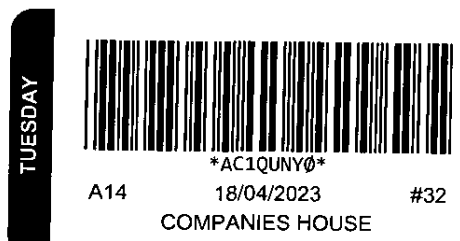


Registration number: 01935786

# Abbott Mead Vickers.BBDO Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2021



## **Abbott Mead Vickers.BBDO Limited**

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## **Abbott Mead Vickers.BBDO Limited**

### **Strategic Report for the year ended 31 December 2021**

The directors present their strategic report for the year ended 31 December 2021.

The purpose of this strategic report is to inform members of the company and help them assess how the directors have performed their duty under section 172 of the Companies Act 2006 (duty to promote the success of the company).

Our strategic plans are designed to create long-term beneficial effects for the company and wider group, and to continue its success. The Executive team works and empowers the management team to make day to day decisions but maintains visibility and accountability over these decisions through regular review and a robust corporate governance framework. We ensure we continue to review our annualised plan to ensure our strategic goals are achieved. We work hard to ensure we have diversified clients. We have controls in place to ensure we abide by all regulations and regularly review our KPIs agreed centrally as well as monthly financial reporting and cash planning.

The health, safety and wellbeing of employees is a primary consideration in the way business is run. We ensure we respect the culture instilled in our company from our founders. Retention and attraction of staff is key to our success and is the main driver of our specialised services and expertise. We aim to employ the best talent in the industry, we therefore continue to ensure we benchmark our remuneration packages.

We view our Suppliers as key partnerships that enable us to deliver a premium service to our clients, so we ensure we act responsibly and fairly in our engagements. Our clients are key to the successful delivery of the company's strategic objectives and we work hard to foster long term relationships to help drive client brands. Having these strong relationships helps to mitigate risk. We recognise that the Agency, Clients and Suppliers have to work together to achieve success for all and therefore the management retains strong visibility over these relationships.

Directors of the company and wider Omnicom group are committed to consideration of the community and environmental impacts of our work, as well as our wider social responsibilities. It is key that we understand communities so that we can make engaging advertising content for our clients to connect with their customers. Omnicom's Diversity and Inclusion policies encourage all members of the community to engage.

As directors, the intention is to ensure that management always operate the business with the integrity and high standards expected of a large company and market leader. We have clear codes of conduct that are shared with employees to ensure that everyone has a right to speak up. We have robust GDPR/data protection policies due to the confidentiality of client and employee information. Our IT security policies are maintained centrally and are cascaded down via regular online mandatory training for all employees.

The intention of the directors is always to behave fairly and responsibly and with transparency towards all shareholders and group members.

#### **Development and performance of the business of the Company during the financial year**

The profit for the year before taxation was £8,954,732 (2020 £6,703,016) on turnover of £45,660,590 (2020: £55,401,271 ).

The key performance indicators that we review focus on turnover, operating expenses, and operating margin on a percentage of revenue basis.

We measure operating expenses in two distinct cost categories, staff costs and all other administrative expenses. Staff costs are primarily comprised of salaries, social security and employer pension contributions. Other administration expenses are primarily comprised of rent and occupancy costs, technology related costs and depreciation. Staff costs tend to fluctuate in conjunction with changes in revenue, whereas administrative expenses, which are not directly related to servicing clients, tend to decrease as a percentage of revenue as revenue increases because a significant portion of these expenses are relatively fixed in nature.

## **Abbott Mead Vickers.BBDO Limited**

### **Strategic Report for the year ended 31 December 2021**

During 2021, staff costs were at 52.0 % of turnover (2020: 52.3%).

Office and administrative expenses, excluding staff costs for 2021 was 28.3.0% of turnover (2020: 35.6%).

Operating margin for 2021 was 19.6 % (2020: 12.1%).

The Company's cash balance is disclosed as an intercompany debtor with the group's UK treasury companies, Omnicom Finance Limited and Omnicom Financial Services Limited. The cash balance included in intercompany debtors at 31 December 2021 is £ 16,895,970 (2020: £13,036,141).

