Registered number 03300123

EBIQUITY ASSOCIATES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

EBIQUITY ASSOCIATES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

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EBIQUITY ASSOCIATES LIMITED
DIRECTORS AND OTHER INFORMATION
YEAR ENDED 31 DECEMBER 2022

DIRECTORS

J E Hubbard
N Pugh
N P Waters

REGISTERED OFFICE

Chapter House
16 Brunswick Place
London
N1 6DZ

REGISTRATION

Registered and incorporated in the United Kingdom
Registration number 03300123

SOLICITORS

Lewis Silkin
5 Chancery Lane
Cliffords Inn
London
EC4A 1BL

EBIQUITY ASSOCIATES LIMITED
STRATEGIC REPORT
YEAR ENDED 31 DECEMBER 2022

The Directors present their strategic report on Ebiquity Associates Limited ("the Company") for the year ended 31 December 2022.

REVIEW OF THE BUSINESS

The Company is the main UK trading company of the Ebiquity Group. The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom.

The Company is wholly owned by Ebiquity plc, a company incorporated in the United Kingdom.

The Company provides media consultancy and media evaluation services through measuring and enhancing marketing and promotional effectiveness.

On 29 January 2022, the Company made the acquisition of Forde & Semple Media Works, for a total consideration of CAD$ 1.3m (£0.8 million), of which CAD$ 1.2 million (£0.7 million) was paid on completion and CAD$ 0.1 million (£0.06 million) was deferred for one year.

The loss for the financial year 31 December 2022 of the Company amounted to £6,433,000 (31 December 2022: loss of £4,452,000). The Directors do not recommend the payment of a dividend (31 December 2022: £nil).

The Statement of Financial Position of the Company decreased to total net assets of £30,530,000 (31 December 2021: £37,021,000) due to an increase in accruals in the year.

KEY PERFORMANCE INDICATORS ("KPIs")

The Directors of Ebiquity plc manage the Group's operations on a divisional basis. For this reason, the Company's Directors believe that analysis using KPIs for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company. The development, performance and position of the Media and Analytics & Tech divisions of Ebiquity plc, which includes the Company, is discussed on pages 16 to 74 of the Group's Annual Report and Financial Statements which does not form part of this report. KPIs for the Group are discussed within the same Strategic report.

PRINCIPAL RISKS AND UNCERTAINTIES

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of Ebiquity plc, which includes those of this company, are discussed on pages 49 to 51 of the Group's Annual Report and Financial Statements which does not form part of this report.

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

J E Hubbard
Director
24 August 2023

EBIQUITY ASSOCIATES LIMITED
DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2022

The Directors present their report together with the audited financial statements of Ebiquity Associates Limited for the year ended 31 December 2022.

FUTURE DEVELOPMENTS

The Company will continue to undertake similar business activities in the future.

DIVIDENDS

The Directors do not recommend the payment of a dividend (31 December 2021: £nil). No dividends have been declared or paid post year end up to the point of the signing of the financial statements.

RESEARCH AND DEVELOPMENT

We continue to place huge emphasis on continued development and enhancements of our product range.

POLITICAL DONATIONS AND POLITICAL EXPENDITURE

No political donations were made and no political expenditure was incurred in the period (31 December 2021: £nil).

FINANCIAL RISK MANAGEMENT

From the perspective of the Company, the financial risks (that include but are not limited to credit risk, interest rate risk, currency risk and liquidity risk) are integrated with the financial risks of the Group and are not managed separately. Accordingly, the financial risks of Ebiquity plc, which includes those of the Company, are discussed on pages 129 to 133 of the Group's Annual Report and Financial Statements which does not form part of this report.

POST STATEMENT OF FINANCIAL POSITION EVENTS

There were no post Statement of Financial Position events.

EMPLOYEES

The Company is committed to the continuous development of its employees. The Company's employees are integral to the success of the business and as a result the Company pursues employment practices which are designed to attract, retain and develop this talent to ensure the Company retains its market leading position with motivated and satisfied employees. The Company has continued this period with its employee engagement programme, measuring engagement levels and drivers through an annual survey and taking actions to further develop the leadership and organisation on the back of these findings.

The Company has continued its practice of using formal and informal communication channels to provide employees with the information they need to understand and achieve the objectives of the Company and to keep employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the Company.

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. Where existing employees become disabled it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training. It is the policy of the Company that training, career development and promotion opportunities should be available to all employees, this includes consultation on the company's objectives.

DIRECTORS

The Directors of the Company who served throughout the financial period and up to the date of signing of the financial statements were as follows:

A P S Newman	(resigned 30 June 2023)
N Pugh	
N P Waters	
J E Hubbard	(appointed 28 April 2023)

No Director had any interest in the share capital of the Company. The Directors' interests in the share capital of the parent company are shown in those financial statements.

