

Registration number: 1699246

AMV BBDO Investments Limited

Strategic Report, Directors' Report and Consolidated Financial Statements

for the Year Ended 31 December 2020

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AMV BBDO Investments Limited

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AMV BBDO Investments Limited

Strategic Report for the year ended 31 December 2020

The directors present their strategic report for the year ended 31 December 2020.

The board of directors consider that we have acted in ways which would be most likely to promote the success of the company for the benefit of all its members. This report sets out how we have complied with the requirements of section 172 of the Companies Act 2006.

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 a diversified client base. We have controls in place to ensure we abide by all regulations and regularly review our centrally agreed KPIs as well as monthly financial reporting and cash planning.

The health, safety and wellbeing of employees is a primary consideration in the way our business is run. We ensure that 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, and we therefore continue to ensure we benchmark our remuneration packages accordingly.

We view our suppliers as key partnerships that enable us to deliver a premium service to our clients, so we ensure that 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 us to mitigate the risk of reduced client advertising spend. We recognise that Agency, Client 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 with us.

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 Group during the financial year

The group is comprised of some of the UK's leading companies in the field of advertising, direct marketing, content marketing, corporate communications and brand publishing. The AMV BBDO Investments Limited group is a large diversified communications group providing services to a wide range of clients across numerous industries including retail, food, automotive, FMCG and telecommunications. The group aims to deliver first class service through a combination of attracting and retaining the very best people in the industry and providing leading edge creative innovation and technology to our clients.

AMV BBDO Investments Limited is a parent company for leading communications companies ultimately owned by Omnicom Group Inc.

AMV BBDO Investments Limited

Strategic Report for the year ended 31 December 2020

The group's turnover reported in 2020 amounted to £91,837,018 (2019: £116,263,180), with £24,270,340 related to a discontinued operation and £67,566,678 related to continuing operations. The profit for the year before taxation was £9,499,880 (2019: £19,283,971), with £211,996 related to a discontinued operation, and £9,287,884 related to continuing operations.

Position of the group at the year end

At the end of the year the group had net current assets of £39,356,392 (2019: £116,236,151). The directors consider that the group has access to sufficient funds to meet its needs for the reasons set out in Note 1 to the financial statements. Accordingly the directors have prepared the financial statements on a going concern basis.

Key performance indicators (both financial and non-financial)

The key indicators that we review focus on turnover, operating margin, and administrative expenses excluding goodwill amortisation.

We measure administrative expenses in two distinct cost categories: salary and service costs and office and general expenses. Salary and service costs consist of employee compensation and related costs and direct service costs. Office and general expenses consist of rent and occupancy costs, technology costs, depreciation and amortization and other overhead expenses.

As we are a service business, we monitor salary and service costs and office and general costs in relation to turnover. Salary and service costs tend to fluctuate in conjunction with changes in turnover. The group's turnover reduced by 21% in 2020 compared by 2019. Salary and service costs decreased by 12.6% in 2020 compared to 2019.

Office and general expenses are less directly linked to changes in turnover than salary and service costs. Office and general expenses (administration expenses less payroll costs) decreased by 20.68% in 2020 compared to 2019.

Operating margin decreased to 10.3% in 2020 (2019: 16.5%).

Principal risks and uncertainties

Our employees continue to be the most important assets and our ability to attract and retain key personnel is an important aspect of our competitiveness. If we are unable to attract and retain key personnel, including highly skilled technically proficient personnel, 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 effect on our results and financial position.

Our clients generally are able to reduce advertising and marketing spending or cancel projects at any time on short notice for any reason. It is possible that our clients could reduce spending in comparison to historical patterns. A significant reduction in advertising and marketing spending by our largest clients, or the loss of several of our largest clients, if not replaced by new clients or an increase in business from existing clients, would adversely affect our turnover and could have a material adverse effect on our results and financial position.

AMV BBDO Investments Limited

Strategic Report for the year ended 31 December 2020

We rely on information technology systems and infrastructure to process transactions, summarise results and manage our business, including maintaining client marketing and advertising information. Our information technology systems are potentially vulnerable to system failures and network disruptions, malicious intrusion and random attack. Likewise, data security incidents and breaches by employees and others with or without permitted access to our systems may pose a risk that sensitive data may be exposed to unauthorised persons or to the public. Additionally, we utilise third parties, including cloud providers, to store, transfer or process data. While we have taken what we believe are prudent measures to protect our data and information technology systems, there can be no assurance that our efforts will prevent system failures or network disruptions or breaches in our systems, or in systems of third parties we use, that could adversely affect our reputation or business.

