

Registered number 06283647

FIRMDECISIONS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019

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FIRMDECISIONS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019

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FIRMDECISIONS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019

DIRECTORS

F Bowman
A P S Newman
M J Sanford

REGISTERED OFFICE

Chapter House
16 Brunswick Place
London
N1 6DZ

REGISTRATION

Registered and incorporated in the United Kingdom
Registration number 06283647

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

SOLICITORS

Lewis Silkin
5 Chancery Lane
Cliffords Inn
London
EC4A 1BL

**FIRMDECISIONS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019
STRATEGIC REPORT**

The Directors present their Strategic report on FirmDecisions Limited ("the Company") for the year ended 31 December 2019.

REVIEW OF THE BUSINESS

The principal activity of the Company is that of international consultancy, performing compliance audits on marketing services agencies for many of the world's largest advertisers.

The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom.

The Company is wholly owned by FirmDecisions Group Limited, a company incorporated in the United Kingdom, who are ultimately owned by Ebiquity plc, a company incorporated in the United Kingdom.

The Company's financial results are set out in the Income Statement on page 9. A profit for the financial year ended 31 December 2019 of £169,000 (2018: 31 December 2018 £109,000) will be transferred to reserves.

The Statement of Financial Position of the Company increased to total net assets of £4,455,000 (31 December 2018: £4,255,000) due to an increase in trade and other receivables.

Post year end, the COVID-19 pandemic has had an adverse impact on the Company. The Company's performance is influenced by the global economic and advertising conditions and therefore the economic and media downturn has had a negative impact. However as we emerge from the crisis, the Directors are confident that the Company is well placed to fulfil its potential as a leading independent media and marketing consultancy. The Company largely switched to remote working from March 2020 onwards and has continued to deliver high quality services to clients as usual throughout the period of the COVID-19 disruption.

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 division of Ebiquity plc, which includes the Company, is discussed on pages 3 to 30 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 29 to 30 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



A P S Newman
Director

27 November 2020

**FIRMDECISIONS LIMITED
DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2019**

The Directors present their report together with the audited financial statements of FirmDecisions Limited for the year ended 31 December 2019.

FUTURE DEVELOPMENTS

Regarding future developments, given the current uncertain economic environment caused by COVID-19, the Directors have carried out a detailed and comprehensive review of the business and its future prospects, taking into account all information that could reasonably be expected to be available for the following 12 months and beyond. However as we emerge from the crisis, the Directors are confident that the Company is well placed to fulfil its potential as a leading independent media and marketing consultancy. The Company expects therefore to largely continue its strategy as planned.

DIVIDENDS

The Directors do not recommend the payment of a dividend (31 December 2018: £nil). No dividends have been declared or paid post year end up to the point of the signing of the financial statements.

POLITICAL DONATIONS AND POLITICAL EXPENDITURE

No political donations were made and no political expenditure was incurred in the year (year ended 31 December 2018: £nil).

FINANCIAL RISK MANAGEMENT

The Company is exposed through its operations to the following financial risks:

- Credit risk
- Currency risk

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty fails to meet its contractual obligations. The Company operates in an industry where most of its customers are reputable and well-established multinational or large national businesses. When the credit worthiness of a new customer is in doubt, credit limits and payment terms are established and authorised by the Finance Director. The Company will suspend the services provided to customers who fail to meet the terms and conditions specified in their contract where it is deemed necessary.

The credit control function of the Company monitors outstanding debts of the Company. Debtor reports are reviewed and analysed on a regular basis. Trade receivables are analysed by the ageing and value of the debts. Customers with any overdue debts are contacted for payment and progress is tracked.

Currency risk

The Company is exposed to currency risk on foreign currency trading and intercompany balances. This risk is not considered significant enough for hedging to take place at an entity level, at a group level this risk is offset by the holding of certain foreign currency bank borrowings.

FIRMDECISIONS LIMITED
DIRECTORS' REPORT (*continued*)
YEAR ENDED 31 DECEMBER 2019

POST STATEMENT OF FINANCIAL POSITION EVENTS

For the Company the global outbreak of COVID-19 is deemed to be an un-adjusting post balance sheet event as at 31 December 2019 and therefore no adjustment has been made in these financial statements for COVID-19.

There is a risk over the carrying value of the Company's assets due to the expected negative impact of COVID-19 on the Group performance in 2020, which is likely to continue into 2021 which is mitigated by the diversified activities of Group. These may also have a material impact on other critical estimates and judgements disclosed in the accounting policies in the future. See also the basis of preparation for considerations made regarding COVID-19 in our going concern assessment.