In addition to these financial key performance indicators we also measure and monitor staff and client satisfaction through independent third party providers.

#### **Position of the Company at the year end**

The company has net assets of £12,645,095 at 31 December 2021 (2020: £10,436,738).

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

The businesses in which we participate are highly competitive. Key competitive considerations for keeping existing business and winning new business include our ability to develop creative solutions that meet client needs, the quality and effectiveness of the services we offer, and our ability to efficiently serve clients, particularly large international clients, on a broad geographic basis. While many of our client relationships are long-standing, companies put their advertising, marketing and corporate communications services business up for competitive review from time to time. We have won and lost accounts in the past as a result of these reviews. To the extent that we are not able to remain competitive, our revenue may be adversely affected, which could then affect our results of operations and financial condition.

Government agencies and consumer groups have directly or indirectly from time to time affected or attempted to affect the scope, content and manner of presentation of advertising, marketing and corporate communications services, whether through regulations or other governmental action. Any such limitations on the scope of the content of our services could affect our ability to meet our clients' needs, which could have a material adverse effect on our results of operations and financial condition. In addition, there has been an increasing tendency on the part of businesses to resort to the judicial system to challenge advertising practices. While such claims have not had a material adverse effect on our operating performance in the past, we cannot assure you that such claims by businesses or governmental agencies will not have a material adverse effect on our results of operations and financial condition in the future.

## **Abbott Mead Vickers.BBDO Limited**

### **Strategic Report for the year ended 31 December 2021**

In addition, we may lose or fail to attract and retain key personnel. Our employees are our most important assets. Our ability to retain key personnel is an important aspect of our competitiveness. Our continuing ability to attract and retain those employees is important to our business and if we are unable to do so, our ability to provide our services in the manner our customers have come to expect may be adversely affected, which could harm our reputation and result in a loss of clients, which could have a material adverse affect on our results of operations and financial condition.

Our clients generally are able to reduce marketing spending or cancel projects at any time for any reason. Any of our clients could decide not to continue to utilise our services to the same extent, as they have in the past, or at all, in the future. A significant reduction in marketing spending by our largest clients, or the loss of several of our largest clients, if not replaced by new client accounts or an increase in business from existing clients, would adversely affect our revenue, which could materially adversely affect our results of operations and financial condition.

#### **Brexit**

The United Kingdom left the European Union on 31 January 2020, entering a transition period which ended 31 December 2020. The EU-UK Trade and Cooperation Agreement, governs the relationship between the UK and EU, and has been applied since formal ratification on 1 May 2021. In the absence of an agreement on trade-in-services, we are analysing changes and implications for our operations across both economies, and in the advertising/media sector in particular.

Approved by the Board on 6 April 2023 and signed on its behalf by:



.....  
Martin Sanders  
Director

## **Abbott Mead Vickers.BBDO Limited**

### **Directors' Report for the year ended 31 December 2021**

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

#### **Principal activity**

The principal activity of the Company during the year continued to be that of an advertising agency.

#### **Dividends**

The directors confirmed that a dividend of £5,000,000 was paid in respect of the year ending 31st December 2021 (2020: £15,000,000).

#### **Director of the company**

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

John Byrnes (ceased 1 July 2022)

Suzanne Gilson (ceased 11 March 2022)

James Moser

Sarah Douglas (ceased 14 May 2021)

The following directors were appointed after the year end:

Martin Sanders (appointed 11 March 2022)

Samuel Hawkey (appointed 31 January 2022)

#### **Political and charitable donations**

During the year the company made no political donations (2020: £nil). Donations to charity amounted to £21,275 (2020: £34,238).

#### **Employment of disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of a member of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

#### **Employee involvement**

We communicate the strategy and direction of the business through monthly updates to all employees through internal communications as well as regular formal and informal agency wide meetings. Our intranet contains contact information as well as our Company Handbook and other policy information.

