

Fetch Media Limited

Annual financial statements

Registered number 07775453

31 December 2020



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Strategic report

The Directors present their strategic report for the year ended 31 December 2020.

Fair review of the business

The results of Fetch Media Limited ("the Company") for the year are set out in the Profit and Loss Account on page 8. The Company has not traded since the sale of the business to Dentsu London Limited on 1 December 2019. The Company's turnover was £nil (2019: £105,958,000). Revenue was £nil (2019: £15,730,000) and operating profit was £nil (2019: £3,414,000). The profit on ordinary activities before taxation was £nil (2019: £3,476,000). Employee numbers at the end of the year was nil (2019: nil).

The balance sheet on page 9 of the financial statements shows that the Company's financial position at year end remains strong, with net assets of £17,121,000 (2019: £17,121,000). This is primarily the amount owed by Dentsu London Limited for the purchase of the business (see note 9).

Key performance indicators

Given the Company did not trade actively during the year, the Company's Directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

Following the sale of the business, the Company's principal risks are non-payment of amounts due by Dentsu London Limited and that underlying subsidiaries lose value. Both risks are monitored but are considered low risk despite the current trading environment given the financial performance of DLL and the respective investments in subsidiaries.

By order of the board



.....
Dennis Romijn
Director

Date 3 August 2021

Directors' report

The Directors who served during the year and are shown below, present their report and the Financial Statements of Fetch Media Limited ("the Company") for the year ended 31 December 2020.

Principal activity

Up to November 2019, the Company provided a range of customer solutions across Media and Digital, including planning and buying and creative solutions across the global markets in which it previously operated in. On 1 December 2019 the Company transferred the trade and assets at book value into another group company (Dentsu London Limited). The directors do not intend to acquire a replacement trade. The principal activity from December 2019 is that of a holding company. Its investments are listed in note 8.

Proposed dividend

There were no dividends paid or declared in 2020 (2019: Nil).

Financial instruments

The Company does not have any derivative financial instruments during the year.

Directors

The directors who held office during the year were as follows:

J Connelly (resigned on 21 September 2020)
M Platts (resigned on 21 September 2020)
D Romijn (appointed 2 December 2019)
H Nicklin (appointed 7 October 2020)
N Sperrin (appointed 6 January 2021)

Company secretary

A Moberly (resigned 29 February 2020)

Going concern

The Directors have adopted the non-going concern basis of accounting in preparing the annual financial statements due to the sale of business to Dentsu London Limited. Please also refer to note 1.10 around transfer of trade and assets.

Disclosure of information to 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 they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Future developments

The Directors will continue the Company's principal activity of a holding company.

Directors' report *(continued)*

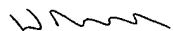
Political contributions

The Company has not made any political donations or incurred any political expenditure during the year (2019: £Nil).

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



.....
Dennis Romijn
Director

Date: 3 August 2021

Statement of Directors' responsibilities in respect of the strategic report, the director's report and the financial statements

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. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so. As explained in note 1, the Directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

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. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Fetch Media Limited

Opinion

We have audited the financial statements of Fetch Media Limited ("the company") for the year ended 31 December 2020 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 1. These financial statements have not been prepared on the going concern basis for the reason set out in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to Fetch Media Limited's policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not expect and identify any additional fraud risks, given the company had no transactions and accounting entries in the period being audited.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations. We haven't identified any indirect laws and regulations given the company had no transactions during the period audited.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Independent auditor's report to the members of Fetch Media Limited

(continued)

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for : the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the members of Fetch Media Limited *(continued)*

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Lilit Barkhudaryan (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

3 August 2021

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 December 2020

| | Note | 2020 £000 | 2019 £000 |
|--|------|--------------|--------------|
| Turnover* | | – | 105,958 |
| Revenue | 2 | – | 15,730 |
| Operating expenses | | – | (12,316) |
| Operating profit | 3 | – | 3,414 |
| Other interest receivable and similar income | 6 | – | 62 |
| Profit before taxation | | – | 3,476 |
| Tax on profit on ordinary activities | 7 | – | (661) |
| Profit for the financial year | | – | 2,815 |
| Other comprehensive income | | – | – |
| Total comprehensive income for the year | | – | 2,815 |

The above results were derived wholly from discontinuing operations. Please refer to note 1.10 for further details.

The notes on pages 11 – 19 form an integral part of these financial statements.

* Turnover represents amounts billable for advertising and media investments managed by the Company on behalf of clients, together with fees earned for media projects and market research services provided, net of discounts, VAT and other sales-related taxes.