The main trends and factors likely to affect future development, performance and position of the Group's business

In the normal course of business, our agencies enter into contractual commitments with media providers and production companies on behalf of our clients at levels that can substantially exceed the turnover from our services. These commitments are included in accounts payable when the services are delivered by the media providers or production companies. If permitted by local law and the client agreement, many of our agencies purchase media and production services for our clients as an agent for a disclosed principal. In addition, operating practices vary by country, media type and media vendor.

Where purchases of media and production services are made by our agencies as a principal or are not subject to the theory of sequential liability, the risk of a material loss as a result of payment default by our clients could increase significantly and such a loss could have a material adverse effect on our results and financial position. In addition, methods of managing the risk of payment default, including obtaining credit insurance, requiring payment in advance, mitigating the potential loss in the marketplace or negotiating with media providers, may be less available or unavailable during a severe economic downturn.

Global economic conditions have a direct impact on our business and financial performance. In particular, current global economic conditions pose a risk that our clients may reduce future spending on advertising and marketing services which could reduce the demand for our services. If domestic or global economic conditions worsen or do not improve, our results and financial position could be adversely affected. We will continue to closely monitor economic conditions, client turnover levels and other factors and, in response to reductions in our client turnover, if necessary, we will take actions available to us to align our cost structure and manage working capital. There can be no assurance whether, or to what extent, our efforts to mitigate any impact of future economic conditions, reductions in our client turnover, changes in client creditworthiness and other developments will be effective.

Global economic uncertainty, turmoil in the credit markets or a contraction in the availability of credit may make it more difficult for businesses, including us, to meet their working capital requirements and could lead clients to seek to change their financial relationship with their vendors, including us, and could cause our clients to reduce spending on our services, delay the payment for our services or take additional actions that would negatively affect our working capital. We would need to obtain additional financing to fund our day-to-day working capital requirements in such circumstances. There is no assurance that such additional financing would be available on favourable terms, if at all. Such circumstances could have a material adverse effect on our results and financial position.

We are exposed to foreign exchange fluctuation in the course of normal business activities. We monitor our foreign currency exposure and manage our currency flows to minimise foreign exchange risk arising on transactions denominated in foreign currencies. Wherever possible the majority of our cash balances are maintained in sterling to mitigate the impact of currency fluctuations.

AMV BBDO Investments Limited

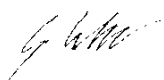
Strategic Report for the year ended 31 December 2020

Britain left the European Union in January 2020, with new rules put in place to govern EU and UK relations taking effect from 1 January 2021. This continues to cause some uncertainty around the economic outlook in all sectors of the UK economy. At this stage it is not clear to what extent it will affect both economies, and the media sector in particular. We are monitoring developments in this respect.

Covid- 19 has had a significant impact to the industry with reduced spend seen across a number of key business sectors such as retail, travel and automotive. Whilst we have seen revenue declines in these areas, the group is fortunate to have a diverse client portfolio where some clients have not felt the impact and therefore have maintained their marketing budgets. Where revenues have reduced we have taken active steps to reduce our staff costs accordingly, significantly cut back on controllable overheads to help reduce the impact on our margin and take advantage of the VAT deferral scheme and job retention scheme introduced by the UK government. Cashflow remains strong and we have put in steps to ensure cash collection is a priority.

The directors are confident that the group remains a going concern due to its diverse industry mix of clients and strong cash flow and anticipate the industry will show signs of recovery as consumer confidence starts to return.

Approved by the Board on 2 December 2021 and signed on its behalf by:



.....
S. Gilson
Director

AMV BBDO Investments Limited

Directors' Report for the year ended 31 December 2020

The directors present their report and the consolidated financial statements for the year ended 31 December 2020.

Principal activity

The principal activities of the Group during the year continued to be advertising, marketing and corporate communications.

Dividends

The company paid a dividend of £84,585,525 during the year ended 31 December 2020 (2019: £2,000,000).

Directors of the group

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

S. Gilson

J. Moser

The Group has made qualifying third party indemnity provisions for the benefit of the directors during the period and these remain in force at the reporting date.

Political and charitable donations

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

Donations to charities amounted to £36,740 (2019: £33,328).

Employee Involvement

We communicate the strategy and direction of the businesses through monthly updates to all employees in emails 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.

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 training, career development and promotion of disabled person should, as far as possible, be identical with that of other employees.