QUALIFYING DIRECTORS' THIRD-PARTY INDEMNITY PROVISION

The Company purchased and maintained throughout the period and up to the date of approval of this report, qualifying Directors' and officers' liability insurance in respect of its Directors and Officers.

GOING CONCERN

The Directors are responsible for considering whether it is appropriate to prepare financial statements on a going concern basis. A signed letter of support confirms that Ebiquity plc, the ultimate controlling parent undertaking, intends to provide full financial support to the Company, as required for at least one year from the signing of the financial statements for the year ended 31 December 2022. Therefore, as long as Ebiquity plc has the ability to support the Company, the Company will continue as a going concern and the Directors of Ebiquity plc have confirmed that Ebiquity plc is a going concern.

The Directors' Report and the financial statements on pages 11 to 31 were approved by the Board of Directors on 24 August 2023 and are signed on its behalf by

J E Hubbard
Director
24 August 2023

EBIQUITY ASSOCIATES LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 31 DECEMBER 2022

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

EBIQUITY ASSOCIATES LIMITED
INCOME STATEMENT
YEAR ENDED 31 DECEMBER 2022

	Note	2022 £'000	2021 £'000
Revenue	3	**28,112**	29,862
Cost of sales		**(18,658)**	(16,769)
Gross profit		**9,454**	13,093
Administrative expenses		**(14,506)**	(16,996)
Operating (loss)/profit	4	**(5,052)**	(3,903)
Finance income	6	**180**	441
Finance costs	7	**(1,068)**	(905)
Net Finance (costs)		**(888)**	(464)
(Loss)/profit before taxation		**(5,940)**	(4,367)
Income tax (charge)/credit	8	**(493)**	(85)
(Loss)/profit for the financial year		**(6,433)**	(4,452)

All amounts relate to continuing activities.

There is no other comprehensive income in the current year and prior year other than the profit above and therefore no statement of other comprehensive income has been included.

There is no material difference between the profit before taxation and the profit for the financial year stated above and their historical costs equivalents.

The notes on pages 11 to 31 form part of these financial statements.

EBIQUITY ASSOCIATES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

Company number: 03300123

		2022		2021	
	Note	**£'000**	**£'000**	£'000	£'000
Fixed assets					
Goodwill	9		**13,100**		13,100
Other intangible assets	10		**38**		56
Property, plant and equipment	11		**770**		1,112
Right-of-use assets	12		**9**		17
Investments	13		**7,064**		6,300
			20,981		20,585
Current assets					
Trade and other receivables	14	**63,366**		57,487	
Cash and cash equivalents		**2,177**		2,994	
		65,543		60,481	
Current Liabilities:					
Creditors: amounts falling due within one year	16	**(55,923)**		(44,028)	
Lease liabilities	12	**(5)**		(4)	
Financial liabilities	18	**(61)**		-	
		(55,989)		(44,032)	
Net current assets			**9,554**		16,449
Total assets less current liabilities			**30,535**		37,034
Lease liabilities	12		**(5)**		(13)
Financial liabilities	18		**-**		-
Net assets			**30,530**		37,021
Equity					
Called up share capital	19		**-**		-
Share premium account	20		**1,372**		1,372
Profit and loss account	20		**29,158**		35,649
Total Shareholders' funds			**30,530**		37,021

For the year ending 31st December 2022 the company was entitled to exemptions from audit under section 479A of the companies Act 2006 relating to subsidiary companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of accounts.

EBIQUITY ASSOCIATES LIMITED
STATEMENT OF FINANCIAL POSITION *(continued)*
AS AT 31 DECEMBER 2022

The notes on pages 11 to 31 are an integral part of these financial statements. The financial statements on pages 7 to 10 were approved by the Board of Directors on 24 August 2023 and are signed on its behalf by:

J E Hubbard
Director
24 August 2023

The notes on pages 11 to 31 form part of these financial statements.

EBIQUITY ASSOCIATES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Called up share capital £'000	Share premium £'000	Profit and loss account £'000	Total shareholders' funds £'000
At 1 January 2021		—	**1,372**	**40,008**	**41,380**
Profit for the financial year		—	—	(4,452)	(4,452)
Total comprehensive income for the year		—	—	**(4,452)**	**(4,452)**
Deferred tax on share options	15	—	—	53	53
Employee share-based compensation		—	—	40	40
At 31 December 2021		—	**1,372**	**35,649**	**37,021**
Loss for the financial year		—	—	(6,433)	(6,433)
Total comprehensive loss for the year		—	—	**(6,433)**	**(6,433)**
Deferred tax on share options	15	—	—	(59)	(59)
Employee share-based compensation		—	—	1	1
At 31 December 2022		—	**1,372**	**29,158**	**30,530**

The notes on pages 11 to 30 form part of these financial statements.

1. GENERAL INFORMATION

The Company is the main UK trading company of the Ebiquity Group. The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom.

The Company provides media consultancy and media evaluation services through measuring and enhancing marketing and promotional effectiveness.

