

DAN Regents Place Finance Limited

Company Registration Number 9853918

Report and Financial Statements

31 December 2017



Directors

Nick Priday
Peter Pontidas
Stuart Jarrold

Company secretary

Andrew Moberly

Auditor

KPMG LLP
15 Canada Square
Canary Wharf
London E14 5GL

Bankers

The Royal Bank of Scotland plc
135 Bishopsgate
London EC2M 3UR

Solicitors

Slaughter and May
One Bunhill Row
London EC1Y 8YY

Registered Office

10 Triton Street
Regent's Place
London NW1 3BF

Registered No. 9853918

Strategic report

The directors present their strategic report for the year ended 31 December 2017.

Principal activities and review of the business

DAN Regents Place Finance Limited (the 'Company') is a wholly-owned subsidiary of Dentsu Aegis Network Ltd (the "Group") and is part of the Group's global corporate operations.

The principal activity of the Company is to provide finance to companies within the Group and it will continue to be so for the foreseeable future.

Dentsu Aegis Network Ltd manages its operations on a divisional basis. For this reason, the Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Group's global operations, which includes the Company, is discussed in the Group's Annual Report which does not form part of this Report.

Results and dividends

DAN Regents Place Finance Limited reported a profit, for the year ended 31 December 2017 of £2,222,000 (2016 - £31,967,000).

The Company has not paid any dividends during the year (2016 - £nil).

Principal risks and uncertainties

The components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk and cash flow risk. Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet, the only financial risk the directors consider relevant to this Company is interest rate risk.

On behalf of the Board



Peter Pontidas
Director
11 March 2019

Directors' report

The directors of DAN Regents Place Finance Limited (the 'Company') present the annual report and the audited financial statements for the year ended 31 December 2017.

Directors

The directors who served during the period and thereafter were:

Nick Priday
Peter Pontidas
Stuart Jarrold

Going concern

The directors adopt the going concern basis in preparing the financial statements. Further details are set out in note 1 to the financial statements.

Disclosure of information to the auditors

So far as the persons who were the directors at the date of approving this report are aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of the Company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

KPMG LLP served as auditors for the year ended 31 December 2017.

On behalf of the Board



Peter Pontidas
Director
11 March 2019

10 Triton Street
Regent's Place
London NW1 3BF

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

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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.

Independent auditor's report

to the members of DAN Regents Place Finance Limited

Opinion

We have audited the financial statements of DAN Regents Place Finance Limited ("the company") for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework* and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as the recoverability of debtor balances and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Independent auditor's report (continued)

to the members of DAN Regents Place Finance Limited

Strategic report and directors' report

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

Independent auditor's report (continued)

to the members of DAN Regents Place Finance Limited

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Natalia Bottomley (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

United Kingdom

11 March 2019

Statement of comprehensive income

for the year ended 31 December 2017

		3 Nov 2015 to 31 Dec
	2017	2016
	£000	£000
Notes		
Interest receivable and similar income	5 5,866	33,216
Interest payable and similar charges	6 (2,066)	-
Profit before taxation	3,800	33,216
Tax	7 (1,578)	(1,249)
Profit for the financial year	2,222	31,967
Other comprehensive income	-	-
Total comprehensive income for the year	2,222	31,967

All amounts relate to continuing activities.

The accompanying notes form an integral part of the financial statements.

Balance sheet

at 31 December 2017

	Notes	2017 £000	2016 £000
Current assets			
Debtors: amounts receivable within one year	8	-	5,645
Debtors: amounts receivable in more than one year	9	168,457	155,837
Cash at bank		1	1
		168,458	161,483
Current liabilities			
Creditors: amounts payable within one year	10	(5,414)	(661)
Net current assets		163,044	160,822
Net assets		163,044	160,822
Capital and reserves			
Called-up share capital	11	2	2
Share premium account	11	3	3
Distributable reserves account	11	128,850	128,850
Profit and loss account		34,189	31,967
Shareholders' funds		163,044	160,822

Company registration number 9853918 England and Wales.

The accompanying notes form an integral part of the financial statements.

These financial statements were approved by the Board of Directors on 11 March 2019 and were signed on behalf of the Board of Directors by:



Peter Pontidas
Director

Statement of changes in equity

at 31 December 2017

	<i>Called up share capital</i>	<i>Share premium account</i>	<i>Profit and loss account</i>	<i>Distributable reserves account</i>	<i>Total</i>
	£000	£000	£000	£000	£000
At 3 November 2015	-	-	-	-	-
Profit for the financial year	-	-	31,967	-	31,967
Shares issued	2	128,853	-	-	128,855
Capital reduction	-	(128,850)	-	128,850	-
Total comprehensive income for the year	2	3	31,967	128,850	160,822
At 31 December 2016	2	3	31,967	128,850	160,822
At 1 December 2017	2	3	31,967	128,850	160,822
Profit for the financial year	-	-	2,222	-	2,222
Total comprehensive income for the year	-	-	2,222	-	2,222
At 31 December 2017	2	3	34,189	128,850	163,044

The accompanying notes form an integral part of the financial statements.

Notes to the financial statements

For the period ended 31 December 2017

1. Authorisation of financial statements and statement of compliance with FRS 101

DAN Regents Place Finance Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 9853918 and the registered address is 10 Triton Street, Regents Place, London, NW1 3BF. The financial statements for the year ended 31 December 2017 were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101), Companies Act 2006 and applicable accounting standards. The financial statements are prepared under the historical cost convention.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the period ended 31 December 2017. The financial statements are prepared in pounds sterling and are rounded to the nearest thousand pounds (£000).