#### **Post balance sheet events**

In December 2022 the Company paid a dividend of £10,000,000 to its parent company

#### **Environmental report**

We have considered the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) when preparing this report. These recommendations encourage businesses to increase disclosure of climate-related information, with an emphasis on financial disclosure. Abbott Mead Vickers.BBDO Limited supports these recommendations and the relevant information can be found in the consolidated accounts of AMV BBDO Investments Limited.

**Abbott Mead Vickers.BBDO Limited**

**Directors' Report for the year ended 31 December 2021**

Approved by the Board on 6 April 2023 and signed on its behalf by:



.....  
Martin Sanders  
Director

Bankside 3  
90-100 Southwark Street  
London  
SE1 0SW

## **Abbott Mead Vickers.BBDO Limited**

### **Statement of Directors' Responsibilities in respect of the annual report and the financial statements**

The directors acknowledge their responsibilities 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 the directors have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



**Abbott Mead Vickers.BBDO Limited**

**Profit and Loss Account for the year ended 31 December 2021**

	<b>Note</b>	<b>2021 £</b>	<b>2020 £</b>
Gross billings		78,667,462	107,509,664
Rebillable costs		<u>(33,006,872)</u>	<u>(52,108,393)</u>
Turnover	2	45,660,590	55,401,271
Direct costs		<u>(496,888)</u>	<u>(1,943,592)</u>
Gross profit		45,163,702	53,457,679
Administrative expenses		(36,251,798)	(47,040,286)
Other operating income		<u>55,461</u>	<u>283,618</u>
Operating profit	3	8,967,365	6,701,011
Other interest receivable and similar income	6	6,562	20,890
Interest payable and similar expenses	7	<u>(19,195)</u>	<u>(18,885)</u>
Profit before taxation		8,954,732	6,703,016
Tax on profit	8	<u>(1,746,375)</u>	<u>(1,343,729)</u>
Profit after taxation		<u><u>7,208,357</u></u>	<u><u>5,359,287</u></u>

The results shown above are derived wholly from continuing operations. There were no recognised gains or losses in either the current or prior year except as shown above. Consequently, a statement of comprehensive income has not been prepared.

The notes on pages 10 to 22 form an integral part of these financial statements.

**Abbott Mead Vickers.BBDO Limited**

**(Registration number: 01935786)  
Balance Sheet as at 31 December 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	10	433,612	510,853
Investments	11	<u>2</u>	<u>2</u>
		<u>433,614</u>	<u>510,855</u>
<b>Current assets</b>			
Stocks	12	3,787,278	4,878,667
Debtors	13	33,521,419	39,984,696
Cash at bank and in hand		<u>5,525</u>	<u>22</u>
		<u>37,314,222</u>	<u>44,863,385</u>
Creditors: Amounts falling due within one year	14	<u>(24,128,478)</u>	<u>(34,083,111)</u>
Net current assets		<u>13,185,744</u>	<u>10,780,274</u>
Total assets less current liabilities		13,619,358	11,291,129
Creditors: Amounts falling due after more than one year	14	<u>(974,263)</u>	<u>(854,391)</u>
Net assets		<u>12,645,095</u>	<u>10,436,738</u>
<b>Capital and reserves</b>			
Called up share capital	15	2	2
Retained earnings		<u>12,645,093</u>	<u>10,436,736</u>
Total equity		<u>12,645,095</u>	<u>10,436,738</u>

For the year ending 31 December 2021 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the Board on 6 April 2023 and signed on its behalf by:



.....  
Martin Sanders

Director

**Abbott Mead Vickers.BBDO Limited**

**Statement of Changes in Equity for the year ended 31 December 2021**

	<b>Share capital £</b>	<b>Retained earnings £</b>	<b>Total £</b>
At 1 January 2021	<u>2</u>	<u>10,436,736</u>	<u>10,436,738</u>
Profit for the year	<u>-</u>	<u>7,208,357</u>	<u>7,208,357</u>
Total comprehensive income	<u>-</u>	<u>7,208,357</u>	<u>7,208,357</u>
Dividends	<u>-</u>	<u>(5,000,000)</u>	<u>(5,000,000)</u>
At 31 December 2021	<u><u>2</u></u>	<u><u>12,645,093</u></u>	<u><u>12,645,095</u></u>

