

Registration number: 9507118

ASMR Holdings Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021



ASMR Holdings Limited

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ASMR Holdings Limited

Company Information

Directors	Laurence Murray Clube Brian Gifford Stevens Darrin Andrew Kleinman
Company secretary	7Side Secretarial Limited Churchill House Churchill Way Cardiff CF10 2HH United Kingdom
Registered office	c/o Legalinx Limited 207 Regent Street London W1B 3HH United Kingdom
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 3 Forbury Place 23 Forbury Road Reading Berkshire RG1 3JH United Kingdom
Company number	9507118

ASMR Holdings Limited

Strategic Report for the Year Ended 31 December 2021

The Directors present their strategic report for ASMR Holdings Limited ("the Company") for the year ended 31 December 2021.

Principal activities

The Company's activity is that of an intermediate investment holding company. The Company's principal places of business are situated within the United Kingdom. It invests in organisations involved in field marketing and similar activities in the United Kingdom on behalf of its shareholder, Advantage Smollan Limited ("ASL"). There have not been any significant changes in the Company's principal activity in the year.

Future developments

The Directors are not expecting any major changes in the Company's activity in the year after the date of this report.

Fair review of the business

The Profit for the year was £23,330k (2020: loss of £2,329k). Net assets as at 31 December 2021 were £77,304k (2020: £71,945k). The increase in the year is as a result of dividends received from its subsidiaries. The Directors are satisfied with the Company's development and its financial position presented in these financial statements. The Company had no employees in the current or prior year.

During the year, Gig Retail Holdings Limited and Intermarketing Group Limited, two subsidiaries of the Company, each completed an acquisition, being the acquisition of Gig Retail Limited in January 2021 ("Gig") for purchase consideration (excluding transaction costs) of £6,902k and the acquisition of the group headed by Home Marketing Holdings Limited ("Home" or "the Home Group") in August 2021. The acquisition of Home was for consideration excluding transaction costs, of £23,634k (including the fair value of contingent consideration). Gig Retail Limited is a strategic retail consultancy business. The Home Group is based in the UK, including Gibraltar and Australia, and is a strategic marketing agency. The Group continues to build on the acquisitions made in prior years, enhancing both its geographic coverage and the services offered and is looking to make further acquisitions in 2022.

Given the straightforward nature of the business it is considered that analysis using any further key performance indicators is not necessary for an understanding of the development, performance and position of the business.

Principal risks and uncertainties

None arise outside the performance of the operations of the investments of the Company.

Going concern

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.

As of and for the year ended 31 December 2021, the Company's only significant asset was its investments in the UK-based companies of the group headed by Advantage Smollan Limited ("ASL"), the immediate parent of the Company. Its liabilities consist of intercompany balances within the ASL group, in relation to acquisitions, and they are funded by operating cash flows of the ASL group. Therefore its ability to continue as a going concern is affected only by the ability of the trading group headed by ASL to continue as a going concern. Given the above, and the net current liabilities position of the Company as at the balance sheet date, ASL has provided a letter of support to indicate its intention to provide the funds needed for the Company to meet its liabilities as they fall due for a period of at least 12 months from the date of signing these financial statements.

ASMR Holdings Limited

Strategic Report for the Year Ended 31 December 2021 (continued)

Going concern (continued)

The Directors are therefore confident that the Company and Group will continue to operate as a going concern for at least 12 months from the date of signing these financial statements.

Section 172 (1) statement

References to "Group" in this statement should be taken to mean the Company and all of its subsidiaries collectively.

Likely consequences of any decision in the long-term

The decisions of the Directors are driven by the strategy of the Group's shareholders and how the companies within the Group can best provide support to deliver that strategy. As the Directors are all employees or representatives of the different shareholders, they remain conscious of any decisions taken which impact the Group and how that relates to the wider strategic goals, as the Group's ability to fulfil the requirements and aims of the shareholders is considered to be the way in which the Group creates long-term value. Board meetings are held several times a year at which the key management personnel present updates on performance to the board; discussions on strategy (such as acquisitions) and funding are also held at these meetings.