The Company is wholly owned by Ebiquity plc, a company incorporated in the United Kingdom.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

(a) Basis of preparation

The financial statements of the Company have been prepared in accordance with the Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). They have been prepared on a going concern basis under the historical cost convention.

The Directors are responsible for considering whether it is appropriate to prepare financial statements on a going concern basis. A signed letter of support confirms that Ebiquity plc, the ultimate controlling parent undertaking, intends to provide full financial support to the Company, as required for at least one year from the signing of the financial statements for the year ended 31 December 2022 Therefore, as long as Ebiquity plc has the ability to support the Company, the Company will continue as a going concern and the Directors of Ebiquity plc have confirmed that Ebiquity plc is a going concern.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

a) The requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based payment (details of the number of weighted-average exercise prices of share options, and how the fair value of goods and services received was determined
b) The requirements of IFRS 7 Financial Instruments: Disclosures
c) The requirements of paragraphs 91 to 99 of IFRS 13 Fair value measurement (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
d) The requirement in paragraph 38 of IAS 1 Presentation of financial statements to present comparative information in respect of
   i. paragraph 79(a)(iv) of IAS 1;
   ii. paragraph 73(e) of IAS 16 Property, plant and equipment;
   iii. paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period);
e) The following paragraphs of IAS 1 Presentation of financial statements
   i. 10(d) (statement of cash flows),
   ii. 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
   iii. 16 (statement of compliance with all IFRS)
   iv. 38A (requirement for minimum of two primary statements, including cash flow statements)
   v. 38B-D (additional comparative information),
   vi. 40A-D (requirements for a third statement of financial position)
   vii. 111 (cash flow statement information), and
   viii. 134-136 (capital management disclosures)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(a) Basis of preparation *(continued)*

f) IAS 7 Statement of cash flows
g) Paragraphs 30 and 31 of IAS 8 Accounting policies, changes in accounting estimates and errors (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
h) Paragraph 17 of IAS 24 Related party disclosures (key management compensation)
i) The requirements in IAS 24 Related party disclosures to disclose related party transactions entered into between two or more members of a group.

Consolidation

The financial statements contain information about Ebiquity Associates Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Ebiquity plc, a company incorporated in the United Kingdom.

(b) Revenue recognition

Revenue is recognised in accordance with IFRS 15 'Revenue from Contracts with Customers'. Under IFRS 15 an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. This core principle is delivered in a five-step model:

i. identify the contract with a customer;
ii. identify the performance obligation(s) in the contract;
iii. determine the transaction price;
iv. allocate the transaction price to the performance obligations in the contract; and
v. recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. This is determined based on the actual labour hours spent relative to the total expected labour hours.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(c) Finance income and expenses

Finance income and expense represents interest receivable and payable. Finance income and expense is recognised on an accruals basis, based on the interest rate applicable to each bank or loan account.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(d) Foreign currency transactions

The results and financial position of the Company are expressed in pounds sterling, which is the functional currency of the Company and the presentation currency for the Company financial statements.

Trading transactions denominated in foreign currencies are translated into sterling at the rate of exchange prevailing when the transaction was entered in to. Assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial period.

All transactions involving foreign exchange gains and losses are dealt with through the Income Statement as and when they arise.

(e) Retirement benefits

For defined contribution pension schemes, the Company pays contributions to privately administered pension plans on a voluntary basis. The Company has no further payment obligations once the contributions have been paid. Contributions are charged to the income statement in the period to which they relate.

(f) Taxation

The tax expense included in the income statement comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted by the period end date.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised. The recognition of deferred tax assets is reviewed at each period end date.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the period end date and are expected to apply when the deferred tax liabilities/assets are settled/recovered.

(g) Goodwill

Goodwill represents the excess of the cost of acquisition over the Company's interest in the fair value of the identifiable assets and liabilities of a subsidiary. Goodwill is initially recognised as an asset at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. Goodwill is subsequently measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(h) Other intangible assets

Research and development
Internally generated intangible assets relate to bespoke computer software and technology developed by the Company's internal software development team. During the year, the Company generated £nil of internally generated intangible assets (31 December 2021: £nil).

An internally generated intangible asset arising from the Company's development expenditure is recognised only if all of the following conditions are met:

- it is technically feasible to develop the asset so that it will be available for use or sale;
- adequate resources are available to complete the development and to use or sell the asset;
- there is an intention to complete the asset for use or sale;
- the Company is able to use or sell the intangible asset;
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

Internally generated intangible assets are amortised on a straight-line basis over their useful lives which is estimated as 5 years. Amortisation commences when the asset is available for use. The amortisation expense is included within administrative expenses. Where an internally generated intangible asset cannot be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Computer Software
Purchased computer software intangible assets are amortised on a straight-line basis over their useful lives which vary from 4 to 8 years.

