

# MMS UK Holdings Limited

## Annual Report and Financial Statements

for the year ended 31 December 2021

Registered Number: 04982095



**Directors**

C Crowther  
M-A Proch

**Secretaries**

P Muwanga

**Auditor**

Mazars LLP  
30 Old Bailey  
London  
EC4M 7AU

**Registered Office**

1st Floor  
2 Television Centre  
101 Wood Lane  
London  
W12 7FR

## Strategic Report

### for the year ended 31 December 2021

#### Principal activity and review of the business

The principal activity of MMS UK Holdings Limited ("the Company") continues to be that of an intermediate holding company.

During the year, the Company acquired the 100% of shareholding in BBH Communications Limited, Brandtosa les Limited, Citrus International Limited, Conversant Europe Ltd and Taylor Herring Limited. See Note 12 for further information including consideration paid.

The Company's key financial and other performance indicators during the year were as follows:

	2021 £'000	Restated 2020 £'000	Change %
Operating loss	(16,965)	(112,153)	85%
Profit / (loss) after tax	92,939	(36,294)	356%
Shareholder's funds	691,861	598,922	16%
Current assets as a % of current liabilities	33%	35%	(2%)

Operating loss has reduced by 85% which is primarily driven by a large reduction in impairment charges recognised on investments in subsidiaries.

Loss after tax has improved by 356% to profit after tax due to a significant reduction in the impairment charges recognised in the year as noted above along with an increase in income from shares in group undertakings which improved from £95,553,000 (restated) to £128,256,000.

Shareholder's funds increased by 16% due to the profit after tax noted above.

Current assets as a percentage of current liabilities has decreased by 2% mainly due to movements in amounts owed by group companies.

The services offered by the Company have minimal environmental impact. However, the Board believes that good environmental practices support the Board's strategy by enhancing the reputation of the firm.

#### Principal risks and uncertainties

The principal risks and uncertainties facing the Company are broadly grouped as competitive and financial instrument risk.

##### Competitive risks

The Company acts as an intermediary holding company and invests in companies that operate in the advertising and communications industries. These industries are highly competitive; however, these companies are well positioned to maintain their market share.

##### Financial instrument risks

The Company has established a risk and financial management framework whose primary objectives are to protect the Company from events that hinder the achievement of the Company's performance objectives.

## Strategic Report (continued)

### for the year ended 31 December 2021

#### Principal risks and uncertainties (continued)

##### *Financial instrument risks (continued)*

The objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at a business unit level.

- *Exposure to liquidity, cash flow and credit risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. We aim to mitigate liquidity risk by managing cash generation by our operations and applying cash collection targets.

Cash flow risk is the risk that inflows and outflows of cash and cash equivalents will not be sufficient to finance the day-to-day operations. We manage cash flow risk by careful negotiation of terms with customers and suppliers.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Our policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

- *Exposure to foreign exchange risk*

Foreign exchange risk is the risk arising from purchases and sales of goods or services denominated in foreign currencies. Our commercial dealings including intercompany activity are transacted in multiple foreign currencies and therefore expose the Company to a significant level of foreign exchange risk.

The Company manages this risk through the use of derivatives, namely currency forward contracts and currency swaps, with the overall aim being to minimise the foreign exchange charge or gain.

As regards intercompany loans/borrowings, these are subject to appropriate hedges if they present significant net exposures to exchange rate risk.

#### **Covid-19**

The declaration of the Covid-19 pandemic in 2020 resulted in unprecedented uncertainty to the global economy following the introduction of lockdown measures by national governments worldwide in a bid to combat the spread of the virus. Since the initial declaration, the Company has taken certain actions to effectively manage the impact of the pandemic on the Company which prioritised the health and safety of employees whilst supporting clients and managing the cost-base of the business. In this context, the Company has entered 2022 in an improving environment with various national governments including the UK government relaxing all restrictions related to the Covid-19 pandemic which has seen a recovery in economic activity.

However, there continues to be economic and social uncertainty related to the Covid-19 pandemic which could have an impact on economic activity in certain overseas markets in which the Company operates. This is largely driven by the potential impact from varying and ongoing Covid-19 restrictions which continue to be imposed by overseas national governments in their jurisdictions and has been factored by the Company as part of its going concern assessment.

## Strategic Report (continued)

### for the year ended 31 December 2021

#### Covid-19 (continued)

In general, all of the principal risks and uncertainties above should be considered in light of the consequences of the Covid-19 pandemic.

#### Streamlined energy and carbon reporting

In the face of the climate emergency, Publicis Groupe has set ambitious targets to reduce our environmental impact. We have decided to become carbon neutral by 2030. Our targets have been validated by the SBTi ("Science Based Targets initiative") and are aligned with the Paris Agreement and the 1.5° scenario. At the end of COP26 and the methodological review by the SBTi, in January 2022 the Group announced the acceleration and evolution of its environmental policy "Consume less and better" which has integrated new objectives and now known as the "Zero Impact Climate Policy." The policy is structured around the following eight points:

1. Reduction in transport (particularly air travel);
2. Reduction in energy consumption and switch to 100% direct-source renewable energy;
3. Reduction in consumption of natural resources and raw materials;
4. Waste volume reduction;
5. Reduction in the impact of campaigns and projects carried out for our clients;
6. Product and service innovation;
7. Reduction of impacts related to goods and services purchased; and
8. Carbon-neutrality for the entire Group as soon as possible and by 2030.

During the year as part of our efforts to assist our clients in their own efforts to reduce their environmental footprint, the Groupe created A.L.I.C.E ("Advertising Limiting Impacts & Carbon Emissions"), a calculator to assess the impact of their campaigns or projects.

In accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, the energy use and associated greenhouse gas emissions are for those under the operational control of the UK Group. Therefore, energy use and emissions disclosed are aligned with financial reporting for the Company and its UK subsidiaries which it directly controls and excludes the non-UK based subsidiaries that would not qualify under the 2018 Regulations in their own right.

The methodology used to calculate our emissions and energy usage under the requirements of SECR is the Greenhouse Gas Protocol ("GHG"). The calculations were prepared with the assistance of Bureau Veritas, an independent assurance provider, based on data collected by all UK-Group entities which makes up 99% of the UK's headcount.

The UK's Group energy use and associated greenhouse gas emissions were as follows:

	2021 kWh	2020 kWh
<b>Total energy usage</b>		
<i>Total energy consumed during the ordinary course of operations</i>	4,939,635	5,276,425

## Strategic Report (continued)

### for the year ended 31 December 2021

#### Streamlined energy and carbon reporting (continued)

	2021 Tonnes CO <sub>2</sub> e	2020 Tonnes CO <sub>2</sub> e
<b>Greenhouse gas emissions</b>		
<b>Scope 1 emissions</b>		
<i>Emissions from combustion of gas and fuel for transport purposes</i>	427	883
<b>Scope 2 emissions</b>		
<i>Emissions from purchased electricity (location-based)</i>	196	216
<b>Scope 3 emissions</b>		
<i>Emissions from business travel in rental cars or employee -owned vehicles where company is responsible for purchasing the fuel</i>	4,448	6,114
	<u>5,071</u>	<u>7,213</u>

During the year, the UK Group implemented the following initiatives which have contributed to the reduction in total energy usage and greenhouse gas emissions:

- The Group continually renews and consolidates its office premises and facilities across the UK having reduced the number of office premises from 10 in 2020 to 6 at the end of 2021. These premises are new modern facilities that adhere to the highest environmental standards with 3 of the 6 UK office premises are BREEM certified.
- Ensuring that the vast majority of our UK energy usage is from renewable sources. During the year, renewable energy sources provided 80.8% (2020: 90.1%) of our total energy consumption. To reduce the amount of energy consumed from non-renewable sources, RECs (Renewable Energy Certificates) were purchased.

#### Carbon Intensity

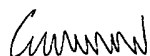
Due to the nature of our operations, the most appropriate metric to measure the carbon intensity of the UK Group is per full-time employee as disclosed below:

	2021 kWh	2020 kWh
<b>Total energy usage</b>		
<i>Total energy consumed during the ordinary course of operations per full-time employee</i>	896	1,090
	<u>2021 Tonnes CO<sub>2</sub>e</u>	<u>2020 Tonnes CO<sub>2</sub>e</u>
<b>Greenhouse gas emissions</b>		
<i>Total Greenhouse gas emissions under all scopes per full-time employee</i>	0.91	1.48

## **Strategic Report (continued)**

**for the year ended 31 December 2021**

This report was approved by the board of directors and signed on its behalf by:



C Crowther  
**Director**

29 September 2022

## **Directors' Report**

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

The directors present their report and the audited financial statements of MMS UK Holdings Limited ("the Company") for the year ended 31 December 2021.

#### **Results and dividends**

The Company recorded a profit after tax for the year of £92,939,000 (2020 restated: loss after tax of £36,294,000). A dividend of £Nil (2020: £Nil) was declared and paid during the year.

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report on pages 2 to 6. These matters relate to the principal activity and financial risks.

#### **Future developments**

The directors do not foresee any material changes in the continuing operations of the business.

#### **Directors**

The directors of the Company who served during the year and up to the date of signing the financial statements were:

C Crowther

J-M Etienne

M-A Proch

(resigned 8 February 2021)

(appointed 8 February 2021)

#### **Directors' indemnity**

The directors confirm that no qualifying third party indemnity provision in favour of any directors of the Company, as defined by Section 236 of the Companies Act 2006, either by the Company or by any other party, was in force at the time of the signing of the report, and that no such provision had been in force at any time in the year.

#### **Post balance sheet events**

Since the year ended 31 December 2021, the United Kingdom, the European Union, the United States of America and other Western nations have imposed economic sanctions on Russia and Russian interests worldwide in response to Russian forces entering Ukraine on 24 February 2022. The directors have considered the impact of the Company's ultimate parent undertaking Publicis Groupe S.A. subsequent announcement on 15 March 2022 that it has ceased all trading activities in Russia with immediate effect. Whilst it is too early to assess the full financial impact on the Company, a decline in activity may give rise to future impairment of assets and may create additional liabilities which cannot be quantified at this stage. As such, the directors have treated this as a non-adjusting post balance sheet event.

On 1 April 2022, as part of a group reorganisation, the Company directly acquired 100% of the shares of The Octopus Group Limited and 100% of the shares of Octopus Communications Consultancy Ltd.

On 31 August 2022, as part of a group reorganisation, the Company directly acquired 100% of the shares of Profitero UK Limited.

## **Directors' Report (continued)**

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

#### **Going concern**

At 31 December 2021, the Company has net current liabilities of £398,960,000 (2020 restated: £428,804,000) and has received written confirmation in the form of a letter of support from its immediate parent company, Publicis Groupe Holdings B.V. that it will provide the necessary funds to enable the Company to meet its liabilities as they fall due, for a period of at least twelve months from the date of approval of these financial statements.

