b>	<b>11,052</b>

# Kantar UK Limited

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

### 9. Taxation on profit (continued)

<b>DEFERRED TAX ASSET</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
Accelerated capital allowances	(6,886)	(8,961)
Other timing differences	(335)	(95)
Deferred tax on intangibles	1,100	1,048
	<b>(6,121)</b>	<b>(8,008)</b>
At the beginning of the year	(8,008)	(7,456)
Charged/(credited) to profit and loss account	3,345	(716)
Charged/(credited) to other comprehensive income	11	(7)
Impact of deferred tax at different rates	(1,469)	(877)
Acquisitions	-	1,048
<b>As at the end of the year</b>	<b>(6,121)</b>	<b>(8,008)</b>

## Kantar UK Limited

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

#### 10. Intangible fixed assets

	Goodwill £'000	Software and databases £'000	Customer relationships £'000	Development costs £'000	Patents £'000	Total £
<b>Cost</b>						
At 1 January 2021	30,426	55,153	4,958	888	141	91,566
Additions	-	24,887	-	-	-	24,887
Disposals	-	(15)	-	-	-	(15)
At 31 December 2021	30,426	80,025	4,958	888	141	116,438
<b>Amortisation/impairment</b>						
At 1 January 2021	10,207	17,678	-	888	141	28,914
Charge for the year	-	3,533	560	-	-	4,093
Disposals	-	(15)	-	-	-	(15)
At 31 December 2021	10,207	21,196	560	888	141	32,992
<b>Net book value</b>						
At 31 December 2021	20,220	58,828	4,398	-	-	83,446
At 31 December 2020	20,219	37,475	4,958	-	-	62,652

#### 11. Tangible fixed assets

	Leasehold buildings £'000	Freehold land and buildings £'000	Equipment £'000	Total £
<b>Cost</b>				
At 1 January 2021	8,548	6,122	18,396	33,066
Additions	267	-	966	1,233
Disposal	(1,500)	(6,122)	(2,410)	(10,032)
At 31 December 2021	7,315	-	16,952	24,267
<b>Depreciation</b>				
At 1 January 2021	3,450	3,975	10,406	17,831
Charge for the year	1,069	157	1,882	3,108
Disposal	(982)	(4,132)	(1,745)	(6,859)
At 31 December 2021	3,537	-	10,543	14,080
<b>Net book value</b>				
At 31 December 2021	3,778	-	6,409	10,187
At 31 December 2020	5,098	2,147	7,990	15,235

In the year the company entered in to a sale and leaseback transaction, whereby a gain on disposal was generated of £18,959,000.

## Kantar UK Limited

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

#### 12. Fixed asset investments

	<b>Interest in subsidiary undertakings £'000</b>
Cost and net book value at 31 December 2020	25,497
Investment impairment	(8,342)
Cost and net book value at 31 December 2021	<u>17,155</u>

The above impairment was charged in order to bring the carrying value to nil of the company's investment in Mavens Ltd, a dormant company. In the year the company recognised a gain of an equal amount, in relation to the waiver of an amount payable by the company to Mavens Ltd. Details of investments in which the company holds more than 20% of the nominal value of any class of share capital, all of which is represented by ordinary shares, are as set out below.

Subsidiary undertakings	Country of incorporation	Registered address	Ownership	Principal activity
TNS Ireland	Ireland	Millbank House, Arkle Road, Sandyford, Dublin 18.	100%	Market research
TNS Ireland LLC	USA	3411 Silverside Road Tatnall Building STE 104, Wilmington, 19810	100%	Dormant
TNS Services Ltd	UK	6 More London Place, Tooley Street, London SE1 2QY.	100%	Provision of agency Services
Mavens limited	UK	6 More London Place, Tooley Street, London SE1 2QY	100%	Dormant
Kantar Public UK Ltd	UK	6 More London Place, Tooley Street, London SE1 2QY	100%	Dormant

## Kantar UK Limited

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

#### 13. Right-of-use assets

	<b>Buildings 2021 £'000</b>	<b>Buildings 2020 £'000</b>
<b>Cost</b>		
At 1 January	33,733	33,435
Additions	921	1,468
Disposals	(1,426)	(1,170)
At 31 December	<b>33,230</b>	<b>33,733</b>
<b>Accumulated depreciation</b>		
At 1 January	(9,966)	(4,903)
Impairment charge	-	(105)
Disposals	471	1,170
Charge for the year	(4,662)	(6,128)
At 31 December	<b>(14,157)</b>	<b>(9,966)</b>
<b>Carrying amount</b>		
At 1 January 2021	28,532	28,532
At 31 December	<b>19,072</b>	<b>23,767</b>

The company leases several buildings. The average lease term ranges from 5 to 16 years of which 2 to 13 years is remaining.