(i) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives and is recognised in the income statement within administrative expenses. The rates generally applicable are:

Fixtures, fittings and equipment	20% per annum on cost
Computer equipment	25% per annum on cost
Leasehold property improvements	Over the life of the lease

(j) Investments in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

Where the purchase consideration for the acquisition of an interest in a subsidiary is contingent on one or more future events, the cost of investment includes a reasonable estimate of the fair value of the amounts of consideration that are expected to be payable in the future. The cost of investment and the contingent consideration liability is adjusted until the ultimate payable is known.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and short-term deposits. In the Statement of Financial Position, bank overdrafts are shown within borrowings in current liabilities.

(l) Provisions

Provisions, including provisions for onerous leases, are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle that obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the period end date. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate which reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligations.

(m) Share capital

Ordinary shares are classified as equity.

(n) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets
Financial assets are classified, at initial recognition, and subsequently measured at fair value through profit or loss ("FVPL"), amortised cost, or fair value through other comprehensive income ("FVOCI").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' on the principal amount outstanding (the "SPPI Criterion").

Financial assets are initially measured at their fair value plus, for those financial assets not at fair value through profit or loss, transaction costs. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, being the date that the Company commits to purchase or sell the asset.

For the purposes of subsequent measurement, all of the Company's financial assets are classified as financial assets at amortised cost. Financial assets at amortised cost comprise of assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI Criterion. This category includes the Company's trade and other receivables and cash and cash equivalents. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(n) Financial instruments *(continued)*

The Company has not classified any assets as being financial assets at FVOCI or FVPL.

Financial liabilities
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or as payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities comprise of trade and other payables.

The Company's payables are subsequently measured at amortised cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

(o) Related party transactions

In accordance with FRS 101 the Company is exempt from disclosing transactions with wholly owned entities that are part of the Ebiquity plc group, or investees of the Group, or investees of the Group qualifying as related parties, as it is included within the published consolidated financial statements of Ebiquity plc.

(p) Leases

The Company has a lease arrangement for IT equipment. Lease terms are negotiated on an individual basis. This results in a wide range of different terms and conditions. At the inception of a lease contract, the Company assesses whether the contract conveys the right to control the use of an identified asset for a certain period in exchange for a consideration, in which case it is identified as a lease. The Company then recognises a right-of-use asset and a corresponding lease liability at the lease commencement date. Lease-related assets and liabilities are measured on a present value basis. Lease-related assets and liabilities are subjected to re-measurement when either terms are modified or lease assumptions have changed. Such an event results in the lease liability being re-measured to reflect the measurement of the present value of the remaining lease payments, discounted using the discount rate at the time of the change. The lease assets are adjusted to reflect the change in the re-measured liabilities.

Right-of-use assets
Right-of-use assets include the net present value of the following components:

- the initial measurement of the lease liability;
- lease payments made before the commencement date of the lease;
- initial direct costs; and
- costs to restore.

The right-of-use assets are reduced for lease incentives relating to the lease.

The right-of-use assets are depreciated on a straight-line basis over the duration of the contract. In the event that the lease contract becomes onerous, the right-of-use asset is impaired for the part which has become onerous.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(p) Leases *(continued)*

Lease liabilities
Lease liabilities include the net present value of the following components:

- fixed payments excluding lease incentive receivables;
- future contractually agreed fixed increases; and
- payments related to renewals or early termination, in case options to renew or for early termination are reasonably certain to be exercised.

The lease payments are discounted using the interest rate implicit in the lease. If such rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value, in a similar economic environment, with similar terms and conditions. The discount rate that is used to calculate the present value reflects the interest rate applicable to the lease at inception of the contract. Lease contracts entered into in a currency different to the local functional currency are subjected to periodic foreign currency revaluations which are recognised in the income statement in net finance costs.

The lease liabilities are subsequently increased by the interest costs on the lease liabilities and decreased by lease payments made.

Where a lease is not captured by IFRS 16 'Leases', the total rentals payable under the lease are charged to the income statement on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight-line basis. The land and buildings elements of property leases are considered separately for the purposes of lease classification.

(q) Critical accounting estimates and judgements

In preparing the financial statements, the Directors have made certain estimates and judgements relating to the reporting of results of operations and the financial position of the Company. Actual results may significantly differ from those estimates often as the result of the need to make assumptions about matters which are uncertain. The estimates and judgements discussed below are considered by the Directors to be those that have a critical accounting impact to the financial statements.

Critical accounting estimates include the terminal growth rate used in impairment assessments, inputs to share option accounting fair value models and amounts to capitalise as intangible assets. These estimates are reached with reference to historical experience, supporting detailed analysis and, in the case of impairment assessments and share option accounting, external economic factors.

Critical accounting judgements include the treatment of events after the reporting period determined to be adjusting or non-adjusting events and the terminal growth rate used in impairment assessments.