The directors have prepared detailed budgets and financial forecasts taking into account expected future trading performance, including the prolonged impact of the Covid-19 pandemic, the impact on global economic activity of the economic sanctions imposed by the United Kingdom, the European Union, the United States of America and other Western nations on Russia and Russian interests in response to Russia entering Ukraine on 24 February 2022 and the support level received. Having assessed the position of the immediate parent company, the directors have a reasonable expectation that the Company has reasonable resources and support to continue in operational existence for the foreseeable future, being a period of at least twelve months from the approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

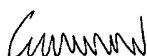
#### **Disclosure of information to the auditor**

The directors who held office at the date of approval of this Directors' report confirm that:

- so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each 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 information is given and should be interpreted in accordance with s418 of the Companies Act 2006.

This report was approved by the board of directors and signed on its behalf by:



C Crowther  
**Director**

29 September 2022

## **Statement of Directors' Responsibilities for the year ended 31 December 2021**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 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 which 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.

# **Independent auditor's report to the members of MMS UK Holdings Limited**

**for the year ended 31 December 2021**

## **Opinion**

We have audited the financial statements of MMS UK Holdings Limited (the 'Company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

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

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

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

## **Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 there is a

# **Independent auditor's report to the members of MMS UK Holdings Limited (continued)**

**for the year ended 31 December 2021**

## **Other information (continued)**

material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

## **Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 9, 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

# **Independent auditor's report to the members of MMS UK Holdings Limited (continued)**

**for the year ended 31 December 2021**

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

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 the financial statements.

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

Based on our understanding of the Company and its industry, we considered non-compliance with the following laws and regulations might have a material effect on the financial statements; UK tax legislation and health and safety regulation, and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect of non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to completeness), impairment of investments and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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# **Independent auditor's report to the members of MMS UK Holdings Limited (continued)**

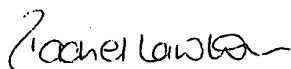
**for the year ended 31 December 2021**

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

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

## **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.



Rachel Lawton (Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
30 Old Bailey  
London  
EC4M 7AU

29 September 2022

## Statement of Comprehensive Income

for the year ended 31 December 2021

	Notes	2021 £'000	Restated 2020 £'000
Administrative expenses		(34,495)	(134,432)
Other operating income		17,530	22,279
<b>Operating loss</b>	3	(16,965)	(112,153)
Income from shares in group undertakings		128,256	95,553
Interest receivable and similar income	7	1,149	3,389
Interest payable and similar charges	8	(22,902)	(26,112)
<b>Profit / (loss) on ordinary activities before taxation</b>		89,538	(39,323)
Taxation	9	3,401	3,029
<b>Profit / (loss) for the year</b>		92,939	(36,294)
Other comprehensive income		-	-
<b>Total comprehensive income / (loss) for the year</b>		92,939	(36,294)

The Company's operating loss relates to continuing operations.

The notes on pages 18 to 36 form part of these financial statements.

## Balance Sheet

at 31 December 2021

	Notes	2021 £'000	Restated 2020 £'000
<b>Non-current assets</b>			
Deferred tax	9	458	367
Property, plant and equipment	10	34,650	42,316
Right of use assets	11	175,893	210,149
Investments	12	1,121,019	1,039,404
		<u>1,332,020</u>	<u>1,293,236</u>
<b>Current assets</b>			
Trade and other receivables	13	173,509	216,028
Cash and cash equivalents		396	50
Derivatives - Assets	19	-	151
Corporation tax		23,625	16,116
		<u>197,530</u>	<u>232,345</u>
<b>Current liabilities</b>			
Trade and other payables	14	(577,050)	(645,389)
Short-term lease liabilities	11	(19,440)	(15,760)
		<u>(596,490)</u>	<u>(661,149)</u>
<b>Net current liabilities</b>		<u>(398,960)</u>	<u>(428,804)</u>
<b>Total assets less current liabilities</b>		<u>933,060</u>	<u>863,432</u>
<b>Non-current liabilities</b>			
Trade and other payables	15	(8,744)	-
Provisions for liabilities	16	(25,974)	(19,364)
Long-term lease liabilities	11	(206,481)	(245,146)
		<u>(241,199)</u>	<u>(264,510)</u>
<b>Net assets</b>		<u>691,861</u>	<u>598,922</u>
<b>Capital and reserves</b>			
Called up share capital	17	17	17
Share premium		645,208	645,208
Retained earnings		46,636	(46,303)
<b>Total equity</b>		<u>691,861</u>	<u>598,922</u>

## **Balance Sheet**

**at 31 December 2021**

The financial statements were approved and authorised for issue by the board and were signed on its behalf by.



C Crowther  
**Director**

29 September 2022

The notes on pages 18 to 36 form part of these financial statements.

## Statement of Changes in Equity

for the year ended 31 December 2021

	Called-up share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
At 1 January 2020	17	645,208	(10,009)	635,216
Loss for the year (restated)	-	-	(36,294)	(36,294)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the year (restated)</b>	<b>-</b>	<b>-</b>	<b>(36,294)</b>	<b>(36,294)</b>
At 31 December 2020 (restated)	17	645,208	(46,303)	598,922
Profit for the year	-	-	92,939	92,939
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>92,939</b>	<b>92,939</b>
At 31 December 2021	17	645,208	46,636	691,861

The notes on pages 18 to 36 form part of these financial statements.

## Notes to the financial statements

### for the year ended 31 December 2021

#### 1. Accounting policies

##### 1.1. Basis of preparation

MMS UK Holdings Limited ("the Company") is a private company limited by shares incorporated and domiciled in the United Kingdom and registered in England and Wales. The address of the registered office is 1st Floor, 2 Television Centre, 101 Wood Lane, London W12 7FR. These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101") and in accordance with the applicable provisions of the Companies Act 2006. Except for certain disclosure exemptions detailed below, the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK have been applied to these financial statements and, where necessary, amendments have been made in order to comply with the Companies Act 2006 and The Large and Medium-sized Companies and Groups Regulations 2008/410 ('Regulations').