The interests of the Group's employees

The Directors believe that the Group's success is aligned with the interests and well-being of its employees. This has been particularly apparent during the COVID-19 crisis over the past two years. The Directors ensured that the well-being of employees remained central to the COVID-19 strategy adopted and maintained regular communication to keep employees informed. The Group ensured that flexible working practices were introduced and communicated to employees to support safe working with our workplaces certified as Covid Secure. Throughout the pandemic the company followed all Government COVID-19 guidelines and continue to do so. The Directors believe that open and regular communication with the Group's employees is imperative and Group Management conduct regular briefings to keep employees apprised of relevant business information and strategy. The Group has continued its participation in the annual 'Great Place to Work' survey (since 2018) and have been recognised for 'Excellence in Wellbeing' in the most recent survey. The Company has introduced a number of mental health initiatives including the introduction of trained Mental Health First Aiders across the business.

ASMR Holdings Limited

Strategic Report for the Year Ended 31 December 2021 (continued)

The need to foster the Group's business relationships with clients, end customers, suppliers and regulators

The Directors maintain strong and professional relationships with the Group's clients. The Directors also encourage the Group's employees to actively engage clients & customers (via their assigned Client Manager/Directors) and suppliers (which for the Group are principally its employees). The ability to receive and provide a range of services, on a timely basis both over the short-term and the long-term, are fundamental in meeting the Group's objectives of diversification and outstanding service.

The impact of the Group's operations on the community and environment

As a result of the Group being a service-based business, the environmental impact of the Group is driven mainly by the offices used, which are all leased, and the vehicles used by the Group's employees in carrying out their roles, many of which are leased by the Group and managed centrally. To minimise the environmental impact of the Group it is looking to move towards greener vehicles, principally through application of gradual reductions in the maximum CO2 emissions of vehicles within the fleet, as leases expire and are replaced. The Directors are also keen to support charitable activities wherever possible and provide support to employees who wish to undertake fundraising. They are also considering initiatives to enable businesses within the Group to become Carbon Neutral such as the large scale planting of trees. The Group is also looking at hybrid working with employees being encouraged to work from home and opportunities to reduce the size of leased office space.

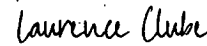
The desirability of the Group maintaining a reputation for high standards of business conduct

The Group has adopted a code of conduct which is applicable to the companies and their employees within the Group. Employees sign up to the code of conduct at the time of their employment and additional training on the anti-bribery and the Foreign Corrupt Practices Act ("FCPA"). The Group maintains high standards of expected behaviour for its employees and has clearly defined procedures for its employees to report any concerns, including a confidential Whistle blower helpline.

As noted above the Directors are representatives of the Group's shareholders and the composition and activities of the board are designed to reflect this. Transactions within the Group, and between the Group and any related parties of the shareholders, are always conducted on a commercial basis.

9/27/2022

Approved by the Board on and signed on its behalf by:

DocuSigned by:

661746ADD4764D9.....
Laurence Murray Clube
Director

ASMR Holdings Limited

Directors' Report for the Year Ended 31 December 2021

The Directors present their report and the audited financial statements for the year ended 31 December 2021.

Directors of the Company

The directors who held office during the year and up to the date of this report were as follows:

Tanya Lynn Domier (resigned 17 May 2022)

Laurence Murray Clube

Brian Gifford Stevens

The following director was appointed after the year end:

Darrin Andrew Kleinman - Director (appointed 18 May 2022)

Dividends

Interim dividends were paid during the year of £23,324k (2020: £nil), equivalent to £0.41 per share (2020: £nil). The Directors do not propose a final dividend.

Matters disclosed in the Strategic Report

Certain laws and regulations require that specific information should be included in the Directors' Report, the following is incorporated into this Directors' report by reference:

- Future developments (page 2).
- Principal risks and uncertainties (page 2)
- Review of the business (page 2)

Political donations

During the year the Company made no political donations nor incurred any political expenditure during the year (2020: £nil).