Balance Sheet
as at 31 December 2020

| | Notes | 2020 £000 | 2019 £000 |
|------------------------------------|-------|----------------------|----------------------|
| <i>Current assets</i> | | | |
| Investments | 8 | 21 | 21 |
| Debtors | 9 | 17,100 | 17,100 |
| <i>Total assets</i> | | <u>17,121</u> | <u>17,121</u> |
| <i>Capital and reserves</i> | | | |
| Called up share capital | 10 | 1 | 1 |
| Share premium account | | 1,165 | 1,165 |
| Profit and loss account | | <u>15,955</u> | <u>15,955</u> |
| <i>Shareholders' funds</i> | | <u>17,121</u> | <u>17,121</u> |

These financial statements were approved by the board of directors and were signed on its behalf by:



.....
Dennis Romijn
Director

Date: 3 August 2021

Company registered number: 07775453

The notes on pages 11 – 19 form an integral part of these financial statements.

Statement of Changes in Equity
for the year ended 31 December 2020

| | Share Capital £000 | Share Premium £000 | Profit and Loss Account £000 | Total Equity £000 |
|---|--------------------------|--------------------------|------------------------------------|-------------------------|
| Balance at 1 January 2019 | 1 | 1,165 | 13,140 | 14,306 |
| Total comprehensive income for the year | – | – | 2,815 | 2,815 |
| Balance at 31 December 2019 | 1 | 1,165 | 15,955 | 17,121 |

| | Share Capital £000 | Share Premium £000 | Profit and Loss Account £000 | Total Equity £000 |
|---|--------------------------|--------------------------|------------------------------------|-------------------------|
| Balance at 1 January 2020 | 1 | 1,165 | 15,955 | 17,121 |
| Total comprehensive income for the year | – | – | – | – |
| Balance at 31 December 2020 | 1 | 1,165 | 15,955 | 17,121 |

The notes on pages 11 – 19 form an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Fetch Media Limited ("the Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 07775453 and the registered address is Regent's Place, 10 Triton Street, London, NW1 3BF.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements as it is itself a wholly owned subsidiary of Dentsu International Ltd. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of Companies Act 2006 ("Adopted IFRSs") but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Dentsu Group Inc., includes the Company in its consolidated financial statements. The consolidated financial statements of Dentsu Group Inc. are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from The Secretary, Dentsu Group Inc., 1-8-1 Higashi-shimbashi, Minato-ku, Tokyo 105-7001. The smallest group in which the results of the company are consolidated is the group headed by Dentsu International Ltd.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the Company.

As the consolidated financial statements of Dentsu Group Inc. include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Notes (continued)

1 Accounting policies (continued)

1.1 Measurement convention

The financial statements for the year ended 31 December 2020 and year ended 31 December 2019 are prepared on a break up basis, in accordance with FRS 101 Reduced Disclosure Framework, international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"), with particular attention paid to the requirements of IFRS 9, IAS 36 and IAS 37.

1.2 Going concern

The Company ceased trading on December 1, 2019 and transferred the trade and assets into another group company (Dentsu London Limited). As the directors do not intend to acquire a replacement trade and intend to liquidate, they have not prepared the financial statements on a going concern basis.

Accordingly, these financial statements have been prepared on a break up basis, in accordance with FRS 101 Reduced Disclosure Framework, international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"), with particular attention paid to the requirements of IFRS 9, IAS 36 and IAS 37.

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Financial assets

Classification and measurement of financial assets

All financial assets are initially measured at fair value. Management determines the classification and subsequent measurement of the financial asset based on the contractual terms at the initial recognition date. All of the Company's financial assets are classified and subsequently measured at amortised cost described below:

Investments

The Company's investments in subsidiaries are held at historical cost less any provision for impairment.

Financial assets at amortised cost

The Company classifies its financial assets as measured at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

All of the Company's financial assets, which includes trade and other receivables and cash, are categorised and valued at amortised cost. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets at fair value through profit or loss

The Company classifies the following financial assets and derivative financial assets at fair value through profit or loss (FVPL). Financial assets carried at FVPL are initially recorded at fair value. Any subsequent changes in fair value is recorded in profit or loss:

Notes (continued)

1 Accounting policies (continued)

- Debt investments that do not qualify for measurement at either amortised cost or fair value through other comprehensive income (FVOCI).
- Equity investments that are held for trading, and
- Equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

Impairment of financial assets

The Company considers evidence of impairment for these assets at both an individual asset and a collective level at each reporting date. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Additionally, the Company has Trade and Other Receivables that are subject to IFRS 9's expected credit loss model. While cash and cash equivalents and some of other financial assets (non-current and current) measured at amortised cost such as loan receivables are also subject to the impairment requirements of IFRS 9.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables.

Offsetting of balances within financial assets

In line with IAS 32 the Company does not offset other financial assets and liabilities where there is no legally enforceable right to do so.