DISCLOSURE OF INFORMATION TO INDEPENDENT AUDITORS

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

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, initiated in 2011, 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 year and up to the date of signing of the financial statements were as follows:

F Bowman	(appointed 03 August 2020)
R Basil-Jones	(resigned 01 October 2020)
S T J Broderick	(resigned 24 June 2020)
A P S Newman	(appointed 01 March 2019)
M J Sanford	(appointed 24 July 2020)

FIRMDECISIONS LIMITED
DIRECTORS' REPORT (continued)
YEAR ENDED 31 DECEMBER 2019

5. FIRMDECISIONS LIMITED
DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2019

QUALIFYING DIRECTORS' THIRD-PARTY INDEMNITY

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

INDEPENDENT AUDITORS

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the next Board Meeting.

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 2019. Therefore, as long as Ebiquity plc has the ability to support the Company, the Company will continue as a going concern.

For the period from July 2020 to November 2021 a monthly liquidity test will be applied by Ebiquity's lenders instead of existing covenants. Under the Directors' base case scenario, there are no forecast breaches of this liquidity test. However, Ebiquity's severe but plausible downside scenario indicates that should revenue fall by 18% or more below the Directors' base case throughout the entire 12 months to September 2021, then in the absence of any mitigating actions, the minimum liquidity test required to be met on its loan facilities could be breached in September 2021 or may need to be waived. The Directors of Ebiquity are confident, based on the support of the lenders, that waivers would be granted by their lenders, however there is a risk that this may not occur and this could adversely impact the ability of Ebiquity to make good its undertaking in the letter of support.

Therefore the Directors believe that this gives rise to a material uncertainty that may cast significant doubt over the ability of the company to continue as a going concern.

The financial statements do not include any adjustments that may result if the Group were not able to continue as a going concern.

The Directors' report and the financial statements on pages 10 to 24 were approved by the Board of Directors on 27 November 2020 and are signed on its behalf by



A P S Newman
Director
27 November 2020

FIRMDECISIONS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
YEAR ENDED 31 DECEMBER 2019

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 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 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 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.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRMDECISIONS LIMITED

REPORT ON AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, FirmDecisions Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2019; the income statement, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the company's ability to continue as a going concern.

A signed letter of support confirms that Ebiquity plc, the ultimate controlling parent undertaking, intends to provide the financial support to the company, in order for it to meet its liabilities as they fall due, for at least one year from the signing of the financial statements for the year ended 31 December 2019. Therefore, as long as Ebiquity plc has the ability to support the company, the company will continue as a going concern.

For the period from July 2020 to November 2021 a monthly liquidity test will be applied by Ebiquity's lenders instead of existing covenants. Under the Directors' base case scenario, there are no forecast breaches of this liquidity test. However, Ebiquity's severe but plausible downside scenario indicates that should revenue fall by 18% or more below the Directors' base case throughout the entire 12 months to September 2021, then in the absence of any mitigating actions, the minimum liquidity test required to be met on its loan facilities could be breached in September 2021 or may need to be waived. The Directors of Ebiquity are confident, based on the support of the lenders, that waivers would be granted by their lenders, however there is a risk that this may not occur and this could adversely impact the ability of Ebiquity to make good its undertaking in the letter of support.

These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Reporting on other information

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

FIRMDECISIONS LIMITED
INDEPENDENT AUDIT REPORT (*continued*)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRMDECISIONS LIMITED
(*continued*)

Reporting on other information (*cont*)

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

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

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

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND AUDIT

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Auditors' responsibilities for the audit of the financial statements

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

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

FIRMDECISIONS LIMITED
INDEPENDENT AUDIT REPORT *(continued)*

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRMDECISIONS LIMITED
(continued)

Use of this report

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

OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Richard Porter (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
27 November 2020

FIRMDECISIONS LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	<u>2019</u> <u>£'000</u>	<u>2018</u> <u>£'000</u>
Revenue	3	5,132	3,766
Cost of sales		(2,838)	(1,888)
Gross profit		2,294	1,878
Administrative expenses		(2,131)	(1,775)
Operating profit	4	163	103
Finance income	5	6	6
Finance costs		-	-
Finance income - net		6	6
Profit before taxation		169	109
Income tax expense	8	-	-
Profit for the financial year		169	109

All amounts relate to continuing activities.

There is no other comprehensive income 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 13 to 24 form part of these financial statements.