Goodwill
The group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2 (g). The recoverable amounts of cash-generating units (CGUs) have been determined based on value-in-use calculations. These calculations require the use of estimates (note 9).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(q) Critical accounting estimates and judgements *(continued)*

Investments
The Company has recorded an asset for investment in subsidiary companies. The directors believe the carrying value of these investments is supported by their underlying net assets. Any changes to the carrying value of investments after the measurement period are recognised in the income statement.

Contingent consideration
The Company has recorded liabilities for contingent consideration on acquisitions made in the current and prior periods. The calculation of the contingent consideration liability requires judgements to be made regarding the forecast future performance of these businesses for the earn-out period. Any changes to the fair value of the contingent consideration after the measurement period are recognised as an increase or decrease to the investment within fixed assets on the statement of financial position.

Income taxes
Judgement and estimates of future profitability are required to determine the Company's deferred tax position. If the final tax outcome is different to that assumed, resulting changes will be reflected in the income statement, unless the tax relates to an item charged to equity in which case the changes in the tax estimates will also be reflected in equity.

The Company believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgements about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

For financial instruments measured using amortised cost measurement (that is, financial instruments classified as amortised cost and debt financial assets classified as FVOCI), changes to the basis for determining the contractual cash flows required by interest rate benchmark reform are reflected by adjusting their effective interest rate. No immediate gain or loss is recognised. A similar practical expedient exists for lease liabilities.

New standards, amendments and IFRIC interpretations

The Company has applied the following standards and amendments for the first time for the annual reporting period commencing 1 January 2022:

- Annual Improvements to IFRS Standards 2018-2021 Cycle effective on or after 1 January 2022.
- Property, Plant and Equipment: Proceeds before intended use – amendments to IAS 16;
- Onerous Contracts – Cost of Fulfilling a Contract – amendments to IAS 37;
- Annual Improvements to IFRS Standards 2018-2021 Cycle effective on or after 1 January 2022;

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES ***(continued)***

New standards, amendments and IFRIC interpretations ***(continued)***

The following new standard has been published that is mandatory to the Company's future accounting periods but has not been adopted early in these financial statements:

- Classification of Liabilities as Current or Non-current – Amendments to IAS 1 1 January 2023 (deferred from 1 January 2022);
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 effective on or after 1 January 2023;
- Definition of Accounting Estimates – Amendments to IAS 8 effective on or after 1 January 2023;
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 effective on or after 1 January 2023; and
- Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28 effective on or after 1 January 2023.

The adoption of the standard listing above is not expected to significantly affect future periods.

3. REVENUE

The geographical analysis of turnover is as follows:

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
UK	**18,028**	16,916
Europe	**7,178**	9,727
North America	**2,552**	2,645
Rest of the world	**354**	574
	28,112	29,862

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Depreciation – owned assets	**447**	443
Depreciation – leased assets	**10**	—
Amortisation of computer software	**—**	—
Amortisation of capitalised development	**18**	19
Foreign exchange translations loss	**248**	15

The Directors' costs in the current and prior year are borne by Ebiquity plc, the ultimate controlling parent undertaking, and are reflected in the financial statements of that company. These costs are not significant to the Company and are deemed insignificant for apportionment and are reflected in the financial statements of that company.

The auditors' remuneration in the current and prior financial years have been borne by Ebiquity plc, the ultimate controlling parent undertaking, and is reflected in the financial statements of that company. These costs are not significant to the Company and are deemed insignificant for apportionment and are reflected in the financial statements of that company.

5. EMPLOYEES

The average monthly number of employees of the Company were as follows:

	Year ended 31 December 2022 No.	Year ended 31 December 2021 No.
Revenue generating	**145**	135
Administration	**15**	26
	160	161

5. EMPLOYEES *(continued)*

Staff costs for all employees consist of:

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Wages and salaries	**9,647**	10,296
Social security costs	**1,234**	1,220
Other pension costs	**303**	317
Share option charge	**(59)**	40
	11,125	11,873

6. FINANCE INCOME

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Bank interest	**23**	—
Group interest receivable	**12**	11
Dividends receivable	**145**	430
	180	441

7. FINANCE COSTS

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Bank overdraft interest	**—**	—
Group interest payable	**1,067**	905
Lease liabilities' interest	**1**	—
	1,068	905

8. INCOME TAX EXPENSE

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Current tax		
Current year	**17**	239
Adjustments to tax charge in respect of previous years	**397**	(42)
Total current tax	**414**	197
Foreign tax		
Current year	**—**	—
Total foreign tax	**—**	—
Deferred tax		
Origination and reversal of timing differences	**79**	(112)
Total deferred tax	**79**	(112)
Income tax (credit)/expense	**493**	85

The tax assessment for the period differs to (year ended 31 December 2021: differs to) the standard rate of corporation tax in the UK of 19% (year ended 31 December 2021: 19%). The differences are explained below:

	Year ended 31 December 2021 £'000	Year ended 31 December 2021 £'000
Profit/(loss) before taxation	**(5,940)**	(4,797)
Profit/(loss) before taxation at the standard rate of corporation tax in the UK of 19% (year ended 31 December 2021: 19%)	**(1,129)**	(911)
Effects of:		
Expenses not deductible	**1,678**	1,808
Capital allowances for year in excess of depreciation	**17**	10
Relieved (by) other group companies	**(549)**	(551)
Adjustments to tax charge in respect of previous years	**397**	(42)
Additional credit for R&D expenditure	**-**	(117)
Deferred tax	**79**	(112)
Total tax charge/(credit) for the year	**493**	85

The Company has £1,071,000 (year ended 31 December 2021: nil) tax losses to carry forward against future trading profits, a deferred tax asset has not been recognised for these losses.