Important non adjusting events after the financial year

The group headed by Intermarketing Group Limited ("the IM Group") was restructured as at 1 January 2022 and the trade from its wholly owned subsidiaries Home Marketing Limited, Chilli UK Limited, Fusion Learning Limited and Fusion Learning (Australia) PTY Ltd was transferred to Intermarketing Agency Limited. The combined business is now known as IMAHome.

In February 2022, Russia declared war on the Ukraine. The Company's immediate parent, Advantage Smollan Limited, evaluated the impact of the invasion on the ASL Group as a whole and this is monitored on a quarterly basis.

Directors' liabilities

The directors and officers of the Company were covered by liability insurance for the whole of 2021 and as at the time of approval of the Annual Report and Financial Statements. The Company's Articles provide qualifying third party indemnity provisions (as defined in section 234 of the Companies Act 2006) for directors and officers.

ASMR Holdings Limited

Directors' Report for the Year Ended 31 December 2021 (continued)

Statement of Directors' Responsibilities in respect of the financial statements

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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is 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 a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.


ASMR Holdings Limited

Directors' Report for the Year Ended 31 December 2021 (continued)

Reappointment of auditors

The auditors PricewaterhouseCoopers LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

9/27/2022
Approved by the Board on and signed on its behalf by:

DocuSigned by:

.....661746ADD4764D9.....
Laurence Murray Clube
Director

ASMR Holdings Limited

Independent Auditors' Report to the Members of ASMR Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, ASMR Holdings Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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, which comprise: the Balance Sheet as at 31 December 2021; the Profit and Loss Account, the Statement of Comprehensive Income and 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.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

ASMR Holdings Limited

Independent Auditors' Report to the Members of ASMR Holdings Limited (continued)

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.

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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2021 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 the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements, 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.

ASMR Holdings Limited

Independent Auditors' Report to the Members of ASMR Holdings Limited (continued)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to manipulation of the financial statement line items through journal postings and the use of inappropriate assumptions or management bias in determining accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of any known or suspected instances of non-compliance with laws and regulations and fraud;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations including unusual or unexpected journal postings to the income statement, journal entries with unusual words and journal entries posted by senior staff members;
- Understanding of management's tax compliance controls along with review of correspondence with tax authorities and understanding of the applicable tax laws;
- Challenging assumptions made by management in determining their significant judgements and accounting estimates;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

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.

ASMR Holdings Limited

Independent Auditors' Report to the Members of ASMR Holdings Limited (continued)

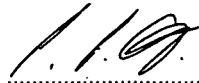
Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained 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.



.....
Craig Skelton (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading

Date: **29 September 2022**

ASMR Holdings Limited**Profit and Loss Account for the Year Ended 31 December 2021**

	Note	2021 £ 000	2020 £ 000
Administrative expenses		-	(200)
Operating loss		-	(200)
Income from shares in group undertakings	3	23,324	-
Interest receivable and similar income	4	-	14
Interest payable and similar expenses	5	(41)	(2,143)
		23,283	(2,129)
Profit/(loss) before tax		23,283	(2,329)
Taxation	8	47	-
Profit/(loss) for the financial year		23,330	(2,329)

There is no material difference between the profit/(loss) before tax and the profit/(loss) for the financial year stated above and their historical cost equivalents.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 16 to 28 form an integral part of these financial statements.

ASMR Holdings Limited

Statement of Comprehensive Income for the Year Ended 31 December 2021

	2021 £ 000	2020 £ 000
Profit/(loss) for the financial year	<u>23,330</u>	<u>(2,329)</u>
Total comprehensive income/(expense) for the year	<u><u>23,330</u></u>	<u><u>(2,329)</u></u>

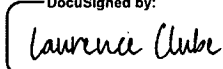
The notes on pages 16 to 28 form an integral part of these financial statements.