FIRMDECISIONS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

Company number: 06283647

	Note	<u>2019</u> £'000	£'000	<u>2018</u> £'000	£'000
FIXED ASSETS					
Property, plant and equipment	9		5		4
Investments	10		<u>52</u>		<u>52</u>
			57		56
CURRENT ASSETS					
Trade and other receivables	11	5,936		5,114	
Cash and cash equivalents		<u>504</u>		<u>283</u>	
		6,440		5,397	
CREDITORS: Amounts falling due within one year	13	<u>(2,042)</u>		<u>(1,198)</u>	
NET CURRENT ASSETS			<u>4,398</u>		<u>4,199</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,455		4,255
NET ASSETS			<u>4,455</u>		<u>4,255</u>
EQUITY					
Ordinary shares	15		-		-
Profit and loss account	16		4,455		4,255
TOTAL SHAREHOLDERS' FUNDS			<u>4,455</u>		<u>4,255</u>

The financial statements on pages 10 to 24 were approved by the Board of Directors on 27 November 2020 and are signed on its behalf by



A P S Newman
 Director
 27 November 2020

The notes on pages 13 to 24 form part of these financial statements.

FIRMDECISIONS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Called up share capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
At 1 January 2018		-	4,076	4,076
Profit for the financial year		-	109	109
Total comprehensive income for the year		-	109	109
Deferred tax on share options	12	-	2	2
Capital contribution from parent company		-	68	68
At 31 December 2018		-	4,255	4,255
Profit for the financial year		-	169	169
Total comprehensive income for the year		-	169	169
Deferred tax on share options	12	-	(6)	(6)
Capital contribution from parent company		-	37	37
At 31 December 2019		-	4,455	4,455

The notes on pages 13 to 24 form part of these financial statements.

FIRMDECISIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2019

1 GENERAL INFORMATION

The principal activity of the Company is that of international consultancy, performing compliance audits on marketing services agencies for many of the world's largest advertisers. The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The Company is wholly owned by FirmDecisions Group Limited, a company incorporated in the United Kingdom, who are ultimately 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 2019. Therefore, as long as Ebiquity plc has the ability to support the Company, the Company will continue as a going concern. For the period from July 2020 to November 2021 a monthly liquidity test will be applied by Ebiquity's lenders instead of existing covenants. Under the Directors' base case scenario, there are no forecast breaches of this liquidity test. However, Ebiquity's severe but plausible downside scenario indicates that should revenue fall by 18% or more below the Directors' base case throughout the entire 12 months to September 2021, then in the absence of any mitigating actions, the minimum liquidity test required to be met on its loan facilities could be breached in September 2021 or may need to be waived. The Directors of Ebiquity are confident, based on the support of the lenders, that waivers would be granted by their lenders, however there is a risk that this may not occur and this could adversely impact the ability of Ebiquity to make good its undertaking in the letter of support. Therefore the Directors believe that this gives rise to a material uncertainty that may cast significant doubt over the ability of the company to continue as a going concern.

The financial statements do not include any adjustments that may result if the Group were not able to continue as 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)

FIRMDECISIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (*continued*)
YEAR ENDED 31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(a) Basis of preparation (*continued*)

- 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)
- 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.

New standards, amendments and IFRIC interpretations

IFRS 16 is a new accounting standards that is effective for the year ended 31 December 2019. The adoption of this accounting standards has not had a material impact on the financial statements of the company.

There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2019 that have had a material impact on the company.

Consolidation

The financial statements contain information about FirmDecisions 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.

(b) Revenue recognition

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 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

FIRMDECISIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (*continued*)
YEAR ENDED 31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(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.

(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 exchange rate ruling 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 year.

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) 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:

Computer equipment	25% per annum on cost
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FIRMDECISIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (*continued*)
YEAR ENDED 31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(h) 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.

(i) 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.

(j) Share capital

Ordinary shares are classified as equity.

(k) 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.

(l) 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, as 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.

FIRMDECISIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2019

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Financial instruments (continued)

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.

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.

(m) Critical accounting judgements and estimates

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 and inputs to share option accounting fair value models. 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 estimates include the terminal growth rate used in impairment assessments.

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.

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.

FIRMDECISIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2019

3 REVENUE

The geographical analysis of turnover is as follows:

	<u>2019</u>	<u>2018</u>
	£'000	£'000
United Kingdom	1,846	1,293
Europe	1,993	1,579
North America	62	227
Rest of World	1,231	667
	<u>5,132</u>	<u>3,766</u>

In the opinion of the Directors the Company operated only one class of business throughout the year, namely media compliance auditing.

