

**Company Registration No: 12292179**

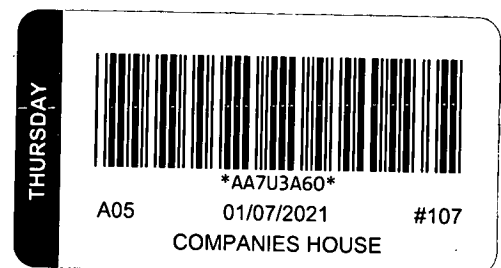
**Kantar Group Holdings Ltd**

**(formerly Summer (BC) UK Bidco II Ltd)**

**Annual Report and Financial Statements**

**For the period from**

**31 October 2019 to 31 December 2019**



# **Kantar Group Holdings Ltd (formerly Summer (BC) UK Bidco II Ltd)**

## **Annual Report and Financial Statements**

**For the period from 31 October 2019 to 31 December 2019**

### **Officers and professional advisers**

#### **Directors**

L Bassi  
G Camera  
S J A Gent  
C P M V Jacobs van Merlen

#### **Registered Office**

11<sup>th</sup> Floor  
200 Aldersgate Street  
London  
EC1A 4HD  
United Kingdom

#### **Auditor**

Deloitte LLP  
London, United Kingdom

# **Kantar Group Holdings Ltd (formerly Summer (BC) UK Bidco II Ltd)**

## **Strategic report**

### **For the period from 31 October 2019 to 31 December 2019**

The directors present their strategic report for the Company for the period from 31 October 2019 to 31 December 2019.

#### **Principal activity**

The company was incorporated on 31 October 2019 as a subsidiary of funds managed by Bain Capital, one of the world's leading private multi-asset alternative investment firms, for the purpose of facilitating the acquisition of the Kantar business from WPP plc. Kantar is the world's leading data, insights and consulting company.

The principal activity of the company is to act as an intermediate holding company within the Kantar group and to provide services to other Kantar Group companies.

#### **Key performance indicators**

Given the company's principal activity the directors consider that analysis using key performance indicators is not necessary or appropriate for an understanding of the development, performance or position of the business.

#### **Business review and future developments**

The result for the period is set out in the Statement of Comprehensive Income on page 9. The directors do not recommend the payment of a dividend for the period. At 31 December 2019 the Company had net assets of €528.1m.

The directors do not envisage any significant changes in the Company's principal activities in the foreseeable future.

#### **Principal risks and uncertainties**

The principal risks of the Company are integrated with the principal risks of the Kantar Group, headed by Kantar Global Holdings S.à r.l. and are not managed separately. The principal risks and uncertainties of Kantar Global Holdings S.à r.l. are disclosed in its Consolidated Financial Statements copies of which can be obtained as described in note 12.

#### **Environment**

The Company operates in accordance with Kantar Group policies. The Kantar Group recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by the Group's activities. Initiatives designed to minimise the Kantar Group's impact on the environment include improving its energy use efficiency, paper use, recycling and carbon footprint monitoring.

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



G Camera  
Director  
1<sup>st</sup> July, 2021

# **Kantar Group Holdings Ltd (formerly Summer (BC) UK Bidco II Ltd)**

## **Directors' report**

### **For the period from 31 October 2019 to 31 December 2019**

The directors present their annual report and the audited Financial Statements for the period from 31 October 2019 to 31 December 2019.

#### **Directors**

The directors who held office during the period and up to the date of signing the financial statements, unless stated otherwise, are listed below:

L Bassi	(appointed 5 December 2019)
G Camera	(appointed 31 October 2019)
S J A Gent	(appointed 5 December 2019)
C P M V Jacobs van Merlen	(appointed 31 October 2019)
E R Salama	(appointed 5 December 2019, resigned 26 February 2020)

#### **Going concern**

Based on forecasted cash flows over the 12 months from the date of signing these financial statements the company has sufficient funding to enable it to meet its obligations as they fall due. The company participates in group financing arrangements should additional liquidity be required for ongoing activities and future developments. The continuing economic uncertainty because of COVID-19 has been considered when making this assessment.

The directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of signing of these financial statements, and accordingly they continue to adopt the going concern basis in preparing the accounts.

#### **Directors' indemnity**

The Group to which the company belongs maintained directors' and officers' liability insurance on behalf of its directors and officers against liabilities relating to the company throughout the period. The Group to which the company belongs has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the period and remain in force at the date of this report.