ASMR Holdings Limited**Balance Sheet as at 31 December 2021**

	Note	2021 £ 000	2020 £ 000
Fixed assets			
Investments	9	101,823	96,470
Creditors: Amounts falling due within one year	10	<u>(24,519)</u>	<u>(24,525)</u>
Net current liabilities		<u>(24,519)</u>	<u>(24,525)</u>
Total assets less current liabilities		<u>77,304</u>	<u>71,945</u>
Net assets		<u>77,304</u>	<u>71,945</u>
Capital and reserves			
Called up share capital	11	57,310	51,957
Profit and loss account		<u>19,994</u>	<u>19,988</u>
Total equity		<u>77,304</u>	<u>71,945</u>

9/27/2022

The financial statements on pages 12 to 28 were authorised for issue by the Board on and signed on its behalf by:

DocuSigned by:

 661748ADD754D9.....
 Laurence Murray Clube
 Director

Registration number: 9507118

The notes on pages 16 to 28 form an integral part of these financial statements.

ASMR Holdings Limited**Statement of Changes in Equity for the Year Ended 31 December 2021**

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2021	51,957	19,988	71,945
Profit for the financial year	-	23,330	23,330
Total comprehensive income	-	23,330	23,330
Dividends	-	(23,324)	(23,324)
New share capital issued	5,353	-	5,353
At 31 December 2021	<u>57,310</u>	<u>19,994</u>	<u>77,304</u>

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2020	51,957	22,317	74,274
Loss for the year	-	(2,329)	(2,329)
Total comprehensive expense	-	(2,329)	(2,329)
At 31 December 2020	<u>51,957</u>	<u>19,988</u>	<u>71,945</u>

The notes on pages 16 to 28 form an integral part of these financial statements.

ASMR Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

1 General information

The Company's activity is that of an intermediate investment holding company. The Company's principal places of business are situated within the United Kingdom. It invests in organisations involved in field marketing and similar activities in the United Kingdom on behalf of its shareholder, Advantage Smollan Limited ("ASL"). There have not been any significant changes in the Company's principal activity in the year.

The Company is a private company limited by share capital, incorporated and registered in England, United Kingdom.

The address of its registered office is:

c/o Legalinx Limited
207 Regent Street
London
W1B 3HH
United Kingdom

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The individual financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared on a going concern basis, using the historical cost convention.

Summary of disclosure exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions. As a qualifying entity, the Company has taken advantage of the following exemptions:

- The requirement to prepare a statement of cash flows under FRS 102 paragraph 1.12(b), on the basis that it is a qualifying entity and its parent company, Advantage Smollan Limited, includes the Company's cash flows in its own consolidated financial statements;
- The requirement to disclose key management personnel compensation in total under FRS 102 paragraph 33.7; and
- The requirement to disclose certain financial instruments under FRS 102 paragraphs 11.39-11.48A and 12.26-12.29 as this information is provided in the consolidated financial statement disclosures of its parent company, Advantage Smollan Limited.

ASMR Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Going concern

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.

As of and for the year ended 31 December 2021, the Company's only significant asset was its investments in the UK-based companies of the group headed by Advantage Smollan Limited ("ASL"), the immediate parent of the Company. Its liabilities consist of intercompany balances in relation to acquisitions, and they are funded by operating cash flows of the ASL group. Therefore its ability to continue as a going concern is affected only by the ability of the trading group headed by ASL to continue as a going concern. Given the above, and the net current liabilities position of the Company as at the balance sheet date, ASL has provided a letter of support to indicate its intention to provide the funds needed for the Company to meet its liabilities as they fall due for a period of at least 12 months from the date of signing these financial statements.

The Directors are therefore confident that the Company and Group will continue to operate as a going concern for at least 12 months from the date of signing these financial statements.

Exemption from preparing group financial statements

The Company is a wholly owned subsidiary of Advantage Smollan Limited and of its ultimate parent, Karman Topco L.P., a limited partnership formed in Delaware, USA. It is included in the consolidated financial statements of ASL which are publicly available. Therefore, the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are the Company's separate financial statements.

Judgements

The area of most significant judgement in applying the accounting policies concerns the impairment assessment of non-financial assets in line with the applicable accounting policy and resulting in the balances set out in note 9. Annually, the Company considers whether investments are impaired; this is a judgment area based on review of the current financial position of the business that the investment represents, as well as of the recent performance and future prospects of the business. The Company did consider there to be indicators of impairment as at the reporting date and as such carried out an impairment review as at that date. No impairment of its investments was deemed necessary.