4 OPERATING PROFIT

The operating profit is stated after charging:

	<u>2019</u>	<u>2018</u>
	£'000	£'000
Depreciation of property, plant and equipment	1	-
Net loss on foreign currency translation	7	21

The auditors' remuneration in the current year has 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 FINANCE INCOME

	<u>2019</u>	<u>2018</u>
	£'000	£'000
Bank interest income	-	-
Group interest and royalties receivable	6	6
	<u>6</u>	<u>6</u>

6 EMPLOYEES

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

	<u>2019</u>	<u>2018</u>
	No.	No.
Operations	16	16
Directors	1	1
	<u>17</u>	<u>17</u>

FIRMDECISIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (*continued*)
YEAR ENDED 31 DECEMBER 2019

6 EMPLOYEES (*continued*)

Staff costs for all employees, including executive Directors paid by the Company, consist of:

	<u>2019</u> <u>£'000</u>	<u>2018</u> <u>£'000</u>
Wages and salaries	2,035	1,890
Social security costs	244	232
Other pension costs	30	26
Share option charge	36	68
	<u>2,345</u>	<u>2,216</u>

7 DIRECTORS' REMUNERATION

During the year there was One Director (year ended 31 December 2018: One) remunerated through the Company, the Directors' aggregate remuneration in respect of qualifying services were:

	<u>2019</u> <u>£'000</u>	<u>2018</u> <u>£'000</u>
Aggregate remuneration	416	334
Aggregate share based payments	45	42
Value of company pension contributions to money purchase schemes	-	-
	<u>461</u>	<u>376</u>

Other Directors' costs in the current and prior year are borne by Ebiquity plc, the ultimate 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.

8 INCOME TAX EXPENSE

	<u>2019</u> <u>£'000</u>	<u>2018</u> <u>£'000</u>
The tax charge is made up as follows:		
<i>Current tax</i>		
Current year	-	-
Total current tax	-	-
<i>Foreign tax</i>		
Current year	-	-
Total foreign tax	-	-
Income tax charge for the year	-	-

FIRMDECISIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2019

8 TAX ON PROFIT (continued)

The tax assessment for the year differs to (year ended 31 December 2018: differs to) the standard rate of corporation tax in the UK of 19% (year ended 31 December 2018: 19%).

The differences are explained below:

	<u>2019</u> <u>£'000</u>	<u>2018</u> <u>£'000</u>
Profit before taxation	<u>169</u>	<u>109</u>
Profit before taxation at standard rate of Corporation tax in the UK of 19% (year ended 31 December 2018: 19%)	32	21
Effects of:		
Expenses not deductible for tax purposes	24	29
Capital allowances for year in excess of depreciation	-	(1)
Relieved by other group companies	<u>(56)</u>	<u>(49)</u>
Total tax charge for the year	<u>-</u>	<u>-</u>

The Company has £nil (year ended 31 December 2018: £nil) of tax losses to carry forward against future trading profits.

Following the Budget on 11 March 2020, the corporation tax rate effective from 1 April 2020 and 1 April 2021 will remain at 19%. This supersedes the announcement on 6 September 2016 which detailed a reduction to 17% from 1 April 2020.

9 PROPERTY, PLANT AND EQUIPMENT

	<u>Computer Equipment</u> <u>£'000</u>
Cost	
At 1 January 2019	12
Additions	<u>2</u>
At 31 December 2019	<u>14</u>
Accumulated Depreciation	
At 1 January 2019	8
Charge for the year	<u>1</u>
At 30 December 2019	<u>9</u>
Net Book Value	
At 31 December 2019	<u>5</u>
At 31 December 2018	<u>4</u>

The Company held no assets under finance leases at either year end.

FIRMDECISIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2019

10 INVESTMENTS

	<u>Total</u> <u>£'000</u>
Cost	
At 1 January 2019 and 31 December 2019	54
Accumulated Impairment	
At 1 January 2019, and 31 December 2019	(2)
Net Book Value	
At 31 December 2019	<u>52</u>
At 31 December 2018	<u>52</u>

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

<u>Name of undertaking</u>	<u>Class of share capital held</u>	<u>Percentage held</u>	<u>Nature of business</u>
FirmDecisions ASJP Germany GmbH ¹	Ordinary €1	100%	Media consultancy
Axiology Limited	Ordinary £1	50%	Dormant
FirmDecisions China Limited ²	Ordinary \$1	100%	Media consultancy