1.5 Financial liabilities and equity

Classification and measurement

Management determines the classification of its financial liabilities as either debt or equity at initial recognition according to the substance of the contractual arrangements entered into. All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVPL as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss (FVPL) are either designated in this category; or they are held for trading, such as an obligation for securities borrowed in a short sale which are required to be returned in the future. The Company's financial liabilities at fair value through profit or loss. Subsequent to initial recognition, Financial Liabilities at fair value through profit or loss measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities measured at amortised cost using the effective interest method

Other financial liabilities measured at amortised cost using the effective interest method are non-derivative financial liabilities which are not designated on initial recognition as liabilities at fair value through profit or loss. Any subsequent Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Notes (continued)

1 Accounting policies (continued)

1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

- Leasehold improvements life of lease
- plant and equipment 33% per annum
- fixtures and fittings 33% per annum

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

1.7 Revenue

The Company's major sources of revenue are from advertising and media services including creative, planning, buying and other ad-hoc project and consulting services. The Company recognises revenue in accordance with the 5-step model established under IFRS 15 'Revenue from contracts with customers'. Further information on how the group recognises revenue is outlined below.

The Company recognises revenue when it has a binding contract with a customer. Revenue is recognised as it transfers control of a product or service to a customer. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties where the Company is acting as an agent. The Company acts as a principal when the services are controlled by the Company prior to being transferred to customers. An assessment of key indicators including pricing discretion, inventory risk and primary responsibility, is performed to establish if the Company is an agent or a principal in a particular contract.

Most of the Company's contracts include many interconnected activities which are provided to the customer. In most instances, these activities are not considered distinct, or represent a series of activities which are substantially the same with the same pattern of transfer to the customer. As such, these activities are accounted for as a single performance obligation. However, when there are contracts with activities which are capable of being distinct, these are recognised as separate performance obligations. Where there are contracts with multiple performance obligations, the transaction price is allocated to the separate transaction prices based on relative stand-alone selling prices.

Revenue is recognised as the performance obligation to which it relates is satisfied. Most of the Company's revenue is recognised over time. When the Company recognises revenue over time it uses an appropriate measure, commensurate to the pattern of transfer of the service to the customer, to determine the rate of revenue recognition. These include:

- Straight line
- In proportion to the level of time worked as a percentage of total expected time worked on the contract
- In proportion to the costs incurred as a percentage of total expected costs
- Customer milestones delivered

When revenue is in the form of a retainer, it is a stand-ready obligation to perform services on an ongoing basis over the life of the contract, and it is recognised over time on a straight-line basis, unless there is high seasonality. If there are high levels of seasonality, then the retainer revenue is recognised over time in proportion to the level of time spent of the total expected time for the contract.

When revenue is in the form of commissions revenue is recognised over time as the media airs or is published, depending on the form of the media.

Notes (continued)

1 Accounting policies (continued)

Contracts may include variable consideration, such as performance related fees, which are part of the transaction price. Such fees are recognised in line with the revenue recognised in respect of the underlying performance obligation, to the extent that is not highly probable to result in a significant reversal.

Costs of obtaining a contract are expensed as the vast majority of the Company's contracts run for 12 months or less. Costs incurred on behalf of clients and other third-party costs that have not yet been billed to clients are considered receivables under IFRS 15 and therefore are presented within Trade receivables and accrued income in the balance sheet.

Revenue recognition

Judgement is required in selecting the appropriate timing and amount of revenue recognised, particularly where the Company recognises variable consideration. Revenue is only recognised to the extent that it is not highly probable to result in significant reversal and, where there is a performance related element, to the extent to which the performance criteria have been met.

The likelihood of collection of trade receivables also requires judgement to be applied. The Company monitors the levels of provisioning required based on historical trends and by detailed review of individually significant balances.

1.8 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

1.9 Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

1.10 Transfer of trade and assets

On 1 December 2019 the company transferred the trade and assets at book value into another group company (Dentsu London Limited) and ceased trading. As such, the prior year profit and loss account all relate to discontinued operations.

Notes (continued)

2 Revenue

The analysis of the Company's revenue for the year by geographical market is as follows:

| | 2020 £000 | 2019 £000 |
|--------------------------------|--------------|---------------|
| Europe, Middle East and Africa | - | 6,052 |
| United States of America | - | 8,898 |
| Asia-Pacific | - | 780 |
| Total revenue* | - | 15,730 |

*Revenue in 2019 relates to 11 months

3 Expenses and auditor's remuneration

Included in the Profit and Loss Account are the following :

| | 2020 £000 | 2019 £000 |
|--------------------------------------|--------------|--------------|
| Auditor's remuneration | - | 25 |
| (Profit) on disposal of fixed assets | - | (48) |
| Depreciation expense | - | 33 |

The audit fee of £7,800 for the Company for the period was borne by and included within the financial statements of another group company, Dentsu London Limited. There are no amounts receivable by the Company's auditor and its associates in respect of services to the Company other than the audit of the Company's financial statements.