#### **Financial risk management objectives and policies**

The Company's role as an intermediate holding company for the Kantar Group exposes the company to some financial risks. These risks are managed within the context of the broader Group's business activities. The Group seeks to identify, assess, monitor and manage each of the various risks involved in its activities on a global basis, in accordance with defined policies and procedures and in consideration of the individual legal entities.

##### *Foreign currency risk*

The Company has some exposure to foreign currency risk when costs are incurred in currencies other than Euros. The Company does not use currency derivatives to mitigate these risks.

##### *Interest rate risk*

The Company is exposed to interest rate risk on floating rate notes receivable from and payable to other companies in the Kantar group. The Company does not use interest rate derivatives to mitigate these risks.

## **Kantar Group Holdings Ltd (formerly Summer (BC) UK Bidco II Ltd)**

### **Directors' report (continued)**

**For the period from 31 October 2019 to 31 December 2019**

#### *Liquidity risk*

The Company's policy is to maintain a prudent level of cash to finance its working capital requirements. Longer-term liquidity needs are met through the Company's participation in the Kantar Group financing arrangements.

#### *Credit risk*

Credit risk arises from cash and cash equivalents, receivables from other group companies, and other deposits with financial institutions. The Company regularly monitors counterparty exposure and assesses the need for any credit loss provisions.

#### **Post balance sheet event**

In the period since 31 December 2019, the emergence and spread of Covid-19 has occurred. Given the timing this is a non-adjusting post balance sheet event and given the nature of the business as a holding company, no direct impact has occurred or is expected. As a result, no updates related to Covid-19 have been reflected in the financial statements.

#### **Auditor**

Deloitte LLP were appointed as auditors from the date of incorporation.

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:



G Camera  
Director  
1<sup>st</sup> July, 2021

## **Kantar Group Holdings Ltd (formerly Summer (BC) UK Bidco II Ltd)**

### **Directors' responsibilities statement**

**For the period from 31 October 2019 to 31 December 2019**

The directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- 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 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Kantar Group Holdings Ltd (formerly Summer (BC) UK Bidco II Ltd)

### Independent auditor's report to the members of Kantar Group Holdings Ltd Report on the audit of the financial statements

#### Opinion

In our opinion the financial statements of Kantar Group Holdings Ltd (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the period from 31 October 2019 to 31 December 2019;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 – 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Summary of our audit approach

<b>Key audit matters</b>	The key audit matter that we identified in the current year was: <ul style="list-style-type: none"><li>• Valuation of unlisted investments.</li></ul>
<b>Materiality</b>	The materiality that we used in the current year was €14.7m which was determined on the basis of <i>net assets</i> .
<b>Scoping</b>	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

#### Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or

## Kantar Group Holdings Ltd (formerly Summer (BC) UK Bidco II Ltd)

### Independent auditor's report to the members of Kantar Group Holdings Ltd Report on the audit of the financial statements

- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Valuation of unlisted investments

<b>Key audit matter description</b>	The company has unlisted investments of €1,716.6m as at 31 December 2019, valued at cost less any provision for impairment. These investments comprise investments in subsidiaries and are highly material to the company as they account for 69% of total assets. Judgement is required by the directors as to whether any of the investments should be impaired based on the financial position and future prospects of the investees. Further details are included within notes 1 and 5 to the financial statements.
<b>How the scope of our audit responded to the key audit matter</b>	We obtained an understanding of relevant controls related to the valuation of unlisted investments. We agreed the cost of the investments to supporting evidence, including the share capital and share premium of the subsidiary entities. We reviewed events between the date on which the investments were obtained (5 December 2019) and the year-end, to determine if any events occurred which could trigger an impairment.
<b>Key observations</b>	Based on the work performed we concluded that the valuation of unlisted investments is appropriate.

## Kantar Group Holdings Ltd (formerly Summer (BC) UK Bidco II Ltd)

### Independent auditor's report to the members of Summer (BC) UK Bidco II Ltd Report on the audit of the financial statements (continued)

#### Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	€14.7m
Basis for determining materiality	3% of net assets
Rationale for the benchmark applied	We determined materiality based on net assets as this is the key metric used by management to assess the business, which is a holding company.

#### Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2019 audit. In determining performance materiality, we considered the quality of the control environment and the fact that this was a first-year audit.