Engagement with suppliers, customers and other relationships

As mentioned in the Strategic report on page 1, our business relationships with our suppliers and customers are integral to the successful operation of our business, and as such, these represent a critical element of all consideration and decision making within the business. We aim to provide customers with high quality, premium service, and this strive for excellence drives the planning and delivery of our work. We also work hard to develop strong working relationships with our clients, which forms a significant aspect of our business operations and business success.

Likewise, our suppliers are key partners who enable us to deliver such services to our clients. We ensure that fair payment terms are built into all our supplier agreements, and we commit to timely payments while managing our own cashflow and treasury planning. We aim to develop and maintain effective working relationships with our suppliers also, and recognise their role in our success, and vice versa.

AMV BBDO Investments Limited

Directors' Report for the year ended 31 December 2020

Environmental report

The Group consumed less than 40,000 kWh of energy in the UK during the financial year ended 31 December 2020 and so, under the Streamlined Energy and Carbon Reporting Framework implemented by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, is not required to disclose information on energy usage and carbon reporting in these financial statements. Additional information concerning the Group's wider environmental sustainability strategy can be found in the Strategic Report.

Post balance sheet events

On 8 March 2021 the investment in Proximity London was sold to another Omnicom group company for £17,996,624, the current net book value of the investment. The share premium of AMV BBDO Investments Limited was then reduced by £18,000,000 and a dividend of £17,996,624 was paid in March 2021 to the parent company.

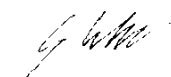
Disclosure of information to the auditor

Each director who held office at the date of approval of this directors' report confirms that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Reappointment of auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board on 2 December 2021 and signed on its behalf by:



.....
S. Gilson
Director

Bankside 3
90 - 100 Southwark Street
London
SE1 0SW
Registered office

AMV BBDO Investments Limited

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 group and parent company 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 the group and parent company 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 group and parent company and of their profit or loss 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 group and parent 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 group or the parent 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 parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its 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 group and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of AMV BBDO Investments Limited

Opinion

We have audited the financial statements of AMV BBDO Investments Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 group 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.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and 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 their 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").

In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the group or the company will continue in operation.

Independent Auditor's Report to the Members of AMV BBDO Investments Limited

Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading Board minutes;
- Considering remuneration incentive schemes and performance targets for management/directors/sales staff;
- Using analytical procedures to identify any unusual and unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk linked to revenue recognition because of the minimal estimation and complexity of revenue streams applicable to this entity.

We did not identify any additional fraud risks.

We performed procedures including:

Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation to ensure that the transaction exist. These included those posted with a credit to revenue against an unexpected account pairing.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors, and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, whilst the company is subject matter to many other laws and regulations, we did not identify any others where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Independent Auditor's Report to the Members of AMV BBDO Investments Limited

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 7, 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 group and parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of AMV BBDO Investments Limited

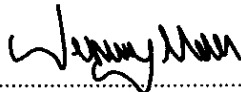
Auditor's responsibilities for the audit of the financial statements

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 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.

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.



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Jeremy Hall (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

2 December 2021

AMV BBDO Investments Limited

Consolidated Profit and Loss Account for the year ended 31 December 2020


		<i>Continuing operations 2020</i>	<i>Discontinued operations 2020</i>	<i>2020</i>	<i>Continuing operations 2019</i>	<i>Discontinued operations 2019</i>	<i>2019</i>
	Note	£	£	£	£	£	£
Gross Billings	2	123,612,679	28,111,845	151,724,524	150,961,077	35,711,980	186,673,057
Rebillable Costs		(56,046,001)	(3,841,505)	(59,887,506)	(67,075,293)	(3,334,584)	(70,409,877)
Turnover		67,566,678	24,270,340	91,837,018	83,885,784	32,377,396	116,263,180
Direct Costs		(1,943,593)	(7,859,914)	(9,803,507)	(4,260,322)	(7,458,012)	(11,718,334)
Administrative expenses		(56,660,963)	(16,285,828)	(72,946,791)	(63,688,307)	(21,656,137)	(85,344,444)
Other operating income		319,693	89,937	409,630	4,004	-	4,004
Operating profit	3	9,281,815	214,535	9,496,350	15,941,159	3,263,247	19,204,406
Other interest receivable and similar income	7	29,224	4,946	34,170	207,717	32,566	240,283
Interest payable and similar charges	8	(23,155)	(7,485)	(30,640)	(153,611)	(7,107)	(160,718)
		6,069	(2,539)	3,530	54,106	25,459	79,565
Profit before tax		9,287,884	211,996	9,499,880	15,995,265	3,288,706	19,283,971
Tax on profit	9	(1,732,123)	(50,954)	(1,783,077)	(3,243,009)	(613,425)	(3,856,434)
Profit for the financial year		7,555,761	161,042	7,716,803	12,752,256	2,675,281	15,427,537

The group has no recognised gains or losses for the year other than the results above. Consequently, a statement of comprehensive income has not been prepared.