##### Basis of measurement

The financial statements have been prepared under the historical cost convention except for certain financial instruments which are measured at fair value. The Company's functional and presentational currency is Pound Sterling.

##### Consolidated financial statements

The Company is exempt from the requirement to prepare consolidated financial statements under Section 400 of the Companies Act 2006. Consolidated financial statements are prepared by Publicis Groupe S.A., the ultimate parent undertaking, incorporated in France and are available from the address set out in Note 21. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

##### Going concern

At 31 December 2021, the Company has net current liabilities of £398,960,000 (2020 restated: £428,804,000) and has received written confirmation in the form of a letter of support from its immediate parent company, Publicis Groupe Holdings B.V. that it will provide the necessary funds to enable the Company to meet its liabilities as they fall due, for a period of at least twelve months from the date of approval of these financial statements.

The directors have prepared detailed budgets and financial forecasts taking into account expected future trading performance, including the prolonged impact of the Covid-19 pandemic, the impact on global economic activity of the economic sanctions imposed by the United Kingdom, the European Union, the United States of America and other Western nations on Russia and Russian interests in response to Russia entering Ukraine on 24 February 2022 and the support level received. Having assessed the position of the immediate parent company, the directors have a reasonable expectation that the Company has reasonable resources and support to continue in operational existence for the foreseeable future, being a period of at least twelve months from the approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

## Notes to the financial statements

### for the year ended 31 December 2021

#### 1. Accounting policies (continued)

##### 1.1. Basis of preparation (continued)

##### Disclosure exemptions applied

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 paragraph 8:

- (i) The requirement of IFRS 7 'Financial Instruments: Disclosures' relating to the disclosure of financial instruments and the nature and extent of risks arising from such instruments;
- (ii) The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 'Revenue from Contracts with Customers';
- (iii) The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- (iv) The applicable requirements of IAS 1 'Presentation of Financial Statements' relating to the disclosure of comparative information in respect of the number of shares outstanding at the beginning and end of the year (IAS 1.79(a)(iv)), the reconciliation of the carrying amount of property, plant and equipment (IAS 16.73(e)) and the reconciliation of the carrying amount of intangible assets (IAS 38(118)(e));
- (v) The requirements of IAS 1 'Presentation of Financial Statements' paragraph 16, the requirement to make an explicit and unreserved statement of compliance with IFRS;
- (vi) The requirements of IAS 1 'Presentation of Financial Statements' paragraphs 38A to 40D relating to disclosures of comparative information;
- (vii) The requirement of IAS 1 'Presentation of Financial Statements' paragraphs 134 to 136 relating to the disclosure of capital management policies and objectives
- (viii) The requirements of IAS 7 'Statement of Cash Flows' and IAS 1 'Presentation of Financial Statements' paragraph 10(d) and 111 relating to the presentation of a Cash Flow Statement;
- (ix) The requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' paragraphs 30 and 31 relating to the disclosure of standards, amendments and interpretations in issue but not yet effective;
- (x) The requirements of IAS 24 'Related Party Disclosures' paragraph 17 and 18(a) relating to the disclosure of key management personnel compensation and relating to the disclosure of related party transactions entered into between the Company and other wholly-owned subsidiaries of the group; and
- (xi) The requirements of IAS 36 'Impairment of Assets' paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) relating to certain disclosure requirements of impairment testing.

For the disclosure exemptions listed in points (i) and (x), the equivalent disclosures are included in the consolidated financial statements of the group, Publicis Groupe S.A. which the Company is consolidated into.

## Notes to the financial statements

### for the year ended 31 December 2021

#### 1. Accounting policies (continued)

##### 1.1. Basis of preparation (continued)

##### Changes in accounting policies

##### *New and amended standards and interpretations adopted*

The following standards and interpretations have been adopted by the Company as they are mandatory for the year ended 31 December 2021:

	<b>UK effective date Periods beginning on or after</b>
Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	1 January 2021
IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current	1 January 2021

The adoption of the standards and interpretations above has not had a material impact on the Company's financial statements.

##### 1.2. Accounting principles

##### Effect of foreign currency

Transactions denominated in foreign currencies are translated into sterling at the actual exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is reported as an exchange gain or loss in the Statement of Comprehensive Income. The Company uses derivatives such as foreign currency hedges to hedge its current or future positions against foreign exchange rate risks. These derivatives are measured at fair value, determined by reference to observable market prices at the reporting date.

##### Income from shares in group undertakings

Income from shares in group undertakings represents dividend income and is recognised when the Company's right to receive payment is established.

##### Interest income and expense

Interest income arises from balances with group undertakings. Interest expense arises from financing activities. Interest income and expense are recognised in the Statement of Comprehensive Income using the effective interest method.

##### Income tax

UK corporation tax payable is provided on taxable profits at the current rate.

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

## Notes to the financial statements

### for the year ended 31 December 2021

#### 1. Accounting policies (continued)

##### 1.2. Accounting principles (continued)

##### Income tax (continued)

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which temporary differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

##### Property, plant and equipment

Property, plant and equipment are stated net of accumulated depreciation and accumulated impairment losses.

An item of property, plant and equipment that qualifies for recognition as an asset is measured at its cost. Cost of an item of property, plant and equipment comprises the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and an initial estimate of the cost of dismantling and removing the asset and restoring the site on which it is located.