The applicable UK Corporation Tax rate is 19% for the year ended 31 December 2022 (year ended 31 December 2021: 19%).

Following the Budget on 15 March 2023, the main rate of corporation tax effective from 1 April 2023 increased to 25%, from the previous rate of 19%. The Budget also introduced a new 19% small profits rate of corporation tax for companies with profits not exceeding £250,000. The Finance (No.2) Act 2023 was subsequently published on 23 March 2023, however this has yet to be enacted.

9. GOODWILL

	Total £'000
Cost	
At 1 January 2022 and 31 December 2022	**20,363**
Accumulated amortisation and impairment	
At 1 January 2022 and 31 December 2022	**(7,263)**
Net book value	
At 31 December 2022	**13,100**
At 31 December 2021	13,100

Goodwill was amortised up to and including the period ended 30 April 2015, resulting in an accumulated amortisation charge of £7,263,000.

On adopting FRS 101, annual amortisation has ceased, and therefore for the period ended 31 December 2022 the goodwill balance has instead been assessed for impairment. The Company will continue to assess the goodwill balance annually for impairment.

The Company tests annually for impairment. Goodwill is allocated to the Company's cash-generating units (CGUs) in order to carry out impairment tests.
Goodwill has been allocated to the following segments:

	31 December 2022 £'000	31 December 2021 £'000
Media	**12,267**	12,267
Analytics & Tech	**833**	833
	13,100	13,100

The impairment test involves comparing the carrying value of the CGU to which the goodwill has been allocated to the recoverable amount. The recoverable amount of all CGUs has been determined based on value in use calculations.

Value in use calculations
The value in use calculations are based on assumptions regarding the discount rates, and revenue and cost growth rates. The Directors prepare a three-year pre-tax cash flow forecast based on the following financial year's budget as approved by the Board, with revenue and cost forecasts for the following two years adjusted by segment and geography. The forecast takes account of actual results from previous years combined with management expectations of market developments.

The Directors estimate discount rates using rates that reflect current market assessments of the time value of money and risk specific to the cash-generating units. The three-year pre-tax cash flow forecasts have been discounted at 13.0% (31 December 2021: between 10.0% and 13.0%).

Cash flows beyond the three-year period are extrapolated at a rate of 2.00% (31 December 2021: 2.00%), which does not exceed the long-term average growth rate in any of the markets in which the Group operates.

The excess of the value in use to the goodwill carrying values for each CGU gives the level of headroom in each CGU.

On review the Directors consider that there is no impairment of goodwill required.

10. OTHER INTANGIBLE ASSETS

	Capitalised development costs £'000	Computer Software £'000	Total £'000
Cost			
At 1 January 2022	94	501	595
Disposals	—	—	—
At 31 December 2022	**94**	**501**	**595**
Accumulated Amortisation and impairment			
At 1 January 2022	38	501	520
Charge for the period		—	
Disposals	18	—	18
At 31 December 2022	**56**	**501**	**557**
Net book value			
At 31 December 2022	**38**	**—**	**38**
At 31 December 2021	56	—	56

11. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Property improvements £'000	Fixtures, fittings and equipment £'000	Computer equipment £'000	Total £'000
Cost				
At 1 January 2022	1,304	298	603	2,205
Additions	—	—	105	105
Reclassifications	—	—	—	—
Disposals	—	—	—	—
At 31 December 2022	**1,304**	**298**	**708**	**2,310**
Accumulated Depreciation				
At 1 January 2022	565	154	374	1,093
Charge for the period	261	51	135	447
Reclassifications	—	—	—	—
Disposals	—	—	—	—
At 31 December 2022	**826**	**204**	**509**	**1,540**
Net book value				
At 31 December 2022	**478**	**94**	**198**	**770**
At 31 December 2021	739	144	229	1,112

12. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use asset:

	Equipment £'000	Total £'000
Cost		
At 1 January 2022	24	**24**
Additions	—	—
At 31 December 2022	**24**	**24**
Accumulated depreciation		
At 1 January 2022	(5)	**(5)**
Charge for the year	(10)	**(10)**
At 31 December 2022	**(15)**	**(15)**
Net book value		
At 31 December 2022	**9**	**9**
At 31 December 2021 (restated)	**14**	**14**