	<b>Share capital £</b>	<b>Retained earnings £</b>	<b>Total £</b>
At 1 January 2020	<u>2</u>	<u>20,077,449</u>	<u>20,077,451</u>
Profit for the year	<u>-</u>	<u>5,359,287</u>	<u>5,359,287</u>
Total comprehensive income	<u>-</u>	<u>5,359,287</u>	<u>5,359,287</u>
Dividends	<u>-</u>	<u>(15,000,000)</u>	<u>(15,000,000)</u>
At 31 December 2020	<u><u>2</u></u>	<u><u>10,436,736</u></u>	<u><u>10,436,738</u></u>

The notes on pages 10 to 22 form an integral part of these financial statements.

## **Abbott Mead Vickers.BBDO Limited**

### **Notes to the Financial Statements for the year ended 31 December 2021**

#### **1 Accounting policies**

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The following accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the Company's financial statements.

##### **Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company is a private company limited by share capital incorporated and domiciled in England and Wales, Bankside 3, 90 - 100 Southwark Street, London, SE1 0SW

The financial statements are presented in sterling the Company's functional currency.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group accounts as the Company is included in the consolidated accounts of AMV BBDO Investments Limited, a parent undertaking established under the law of the United Kingdom. These financial statements present information about the Company as an individual undertaking and not about its group.

##### **Summary of disclosure exemptions**

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of AMV BBDO Investments Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 Share Based Payments; and,
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

Related party transactions: As a 100% owned subsidiary of Omnicom Group Inc. the Company has taken advantage of the exemption available under FRS 102 Section 33, 1A: Related Party Disclosures, which enable it to exclude disclosure of transactions with Omnicom Group Inc., and its wholly owned subsidiaries..

## **Abbott Mead Vickers.BBDO Limited**

### **Notes to the Financial Statements for the year ended 31 December 2021**

#### **Going concern**

The Company has net assets of £12,645,095 at 31 December 2021 (2020: £10,436,738). The directors consider that the Company has access to sufficient funding to meet its needs for the reasons set out below. Accordingly, the directors have prepared the financial statements on a going concern basis.

The Company participates in a cash concentration arrangement with its fellow subsidiaries, Omnicom Finance Limited and Omnicom Financial Services Limited, the group's UK treasury operations, under which bank balances are cleared to zero on a daily basis either by the Company depositing cash with Omnicom Finance Limited and Omnicom Financial Services Limited or by Omnicom Finance Limited or Omnicom Financial Services Limited depositing cash with the Company. The Company's access to borrowings under the cash concentration arrangement is not limited as long as these borrowings are required in the normal course of business and are made in accordance with the Omnicom Group Inc Grant of Authority.

Omnicom Finance Limited, is able to make this commitment because Omnicom Finance Limited is a co-borrower with Omnicom Finance Inc. and Omnicom Capital Inc. under certain group bank facilities which are more fully described in the Omnicom Group Inc. financial statements filed on Form 10-K and available at [www.OmnicomGroup.com](http://www.OmnicomGroup.com).

The directors consider the combination of the group facilities and expected funding requirements of Omnicom Group Inc. and its subsidiaries provides sufficient access to funding to ensure that the Company is able to meet its liabilities as they fall due for the foreseeable future. Accordingly, the directors have prepared the financial statements as a going concern.

#### **Gross Billings**

Gross billings are recognised when the service is performed, in accordance with the terms and conditions of the *contractual arrangement and when collection is reasonably assured*.

Gross billings comprises the gross amounts billed to clients in respect of commission based income together with the total of other fees earned and amounts recharged to clients for rebillable costs.

#### **Rebillable costs**

Rebillable costs comprise media payments and third party production costs for those services that the Company is arranging for its clients in its capacity as an intermediary. The Company contracts directly with suppliers and is responsible for their payment, recharging its clients for all costs incurred. Although the Company bears credit risk in respect of these activities, the arrangements with its clients are such that, in effect it acts as an intermediary on behalf of its client. Where the Company acts as an intermediary, costs incurred with external suppliers are excluded from revenue.