#### Error reporting threshold

We agreed with the directors that we would report to the directors all audit differences in excess of €0.7m, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

#### **An overview of the scope of our audit**

##### Scoping

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

##### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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

## **Kantar Group Holdings Ltd (formerly Summer (BC) UK Bidco II Ltd)**

### **Independent auditor's report to the members of Summer (BC) UK Bidco II Ltd Report on the audit of the financial statements (continued)**

statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in respect of these matters.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

#### **Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

## **Kantar Group Holdings Ltd (formerly Summer (BC) UK Bidco II Ltd)**

### **Independent auditor's report to the members of Summer (BC) UK Bidco II Ltd Report on the audit of the financial statements (continued)**

#### **Report on other legal and regulatory requirements**

##### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

##### **Matters on which we are required to report by exception**

###### Adequacy of explanations received and accounting records

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, 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.

We have nothing to report in respect of these matters.

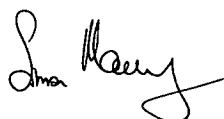
###### Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

##### **Use of our report**

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.



Simon Manning (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
1<sup>st</sup> July 2021

# Kantar Group Holdings Ltd (formerly Summer (BC) UK Bidco II Ltd)

## Statement of Comprehensive Income

For the period from 31 October 2019 to 31 December 2019

	Notes	Period from 31 October 2019 to 31 December 2019 €m
Finance income	2	3.7
Finance costs	2	(10.0)
<b>Loss before taxation</b>	3	<b>(6.3)</b>
Taxation	4	-
<b>Loss and total comprehensive loss for the period</b>		<b>(6.3)</b>

The company had no other comprehensive income or expense in the period.

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

# Kantar Group Holdings Ltd (formerly Summer (BC) UK Bidco II Ltd)

## Balance Sheet

As at 31 December 2019

	Notes	2019 €m
<b>Non-current assets</b>		
Investments in subsidiary undertakings	5	1,716.6
Loans receivable from subsidiary undertakings	6	761.9
		<b>2,478.5</b>
<b>Current assets</b>		
Trade and other receivables	7	8.6
Cash and short-term deposits		5.4
		<b>14.0</b>
<b>Current liabilities</b>		
Trade and other payables	8	(10.1)
		<b>(10.1)</b>
<b>Net current assets</b>		<b>3.9</b>
<b>Total assets less current liabilities</b>		<b>2,482.4</b>
<b>Non-current liabilities</b>		
Borrowings	9	(1,954.3)
		<b>(1,954.3)</b>
<b>Net assets</b>		<b>528.1</b>
<b>Equity</b>		
Share capital	10	534.4
Share premium	10	-
Accumulated losses	10	(6.3)
<b>Total shareholders' equity</b>		<b>528.1</b>

The financial statements on pages 11 to 23 were approved by the Board of Directors on 1<sup>st</sup> July 2021 and signed on its behalf by:



G Camera  
Director

Kantar Group Holdings Ltd  
Company number: 12292179

# Kantar Group Holdings Ltd (formerly Summer (BC) UK Bidco II Ltd)

## Statement of Changes in Equity

For the period from 31 October 2019 to 31 December 2019

	Share capital	Share premium	Accumulated losses	Total shareholders' equity
	€m	€m	€m	€m
<b>Balance at 31 October 2019</b>	-	-	-	-
<i>Transactions with owners</i>				
Share capital issued	534.4	-	-	534.4
<b>Total comprehensive loss</b>	-	-	(6.3)	(6.3)
<b>Movement in the period</b>	<b>534.4</b>	<b>-</b>	<b>(6.3)</b>	<b>528.1</b>
<b>Balance at 31 December 2019</b>	<b>534.4</b>	<b>-</b>	<b>(6.3)</b>	<b>528.1</b>

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

# **Kantar Group Holdings Ltd (formerly Summer (BC) UK Bidco II Ltd)**

## **Notes to the financial statements**

**For the period from 31 October 2019 to 31 December 2019**

### **1. PRINCIPAL ACCOUNTING POLICIES**

#### **General Information**

Kantar Group Holdings Ltd, (the Company) is a private company limited by shares incorporated in the United Kingdom and registered in England and Wales under the Companies Act 2006. The address of the company's registered office is shown on page 1. The nature of the company's operation and its principal activities are set out in the strategic report on page 2.

The principal accounting policies adopted in the preparation of these financial statements are set out below. They have all been applied consistently throughout the period since incorporation.