Lease liability:

	Equipment £'000	Total £'000
Cost		
At 1 January 2022	14	**14**
Additions	—	—
Cash payments in the year	(5)	**(5)**
Interest charge in the year	1	**1**
At 31 December 2022	**10**	**10**
Current	**5**	**5**
Non-current	**5**	**5**

The present value of the minimum lease payments are as follows:

	Minimum lease payments	
	31 December 2022 £'000	31 December 2021 £'000
Amounts due:		
Within one year	**5**	5
Between 1 and 2 years	**5**	5
Between 2 and 3 years	—	4
Between 3 and 4 years	—	—
Between 4 and 5 years	—	—
Later than 5 years	—	—
	10	14

The only leases accounted for under IFRS 16 for the Company relate to IT equipment.

13. INVESTMENTS

Total fixed asset investments comprise of:

	Investment in subsidiary undertakings 31 December 2022 £'000	Investment in subsidiary undertakings 31 December 2021 £'000
Cost and net book value:		
At 1 January 2022	**6,300**	6,274
Additions	**764**	—
Contingent consideration adjustment	**—**	26
Disposals	—	—
Impairment	—	—
At 31 December 2022	**7,064**	6,300

The addition in the year relates to the acquisition of Ford and Semple Media Works, for a total consideration of CAD$ 1.3m (£0.8 million), of which CAD$ 1.2 million (£0.7 million) was paid on completion and CAD$ 0.1 million (£0.06 million) was deferred for one year.

The Company holds investments in the following companies, which are incorporated in the United Kingdom unless otherwise stated.

Name of undertaking	Class of share capital held	Percentage held	Nature of business	Registered Address
Xtreme Information Limited	Ordinary	100%	Dormant	Chapter House, 16 Brunswick Place, London, England, N1 6DZ
Ebiquity Germany GmbH[1]	Ordinary	100%	Media consultancy	Hermannstr. 40 20095, Hamburg, Germany
Ebiquity Marsh Limited[2]	Ordinary	100%	Media consultancy	11 Ely Place, Dublin 2, 662881, Ireland
Digital Decisions B.V.[3]	Ordinary	100%	Media consultancy	Pythagoraslaan 101, Utrecht, 3584BB, Netherlands
Forde and Semple Media Works [4]	Ordinary	100%	Media consultancy	3rd Floor, 1 University Avenue, Toronto, Ontario, M5J 2P1, Canada

[1] Incorporated in Germany
[2] Incorporated in Ireland
[3] Incorporated in the Netherlands
[4] Incorporated in Canada

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

14. TRADE AND OTHER RECEIVABLES

	31 December 2022 £'000	31 December 2021 £'000
Amounts falling due within one year:		
Trade receivables	**7,742**	6,882
Amounts owed by group undertakings	**52,640**	47,865
Other receivables	**554**	353
Prepayments and contract assets	**1,900**	1,457
Corporation Tax	**240**	562
Other taxation & social security	**-**	-
Deferred tax asset (note 15)	**290**	368
	63,366	57,487

Included within amounts owed by group undertakings is an amount of £89,000 (31 December 2021: £86,000) due from Ebiquity plc which is unsecured, incurs interest at 6%, has no fixed date of repayment and is repayable on demand. The residual amounts are unsecured, non-interest bearing, have no fixed date of repayment and are repayable on demand.

15. DEFERRED TAX ASSET

	Tangible assets £'000	**Share-based payments £'000**	**Total £'000**
At 1 January 2021	187	15	202
Credited to income	113	-	113
Charged to equity	-	53	53
At 31 December 2021	300	68	368
Credited to income	1	(79)	(78)
Credited to equity	-	-	-
At 31 December 2022	**301**	**(11)**	**290**

At the period end the Company has tax losses of £nil (31 December 2021: £nil) available for offset against future profits. A deferred tax asset of £nil (31 December 2021: £nil) has been recognised in respect of such losses.

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2022	31 December 2021
	£'000	£'000
Trade creditors	**593**	973
Amounts owed to group undertakings	**34,214**	30,119
Corporation tax	**-**	-
Other taxation and social security	**1,480**	1,028
Other creditors	**164**	405
Accruals and contract liabilities	**19,472**	11,503
	55,923	44,028

Included within amounts owed to group undertakings is an amount due to The Register Group Limited of £1,364,000 (2021: £1,247,000) which is unsecured, earns interest at LIBOR + 3.25% per annum, has no fixed date of repayment and is repayable on demand.

Additionally, there is an amount due to Xtreme Information Services Limited of £5,117,000 (2021: £4,560,000) which is unsecured, earns interest at 6.25%, has no fixed date of repayment and is repayable on demand.

Further, there is an amount due to Fairbrother Lenz Eley Limited of £11,055,000 (2021: £10,739,000) which is unsecured, earns interest at 4%, has no fixed date of repayment and is repayable on demand.