#### **Turnover**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Revenue is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The Company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the Company's activities.

## Abbott Mead Vickers.BBDO Limited

### Notes to the Financial Statements for the year ended 31 December 2021

#### **Foreign currency transactions and balances**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Foreign exchange movements that arise on consolidation of foreign operations are recognised in the Statement of Comprehensive Income.

#### **Tax**

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

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

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

#### **Fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Office Equipment	25% per annum
Furniture and Equipment	20/25% per annum

#### **Intangible assets**

Intangible assets are stated in the balance sheet at cost less accumulated amortisation and impairment. They are amortised on a straight line basis over their estimated useful lives.

#### **Fixed asset investments**

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

#### **Stocks**

Work in progress includes costs incurred on behalf of clients in providing advertising and marketing services, including media and production costs, and fees that have not yet billed, at net realisable value.

## **Abbott Mead Vickers.BBDO Limited**

### **Notes to the Financial Statements for the year ended 31 December 2021**

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the Group's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

#### **Dividends**

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

#### **Defined contribution pension obligation**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

#### **Government grants**

Government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred. Amounts recognised in the profit and loss are presented under the heading "Other operating income".

## Abbott Mead Vickers.BBDO Limited

### Notes to the Financial Statements for the year ended 31 December 2021

#### 2 Turnover

The whole of the Company's gross billings, revenue and operating profit for the year related to its principal activity, which was that of an advertising agency, and which was carried out in the following locations.

	2021	2020
	£	£
UK	18,431,940	30,961,731
Europe	14,947,238	14,266,604
Rest of world	12,281,412	10,172,936
	<u>45,660,590</u>	<u>55,401,271</u>

#### 3 Operating profit

Arrived at after charging/(crediting)

	2021	2020
	£	£
Depreciation and other amounts written off tangible fixed assets: owned	220,491	259,241
Foreign exchange gains/losses	(145,765)	712,297
Hire of plant and machinery - rentals payable	(6,417)	(6,417)
Hire of other assets - rentals payable	3,791,560	4,765,948
Rental income	<u>(32,918)</u>	<u>(32,918)</u>

During the year the total amount received from CJRS was nil (2020: £283,618).

#### 4 Directors' remuneration

	2021	2020
	£	£
Directors' emoluments	585,894	597,000
Company contributions to money purchase pension schemes	22,876	34,714
	<u>608,770</u>	<u>631,714</u>

The aggregate emoluments of the highest paid director was £345,167 (2020: £436,863) and Company pension contributions of £17,776 (2020: £29,614) were made to a money purchase scheme.



# Abbott Mead Vickers.BBDO Limited

## Notes to the Financial Statements for the year ended 31 December 2021

During the year the number of directors who were receiving benefits and share incentives was as follows:

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

### 5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	19,332,207	22,441,417
Share related awards	34,426	(6,422)
Social security costs	2,438,835	2,667,909
Pension and other post-employment benefit costs	976,898	1,093,931
Severance/loss of office	<u>982,781</u>	<u>2,768,673</u>
	<u>23,765,147</u>	<u>28,965,508</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Production	106	124
Administration and support	<u>161</u>	<u>203</u>
	<u>267</u>	<u>327</u>

### 6 Other interest receivable and similar income

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Bank interest receivable	<u>6,562</u>	<u>20,890</u>

### 7 Interest payable and similar expenses

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Finance charges payable in respect of finance leases and hire purchase contracts	<u>19,195</u>	<u>18,885</u>

## Abbott Mead Vickers.BBDO Limited

### Notes to the Financial Statements for the year ended 31 December 2021

#### 8 Taxation

Tax charged in the profit and loss account

	2021 £	2020 £
<b>Current taxation</b>		
Current tax on income for the period	1,684,330	1,282,202
Adjustments in respect of previous periods	60,355	81,704
	<u>1,744,685</u>	<u>1,363,906</u>
<b>Deferred taxation</b>		
Origination and reversal of timing differences	14,874	(3,342)
Effect of increased/decreased tax rate on opening liability	(13,184)	(13,753)
Adjustment in respect of previous periods	-	(3,082)
Total deferred taxation	<u>1,690</u>	<u>(20,177)</u>
Tax expense in the profit and loss account	<u>1,746,375</u>	<u>1,343,729</u>

The tax on profit before tax for the year is higher 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 % ).