After recognition, all property, plant and equipment are carried at costs less any accumulated depreciation and any accumulated impairment losses.

Depreciation is provided at rates calculated to write off the cost of the asset on a straight line basis over their estimated useful lives as follows:

Furniture and equipment	- 3 to 8 years
Computer equipment	- 2 to 3 years

Residual value is calculated on prices prevailing at the date of acquisition. The carrying values of the property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying value of the asset and are recognised in the Statement of Comprehensive Income.

##### Investments

Investments are recognised at cost less any provision for impairment.

##### Leases

Leases are recognised on the Balance sheet at the outset of the lease at the present value of future payments. These leases are recognised under "Lease liabilities", offset by "Right-of-use assets". They are amortised over the term of the lease, which is typically the fixed period of the lease unless there is a stated intention to renew or terminate.

## Notes to the financial statements

### for the year ended 31 December 2021

#### 1. Accounting policies (continued)

##### 1.2. Accounting principles (continued)

###### Leases (continued)

In the Income Statement, depreciation and amortisation expenses are recognised in the operating margin and interest expenses under net financial income (expenses).

Leases of low-value assets or short-term leases are immediately expensed in the Statement of Comprehensive Income.

###### Trade and other receivables

Trade receivables are recognised at the initial amount of the invoice, except for longer-term debtors explained below. Trade receivables presenting a risk of non-recovery are subject to impairment. Such allowances are determined, on a case-by-case basis, using various criteria such as difficulties in recovering the receivables, the existence of any disputes and claims, or the financial position of the debtor. Due to the nature of the Company's activities, trade receivables are of a short-term nature and are measured at amortised cost using the effective interest method. Nevertheless, any trade and other receivables of a longer-term nature will be recognised at their discounted value.

###### Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

###### Trade and other payables

This line item includes all operating payables (including notes payable and accrued supplier invoices) related to the purchase of goods and services. These payables are generally due within less than one year. Financial liabilities are measured at amortised cost using the effective interest method.

###### Provisions for liabilities

Provisions are recognised when the Company has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are measured at the present value of the amount expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

###### Financial liabilities carried at fair value

###### *Derivative financial instruments, including hedge accounting*

The Group holds derivative financial instruments to hedge its foreign exchange risk exposures.

On initial designation of the hedge, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the

## Notes to the financial statements

### for the year ended 31 December 2021

#### 1. Accounting policies (continued)

##### 1.2. Accounting principles (continued)

##### Financial liabilities carried at fair value (continued)

##### *Derivative financial instruments, including hedge accounting (continued)*

hedging instruments are expected to be “highly effective” in offsetting the changes in the cash flows of the respective hedged items during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80-125 percent.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the Statement of Comprehensive Income as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described in Note 18.

##### Equity and reserves

Share capital represents the nominal value of shares that have been issued.

Share premium represents the difference between the issue price and the nominal value of the shares issued.

Retained earnings include all current and prior period retained profits.

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

The preparation of financial statements requires of the use of certain critical accounting judgements and estimates regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The judgements and estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### Key sources of estimation uncertainty

##### *Impairment of investments in subsidiaries*

An assessment is performed for any indication that the carrying value of investments in subsidiaries has suffered an impairment loss by comparing this carrying value to the expected value in use of underlying investment. The value in use calculation takes into account estimated future cash flows which are discounted to their present value using a pre-tax discount rate considering 5 year forecasts into perpetuity. During the year, an impairment charge of £1,023,000 (2020: £76,567,000) has been recognised and at 31 December 2021 the carrying value of investments in subsidiaries is £1,121,019,000 (2020: £1,039,404,000).

##### *Recoverability of intercompany receivables*

The Company makes an assessment for any expected credit losses under IFRS 9 through estimating the amount and timing of future cash flows and significant increases in credit risk on an individual basis. When determining the probability of default and loss in the event of default, the Company takes into account a number of factors including the financial position of the counter-party, historical experience and support available from the wider

## Notes to the financial statements

### for the year ended 31 December 2021

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

##### Key sources of estimation uncertainty (continued)

##### *Recoverability of intercompany receivables (continued)*

Publicis Group. During the year, no impairment has been recognised (2020: £Nil) and at 31 December 2021 the carrying value of amounts owed by group undertakings is £162,279,000 (2020 restated: £214,173,000).

#### 3. Operating loss

Operating loss is stated after charging / (crediting):

	2021 £'000	2020 £'000
(Gain) / loss on transactions denominated in foreign currency	(161)	24
Depreciation of property, plant and equipment (Note 10)	4,491	5,016
Depreciation of right of use assets (Note 11)	14,555	16,526
Impairment of right of use assets (Note 11)	67	-
Impairment of investments (Note 12)	1,023	76,567
Auditor's remuneration (Note 4)	18	18

#### 4. Auditor's remuneration

The remuneration of the auditor is further analysed as follows:

	2021 £'000	2020 £'000
Audit of the financial statements – Company	18	18

#### 5. Employees

The Company does not have any employees.

#### 6. Directors' remuneration

The directors of the Company are also directors of a number of subsidiaries of the ultimate parent undertaking. The directors do not believe that it is practicable to apportion the remuneration between remuneration as directors of the Company and their remuneration as directors of the fellow subsidiary companies. The directors' remuneration is therefore disclosed in the accounts of the fellow subsidiaries that make the remuneration payments.