Further, there is an amount due to Checking Advertising Services Limited of £133,000 (2021: £129,000) which is unsecured, earns interest at 4%, has no fixed date of repayment and is repayable on demand.

Further, there is an amount due to Ebiquity UK Limited of £715,000 (2021: £695,000) which is unsecured, earns interest at 3.3%, has no fixed date of repayment and is repayable on demand.

The residual amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

17. RETIREMENT BENEFITS

The Company operates a defined contribution pension scheme. The assets of this scheme are held separately from those of the Company in an independently administered group personal pension fund. The amount recognised as an expense for the defined contribution scheme was £303,000 (31 December 2021: £317,000). At the year end contributions of £94,000 (31 December 2021: £90,000) were outstanding.

18. FINANCIAL LIABILITIES

	31 December 2022 £'000	31 December 2021 £'000
Amounts falling due within one year:		
Provision for contingent deferred consideration	**61**	-
	61	-

Provisions for contingent deferred consideration represents the expected payables relating to the acquisition of Forde and Semple Media Works which completed on 29 January 2023. The provision was fully utilised in March 2023.

19. CALLED UP SHARE CAPITAL

	31 December 2022 £	31 December 2021 £
Allotted, called up and fully paid		
1,090 (31 December 2019: 1,090) Ordinary shares of 10p each	**109**	109

20. RESERVES

Share premium

The share premium reserve shows the amount subscribed for share capital in excess of the nominal value.

Profit and loss account

The profit and loss account reserve shows the cumulative net gains and losses recognised in the income statement.

For detailed movements on each of the above reserves, refer to the Statement of Changes in Equity.

21. SHARE BASFD PAYMENTS

Executive Incentive Plan (EIP)
This is a discretionary scheme for the Directors of the Company's parent, Ebiquity plc. Vesting of the options was subject to the satisfaction of performance criteria designed to achieve growth of the business while at the same time maintaining and enhancing the underlying earnings per share over the period to 30 April 2013. These options lapsed in May 2021 since the share price remained below the exercise price.

Executive share option plan (ESOP)
This is a discretionary scheme, comprised of an HMRC approved schedule and an unapproved schedule. The ESOP provides a lock-in incentive to key management. Vesting of these options is subject to the satisfaction of certain performance criteria and typically around the rate of growth of diluted adjusted earnings per share over a three-year period. Rights to ESOP options lapse if the employee leaves the Company.

No share options (31 December 2021: nil) have been granted to employees of the Company under the ESOP in the year ended 31 December 2022.

Enterprise management incentive scheme (EMI Scheme)
The EMI scheme is a discretionary share option scheme, which provides that options with a value at the date of grant of up to £120,000 may be granted to employees. The EMI scheme provides a lock-in incentive to key management and is also utilised to attract key staff. Rights to EMI share options lapse if the employee leaves the Company. There are no further performance conditions.

No options have been granted under this scheme since 13 April 2010 as the Group was, from that date, too large to qualify under the HMRC EMI scheme rules. As at 31 December 2022, there are no options outstanding under this scheme.

Unapproved company share option plan (UCSOP)
This is a discretionary scheme, which provides that options may be granted where employees are not eligible to the EMI scheme. The UCSOP provides a lock in incentive to key management. Rights to UCSOP options lapse if the employee leaves the Company.

No options have been granted to employees under the USCOP in the year ended 31 December 2022.

22. ULTIMATE PARENT COMPANY

The immediate parent, ultimate parent and controlling parent undertaking is Ebiquity plc, which is the parent of both the smallest and largest group to consolidate these financial statements. Copies of the consolidated financial statements of Ebiquity plc may be obtained from the Company Secretary at Chapter House, 16 Brunswick Place, London, N1 6DZ.

23. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the disclosure exemption permitted under FRS 101 in relation to the requirements in IAS 24 "Related party disclosures", not to disclose related party transactions entered into with wholly owned entities that are part of the Ebiquity plc group as the Company is included within the published consolidated financial statements of Ebiquity plc.

Transactions outside of this exemption are disclosed below:

The Company earned revenue from Ebiquity Russia Limited, who is a fellow subsidiary of Ebiquity plc, of £7,000 (31 December 2021: £5,000), and incurred partner costs of £296,000 (31 December 2021: £317,000). In addition costs of £58,000 (31 December 2021: £33,000) were recharged to Ebiquity Russia Limited. Also payments and offsets were made in the year of £334,000 to Ebiquity Russia Limited (31 December 2021: £371,000).

At the year end, £142,000 was owed to Ebiquity Russia Limited (31 December 2021: £273,000).

There were no other related party transactions in either period.

24. CONTINGENT LIABILITY

A composite Guarantee has been given by certain subsidiary companies of Ebiquity plc. As such the bank holds fixed and floating charges over the current and future assets of the Company. The Group had outstanding bank borrowings of £21,500,000 (2021: £18,000,000) at the year end.