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year was as follows:

| | 2020 No. | 2019 No. |
|------------------------------------|-------------|-------------|
| Direct functions staff | 0 | 41 |
| Admin staff | 0 | 4 |
| Total staff during the year | 0 | 45 |

The aggregate payroll costs of these persons were as follows:

| | 2020 £000 | 2019 £000 |
|-------------------------------------|--------------|--------------|
| Wages and salaries | - | 1,518 |
| Social security costs | - | 263 |
| Other pension costs – contributions | - | 99 |
| | - | 1,880 |

Notes (continued)

5 Directors' remuneration

The aggregate remuneration for the one director paid for by the Company was as follows. All other directors were remunerated via other group companies and not recharged.

| | 2020 | 2019 |
|---------------------------|----------|-----------|
| | £000 | £000 |
| Directors' remuneration * | <u>-</u> | <u>15</u> |

* From February 2019 all directors were remunerated via other group companies and not recharged to Fetch Media limited.

6 Other interest receivable and similar income

| | 2020 | 2019 |
|--------------------------|----------|-----------|
| | £000 | £000 |
| Bank interest receivable | <u>-</u> | <u>62</u> |

7 Taxation

(a) Recognised in the profit and loss account

| | 2020 | 2019 |
|---|----------|------------|
| | £000 | £000 |
| Current tax: | | |
| UK corporation tax on the profit for the year | - | 647 |
| Total current tax | <u>-</u> | <u>647</u> |
| Deferred tax: | | |
| Origination and reversal of temporary differences | - | 16 |
| Prior year adjustment | - | (2) |
| Tax on profit on ordinary activities (note 7(b)) | <u>-</u> | <u>661</u> |

(b) Factors affecting current tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2019: 19%).

(c) Factors which may affect future tax charges

The main rate of corporation tax for 2019 is 19% and as on 11th March 2020 it was announced that the reduction to the main rate of tax would no longer go ahead and the rate would remain at 19% for both the financial years commencing 1st April 2020 and 1st April 2021.

Notes (continued)

7 Taxation (continued)

The differences are explained below:

| | 2020 | 2019 |
|--|------|-------|
| | £000 | £000 |
| Profit on ordinary activities before tax | - | 3,476 |
| Tax on ordinary activities @ 19% (2019: 19%) | - | 661 |
| Expenditure not deductible for tax purposes | - | 4 |
| Prior year adjustment | - | -2 |
| Rate differences | - | -2 |
| Current tax for the year (note 7(a)) | - | 661 |

8 Investments

| | 2020 | 2019 |
|-------------------------|-----------|-----------|
| | £000 | £000 |
| Subsidiary undertakings | 21 | 21 |
| | 21 | 21 |

Principal group investments

The Company holds equity share capital in the following subsidiary undertakings:

| Name of subsidiary | Country of incorporation and principal place of business | Principal activity | Ownership |
|-------------------------------|---|-----------------------------|-----------|
| Fetch Media Inc. | 153 Kearny St, 4th Floor, San Francisco, CA 94108, USA | Digital Mobile Marketing | 100% |
| Fetch Media GmbH | Invalidenstraße 112, 10115, Berlin Germany | Digital Mobile Marketing | 100% |
| Fetch Media Hong Kong Limited | 16 th Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong | Digital Mobile Marketing | 100% |

9 Debtors

| | 2020 | 2019 |
|-------------------------------------|---------------|---------------|
| | £000 | £000 |
| Amounts owed from related parties * | 17,100 | 17,100 |
| | 17,100 | 17,100 |

*This relates to the receivable for the transfer of trade and assets to Dentsu London Limited in 2019. Please refer to note 1.10 for further details.

Notes (continued)

10. Issued share capital

| | No. | 2020 £000 | No. | 2019 £000 |
|------------------------------------|---------|--------------|---------|--------------|
| Allotted, called up and fully paid | | | | |
| Ordinary shares of 1p | 113,099 | <u>1</u> | 113,009 | <u>1</u> |
| Ordinary A Shares of 1p each | 25,000 | <u>–</u> | 25,000 | <u>–</u> |

11. Ultimate parent company and parent company of larger group

Fetch Media Limited is a wholly owned subsidiary of Dentsu International Ltd, a company incorporated and registered in England and Wales. The ultimate parent undertaking and controlling party is Dentsu Group Inc.

Dentsu Group Inc. is the ultimate parent undertaking of largest group for which group financial statements are prepared and of which the Company is a member. Copies of Group financial statements can be obtained from: The Secretary, Dentsu Group Inc., 1-8-1 Higashi-shimbashi, Minato-ku, Tokyo 105-7001. The smallest group in which the results of the Company are consolidated is the group headed by Dentsu International Ltd.