	<b>2021 £'000</b>	<b>2020 £'000</b>
<b>Amounts recognized in profit and loss</b>		
Depreciation expense on right-of-use assets	4,662	6,128
Interest expense on lease liabilities	845	892

The total cash outflow for leases amount to £4,661,819 (2020: £6,182,220).



## Kantar UK Limited

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

#### 14. Lease liabilities

Lease liabilities are presented in the statement of financial position as follows:

	2021 £'000	2020 £'000
Current	(6,000)	(4,893)
Non current	(26,929)	(20,505)
	<b>(32,929)</b>	<b>(25,398)</b>

#### Maturity analysis

Year 1	7,219	5,621
Year 2	5,592	5,482
Year 3	4,720	4,432
Year 4	3,257	2,983
Year 5	2,828	1,944
Onwards	15,574	8,075
	<b>39,191</b>	<b>28,537</b>
Less: Unearned interest	(6,262)	(3,139)
	<b>32,929</b>	<b>25,398</b>

#### 15. Loan receivables

	Fixed assets	
	2021 £000	2020 £000
Loan TNS Group Holdings Ltd	294,590	-
Other Loans	6,746	-
<b>Total loans receivable</b>	<b>301,336</b>	<b>-</b>

The loan with TNS Group Holdings Ltd of £294,590,000 has a rate of 4.50% + 3m GBP LIBOR (or the relevant replacement benchmark rate as accepted by the market), issued in May 2021 and repayable in July 2025. Other loans are interest-free and receivable on demand, but with no repayment term set.

## Kantar UK Limited

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

#### 16. Debtors

	2021 £'000	2020 £'000
Trade debtors	37,332	35,272
Amounts owed by group undertakings*	58,526	42,343
Amounts recoverable on contracts	14,983	20,411
Deferred tax	6,121	9,056
Other debtors	5,472	5,097
Prepayments	5,257	8,935
	<u>127,691</u>	<u>121,114</u>

\* Amounts owed by group undertakings are receivable on demand and are interest-free.

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

	2021 £'000	2020 £'000
Trade creditors	29,683	23,022
Payments received on account	25,868	31,412
Amounts owed to group undertakings*	181,430	70,721
4.51% non-cumulative preference shares	210	210
Other tax and social security	18,817	12,542
Corporation tax liability	23,224	14,035
Deferred tax liability	1,100	1,048
Bank overdraft	-	11,466
Other creditors	846	1,001
Accruals	56,675	30,120
	<u>337,853</u>	<u>195,577</u>

\* Amounts owed to group undertakings are repayable on demand and are interest-free, except for a loan amount £23.4m from TNS Worldpanel limited which attracts interest at a rate equal to 0.082% above LIBOR and is repayable on demand.

The company is part of two overdraft facility arrangements, together with a group of other subsidiaries of the Kantar Group. As a form of guarantee, providers of the facilities have the right to offset positive and negative cash balances across the respective group of companies. The net limit of one facility is £2 million with a gross debit cap of £30 million. The net limit on the other is £5m with a gross debit cap of £200m. The facilities do not have set termination dates and the providers have the option to demand repayment of amounts owed, or to withdraw the facility, at any time.

Together with a group of other subsidiaries of the Kantar Group, the company is a joint and several guarantor in relation to a senior secured revolving credit facility. The drawn down value on this facility as at 31 December 2021 was £nil (2020: £117.4m). The credit facility is due to mature in December 2026.

## Kantar UK Limited

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

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

	2021 £'000	2020 £'000
7.28% 'A' cumulative preference shares	8,366	8,366

In 2010, the company issued 83,661 £100 non-redeemable cumulative 'A' preference shares as consideration for the acquisition of the business and net assets of Research International limited. The shares entitle the holder to a fixed interest payment of 7.28% per annum. £609,052 of interest was paid in 2021 (2020: £609,052). The holder of the shares is a fellow member of the Kantar Group.

#### 19. Provisions for liabilities and charges

	Property provisions £'000	Panel incentives £'000	Total £'000
At 1 January 2021	2,743	3,187	5,930
Additional provision in the year	(122)	5,007	4,885
Utilised during the year	-	(5,077)	(5,077)
At 31 December 2021	2,621	3,118	5,739

Provisions comprise liabilities where there is uncertainty about the timing of settlement, but where a reliable estimate can be made of the amount.