	2021 £	2020 £
Profit before tax	<u>8,954,732</u>	<u>6,703,016</u>
Corporation tax at standard rate	1,701,399	1,273,573
Effect of expense not deductible in determining taxable profit (tax loss)	(2,195)	5,284
Deferred tax credit relating to changes in tax rates or laws	(13,184)	(13,753)
Increase (decrease) in UK deferred tax from prior periods	60,355	(3,082)
Increase in UK and foreign current tax from adjustment for prior periods	-	81,707
Total tax charge	<u>1,746,375</u>	<u>1,343,729</u>

A UK corporation tax rate of 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly. The deferred tax asset at 31 December 2021 has been calculated at 19% (2020: 19%).

# Abbott Mead Vickers.BBDO Limited

## Notes to the Financial Statements for the year ended 31 December 2021

### Deferred tax

The movement in deferred tax asset in the year is as follows:

	Asset £
<b>2021</b>	
Difference between accumulated depreciation and amortisation	127,817
Other timing differences	<u>7,574</u>
	<u>135,390</u>
<b>2020</b>	
Difference between accumulated depreciation and amortisation	109,975
Other timing differences	<u>27,106</u>
	<u>137,081</u>

### 9 Dividends

	2021 £	2020 £
Dividend of £2,500,000 (2020 - £7,500,000) per ordinary share	<u>5,000,000</u>	<u>15,000,000</u>

### 10 Tangible fixed assets

	Furniture, fittings and equipment £	Office equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2021	2,867,381	5,319,270	8,186,651
Additions	<u>-</u>	<u>143,250</u>	<u>143,250</u>
At 31 December 2021	<u>2,867,381</u>	<u>5,462,520</u>	<u>8,329,901</u>
<b>Depreciation</b>			
At 1 January 2021	2,860,108	4,815,690	7,675,798
Charge for the year	<u>-</u>	<u>220,491</u>	<u>220,491</u>
At 31 December 2021	<u>2,860,108</u>	<u>5,036,181</u>	<u>7,896,289</u>
<b>Carrying amount</b>			
At 31 December 2021	<u>7,273</u>	<u>426,339</u>	<u>433,612</u>
At 31 December 2020	<u>7,273</u>	<u>503,580</u>	<u>510,853</u>

**Abbott Mead Vickers.BBDO Limited**

**Notes to the Financial Statements for the year ended 31 December 2021**

**Assets held under finance leases and hire purchase contracts**

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Office Equipment	<u>427,939</u>	<u>489,394</u>

**11 Fixed Asset Investments**

<b>Subsidiaries</b>	<b>Shares in group undertakings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
At 1 January 2021	<u>2</u>	<u>2</u>
<b>Carrying amount</b>		
At 31 December 2021	<u>2</u>	<u>2</u>
At 31 December 2020	<u>2</u>	<u>2</u>

**12 Stocks**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Work in progress	<u>3,787,278</u>	<u>4,878,667</u>

**13 Debtors**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade and other debtors	11,730,643	19,941,986
Amounts owed by group undertakings - trading balances	1,900,164	5,538,090
Amounts owed by group undertakings - loans and advances	16,895,970	13,036,141
Other debtors	2,154,024	1,040,237
Deferred tax assets	135,390	137,081
Prepayments and accrued income	<u>705,228</u>	<u>291,161</u>
	<u>33,521,419</u>	<u>39,984,696</u>

## Abbott Mead Vickers.BBDO Limited

### Notes to the Financial Statements for the year ended 31 December 2021

The Company participates in a cash concentration arrangement with its fellow subsidiaries, Omnicom Finance Limited and Omnicom Financial Services Limited, the Omnicom Europe Limited group's UK treasury operations, under which bank balances are cleared to zero on a daily basis either by the Company depositing cash with Omnicom Finance Limited and Omnicom Financial Services Limited or by Omnicom Finance Limited and Omnicom Financial Services Limited depositing cash with the Company. Included in amounts owed by group undertakings - loans and advances is £16,895,970 (2020: £13,036,141) representing cash deposited by the Company under these arrangements.