¹ Incorporated in Germany

² Incorporated in China

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

11 TRADE AND OTHER RECEIVABLES

	<u>2019</u> <u>£'000</u>	<u>2018</u> <u>£'000</u>
Amounts falling due within one year:		
Trade receivables	1,045	1,392
Amounts owed by group undertakings	3,792	2,687
Other receivables	103	188
Deferred tax (note 12)	5	11
Prepayments and accrued income	991	836
	<u>5,936</u>	<u>5,114</u>

Included within amounts owed by group undertakings is an amount of £239,000 (31 December 2018: £245,000) due from FirmDecisions ASJP Germany GmbH which is unsecured, incurs interest at EURIBOR + 3%, 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.

FIRMDECISIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2019

12 DEFERRED TAX

	<u>Share based payment</u> £'000	<u>Total</u> £'000
At 1 January 2018	9	9
Credited to equity	<u>2</u>	<u>2</u>
At 31 December 2018	11	11
(Charged) to equity	<u>(6)</u>	<u>(6)</u>
At 31 December 2019	<u>5</u>	<u>5</u>

In the year the share based payment deferred tax asset has been reduced by £6,000 (31 December 2018: increased by £2,000).

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2019</u> £'000	<u>2018</u> £'000
Trade creditors	149	23
Amounts owed to group undertakings	1,018	583
Taxation and social security	330	215
Other creditors	68	59
Accruals and deferred income	<u>477</u>	<u>318</u>
	<u>2,042</u>	<u>1,198</u>

Amounts owed to group undertakings are unsecured, non-interest bearing and are repayable on demand.

14 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 £30,000 (31 December 2018: £26,000). At the year end contributions of £8,000 (31 December 2018: £7,000) were outstanding.

FIRMDECISIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2019

15 ORDINARY SHARES

	<u>2019</u>	<u>2018</u>
	£	£
Allotted, called up and fully paid		
100 (31 December 2018: 100) Ordinary shares of £1 each	<u>100</u>	<u>100</u>

16 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.

17 SHARE BASED PAYMENTS

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. Rights to ESOP options lapse if the employee leaves the Company. £105,000 (31 December 2018: 255,000) have been granted to employees under the ESOP in the year ended 31 December 2019.

The options that were issued on 13 February 2019, 24 February 2019, 1 October 2015 and 15 May 2014 have a weighted exercise price of 25p and vesting is subject to the satisfaction of certain performance criteria, typically around the rate of growth of diluted adjusted earnings per share in Ebiquity plc over a three-year period.

18 ULTIMATE PARENT UNDERTAKING

The Company is wholly owned by its immediate parent undertaking FirmDecisions Group Limited, a company incorporated in the United Kingdom. FirmDecisions Group Limited is wholly owned by Ebiquity plc.

The Company's ultimate parent undertaking and controlling party is Ebiquity plc which is the parent undertaking of 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.

19 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.

FIRMDECISIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2019

19 RELATED PARTY TRANSACTIONS *(continued)*

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 £34,000 (31 December 2018: £nil).

At the year end, £107,000 was owed from Ebiquity Russia Limited (31 December 2018: £73,000).

The Company earned revenue from Ebiquity Italy Media Advisor S.r.l., who is a fellow subsidiary of Ebiquity plc, of £19,000 (31 December 2018: £32,000).

At the year end, £99,000 was owed from Ebiquity Italy Media Advisor S.r.l. (31 December 2018: £80,000).

The Company incurred costs from FirmDecisions Latin America LLC, which is a company that is owned by the director and other employees of the Company, of £384,000 (31 December 2018: £250,000). Payments were made during the year of £347,000 to FirmDecisions Latin America LLC (31 December 2018: 250,000).

At the year end, £37,000 was owed to FirmDecisions Latin America LLC (31 December 2018: £nil).

There were no other related party transactions in either year.

20 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 £14,000,000 (31 December 2018: £34,000,000) at the year end.

21 EVENTS AFTER THE REPORTING PERIOD

For the Company the global outbreak of COVID-19 is deemed to be an un-adjusting post balance sheet event as at 31 December 2019 and therefore no adjustment has been made in these financial statements for COVID-19.

There is a risk over the carrying value of the Company's assets due to the expected negative impact of COVID-19 on the Group performance in 2020, which is likely to continue into 2021 which is mitigated by the diversified activities of Group. These may also have a material impact on other critical estimates and judgements disclosed in the accounting policies in the future. See also the basis of preparation for considerations made regarding COVID-19 in our going concern assessment.