The property provision of £2,621,031 (2020: £2,743,000) relates to dilapidations.

Panel incentives represent redeemable points worth £3,118,000 (2020: £3,187,000). The provision represents the best estimate of rewards payable in the future to panellists for their participation in panel research.

The estimated maturity profile of the provisions is as follows:

	2021 £'000	2020 £'000
Within one year	3,118	3,341
More than one year	2,621	2,589
	5,739	5,930

## Kantar UK Limited

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

#### 20. Pensions and similar obligations

##### a) Defined contribution plans

The company's contributions to all defined contribution pension plans are 4% of salary for employees below the age of 35 when employees contribute 2% themselves and 5% when employees contribute 3%. The company contributes 6% to employees between the ages of 35 and 50 when employees contribute 3% themselves, and 8% for those employees aged 50 years and over when employees contribute 4% themselves. The retirement age for both men and women is 65.

Employer contributions to the defined contribution pension plans in the year were £5,489,643 (2020: £5,610,379).

##### b) Defined benefit plan

The only active scheme as at 31 December 2020 and 31 December 2021 was Taylor Nelson Sofres Pension Plan 2 (TNS Plan 2):

##### *Key assumptions used*

The following assumptions have been used to arrive at the valuation for the TNS plan 2:

	2021 %	2020 %
Discount rate	1.80	1.00
Inflation (RPI)	3.80	3.30

## Kantar UK Limited

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

#### 20. Pensions and similar obligations (continued)

An analysis of the market value of scheme assets for TNS Plan 2 is shown below. This is then shown against the present value of the scheme liabilities, with the impact of any surplus restrictions giving rise to the net amount recognised in the balance sheet:

	2021 £'000	2020 £'000
Other	1,386	1,836
Market value of assets	1,386	1,836
Present value of liabilities	(789)	(1,334)
Surplus in the plan	597	502
Surplus restriction	(597)	(502)
Net pension asset	-	-

Other assets consist of insurance annuities.

The following amounts have been recorded in the profit and loss account for TNS Plan 2:

	2021 £'000	2020 £'000
Administrative expenses	60	100
Net interest payable	-	1
Defined benefit cost recognised in profit and loss account	60	101

The analysis of the amount recognised in the statement of comprehensive income is as follows:

	2021 £'000	2020 £'000
Gain on plan assets (excluding amounts included in net interest cost)	97	100
Effects of changes in the demographic and financial assumptions underlying the present value of the plan liabilities – gain/(loss)	53	(150)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) – (loss)/gain	(90)	151
Total amount recognised in other comprehensive income – gain	60	101

## Kantar UK Limited

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

#### 20. Pensions and similar obligations (continued)

Movements restricted surplus:

	2021 £'000	2020 £'000
Asset ceiling at end of previous year	502	637
Other	-	4
Interest expense	5	12
Loss/(gain) recognised in other comprehensive income	90	(151)
Asset ceiling at end of year	<u>597</u>	<u>502</u>

The plan assets are stated at their market value as at 31 December 2021. Movements in the fair value of plan assets were as follows:

	2021 £'000	2020 £'000
Fair value of plan assets at start of period	1,836	1,806
Interest income	15	30
Benefit payments from plan assets	(502)	-
Remeasurements	97	100
Benefits paid and expenses	(60)	(100)
Fair value of plan assets at end of period	<u>1,386</u>	<u>1,836</u>

The present value of defined benefit obligation for TNS defined benefit plan:

	2021 £'000	2020 £'000
Defined benefit obligation at start of period	1,334	1,169
Benefit payments from plan assets	(502)	-
Interest expense	10	19
Remeasurements	(53)	146
Defined benefit obligation at end of period	<u>789</u>	<u>1,334</u>

## Kantar UK Limited

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

#### 21. Called up share capital

	2021 No. of shares	2020 No. of shares	2021 £'000	2020 £'000
<b>Authorised, allotted, called up and fully paid</b>				
Ordinary A shares of £1 each	25,000,001	25,000,001	25,000	25,000
Ordinary B shares of £1 each	12,384,118	12,384,118	12,384	12,384
<b>Total shares</b>	<b>37,384,119</b>	<b>37,384,119</b>	<b>37,384</b>	<b>37,384</b>

#### 22. Related party transactions

The company has a number of transactions and relationships with related parties, as defined in IAS 24 Related Party disclosures, all of which are undertaken in the normal course of business.