AMV BBDO Investments Limited
(Registration number: 1699246)
Consolidated Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	616,269	906,831
Current assets			
Stocks	13	5,542,537	17,271,076
Debtors	14	73,391,949	146,727,921
Cash at bank and in hand		<u>22</u>	<u>13,203</u>
		78,934,508	164,012,200
Creditors: Amounts falling due within one year	15	<u>(39,578,116)</u>	<u>(47,776,049)</u>
Net current assets		<u>39,356,392</u>	<u>116,236,151</u>
Total assets less current liabilities		39,972,661	117,142,982
Creditors: Amounts falling due after more than one year	15	<u>(908,416)</u>	<u>(1,210,015)</u>
Net assets		<u><u>39,064,245</u></u>	<u><u>115,932,967</u></u>
Capital and reserves			
Called up share capital	16	9	9
Share premium account		95,680,312	160,665,837
Retained earnings		2,145,196	14,028,393
Merger reserve		<u>(58,761,272)</u>	<u>(58,761,272)</u>
Total equity		<u><u>39,064,245</u></u>	<u><u>115,932,967</u></u>

Approved and authorised by the Board on 2 December 2021 and signed on its behalf by:

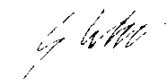

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S. Gilson
Director

AMV BBDO Investments Limited
(Registration number: 1699246)
Company's Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	12	80,590,134	80,590,134
Current assets			
Debtors	14	<u>16,138,026</u>	<u>81,123,551</u>
Net assets		<u>96,728,160</u>	<u>161,713,685</u>
Capital and reserves			
Called up share capital	16	9	9
Share premium account		95,680,312	160,665,837
Retained earnings		<u>1,047,839</u>	<u>1,047,839</u>
Total equity		<u>96,728,160</u>	<u>161,713,685</u>

The company made a profit after tax for the financial year of £19,600,000 (2019 - profit of £2,104,590).

Approved and authorised by the Board on 2 December 2021 and signed on its behalf by:



.....
S. Gilson
Director

AMV BBDO Investments Limited

Consolidated Statement of Changes in Equity for the year ended 31 December 2020

	Share capital £	Share premium £	Merger reserve £	Retained earnings £	Total £
At 1 January 2020	9	160,665,837	(58,761,272)	14,028,393	115,932,967
Profit for the year	-	-	-	7,716,803	7,716,803
Total comprehensive income	-	-	-	7,716,803	7,716,803
Dividends	-	-	-	(84,585,525)	(84,585,525)
Capital reduction	-	(64,985,525)	-	64,985,525	-
At 31 December 2020	9	95,680,312	(58,761,272)	2,145,196	39,064,245
	Share capital £	Share premium £	Merger reserve £	Retained earnings £	Total £
At 1 January 2019	9	160,665,837	(58,761,272)	600,856	102,505,430
Profit for the year	-	-	-	15,427,537	15,427,537
Total comprehensive income	-	-	-	15,427,537	15,427,537
Dividends	-	-	-	(2,000,000)	(2,000,000)
At 31 December 2019	9	160,665,837	(58,761,272)	14,028,393	115,932,967

The notes on pages 18 to 32 form an integral part of these financial statements.
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AMV BBDO Investments Limited

Company's Statement of Changes in Equity for the year ended 31 December 2020

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 January 2020	9	160,665,837	1,047,839	161,713,685
Profit for the year	-	-	19,600,000	19,600,000
Total comprehensive income	-	-	19,600,000	19,600,000
Dividends	-	-	(84,585,525)	(84,585,525)
Capital reduction	-	(64,985,525)	64,985,525	-
At 31 December 2020	9	95,680,312	1,047,839	96,728,160
	Share capital £	Share premium £	Retained earnings £	Total £
At 1 January 2019	9	160,665,837	943,249	161,609,095
Profit for the year	-	-	2,104,590	2,104,590
Total comprehensive income	-	-	2,104,590	2,104,590
Dividends	-	-	(2,000,000)	(2,000,000)
At 31 December 2019	9	160,665,837	1,047,839	161,713,685