#### **Basis of preparation**

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006. The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, these financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

The company is exempt from the obligation to prepare and deliver consolidated financial statements under section 400 of the Companies Act 2006. Accordingly, these financial statements present information in relation to the company and not its group.

As permitted by FRS 101, the company has taken advantage of certain disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

#### **Going concern**

Based on forecasted cash flows over the 12 months from the date of signing these financial statements the company has sufficient funding to enable it to meet its obligations as they fall due. The company participates in group financing arrangements should additional liquidity be required for ongoing activities and future developments. The continuing economic uncertainty because of COVID-19 has been considered when making this assessment.

The directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of signing of these financial statements, and accordingly they continue to adopt the going concern basis in preparing the accounts.

#### **Foreign currencies**

These financial statements are presented in Euro because that is the currency of the primary economic environment in which the company operates (its functional currency).

Monetary assets and liabilities in currencies other than the functional currency are translated into Euros at the rates of exchange ruling at the balance sheet date. Transactions in currencies other than the functional currency are converted at rates of exchange prevailing at the date the transactions were made. Foreign exchange differences are dealt with through the profit and loss account.

# **Kantar Group Holdings Ltd (formerly Summer (BC) UK Bidco II Ltd)**

## **Notes to the financial statements (continued)**

**For the period from 31 October 2019 to 31 December 2019**

### **1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

#### **Investments in subsidiary undertakings**

Investments in subsidiary undertakings are stated at cost less provisions for any impairment in the value of those investments.

#### **Financial instruments**

Financial assets and financial liabilities are recognised on the company's balance sheet when it becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of income.

Financial assets and financial liabilities are recognised on the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

#### **Borrowings**

Interest-bearing debt is initially recorded at the proceeds received, net of direct issue costs. Subsequently it is measured at amortised cost using the effective interest method. The amortised cost calculation is revised when necessary to reflect changes in the expected cash flows and the expected life of the borrowings including the effects of the exercise of any prepayment, call or similar options. Any resulting adjustment to the carrying amount of the borrowings is recognised as interest expense in the statement of comprehensive income.

#### **Debt issuance costs**

Debt issuance costs are recognised in the statement of comprehensive income over the term of the related borrowings using the effective interest rate method.

# **Kantar Group Holdings Ltd (formerly Summer (BC) UK Bidco II Ltd)**

## **Notes to the financial statements (continued)**

**For the period from 31 October 2019 to 31 December 2019**

### **1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)**

#### **Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### Current tax

The tax currently payable is based on taxable profit for the period. 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 balance sheet date.

##### Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the way the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

# Kantar Group Holdings Ltd (formerly Summer (BC) UK Bidco II Ltd)

## Notes to the financial statements (continued)

For the period from 31 October 2019 to 31 December 2019

### 1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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.

There are no critical judgements and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### 2. FINANCE INCOME AND FINANCE COSTS

	Period from 31 Oct 2019 to 31 Dec 2019 €m
<b>Finance Income:</b>	
Interest receivable on loans receivable from subsidiary undertakings	3.7
<b>Finance Costs:</b>	
Interest payable on borrowings from fellow subsidiaries	9.4
Amortisation of capitalised borrowing costs	0.6
	<b>10.0</b>

### 3. LOSS BEFORE TAXATION

There were no employees during the period and none of the directors received any remuneration for services provided to the company.

Fees payable to the company's auditor of €5,500 for the audit of the company's financial statements for the period ended 31 December 2019 have been borne by a fellow group undertaking, Kantar Group Limited. There were no non-audit fees.

# Kantar Group Holdings Ltd (formerly Summer (BC) UK Bidco II Ltd)

## Notes to the financial statements (continued)

For the period from 31 October 2019 to 31 December 2019

### 4. TAXATION

	Period from 31 Oct 2019 to 31 Dec 2019 €m
<b>Current tax:</b>	
UK corporation tax	-
Deferred tax	-
<b>Total tax credit for the period</b>	<u>-</u>
<b>Factors affecting the tax credit for the period:</b>	
Loss before taxation	<u>(6.3)</u>
Tax calculated at the rate of 19%	1.2
<i>Effects of:</i>	
Corporate interest restriction	<u>(1.2)</u>
	<u>(1.2)</u>
<b>Tax charge for the period</b>	<u>-</u>

The UK corporation tax rate is 19% for the period from 31 October 2019 to 31 December 2019. A reduction in the rate from 19% to 17% effective from 1 April 2020 was substantively enacted on 6 September 2016 by the Finance Act 2016. As this rate has been substantively enacted as at 31 December 2019, the company has used the 17% tax rate in its deferred tax calculations for the period ended 31 December 2019. In the 11 March 2020 Budget, it was announced that the UK tax rate will remain at the current 19% and not reduce to 17% from 1 April 2020.

