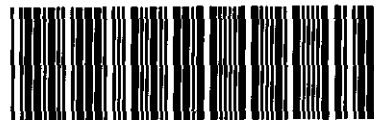


Merkle Marketing Limited

Annual report and financial statements
Company Registration No. 08528114 (England and Wales)

31 December 2022

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COMPANIES HOUSE

Company information

Directors N Storey (appointed 13 March 2023)
A Stagg
B Isenberg (resigned 23 September 2022)
D Romijn (resigned 5 April 2023)

Company number 08528114

Registered office 10 Triton Street
Regent's Place
London
United Kingdom
NW1 3BF

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Directors' report

Principal activities

The principal activity of Merkle Marketing Limited ("the Company") continues to be that of a holding company. See note 7 for details of subsidiaries.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

B Isenberg (resigned 23 September 2022)

D Romijn (resigned 5 April 2023)

A Stagg

N Storey (appointed 13 March 2023)

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2021: Nil).

Research and development

The Company made no research and development investments during the year (2021: Nil).

Financial instruments

The Company does not use derivative financial instruments.

Results and dividends

The results for the year are set out on page 6. No ordinary dividends were paid or proposed during the year (2021: Nil).

Going concern

Notwithstanding net current liabilities of £96,969,309 as at 31 December 2022 (2021: £92,749,926), the financial statements have been prepared on a going concern basis, which the directors consider to be appropriate.

This is because the Company relies on Dentsu International Limited to provide such financial support as is required to meet its day-to-day financing requirements, either directly or indirectly. The directors have considered the ability of Dentsu International Limited to provide such financial support as might be required by the Company and accordingly have prepared the financial statements on a going concern basis.

The directors have performed a going concern assessment for the period of not less than 12 months from the date of the approval of these financial statements ("the going concern assessment period"), which indicates that the Company will have sufficient funds through the cash-pooling facility and funding from Dentsu International Limited to meet its liabilities as they fall due for that period. Dentsu International Limited has indicated its intention to continue to make available such funds as are needed by the Company during the going concern assessment period.

Dentsu International Limited is itself reliant on continued and additional financial support from Dentsu Group Inc. (the ultimate parent) during the going concern assessment period. Dentsu Group Inc. has indicated its intention to continue to make available such funds to Dentsu International Limited to enable Dentsu International Limited to meet its financial liabilities (and where necessary the financial liabilities of its subsidiaries) as they fall due and continue to trade for the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Also, as with any company providing and accessing its funds to/from the cash pool, the directors acknowledge that there can be no certainty that the Group cash-pooling facility will continue, although, at the date of approval of these financial statements, they have no reason to believe that this facility will not continue to be made available to the Company.

Directors' report

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Other information

The registered office is 10 Triton Street, Regent's Place, London, United Kingdom, NW1 3BF.

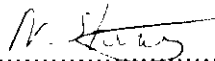
Small companies note

In preparing this report, the directors have taken advantage of the small companies' exemption provided by section 415A of the Companies Act 2006.

Audit exemption

For the year ending 31 December 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

By order of the Board



N Storey
Director

Date: 17 January 2024
10 Triton Street, Regent's Place, London, NW1 3BF

Statement of directors' responsibilities in respect of the Annual report and the financial statements

The directors are responsible for preparing 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.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Profit and loss account and other comprehensive income
for the year ended 31 December 2022**

	Note	2022 £	2021 £
Administrative expenses	3	<u>(42,091)</u>	<u>283,932</u>
Operating loss		(42,091)	283,932
Interest payable and similar expenses	4	<u>(4,177,292)</u>	<u>(2,543,949)</u>
Loss before taxation		(4,219,383)	(2,260,017)
Tax on loss	5	<u>—</u>	<u>—</u>
Loss for the financial year		(4,219,383)	(2,260,017)
Total comprehensive loss for the year		<u>(4,219,383)</u>	<u>(2,260,017)</u>

The notes on pages 9 – 18 form an integral part of these financial statements.

Balance sheet
as at 31 December 2022

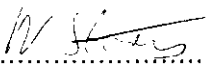
	Note	2022 £	2021 £
Fixed assets			
Investments	6	84,956,339	84,956,339
		<u>84,956,339</u>	<u>84,956,339</u>
Current assets			
Debtors	8	1,650	15,218
Cash at bank and in hand		<u>—</u>	<u>—</u>
		1,650	15,218
Creditors: amounts falling due within one year	9	(96,970,959)	(92,765,144)
Net current liabilities		<u>(96,969,309)</u>	<u>(92,749,926)</u>
Net liabilities		<u>(12,012,970)</u>	<u>(7,793,587)</u>
Capital and reserves			
Called up share capital	10	21	21
Profit and loss account		<u>(12,012,991)</u>	<u>(7,793,608)</u>
Total equity		<u>(12,012,970)</u>	<u>(7,793,587)</u>

For the year ending 31 December 2022, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

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

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

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


.....
N Storey
Director

Date: 17 January 2024
10 Triton Street, Regent's Place, London, NW1 3BF

The notes on pages 9 – 18 form an integral part of these financial statements.