The notes on pages 18 to 32 form an integral part of these financial statements
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AMV BBDO Investments Limited

Consolidated Statement of Cash Flows for the year ended 31 December 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Profit for the year		7,716,803	15,427,537
Adjustments to cash flows from non-cash items			
Depreciation	3	388,196	399,795
Profit on disposal of tangible assets		-	(1,000)
Finance income	7	(34,170)	(135,693)
Finance costs	8	30,640	160,718
Long term incentives related to restricted stock units		52,859	184,885
Dividends from preference shares		-	(104,590)
Other long-term incentives		-	59,495
Income tax expense	9	1,783,077	3,856,434
		<u>9,937,405</u>	<u>19,847,581</u>
Working capital adjustments			
Decrease/(increase) in stocks	13	11,728,539	(3,510,427)
Decrease/(increase) in debtors	14	74,956,731	(68,781,808)
(Decrease)/increase in creditors	15	<u>(8,177,189)</u>	<u>370,623</u>
Cash (used in)/ generated from operations		88,445,486	(52,074,031)
Income taxes paid	9	<u>(4,644,158)</u>	<u>(3,495,554)</u>
Net cash (used in)/ generated from operating activities		<u>83,801,328</u>	<u>(55,569,585)</u>
Cash flows from investing activities			
Interest received		34,170	135,693
Acquisitions of tangible assets		(285,622)	(394,998)
Proceeds from sale of tangible assets to leasing company		285,622	395,998
Proceeds from sale of tangible assets		187,988	-
Redemption of preference shares		-	62,074,000
Equity dividend paid		(84,585,525)	(2,000,000)
Repayments of obligation under finance lease		<u>(145,270)</u>	<u>51,872</u>
Net cash flows from investing activities		<u>(84,508,637)</u>	<u>60,262,565</u>
Cash flows from financing activities			
Interest paid	8	(30,640)	(160,718)
Decrease/(increase) in loans to group undertakings		<u>724,768</u>	<u>(4,531,168)</u>
Net cash flows from financing activities		<u>694,128</u>	<u>(4,691,886)</u>
Net (decrease)/increase in cash and cash equivalents		(13,181)	1,094
Cash and cash equivalents at 1 January 2020		<u>13,203</u>	<u>12,109</u>
Cash and cash equivalents at 31 December 2020		<u>22</u>	<u>13,203</u>

The notes on pages 18 to 32 form an integral part of these financial statements.

AMV BBDO Investments Limited

Notes to the Financial Statements for the year ended 31 December 2020

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 Group'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 & Wales, United Kingdom.

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

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

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 for the parent company financial statements only:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;

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.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2020. AMV BBDO Investments Limited held 100% of the shares of Proximity London Limited which has a net book value of £17,996,624, recorded as an investment in the parent company financial statements. Proximity London Limited is one of the subsidiaries included in these consolidated financial statements. On 1 November 2020 Proximity London Limited entered into a business transfer agreement to transfer its operations, assets (excluding inter-company receivables/ treasury cash pool of £9.34m) and liabilities to RAPP Limited. The trade assets and liabilities transferred have been disclosed in Note 23. Proximity London Limited ceased trade from 1 November 2020. The results of Proximity London Limited have been consolidated until 31 October 2020, and it has been accounted for as a discontinued operation. On 8 March 2021 DAS UK Investments Limited purchased 100% of the shares of Proximity London Limited for £17,996,624 from AMV BBDO Investments Limited.

AMV BBDO Investments Limited

Notes to the Financial Statements for the year ended 31 December 2020

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Merger accounting

As permitted by FRS 6 and FRS 102, the group accounted for the reconstruction of the group in 2013 under merger accounting. In merger accounting the financial statements of the parties to the combination are aggregated, and presented as though the combining entities had always been part of the same reporting entity. Accordingly, the results of the combining entities for the full financial year are reflected in the group accounts for the period and corresponding amounts are presented on the same basis. Under merger accounting, a difference may arise on consolidation between the nominal value of shares issued and the aggregate of the nominal value of shares received in exchange. Such difference is not goodwill and is shown as a merger reserve.