## Kantar Group Holdings Ltd (formerly Summer (BC) UK Bidco II Ltd)

### Notes to the financial statements (continued)

For the period from 31 October 2019 to 31 December 2019

#### 5. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

In the opinion of the directors the value of the interests in the subsidiary undertakings is not less than the carrying values as stated above.

	Investments in subsidiary undertakings 2019 €m
Cost at 31 October 2019	-
Additions	3,295.2
Disposals	(1,578.6)
<b>Cost at 31 December 2019</b>	<b>1,716.6</b>

As part of the acquisition of the Kantar business from WPP plc the company has made the following additions and disposals of investments in subsidiaries during the period:

- On 24 November 2019 the company acquired investments in Kantar International Holdings BV and Kantar France Holdings SAS for 1 Euro each in a share for share exchange with its immediate parent company, Summer (BC) UK Bidco Ltd.
- On 5 December 2019, the company increased its investment in Kantar France Holdings SAS by €98.6m and on 19 December 2019 by a further €0.3m, to a total of €98.9m.
- On 5 December 2019 the company acquired shares to the value of €1,578.6m in Kantar Square Two B.V. with €1,059.6m being purchased from Summer (BC) HoldCo B S.à r.l. (a fellow subsidiary of Kantar Global Holdings S.à r.l.) and €519.0m being acquired in a share for share exchange with its immediate parent, Summer (BC) UK Bidco Ltd. On the same day the company's investment in Kantar Square Two B.V. was disposed of in a share for share exchange with the company's subsidiary Kantar International Holdings B.V.

Investments in subsidiary undertakings include acquisition costs of €39.1m.

Details of investments in which the company directly holds more than 20% of the nominal value of any class of share capital, all of which is represented by ordinary shares, are as set out below.

Subsidiary undertakings	Country of Incorporation	Principal activity	Ownership
Kantar France Holdings SAS (formerly Summer (BC) France Bidco SAS)	France <sup>1</sup>	Holding	100%
Kantar International Holdings BV (formerly Summer (BC) Dutch Bidco BV)	Netherlands <sup>2</sup>	Holding	100%

<sup>1</sup> Registered at 3-5 Rue Saint-Georges, 75009 Paris.

<sup>2</sup> Registered at Strawinskylaan 1209 Tower A, 12<sup>th</sup> Floor, 1077 XX, Amsterdam.

## Kantar Group Holdings Ltd (formerly Summer (BC) UK Bidco II Ltd)

### Notes to the financial statements (continued)

For the period from 31 October 2019 to 31 December 2019

#### 6. LOANS RECEIVABLE FROM SUBSIDIARY UNDERTAKINGS

In connection with the acquisition of Kantar the Company has subscribed to loan notes issued by its two directly owned subsidiaries.

	2019
	€m
Senior Notes due October 2026	165.8
Floating Rate Notes due December 2026	208.7
Senior Secured Notes due October 2027	387.4
	<u>761.9</u>

The coupon on the Senior Notes receivable is fixed at 9.3556% per annum and the coupon on the Senior Secured Notes receivable is fixed at 5.8446% per annum.

The Floating Rate Notes receivable have a variable coupon based on EURIBOR plus an initial margin of 5.0946%. The margin applied is subject to a ratchet determined by reference to leverage calculations applied across that part of the Kantar group that falls within the Senior Secured Lenders perimeter, in accordance with the terms of the financing package put in place to fund the Kantar acquisition.