**Statement of changes in equity
for the year ended 31 December 2022**

	Share Capital £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2021	21	(5,533,591)	(5,533,570)
Total comprehensive expense for the year	–	(2,260,017)	(2,260,017)
Balance at 31 December 2021	21	(7,793,608)	(7,793,587)
	Share Capital £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2022	21	(7,793,608)	(7,793,587)
Total comprehensive expense for the year	–	(4,219,383)	(4,219,383)
Balance at 31 December 2022	21	(12,012,991)	(12,012,970)

The notes on pages 9 – 18 form an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Merkle Marketing Limited ("the Company") is a private company limited by shares domiciled and registered in England and Wales. The registered number is 08528114 and the registered office is 10 Triton Street, Regent's Place, London, United Kingdom, NW1 3BF.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. 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 the 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 the 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 Limited.

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, tangible fixed assets and intangible assets;
- 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;
- Disclosures of transactions;
- Disclosures in relation to revenue from contracts with customers (IFRS 15); and
- Disclosures in relation to leases (IFRS 16)

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:

- Disclosures in relation to the key assumptions (including sensitivities) and valuation technique used in the determination of recoverable amount for impairment purposes (IAS 36).
- Certain disclosures required by IAS 36 *Impairment of Assets* in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 3 *Business Combinations* in respect of business combinations undertaken by the Company in the current and prior periods including the comparative period reconciliation for goodwill; and
- 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

(forming part of the financial statements)

1 Accounting policies (continued)

Measurement convention

The financial statements are prepared on the historical cost basis except certain financial assets and financial liabilities are measured at fair value. Non-current assets and disposal groups held for sale are stated at the lower of previous carrying amount and fair value less costs to sell

Going concern

Notwithstanding net current liabilities of £96,969,309 as at 31 December 2022 (2021: £92,749,926), the financial statements have been prepared on a going concern basis, which the directors consider to be appropriate.

This is because the Company relies on Dentsu International Limited to provide such financial support as is required to meet its day-to-day financing requirements, either directly or indirectly. The directors have considered the ability of Dentsu International Limited to provide such financial support as might be required by the Company and accordingly have prepared the financial statements on a going concern basis.

The directors have performed a going concern assessment for the period of not less than 12 months from the date of the approval of these financial statements ("the going concern assessment period"), which indicates that the Company will have sufficient funds through the cash-pooling facility and funding from Dentsu International Limited to meet its liabilities as they fall due for that period. Dentsu International Limited has indicated its intention to continue to make available such funds as are needed by the Company during the going concern assessment period.

Dentsu International Limited is itself reliant on continued and additional financial support from Dentsu Group Inc. (the ultimate parent) during the going concern assessment period. Dentsu Group Inc. has indicated its intention to continue to make available such funds to Dentsu International Limited to enable Dentsu International Limited to meet its financial liabilities (and where necessary the financial liabilities of its subsidiaries) as they fall due and continue to trade for the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Also, as with any company providing and accessing its funds to/from the cash pool, the directors acknowledge that there can be no certainty that the Group cash-pooling facility will continue, although, at the date of approval of these financial statements, they have no reason to believe that this facility will not continue to be made available to the Company.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Revenue

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 Company 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.

Notes

(forming part of the financial statements)

1 Accounting policies (continued)

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 performance obligations 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

Costs of obtaining a contract are expensed as the vast majority of the Company's contracts run for 12 months or less.

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. The estimated useful lives are as follows:

- Leasehold buildings – over the period of the lease
- Leasehold improvements – 10% to 20% per annum or over the period of the lease, if shorter
- Office furniture, fixtures, equipment and vehicles – 10% to 50% per annum

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

Impairment of tangible and intangible assets

At each reporting end date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Notes

(forming part of the financial statements)

1 Accounting policies (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Company is exempt under FRS101 from the disclosure requirements of IFRS 13.

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:

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:

- 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 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.

Notes

(forming part of the financial statements)

1 Accounting policies (continued)

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.

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 has a legally enforceable right, and there is an intention to settle on a net basis, through signed legal agreements, to offset cash deposits and overdrafts that are in cash-pool arrangements with relationship banks. The current year balances are included net in note 12 as part of "Amounts owed to group undertakings". The Company does not offset other financial assets and liabilities where there is no legally enforceable right to do so.