AMV BBDO Investments Limited

Notes to the Financial Statements for the year ended 31 December 2020

Going concern

The Group has net current assets of £39,356,392 at 31 December 2020 (2019: £116,236,151). The directors consider that the Group 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 group companies participate 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 and Omnicom Financial Services Limited depositing cash with the Company. The Group'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 and Omnicom Financial Services Limited, are able to make this commitment because Omnicom Finance Limited and Omnicom Financial Services Limited are 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.

The directors have made a going concern assessment which covers a period of at least 12 months from the date of approval of these financial statements, taking account of severe but plausible downside scenarios (including [the assumption of further COVID-19 lockdowns]), that indicates that the group will have sufficient funds to meet its liabilities as they fall due throughout that period, via the group facilities described above. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Gross Billings

Gross billings are recognised 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 Group is arranging for its clients in its capacity as an intermediary. The Group contracts directly with suppliers and is responsible for their payment, recharging its clients for all costs incurred. Although the Group 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 Group acts as an intermediary, costs incurred with external suppliers are excluded from turnover.

Turnover

Turnover consists of fees and commissions earned in respect of gross billings and direct costs, which meet the Companies Act definition of turnover. Turnover is recognised when services are performed, in accordance with the terms of arrangements reached with each client. Gross billings and turnover are stated exclusive of VAT, sales taxes and trade discounts.

AMV BBDO Investments Limited

Notes to the Financial Statements for the year ended 31 December 2020

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.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value.

Work in progress

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.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Group or Company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

AMV BBDO Investments Limited

Notes to the Financial Statements for the year ended 31 December 2020

Leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

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.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

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.

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
Furniture, Fittings, Tools and Equipment	10%-33.33% per annum
Office Equipment	20%-33.33% per annum

Defined contribution pension obligation

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".

AMV BBDO Investments Limited

Notes to the Financial Statements for the year ended 31 December 2020

2 Turnover

The whole of the group's gross billings, turnover and operating profit for the year related to its principal activity, which was that of an advertising agency.

The analysis of the group's turnover for the year from continuing operations for rendering of services is as follows:

	2020	2019
	£	£
UK	60,781,294	92,587,759
Europe	15,844,112	15,463,130
Rest of world	15,211,612	8,212,291
	<u>91,837,018</u>	<u>116,263,180</u>

3 Operating profit

Arrived at after charging/(crediting)

	2020	2019
	£	£
Depreciation and other amounts written off tangible fixed assets: owned	388,196	399,795
Foreign exchange (gains)/losses	708,938	322,746
(Profit)/loss on disposal of property, plant and equipment	-	(1,000)
Hire of plant and machinery - rentals payable under operating leases	(6,417)	13,585
Hire of other assets - rentals payable under operating leases	8,679,306	9,211,201
Rental income	<u>(32,918)</u>	<u>(32,918)</u>

Included in operating profit are government grants of £405,458 received from the Coronavirus Job Retention Scheme.

4 Auditor's remuneration

	2020	2019
	£	£
Audit of these financial statements	<u>182,759</u>	<u>212,980</u>

The audit fee for the Group has been borne by the subsidiary entities in both 2020 and 2019.

No other fees were paid to the auditors (2019: nil).

AMV BBDO Investments Limited

Notes to the Financial Statements for the year ended 31 December 2020

5 Directors' remuneration

	2020	2019
	£	£
Directors' emoluments	597,000	500,075
Company contributions to money purchase pension schemes	34,714	31,910
	<u>631,714</u>	<u>531,985</u>

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

	2020	2019
	No.	No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

The aggregate emoluments of the highest paid director was £436,863 (2019: £339,938) and company pension contributions of £29,614 (2019: £26,810) were made to a money purchase scheme.

6 Staff costs

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

	2020	2019
	£	£
Wages and salaries	35,201,570	41,720,310
Share related awards	782	190,436
Social security costs	4,151,137	4,916,046
Pension and other post-employment benefit costs	1,713,215	1,884,329
Severance/loss of office	3,618,677	1,004,415
	<u>44,685,381</u>	<u>49,715,536</u>

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

	2020	2019
	No.	No.
Production	339	411
Administration and support	222	262
Sales	-	3
	<u>561</u>	<u>676</u>

AMV BBDO Investments Limited

Notes to the Financial Statements for the year ended 31 December 2020

7 Other interest receivable and similar income

	2020	2019
	£	£
Bank interest receivable	25,803	-
Receivable from group undertakings	8,367	135,693
Dividends receivable from preference shares	-	104,590
	<u>34,170</u>	<u>240,283</u>