#### 14 Creditors

	2021 £	2020 £
<b>Due within one year</b>		
Obligations under finance lease and hire purchase contracts	196,726	189,792
Trade and other creditors	16,143,426	20,934,377
Amounts owed to group undertakings - trading balances	2,741,741	5,280,521
Taxation and social security	686,693	1,747,372
Accruals and deferred income	4,359,892	5,931,049
	<u>24,128,478</u>	<u>34,083,111</u>
<b>Due after one year</b>		
Obligations under finance lease and hire purchase contracts	-	307,483
Other creditors	974,263	546,908
	<u>974,263</u>	<u>854,391</u>

#### 15 Share capital

##### Allotted, called up and fully paid shares

	2021		2020
	No.	£	No.      £
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2      2</u>

#### 16 Pension and other schemes

##### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £976,898 (2020: £1,093,931).

Contributions amounting to £51,987 (2020: £166,870) were payable to the scheme and are included in creditors.

## Abbott Mead Vickers.BBDO Limited

### Notes to the Financial Statements for the year ended 31 December 2021

#### 17 Commitments

##### Operating leases

The Company's principal premises are leased from a fellow group company on terms with no future minimum lease payments. Costs during the year amounted to £3,791,560 (2020 : £4,765,948). There have been no future minimum lease payments on non-cancellable leases during the year (2020: £nil).

#### 18 Related party transactions

##### Summary of transactions with subsidiaries

At 31 December 2019, the Company's ultimate parent undertaking was Omnicom Group Inc. The shareholders of the Company have interest directly or indirectly in certain other companies which are considered to give rise to related party disclosures under FRS 102 Section 33.

As a 100% owned indirect subsidiary of Omnicom Group Inc, the Company has taken advantage of the exemption under FRS102 Section 33.1A: Related Party Disclosures, which enable it to exclude disclosure of transactions with Omnicom Group Inc and its wholly owned subsidiaries.

##### Income and receivables from related parties

	Entities with joint control or significant influence £
<b>2021</b>	
Receipt of services	267,436
Amounts receivable from related party	<u>104,996</u>
	<b>Entities with joint control or significant influence £</b>
<b>2020</b>	
Receipt of services	289,451
Amounts receivable from related party	<u>120,726</u>

## Abbott Mead Vickers.BBDO Limited

### Notes to the Financial Statements for the year ended 31 December 2021

#### Expenditure with and payables to related parties

	Entities with joint control or significant influence
2021	£
Rendering of services	257,753
Amounts payable to related party	252,758
2020	£
Rendering of services	3,928,142
Amounts payable to related party	805,233

#### 19 Post balance sheet events

In December 2022 the Company paid a dividend of £10,000,000 to its parent company

#### 20 Parent and ultimate parent undertaking

The Company is a subsidiary undertaking of Omnicom Group Inc. incorporated in the United States of America and is the largest group in which the results are consolidated.

These financial statements are available upon request from Omnicom Group Inc.'s registered address, 280 Park Avenue, New York, NY 10017, United States.

The Company is also consolidated into AMV BBDO Investments Limited and these accounts may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ, Wales.

## Abbott Mead Vickers,BBDO Limited

### Notes to the Financial Statements for the year ended 31 December 2021

#### 21 Details of undertaking

Details of the investments in which the company holds 20% or more directly or indirectly of the nominal value of any class of share capital are as follows:

Undertaking	Company number	Country of incorporation	Holding	Proportion of voting rights and shares held	Principal activity	Registered address
<b>Subsidiary undertakings</b>						
Abbott Mead Vickers Group Pension Trustee Limited	3276270	England	Ordinary	100	Dormant	Bankside 3, 90-100 Southwark Street, London, SE1 0SW