## Notes to the financial statements

### for the year ended 31 December 2021

#### 7. Interest receivable and similar income

	2021 £'000	2020 £'000
Intercompany interest receivable	1,149	3,389

#### 8. Interest payable and similar charges

	2021 £'000	2020 £'000
Intercompany interest payable	18,243	20,888
Interest expense on lease liabilities	4,659	5,224
	22,902	26,112

#### 9. Taxation

##### (a) Analysis of credit for year

	2021 £'000	2020 £'000
Current tax:		
Corporation tax	(3,310)	(3,013)
Adjustment in respect of previous periods	-	623
Total current tax	(3,310)	(2,390)
Deferred tax:		
Origination and reversal of temporary difference	38	64
Adjustment in respect of previous periods	(19)	(703)
Change in tax rate	(110)	-
Total deferred tax (see Note 9(c))	(91)	(639)
Tax on profit / (loss) on ordinary activities (see Note 9(b))	(3,401)	(3,029)

## Notes to the financial statements

### for the year ended 31 December 2021

#### 9. Taxation (continued)

##### (b) Factors affecting tax credit for the year

The tax assessed on the profit/(loss) on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are reconciled below:

	2021 £'000	Restated 2020 £'000
Profit/(loss) on ordinary activities before taxation	89,538	(39,323)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	17,012	(7,471)
Expenses not deductible for tax purposes	3,031	401
Investment impairment	1,054	21,044
Income not taxable for tax purposes	(24,369)	(16,923)
Adjustment in respect of previous periods	(19)	(80)
Remeasurement of deferred tax for changes in tax rates	(110)	-
Total tax (see Note 9(a))	(3,401)	(3,029)

##### (c) Deferred taxation

	Accelerated capital allowances £'000	Other temporary differences £'000	Total £'000
At 1 January 2020	(272)	-	(272)
Credit to profit and loss	(59)	(5)	(64)
Deferred tax in respect of prior year	312	391	703
At 31 December 2020	(19)	386	367
Credit to profit and loss	(38)	-	(38)
Deferred tax in respect of prior year	19	-	19
Remeasurement for changes in tax rates	(12)	122	110
At 31 December 2021	(50)	508	458

## Notes to the financial statements

### for the year ended 31 December 2021

#### 9. Taxation (continued)

##### (c) Deferred taxation (continued)

Analysis of deferred tax balances for financial reporting purposes:

	2021 £'000	2020 £'000
Deferred tax assets	458	367

##### (d) Factors that may affect future tax charges

The UK Government has announced plans to increase the standard rate of corporation tax from 19% to 25% from 1 April 2023. This change has been substantively enacted by the yearend and therefore has been reflected in the calculation of deferred tax above.

#### 10. Property, plant and equipment

	Leasehold improvements £'000	Total £'000
<b>Cost</b>		
At 1 January 2021	60,078	60,078
Additions	803	803
Disposals	(6,912)	(6,912)
At 31 December 2021	53,969	53,969
<b>Depreciation</b>		
At 1 January 2021	17,762	17,762
Charge for the year	4,491	4,491
Disposals	(2,934)	(2,934)
At 31 December 2021	19,319	19,319
<b>Net book value</b>		
At 31 December 2021	34,650	34,650
At 31 December 2020	42,316	42,316

## Notes to the financial statements

### for the year ended 31 December 2021

#### 11. Leases

##### (a) Right-of use asset

	Property £'000	Total £'000
<b>Net book value</b>		
At 1 January 2021	210,149	210,149
Additions	5,023	5,023
Disposals	(24,657)	(24,657)
Impairment	(67)	(67)
Depreciation charge for the year	(14,555)	(14,555)
At 31 December 2021	175,893	175,893

##### (b) Lease liability

Analysis of maturities of lease liabilities:

	2021 £'000	2020 £'000
Less than one year	19,440	15,760
After one year but not more than five years	206,481	245,146
	225,921	260,906

## Notes to the financial statements

### for the year ended 31 December 2021

#### 12. Investments

	Investments in subsidiaries £'000
<b>Cost</b>	
At 1 January 2021	1,399,837
Additions	82,246
Disposals	(92)
Fair value adjustments	414
At 31 December 2021	1,482,405
<b>Provision for impairment</b>	
At 1 January 2021	360,433
Charge for the year	1,023
Disposals	(70)
At 31 December 2021	361,386
<b>Net book value</b>	
At 31 December 2021	1,121,019
At 31 December 2020	1,039,404

During the year the Company acquired and sold the following companies:

Name	Share % acquired	Consideration £'000
<b>Additions</b>		
BBH Communications Limited	100%	45
Brandtosales Limited	100%	8,641
Citrus International Limited	100%	29,274
Conversant Europe Ltd	100%	34,877
Taylor Herring Limited	100%	7,401
Translate Plus Limited	15%	2,008
		82,246

## Notes to the financial statements

### for the year ended 31 December 2021

#### 12. Investments (continued)

Name	Share % sold	Consideration £'000
<b>Disposals</b>		
ARC Integrated Marketing Limited		(70)
BBH Holdings Limited		(22)
Ninah Consulting Inc		-
		(92)

The Company has investments in the following subsidiary undertakings at the year-end:

Name	Direct %	Indirect %	Country of Incorporation	Activities	Registered office
<b>Subsidiary undertakings</b>					
Alpha 245 Limited	100%		England & Wales	Dormant	1
APX Trading Limited	100%		England & Wales	Advertising	1
Bartle Bogle Hegarty Ltd		100%	England & Wales	Advertising	1
BBH China Limited		100%	Shanghai, China	Advertising	2
BBH Communications(Asia Pacific) Pte Ltd		100%	Singapore	Holding Company	3
BBH Communications India Private Ltd		100%	Mumbai, India	Advertising Agency	4
BBH Communications Limited	100%		England & Wales	Holding Company	1
BBH Holdings Limited	100%		England & Wales	Dormant	1
BBH Partners LLP		100%	England & Wales	Advertising	1
BBH Sport Limited	100%		England & Wales	Advertising	1
Brandtosales Limited	100%		England & Wales	Holding Company	1
Citrus International Limited	100%		England & Wales	Advertising	1
CNC - Communications & Network Consulting Limited		100%	England & Wales	Public Relations	1
Conversant Europe Ltd	100%		England & Wales	Dormant	1
D'Arcy Masius Benton & Bowels (Trustees) Limited		100%	England & Wales	Pension Trustees	1
DigitasLBi Limited	100%		England & Wales	Advertising	6
Epsilon International UK Ltd	100%		England & Wales	Advertising	1
Fallon London Limited		100%	England & Wales	Dormant	1
Langland Advertising Design & Marketing Limited	100%		England & Wales	Dormant	1
Leap Music Limited		75%	England & Wales	Dormant	1
Leo Burnett Limited	100%		England & Wales	Advertising	1
Lion Re:Sources UK Limited	100%		England & Wales	Shared Service Centre	1
Meridian Outdoor Advertising Limited		50%	England & Wales	Media Planning & Buying	1
MSLGroup London Limited		100%	England & Wales	Public Relations	1

## Notes to the financial statements

### for the year ended 31 December 2021

#### 12. Investments (continued)

<i>Name</i>	<i>Direct %</i>	<i>Indirect %</i>	<i>Country of Incorporation</i>	<i>Activities</i>	<i>Registered office</i>
<b><i>Subsidiary undertakings (continued)</i></b>					
Octopus Communications Consultancy Ltd		100%	England & Wales	Public Relations	1
PG Media Services Limited	100%		England & Wales	Advertising	1
Prodigious UK Limited	100%		England & Wales	Advertising	1
Publicis Healthcare Communications Group Ltd	100%		England & Wales	Advertising	1
Publicis Limited	100%		England & Wales	Advertising	1
Publicis Media Exchange Limited	100%		England & Wales	Advertising	1
Publicis Media Limited	100%		England & Wales	Advertising & Holding Company	1
Publicis Media UK Limited		100%	England & Wales	Media Planning & Buying	1
Publicis Sapient AI Labs Limited	33%		England & Wales	Advertising	7
Quinn McDonnell Pattison Limited		16%	Republic of Ireland	Advertising	9
Saatchi & Saatchi (Central Services) Limited	100%		England & Wales	Holding Company	9
Saatchi & Saatchi Group Ltd	100%		England & Wales	Advertising	9
Saatchi & Saatchi Holdings Limited	100%		England & Wales	Holding Company	1
Salter Baxter Communications Limited	100%		England & Wales	Public Relations	1
Sapient Limited	100%		England & Wales	Advertising	1
Sapient.i7 Limited	100%		England & Wales	Dormant	1
Seven Seconds Limited	100%		England & Wales	Advertising	1
Spark Foundry Limited	100%		England & Wales	Advertising	1
St Marks Studio Limited		100%	England & Wales	Advertising	1
Starcom Worldwide Limited		100%	England & Wales	Media Planning & Buying	1
Taylor Herring Limited	100%		England & Wales	Advertising	1
The Octopus Group Limited		100%	England & Wales	Holding Company	1
Translate Plus Limited	100%		England & Wales	Advertising	1
Turner Duckworth Limited	100%		England & Wales	Advertising	1
Zag Limited		37%	England & Wales	Brand Invention	1
Zenith International (Media) Limited		100%	England & Wales	Media Planning & Buying	1
Zenith Services (Media) Limited		100%	England & Wales	Media Planning & Buying	1
Zenith UK (Media) Limited		100%	England & Wales	Media Planning & Buying	1

## Notes to the financial statements

### for the year ended 31 December 2021

#### 12. Investments(continued)

<i>Name</i>	<i>Direct %</i>	<i>Indirect %</i>	<i>Country of Incorporation</i>	<i>Activities</i>	<i>Registered office</i>
<b>Associates</b>					
Core 1 WML Limited		16%	Republic of Ireland	Advertising	5
Publicis Sapient AI Labs Limited	33%		England & Wales	Advertising	7
Quinn McDonnell Pattison Limited		16%	Republic of Ireland	Advertising	8

- 1<sup>st</sup> Floor, 2 Television Centre, 101 Wood Lane, London W12 7FR, United Kingdom
- 5/F Building A, 98 Yan Ping Rd, 200042, Shanghai, China
- 5 Magazine Road, #03-03 Central Mall, Singapore 059571
- 28, Dr. Ernest Borges Road, Opp. Dr. Shirodkar High School, Parel Mumbai City MH 400012, India
- 1 Windmill Lane, Dublin 2, D02 F206, Republic of Ireland
- C/O Brodies LLP, Capital Square, 58 Morrison Street, Edinburgh EH3 8BP, United Kingdom
- Front Suite, 1st Floor, 131 High Street, Teddington TW11 8HH, United Kingdom
- Level 4, The Observatory, 7-11 Sir John Rogerson's Quay Dublin 2 D02 VC42, Republic of Ireland
- Tooks Court, 40 Chancery Lane, London WC2A 1JA, United Kingdom

#### 13. Trade and other receivables

	<b>2021</b>	<b>Restated</b>
	<b>£'000</b>	<b>2020</b>
		<b>£'000</b>
Amounts owed by group undertakings	162,279	214,173
Prepayments	7,082	1,820
Other receivables	4,148	-
Other taxation and social security	-	35
	<u>173,509</u>	<u>216,028</u>

Amounts owed by group undertakings are unsecured, repayable on demand and bear interest at market rates.