Key sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

ASMR Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Impairment review

Annually, the Company considers whether investments are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows. As noted in the previous section, the Company did consider there to be indicators of impairment as at the reporting date and as such carried out an impairment review as at that date. No impairment of its investments was deemed necessary.

Valuation of deferred consideration

Certain acquisitions made by the Company have deferred components as part of the overall consideration, the ultimate amount of which is subject to variation according to the outcome of certain criteria, primarily the EBITDA of the acquired business in relation to pre-defined benchmarks. There are no amounts outstanding as at the year ended 31st December 2021: prior year amounts as stated in note 10 were based on a valuation carried out by the Company and suitably discounted.

Foreign currency transactions and balances

The Company's functional and presentational currency is the pound sterling ("£").

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transaction.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'Interest receivable and similar income' or 'Interest payable and similar charges'. All other foreign exchange gains and losses are presented in the profit and loss account within 'Administrative expenses' or 'Other income'.

Tax

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

ASMR Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2. Accounting policies (continued)

Deferred tax arises due to timing differences that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Investments

Investments in subsidiary companies are held at cost less accumulated impairment losses.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. These amounts are recognised in the statement of changes in equity.

Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with its' parent or with members of the same group that are wholly owned.

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Where the impact of the time value of money is material, provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

ASMR Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Contingencies

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's CGU - cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's CGU) is compared to the carrying amount of the asset (or asset's CGU).

The recoverable amount of the asset (or asset's CGU) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's CGU) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's CGU) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's CGU) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in previous periods. A reversal of an impairment loss is recognised in the profit and loss account.

ASMR Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

2 Accounting policies (continued)

Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade, group and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Account payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

ASMR Holdings Limited**Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)****3 Income from shares in group undertakings**

	2021 £ 000	2020 £ 000
Income from shares in group undertakings	23,324	-

4 Interest receivable and similar income

	2021 £ 000	2020 £ 000
Fair value movement on initial recognition of loan	-	14

5 Interest payable and similar expenses

	2021 £ 000	2020 £ 000
Accretion of interest on loans	41	264
Deferred consideration fair value losses	-	1,879
	41	2,143

Certain acquisitions made by the Company had deferred components as part of the overall consideration, the ultimate amount of which is subject to variation according to the outcome of certain criteria. The accretion of interest represents the reduction of the discounting of these loan notes £41k (2020: £nil) as the length of time to their payment reduces. There have been no fair value losses during the year (2020: The fair value losses represent the impact of adjustments to the fair value of the deferred consideration on conversion to loan notes).

6 Employees & Directors**Employees & Staff Costs**

The Company had no employees in the current or prior year and hence no Staff Costs.

Directors

All directors are employed as executives by other entities within the Advantage Solutions Inc. group, within which the results of the Company are consolidated. Since their duties as directors of the Company are incidental to their main occupations as executives within the shareholder group, none of their remuneration is borne by the Company.

7 Auditors' remuneration

The audit fee for the Company of £3,210 (2020: £3,057) has been borne by its immediate parent, Advantage Smollan Limited. There were no non-audit fees paid to the Company's auditors during the year (2020: £nil).

ASMR Holdings Limited**Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)****8 Taxation**

Tax credited in profit and loss

2021	2020
£ 000	£ 000

Current taxation

UK corporation tax adjustment to prior periods

(47)

-

The tax on profit/(loss) before tax for the year is lower than the standard rate of corporation tax in the UK (2020: higher than the standard rate of corporation tax in the UK) of 19% (2020: 19%).

The differences are reconciled below:

	2021 £ 000	2020 £ 000
Profit/(loss) before tax	23,283	(2,329)
Corporation tax at standard rate	4,424	(443)
Effect of income exempt from taxation	(4,432)	-
Effect of expense not deductible in determining taxable profit (tax loss)	8	443
Decrease in UK current tax from adjustment for prior periods	(47)	-
Total tax credit	(47)	-

In the March Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. As an increase in the UK corporation tax rate from 19% to 25% had been substantively enacted at 31 December 2021 its effects were included in the 2021 financial statements.