Kantar UK limited is 100% owned by Kantar Global Holdings S.à.r.l and as a result, took advantage of the exemption under FRS 101 paragraph 8(k) not to disclose the details of transactions with other wholly owned Kantar companies. The consolidated financial statements of the Kantar Group are publicly available from 222 Grays Inn Road, London, WC1X 8HB, United Kingdom.

Bain Capital and WPP Plc Group are deemed to be related parties due to them all having a significant shareholding in the Kantar Group.

During the year, the company entered into the following transactions with related parties that are not covered by the exemption mentioned above:

2021	Bain Capital £'000	Members of the WPP Plc Group £'000	Non-wholly owned members of the Kantar Group £'000	Total £'000
Sales	171	3,880	-	4,050
Purchases	-	37	3,837	3,874
Trade and other receivables	-	186	1,539	1,725
Trade and other payables	-	3	354	357
Property lease payments	-	73	-	73
Overhead recharge income	-	-	3,473	3,473

\* Amounts owed from/to other group are receivable/payable on demand and are interest-free.

## Kantar UK Limited

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

#### 22. Related party transactions (continued)

2020	Bain Capital £'000	Members of the WPP Plc Group £'000	Non-wholly owned members of the Kantar Group £'000	Total £'000
Sales	220	1,252	966	2,438
Purchases	-	43	-	43
Trade and other receivables	-	1,173	2,076	3,249
Trade and other payables	-	187	22	209
Property lease payments	-	810	-	810
Overhead recharge income	-	-	9,752	9,752

Please note that for balances owed at year end to and from all fellow subsidiaries of the Kantar Group, including non-wholly owned members, please refer to notes 16 and 17.

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

The directors regard Research SA B.V., registered address Laan op Zuid 167, 3072 DB Rotterdam, a company incorporated in the Netherlands, as the immediate parent company and Bain Capital Europe Fund V, SCSp, a private equity fund registered at 4 Rue Lou Hemmer, Findel, Luxembourg L-1748, as the ultimate parent and the ultimate controlling party.

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 Kantar Global Holdings S.à.r.l, registered at 4 Rue Lou Hemmer, Findel, Luxembourg L-1748.

Copies of the financial statements of Kantar Global Holdings S.à.r.l are available at 222 Grays Inn Road, London, WC1X 8HB.



## Kantar UK Limited

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

#### 24. Financial commitments

	2021 £'000	2020 £'000
Contracted but not provided for		
- intangible assets: research delivery platform	7,315	7,315
	<u>7,315</u>	<u>7,315</u>

#### 25. Assets held for sale, discontinued operations and subsequent events

In November 2021, the company announced the proposed sale of its public sector business to Kantar Public UK Limited, a wholly owned subsidiary and the transaction completed on 1 January 2022. The company disposed of related net liabilities of £2,874,000 for a consideration equal to net book value generating nil profit or loss.

As outlined in Note 1, the criterion of a highly probable sale was met in December 2021, following Board approval of the sale of the public sector business to Kantar Public UK Limited representing the date at which the appropriate level of management was committed to a plan to sell the disposal group. The public disposal group therefore became held for sale on this date. The public business is classified as a discontinued operation under IFRS 5 as it forms a separate major line of business and there was a single co-ordinated plan to dispose of it. As at 31 December 2021 the portion of the Public business to be transferred and subsequently sold is classified as held for sale.

The major classes of assets and liabilities comprising the operations classified as held for sale at 31 December 2021 are as follows:

## Kantar UK Limited

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

#### 25. Assets held for sale and discontinued operations and subsequent events (continued)

	£'000
<b>Non-current assets</b>	
Computer Equipment	121
Intangibles Panel	788
Office Equipment	52
	<u>961</u>
<b>Current assets</b>	
Trade and other receivables	<u>7,272</u>
	<b>7,272</b>
<b>Total assets</b>	<b><u>8,234</u></b>
<b>Current liabilities</b>	
Trade and other payables	<u>(11,108)</u>
<b>Net current liabilities</b>	<b><u>(3,836)</u></b>
Total assets less current liabilities	(2,874)
<b>Total liabilities</b>	<b><u>(11,108)</u></b>
<b>Net liabilities</b>	<b><u>(2,874)</u></b>

In May 2022, the Group announced the sale of its Kantar Public business to Trilantic Europe, a third-party buyer. The proposed transaction is expected to complete in the third quarter of 2022. The consideration is yet to be fully determined.