8 Interest payable and similar expenses

	2020	2019
	£	£
Other interest payable	-	132,424
Finance charges payable in respect of finance leases and hire purchase contracts	30,640	28,294
	<u>30,640</u>	<u>160,718</u>

9 Taxation

Tax charged/(credited) in the income statement

	2020	2019
	£	£
Current taxation		
Current tax on income for the period	1,802,364	3,644,256
Adjustments in respect of previous periods	(21,391)	163,669
	<u>1,780,973</u>	<u>3,807,925</u>
Deferred taxation		
Origination and reversal of timing differences	10,509	55,717
Effect of decreased tax rate on opening liability	(9,088)	13,753
Adjustment in respect of previous periods	683	(20,961)
Total deferred taxation	<u>2,104</u>	<u>48,509</u>
Tax expense in the income statement	<u>1,783,077</u>	<u>3,856,434</u>

AMV BBDO Investments Limited

Notes to the Financial Statements for the year ended 31 December 2020

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2019 - higher than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit before tax	9,499,880	19,283,971
Corporation tax at standard rate	1,804,977	3,663,954
Effect of expense not deductible in determining taxable profit (tax loss)	6,127	9,612
Deferred tax (credit)/expense relating to changes in tax rates or laws	(9,088)	13,753
Decrease in UK deferred tax from a prior period	683	(20,961)
(Decrease)/increase in UK current tax from a prior period	(21,391)	163,669
Other tax effects for reconciliation between accounting profit and tax expense (income)	1,769	26,407
Total tax charge	1,783,077	3,856,434

A UK corporation rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will increase the company's future current tax charge accordingly. The deferred tax asset at 31 December 2020 has been calculated at 19% (2019: 17%). The March 2021 Budget announced that a rate of 25% would apply with effect from 1 April 2023. This change was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly and increase the deferred tax asset by £50,329.

Deferred tax

Group

Deferred tax assets and liabilities

	Asset £
2020	
Difference between accumulated depreciation and amortisation and capital allowances	132,290
Other timing differences	27,203
	<u>159,493</u>
2019	
Difference between accumulated depreciation and amortisation and capital allowances	269,267
Other timing differences	22,571
	<u>291,838</u>

AMV BBDO Investments Limited

Notes to the Financial Statements for the year ended 31 December 2020

10 Dividends

	2020 £	2019 £
Dividend of £939,839 (2019 - £22,222) per ordinary share	<u>84,585,525</u>	<u>2,000,000</u>

11 Tangible fixed assets

Group

	Furniture, fittings and equipment £	Office equipment £	Total £
Cost			
At 1 January 2020	2,575,087	6,718,841	9,293,928
Additions	-	285,622	285,622
Disposals	<u>(34,497)</u>	<u>(1,110,125)</u>	<u>(1,144,622)</u>
At 31 December 2020	<u>2,540,590</u>	<u>5,894,338</u>	<u>8,434,928</u>
Depreciation			
At 1 January 2020	2,529,149	5,857,948	8,387,097
Charge for the year	20,291	367,905	388,196
Disposal	<u>(16,123)</u>	<u>(940,511)</u>	<u>(956,634)</u>
At 31 December 2020	<u>2,533,317</u>	<u>5,285,342</u>	<u>7,818,659</u>
Carrying amount			
At 31 December 2020	<u>7,273</u>	<u>608,996</u>	<u>616,269</u>
At 31 December 2019	<u>45,938</u>	<u>860,893</u>	<u>906,831</u>

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:

	2020 £	2019 £
Office Equipment	<u>582,204</u>	<u>797,093</u>

AMV BBDO Investments Limited

Notes to the Financial Statements for the year ended 31 December 2020

12 Fixed assets investments

Company

	Shares in group undertakings £	Total £
Cost		
At 1 January 2020	<u>80,590,134</u>	<u>80,590,134</u>
Carrying amount		
At 31 December 2020	<u>80,590,134</u>	<u>80,590,134</u>
At 31 December 2019	<u>80,590,134</u>	<u>80,590,134</u>

For the details of undertakings please see note 22 at the end of these financial statements.