## Notes to the financial statements

### for the year ended 31 December 2021

#### 14. Trade and other payables: amounts falling due within one year

	2021 £'000	2020 £'000
Bank overdraft	1	38
Trade payables	8	20
Amounts owed to group undertakings	571,835	643,982
Deferred consideration	1,559	-
Accruals	204	331
Contract liabilities	10	-
Other taxation and social security	2,891	-
Other payables	542	1,018
	<u>577,050</u>	<u>645,389</u>

Amounts owed to group undertakings are unsecured, repayable on demand and bear interest at market rates.

#### 15. Trade and other payables: amounts falling after more than one year

	2021 £'000	2020 £'000
Deferred consideration	8,744	-
At 1 January	-	4,907
Arising on acquisition	10,303	-
Settled in the year	-	(4,907)
At 31 December	<u>10,303</u>	<u>-</u>
Expected settlement period:		
Less than one year	1,559	-
After one year but not more than five years	8,744	-
	<u>10,303</u>	<u>-</u>

## Notes to the financial statements

### for the year ended 31 December 2021

#### 16. Provisions for liabilities

	Onerous leases £'000	Dilapidations £'000	Total £'000
At 1 January 2021	2,176	17,188	19,364
Charge for the year	15,224	-	15,224
Released during the year	(8,614)	-	(8,614)
At 31 December 2021	8,786	17,188	25,974

#### **Onerous lease**

This provision relates to on-going service commitments relating to Baker Street, Middlesex House and Glassmill properties in London with leases extending through to 2025. The assumptions used in calculating the provision are a discount rate of 1.53%; a term extending to 2025; and the majority of the space remaining unoccupied.

#### **Dilapidations**

This provision was created in relation to the future costs to be incurred on restoring the leasehold improvements on the properties leased by the Company to their original state.

#### 17. Authorised and issued share capital

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
17,147 (2020: 17,147) ordinary shares of £1 each	17,147	17,147

## Notes to the financial statements

### for the year ended 31 December 2021

#### 18. Financial instruments – derivatives

The derivatives, which have a three month life, are valued based on a discounted cash flow, using quoted forward rates (an observable input) and discounted at a rate that takes into account credit risk.

##### Categories of financial instruments held at fair value

	2021 £'000	2020 £'000
<b>Financial assets at fair value through profit and loss</b>		
Derivative instruments – Assets	-	50
<b>Financial assets at fair value through profit and loss</b>		
Derivative instruments – Liabilities	-	-

##### Fair value hierarchy

The table below breaks down financial instruments recognised at fair value according to the measurement method used. The different levels of fair value have been defined as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities;
- Level 2: Observable data other than quoted prices for identical assets or liabilities in active markets;
- Level 3: Unobservable data.

Derivative financial instruments valued using level 2 valuation techniques.

##### Changes in the value of financial instruments at fair value

Profit for the year has been arrived after charging/ (crediting):

	2021 £'000	2020 £'000
<b>Financial assets at fair value through profit and loss</b>		
Derivative instruments – Assets	(2)	(7)
<b>Financial assets at fair value through profit and loss</b>		
Derivative instruments – Liabilities	-	-

#### 19. Related party transactions

The Company has taken advantage of the exemption under IAS 24, "Related Party Disclosures", not to disclose transactions with group undertakings as it is a subsidiary undertaking which is 100% controlled by the ultimate parent undertaking.

## Notes to the financial statements

### for the year ended 31 December 2021

#### 20. Prior year restatement

In 2020, two subsidiaries declared final dividends which were due to the Company of £43,967,000. Both dividend receipts were incorrectly excluded from the Company's 2020 financial statements. As a result, the following adjustments have been processed to correctly recognise the dividend income from the date the dividend became legally payable to the Company:

	Previously reported 2020 £'000	Adjustment 2020 £'000	After restatement 2020 £'000
<b>Loss after tax and total comprehensive income</b>			
Income from shares in group undertakings	51,586	43,967	95,553
	<hr/>	<hr/>	<hr/>
<b>Balance Sheet</b>			
Amounts owed by group undertakings at 31 December 2020	170,206	43,967	214,173
Retained earnings at 31 December 2020	(90,270)	43,967	(46,303)
	<hr/>	<hr/>	<hr/>

#### 21. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Publicis Groupe Holdings B.V., a company incorporated in the Netherlands. The ultimate parent undertaking, controlling party and the parent undertaking of the largest and smallest group to include the Company in its group financial statements is Publicis Groupe S.A., incorporated in France. Copies of its consolidated financial statements are available from 133 Avenue des Champs Elysees, 75008 Paris, France.

#### 22. Post balance sheet events

Since the year ended 31 December 2021, the United Kingdom, the European Union, the United States of America and other Western nations have imposed economic sanctions on Russia and Russian interests worldwide in response to Russian forces entering Ukraine on 24 February 2022. The directors have considered the impact of the Company's ultimate parent undertaking Publicis Groupe S.A. subsequent announcement on 15 March 2022 that it has ceased all trading activities in Russia with immediate effect. Whilst it is too early to assess the full financial impact on the Company, a decline in activity may give rise to future impairment of assets and may create additional liabilities which cannot be quantified at this stage. As such, the directors have treated this as a non-adjusting post balance sheet event.

On 1 April 2022, as part of a group reorganisation, the Company directly acquired 100% of the shares of The Octopus Group Limited and 100% of the shares of Octopus Communications Consultancy Ltd.

On 31 August 2022, as part of a group reorganisation, the Company directly acquired 100% of the shares of Profitero UK Limited.