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. Subsequent to initial recognition, financial liabilities at fair value through profit or loss is 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.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Ordinary shares are classified as equity instruments. Equity instruments issued by the Company are recorded at the value of proceeds received, net of direct issue costs.

Cash at bank and in hand

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Notes

(forming part of the financial statements)

1 Accounting policies (continued)

Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity.

Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense when they fall due. Amounts not paid are shown as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

Investment in Subsidiary

Investments are held in the Company balance sheet at cost less any provisions for impairment.

Investments are assessed at each reporting date to determine whether there is objective evidence that they are impaired. An investment is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the investment, and that the loss event had a negative effect on the expected future cash flows of the investment. An impairment loss is calculated as the difference between its carrying amount and the discounted value of the expected future cash flows.

Notes

(forming part of the financial statements)

2 Critical accounting estimates and judgements

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

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

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Key sources of estimation uncertainty

Impairment of Investment in Subsidiary

In determining whether an impairment loss has arisen on investment in subsidiaries, associates and joint ventures, the company makes judgements over the discounted value of the expected future cash flows. The Company makes estimates of forecasted cash flows, discount rates to derive a net present value of these cash flows and long-term growth rates applicable to every investment. Key areas of judgement include the forecasted revenue growth and operating margins, as well as the determination of the long-term growth rate applicable to each investment.

Notes

(forming part of the financial statements)

3 Administrative expenses

	2022	2021
	£	£
Included in the Profit and Loss Account are the following:		
Other administrative expenses / (income)	42,091	(283,932)
	42,091	(283,932)

4 Interest payable and similar expenses

	2022	2021
	£	£
Interest payable to group undertakings	4,177,292	2,543,949

5 Taxation

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
Loss before taxation	(4,219,383)	(2,260,017)
Taxation charge in the financial statements	–	–

UK corporation tax is calculated at 19% (2021: 19%) of the estimated assessable profit for the year.

(a) Change in corporation tax rate

UK corporation tax is calculated at 19% (2021: 19%) of the estimated assessable profit for the year. The Government confirmed in the 2023 Budget that the corporation tax rate will increase to 25% from 1 April 2023.

Notes

(forming part of the financial statements)

6 Investments

	2022 £	2021 £
Investments in subsidiaries (see note 7)	84,956,339	84,956,339

No investment additions or disposals were made during the year. Investments in each subsidiary are assessed annually for signs of impairment. No indicators of impairment were noted during 2022.

7 Subsidiaries

Details of the Company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held Direct
Merkle SL	A	Computer consultancy activities	Ordinary	100.00
Merkle UK One Limited	B	Management consulting activities	Ordinary	100.00
Merkle UK Three Limited	B	Digital Marketing and related analytics	Ordinary	100.00

Registered office addresses:

A Av. Diagonal 177, 7a planta, 08018, Barcelona, Spain

B 10 Triton Street, Regent's Place, London, NW1 3BF

8 Debtors

	2022 £	2021 £
Amounts falling due within one year		
Amounts owed by group undertakings	–	6,233
Other debtors	1,650	8,985
	1,650	15,218

Notes

(forming part of the financial statements)

9 Creditors: amounts falling due within one year

	2022	2021
	£	£
Amounts owed to group undertakings	96,898,376	92,714,563
Accruals	72,583	50,581
	<u>96,970,959</u>	<u>92,765,144</u>

Included in amounts due to group undertakings are loans with principal amounts totalling £80,762,051 (2021: £80,762,051) bearing interest at a rate of Bank of England plus 3%. The loans are repayable on demand. Additionally, Merkle Marketing Limited is part of the group cash pool, owing £15,816,849 (2021: £11,952,512).

10 Share capital

	2022	2021
	£	£
Ordinary share capital		
Issued and fully paid		
21 (2020: 21) ordinary shares of £1 each	<u>21</u>	<u>21</u>

The Company has one class of ordinary shares, which carries voting rights but no right to fixed income.

11 Ultimate controlling party

The immediate parent undertaking is Merkle International Holdings LLC, a company incorporated in the United States.

The ultimate parent undertaking is Dentsu Group Inc., a company incorporated in Japan.

The smallest group that prepares publicly available accounts in which the Company is consolidated is Dentsu International Limited. Copies of the group financial statements are available from 10 Triton Street, Regent's Place, London, United Kingdom, NW1 3BF.

The largest group that prepares publicly available accounts in which the Company is consolidated is Dentsu Group Inc. Copies of the group financial statements are available from its head office 1-8-1 Higashi-shimbashi, Minato-ku, Tokyo 105-7001, Japan.