#### 7. TRADE AND OTHER RECEIVABLES

	2019
	€m
Interest receivable from subsidiary undertakings	3.7
VAT recoverable	3.6
Other amounts due from group undertakings	1.3
	<u>8.6</u>

## Kantar Group Holdings Ltd (formerly Summer (BC) UK Bidco II Ltd)

### Notes to the financial statements (continued)

For the period from 31 October 2019 to 31 December 2019

#### 8. TRADE AND OTHER PAYABLES

	2019
	€m
Interest payable to group undertakings	9.4
Other amounts due to group undertakings	0.7
	<u>10.1</u>

#### 9. BORROWINGS

In connection with the acquisition of Kantar the Company has issued loan notes to other Kantar Group undertakings:

	2019
	€m
Floating Rate Notes due June 2026 (RCF Notes)	47.5
Senior Notes due October 2026	428.0
Floating Rate Notes due December 2026 (Term Loan Notes)	538.7
Senior Secured Notes due October 2027	1,000.0
	<u>2,014.2</u>
Less: unamortised debt issuance costs	(59.9)
	<u><u>1,954.3</u></u>

The coupon on the Senior Notes is fixed at 9.2656% per annum and the coupon on the Senior Secured Notes is fixed at 5.7546% per annum. Interest is payable semi-annually.

The Floating Rate RCF Notes have a variable coupon based on EURIBOR plus an initial margin of 3.5046%. The Floating Rate Term Loan Notes have a variable coupon based on EURIBOR plus an initial margin of 5.0046%. The margin applied to the Floating Rate Notes is subject to a ratchet determined by reference to leverage calculations applied across that part of the Kantar group that falls within the Senior Secured lenders' perimeter, in accordance with the terms of the financing package put in place to fund the Kantar acquisition.

## Kantar Group Holdings Ltd (formerly Summer (BC) UK Bidco II Ltd)

### Notes to the financial statements (continued)

For the period from 31 October 2019 to 31 December 2019

#### 10. EQUITY

##### *Called up share capital*

	2019	2019
Allotted, called up and fully paid	No. of shares	€m
Ordinary shares of €1.00 each	534,365,718	534.4
<b>Total shares</b>	<b>534,365,718</b>	<b>534.4</b>

The company was incorporated on 31 October 2019 with an initial share capital of 1 ordinary share of 1 Euro.

On 24 November 2019 the Company issued 2 ordinary shares of 1 Euro each at par to its immediate parent company, Summer (BC) UK Bidco Ltd, in exchange for shares in Kantar International Holdings BV and Kantar France Holdings SAS.

Between 2 December 2019 and 5 December 2019, the Company issued a further 534,365,715 ordinary shares of 1 Euro each, for a total consideration of €534,365,716, to its immediate parent company to facilitate the acquisition of the Kantar business from WPP plc.

##### *Share premium*

The share premium arising on the issue of shares represents proceeds received in excess of the nominal value of the shares issued, net of any share issue costs, and is a non-distributable reserve

##### *Accumulated losses*

Accumulated losses represent cumulative profits or losses, net of dividends paid and other adjustments.

#### 11. FINANCIAL GUARANTEES AND COMMITMENTS

##### *Guarantees and related security*

The Company is a guarantor under the Kantar Group's financing arrangements and in connection with that on 24 April 2020 it granted security over its assets in the form of:

- A pledge (fixed charge) over all of its shares in Kantar France Holdings SAS and Kantar International Holdings BV.
- A first floating charge over all of its present and future assets, undertakings and rights.
- A negative pledge.

#### 12. RELATED PARTY TRANSACTIONS

Summer (BC) UK Bidco Ltd is a subsidiary of Kantar Global Holdings S.à r.l., the consolidated financial statements of which are publicly available. Consequently, the company is exempt under the terms of FRS 101 paragraph 8(k) from disclosing transactions with companies that are 100% owned within the group.

## **Kantar Group Holdings Ltd (formerly Summer (BC) UK Bidco II Ltd)**

### **Notes to the financial statements (continued)**

**For the period from 31 October 2019 to 31 December 2019**

#### **13. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

The directors regard Summer (BC) Holdco B S.à r.l., a company incorporated in Luxembourg, as the immediate parent company and Bain Capital Europe Fund V, SCSp, a partnership established in Luxembourg, as the ultimate controlling party.

At the year end the parent undertaking of the smallest and largest group of undertakings for which group financial statements are drawn up and of which the company is a member is Kantar Global Holdings S.à r.l., whose registered address is 4, rue Lou Hemmer, L-1748 Senningerberg, Luxembourg.

Copies of the financial statements of Kantar Global Holdings S.à r.l. are available from Kantar Global Holdings S.à r.l. at its registered office in Luxembourg, from the Luxembourg Registre de Commerce et des Sociétés (RCS) and from the investor relations section of the Kantar.com website.

#### **14. SUBSEQUENT EVENTS**

There have been no subsequent events requiring disclosure in these accounts.