The financial statements have prepared the on a going concern basis.

2. Accounting policies

Basis of preparation

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- (b) the requirements of IFRS 7 Financial Instruments: Disclosures;
- (c) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- (d) the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- (e) the requirements of IAS 7 Statement of Cash Flows;
- (f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- (g) the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures;
- (h) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- (i) the effects of new but not yet effective IFRSs.

Foreign currencies

The Company's functional currency and presentation currency is pounds sterling. Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Income taxes

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Notes to the financial statements

For the period ended 31 December 2017

2. Accounting policies (continued)

Non-derivative financial instruments

Non-derivative financial instruments comprise trade debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade debtors

Trade debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

Impairment excluding stocks, and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

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.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the financial statements

For the period ended 31 December 2017

3. Directors' remuneration and employees

The Company had no employees during the period.

Remuneration for directors of the Company is disclosed in note 6 of the consolidated financial statements of Dentsu Aegis Network Ltd. It is paid by the Dentsu Aegis Network Ltd parent entity. The amount that relates to DAN Regents Place Finance Limited has not been disclosed on the basis that management are unable to make a reasonable apportionment of the total remuneration that relates to qualifying services provided by the directors to the DAN Regents Place Finance Limited entity.

4. Auditor's remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements during the period were £1,800 (2016: £2,000).

The audit fee for the Group is outlined in note 5 to the consolidated financial statements of Dentsu Aegis Network Ltd. The fee is borne by Dentsu Aegis Network Ltd on behalf of the Group and includes the audit of the DAN Regents Place Finance Limited Company financial statements.

5. Interest receivable and other income

	2017 £000	3 Nov 2015 to 31 Dec 2016 £000
Net foreign exchange gain	-	26,973
Interest received from other Group undertakings	5,866	6,243
	<u>5,866</u>	<u>33,216</u>

6. Interest payable and similar charges

	2017 £000	3 Nov 2015 to 31 Dec 2016 £000
Interest payable to other Group undertakings	11	-
Net foreign exchange loss	2,055	-
	<u>2,066</u>	<u>-</u>

Notes to the financial statements

For the period ended 31 December 2017

7. Taxation

		3 Nov 2015 to 31 Dec 2016
Tax on profit/(loss) on ordinary activities	2017 £000	2016 £000
Profit before taxation	3,800	33,216
Tax on loss at statutory rate of 19.25% (2016 - 20%)	(731)	(6,644)
Income not assessable for tax purposes	-	5,395
Expenses not deductible for tax purposes	(396)	-
Withholding tax written off	(451)	-
Total current tax charge	(1,578)	(1,249)

UK corporation tax is calculated at 19.25% (2016: 20%) of the estimated assessable profit for the period. A further reduction in the main rate of corporation tax is proposed to reduce the rate to 17% from 1 April 2020.

8. Debtors receivable within one year

	2017 £000	2016 £000
Amounts owed by Group undertakings	-	5,645

9. Debtors receivable in more than one year

	2017 £000	2016 £000
Amounts owed by Group undertakings	168,457	155,837

Dentsu Aegis Network Australia Pty Ltd issued a loan note to DAN Regents Place Finance Limited on 9 December 2015 for a principal amount of AUD 266.0m. The loan note is repayable at an interest rate of loan currency base rate + 1.71%.

Where amounts owed by Group undertakings are of a loan nature, the amounts are repayable on demand at an interest rate of loan currency base rate + 3%, fixed rate or interest free.

10. Creditors payable within one year

	2017 £000	2016 £000
Intercompany group relief payable	1,680	661
Amounts owed to Group undertakings	3,734	-
	5,414	661

Notes to the financial statements

For the period ended 31 December 2017

11. Reserves

Called up share capital

	No.	2017 £000	No.	2016 £000
<i>Allotted, called up and fully paid:</i>				
Ordinary shares of £1 each	2,000	<u>2</u>	2,000	<u>2</u>

Share premium account

	2017 £000	2016 £000
At 1 January and 31 December	<u>3</u>	<u>3</u>

Distributable reserves account

	2017 £000	2016 £000
At 1 January and 31 December	<u>128,850</u>	<u>128,850</u>

12. Contingent liabilities

The Company has entered a cross-guarantee arrangement with fellow subsidiary undertakings and granted a guarantee to the National Westminster Bank in respect of the net overdraft of Dentsu Aegis Network Ltd. The overdraft facility is £20m and was undrawn as at 31 December 2017. The facility was also undrawn as at 26 February 2019.

13. Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Dentsu Inc which is the ultimate parent company and controlling party.

The largest group in which the results of the Company are consolidated is that headed by Dentsu Inc., 1-8-1 Higashi-shimbashi, Minato-ku, Tokyo 105-7001. The smallest group in which they are consolidated is that headed by Dentsu Aegis Network Limited and the registered address is 10 Triton Street, Regents Place, London, NW1 3BF. No other group financial statements include the results of the Company. The consolidated financial statements of these groups are available to the public and may be obtained from: The Secretary, Dentsu Inc., 1-8-1 Higashi-shimbashi, Minato-ku, Tokyo 105-7001.