ASMR Holdings Limited**Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)****9 Investments**

	2021 £ 000	2020 £ 000
Investments in subsidiaries	<u>101,823</u>	<u>96,470</u>
Subsidiaries		£ 000
Cost		
At 1 January 2021		96,470
Additions		<u>5,353</u>
At 31 December 2021		<u>101,823</u>
Carrying amount		
At 31 December 2021		<u>101,823</u>
At 31 December 2020		<u>96,470</u>

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2021	2020
Subsidiary undertakings				
Resource Experience Limited ("REL")	c/o Legalinx Limited, 207 Regent Street, London, United Kingdom, W1B 3HH	Ordinary (direct)	100%	100%
Powerforce Field Marketing and Retail Services Limited	c/o Legalinx Limited, 207 Regent Street, London, United Kingdom, W1B 3HH	Ordinary (direct)	100%	100%
Retail Active Limited	c/o Legalinx Limited, 207 Regent Street, London, United Kingdom, W1B 3HH	Ordinary (via REL)	100%	100%
Flixmedia Limited	c/o Legalink Limited, 207 Regent Street, London, United Kingdom, W1B 3HH	Ordinary (direct)	100%	100%
Headcount Worldwide Field Marketing Limited	c/o Legalink Limited, 207 Regent Street, London, United Kingdom, W1B 3HH	Ordinary (direct)	100%	100%
Intermarketing Group Limited ("IMG")	c/o Legalink Limited, 207 Regent Street, London, United Kingdom, W1B 3HH	Ordinary (direct)	100%	100%
Intermarketing Agency Limited	c/o Legalink Limited, 207 Regent Street, London, United Kingdom, W1B 3HH	Ordinary (via IMG)	100%	100%

ASMR Holdings Limited**Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)****9 Investments (continued)**

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
Liaison Print Solutions Limited	c/o Legalink Limited, 207 Regent Street, London, United Kingdom, W1B 3HH	Ordinary (via IMG)	100%	100%
Effective Sales Personnel Limited	c/o Legalink Limited, 207 Regent Street, London, United Kingdom, W1B 3HH	Ordinary (via HWFM)	100%	100%
Home Marketing Holdings Limited ("HMH")	c/o Legalink Limited, 207 Regent Street, London, United Kingdom, W1B 3HH	Ordinary (via IMG)	100%	0%
Home Marketing Group Limited ("HMG")	c/o Legalink Limited, 207 Regent Street, London, United Kingdom, W1B 3HH	Ordinary (via HMH)	100%	0%
Home Marketing Limited	c/o Legalink Limited, 207 Regent Street, London, United Kingdom, W1B 3HH	Ordinary (via HMG)	100%	0%
Fusion Learning Limited	c/o Legalink Limited, 207 Regent Street, London, United Kingdom, W1B 3HH United Kingdom	Ordinary (via HMG)	100%	0%
Chilli UK Limited	c/o Legalink Limited, 207 Regent Street, London, United Kingdom, W1B 3HH United Kingdom	Ordinary (via HMG)	100%	0%
First 10 Digital Limited	c/o Legalink Limited, 207 Regent Street, London, United Kingdom, W1B 3HH United Kingdom	Ordinary (via HMG)	100%	0%
Gig Retail Holdings Limited ("GRH")	c/o Legalink Limited, 207 Regent Street, London, United Kingdom, W1B 3HH	Ordinary (Direct)	80%	100%
Gig Retail Limited	c/o Legalink Limited, 207 Regent Street, London, United Kingdom, W1B 3HH United Kingdom	Ordinary (via GRH)	100%	0%
Home Marketing (Gibraltar) Limited	Suite 23, Portland House, Glacis Road, Gibraltar GX11 1AA United Kingdom	Ordinary (via HMG)	100%	0%
Nooko Pty Limited	McCullough Robertson Lawyers, 55 Hunter St, Sydney, New South Wales, Australia	Ordinary (via IMG)	100%	100%
Intermarketing Agency Pty Limited	Level 2, 26-28 Wentworth Avenue, Surry Hills, New South Wales, Australia	Ordinary (via Nooko)	100%	100%
Fusion Learning (Australia) Pty Ltd	Balgowlah Financial Centre Suite 1 226 Condamine Street Manly Vale NSW 2093	Ordinary (via HMG)	100%	0%

ASMR Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

9 Investments (continued)

The principal activities of the Company's direct and indirect subsidiaries are as follows:

Resource Experience Limited and Powerforce Field Marketing and Retail Services Limited - field marketing
 Retail Active Limited - customer experience measurement
 Flixmedia Limited - digital marketing consultancy
 Intermarketing Agency Limited, Chilli Limited, Fusion Limited, Intermarketing Agency Pty Limited and Fusion Learning (Australia) Pty Ltd - marketing consultancy
 Intermarketing Group Limited, Gig Retail Holdings Limited, Home Marketing Holdings Limited and Home Marketing Group Limited and Nooko Pty Limited - investment holding
 Home Marketing Limited and Home Marketing (Gibraltar) Limited - strategic marketing agency
 Liaison Print Solutions Limited, Headcount Worldwide Field Marketing Limited and First 10 Digital Limited - dormant entities
 Gig Retail Limited - strategic retail consultancy

In October 2020, Gig Retail Holdings Limited was incorporated in order to acquire Gig Retail Limited, which was purchased in January 2021, for consideration of £6,902k (plus transaction costs of £617k), obtaining control. A derivative put and call option over the 20% minority interest was entered into for Gig Retail Holdings Limited in January 2021 as part of that transaction.

In August 2021, Intermarketing Group Limited acquired 100% of Home Marketing Holdings Limited, and its subsidiaries (together the "Home Group") for consideration of £23,634k (plus transaction costs of £876k), obtaining control.

10 Creditors

	Note	2021 £ 000	2020 £ 000
Amounts falling due within one year			
Amounts owed to group undertakings	13	24,519	22,545
Other payables		-	1,980
		<u>24,519</u>	<u>24,525</u>

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

Other payables 2021: £Nil, (2020: £1,980) consisted of deferred consideration converted into loan notes in respect of the acquisitions of the Intermarketing and Hamilton Bright Groups. The loan repayment terms were 12 equal monthly instalments, ending in April 2021 and August 2021 respectively.

ASMR Holdings Limited**Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)****11 Called up share capital****Allotted, called up and fully paid shares**

	2021		2020	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	<u>57,310</u>	<u>57,310</u>	<u>51,957</u>	<u>51,957</u>

The Company allotted 5,353,250 ordinary shares of £1 each on 07 April 2021 to ASL in regards to the Gig Retail Holdings Acquisition.

12 Dividends

The directors declared an interim dividend of £0.41 (2020: £nil) per share during the year.

13 Related party transactions

The Company is exempt under paragraph 33.1A of FRS 102 from disclosing related party transactions as all of them are with other entities that are wholly owned within the Advantage Smollan Limited group. The Company had no significant transactions or balances with related parties outside the Advantage Smollan Limited group.

14 Parent and ultimate parent undertaking

The company's immediate parent is Advantage Smollan Limited, incorporated in England.

The ultimate parent company and controlling party is Karman Topco L.P., a limited partnership formed in Delaware, USA. Advantage Smollan Limited is the parent of the smallest group which includes the Company in its consolidated financial statements. Copies of the consolidated financial statements of Advantage Smollan Limited can be obtained from their Secretaries at 7Side Secretarial Limited, Churchill House, Churchill Way, Cardiff, CF10 2HH.

The most senior parent entity producing publicly available financial statements is Advantage Solutions, Inc. These financial statements are available upon request from their website.

ASMR Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

15 Non adjusting events after the financial period

The group headed by Intermarketing Group Limited ("the IM Group") was restructured as at 1 January 2022 and the trade from its wholly owned subsidiaries Home Marketing Limited, Chilli UK Limited, Fusion Learning Limited and Fusion Learning (Australia) PTY Ltd. was transferred to Intermarketing Agency Limited. The combined business is now known as IMAHome.

In February 2022, Russia declared war on the Ukraine. The Company's immediate parent, Advantage Smollan Limited, evaluated the impact of the invasion on the ASL Group as a whole and this is monitored on a quarterly basis.