13 Stocks

	Group		Company
	2020 £	2019 £	2020 £
Work in progress	<u>5,542,537</u>	<u>17,271,076</u>	<u>-</u>

14 Debtors

		Group		Company
	Note	2020 £	2019 £	2020 £
Trade debtors		22,882,744	27,087,798	-
Amounts owed by group undertakings - trading balances		22,954,229	91,551,411	16,138,026
Amounts owed by group undertakings - loans and advances		25,860,981	26,585,749	-
Other debtors		1,151,342	557,089	-
Deferred tax assets	9	159,493	291,838	-
Prepayments and accrued income		<u>383,160</u>	<u>654,036</u>	<u>-</u>
		<u>73,391,949</u>	<u>146,727,921</u>	<u>16,138,026</u>
				<u>81,123,551</u>

The Group subsidiaries participate in a cash concentration arrangement with fellow subsidiaries of Omnicom Group Inc. 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 Group's subsidiaries 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 Group's subsidiaries. Included in 'Amounts owed by group undertakings - loans and advances' is £25,860,981 (2019: £26,585,749) representing cash deposited by the Group's subsidiaries under these arrangements.

AMV BBDO Investments Limited

Notes to the Financial Statements for the year ended 31 December 2020

15 Creditors

	Group	
	2020 £	2019 £
Due within one year		
Bank loans and overdrafts	-	20,745
Obligations under finance lease and hire purchase contracts	230,539	299,358
Trade creditors	21,285,107	23,903,708
Amounts owed to group undertakings - trading balances	6,430,050	5,570,469
Amounts owed to group undertakings - loans and advances	-	20,350
Taxation and social security	2,004,406	4,999,724
Accruals and deferred income	9,628,014	12,961,695
	<u>39,578,116</u>	<u>47,776,049</u>
Due after one year		
Obligations under finance lease and hire purchase contracts	361,508	506,778
Other creditors	546,908	703,237
	<u>908,416</u>	<u>1,210,015</u>

16 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £0.10 each	<u>90</u>	<u>9</u>	<u>90</u>	<u>9</u>

17 Pension and other schemes

Defined contribution pension scheme

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £1,713,215 (2019: £1,884,329).

Contributions totalling £166,750 (2019: £292,213) were payable to the scheme at the end of the year and are included in creditors.

AMV BBDO Investments Limited

Notes to the Financial Statements for the year ended 31 December 2020

18 Commitments

Group

Capital commitments

The total amount contracted for but not provided in the financial statements was £Nil (2019: £Nil).

Operating leases

The principal premises are leased from a fellow group company on terms with no future minimum lease payments. Costs during the year amounted to £8,679,306 (2019: £9,211,201).

19 Related party transactions

Income and receivables from related parties

	Entities with joint control or significant influence £
2020	
Receipt of services	289,846
Amounts receivable from related party	<u>120,726</u>

	Entities with joint control or significant influence £
2019	
Receipt of services	237,488
Amounts receivable from related party	<u>259,226</u>

Expenditure with and payables to related parties

	Entities with joint control or significant influence £
2020	
Rendering of services	3,298,142
Amounts payable to related party	<u>805,233</u>

	Entities with joint control or significant influence £
2019	
Rendering of services	1,937,468
Amounts payable to related party	<u>720,093</u>

Total compensation of key management personnel (including the directors) in the year amounted to £1,460,028 (2019: £1,321,566).

AMV BBDO Investments Limited

Notes to the Financial Statements for the year ended 31 December 2020

20 Post balance sheet events

On 8 March 2021 the investment in Proximity London was sold to another Omnicom group company for £17,996,624, the current net book value of the investment. The share premium of AMV BBDO Investments Limited was then reduced by £18,000,000 and a dividend of £17,996,624 was paid in March 2021 to the parent company.

21 Parent and ultimate parent undertaking

The Company is a subsidiary undertaking of Omnicom Group Inc. incorporated in the United States of America.

The largest group in which the results of the Company are consolidated is that headed by Omnicom Group Inc. The consolidated accounts of this company are available to the public and may be obtained from Omnicom Group Inc.'s registered address., 280 Park Avenue, New York, NY 10017, United States, or at www.omnicomgroup.com.

No other group accounts include the results of the Company.

AMV BBDO Investments Limited

Notes to the Financial Statements for the year ended 31 December 2020

22 Details of undertaking

Subsidiary exemption

The following UK subsidiaries of the group, having met the criteria set out in sections 479A-479C of the Companies Act 2006, are claiming exemptions from the audit of the individual accounts afforded by those sections for the year ended 31 December 2020.

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
Subsidiary undertakings						
Abbott Mead Vickers BBDO Limited	1935786	England	Ordinary	100	Advertising	Bankside 3, 90-100 Southwark Street, London, SE1 0SW, England
Abbott Mead Vickers Group Pension Trustee Limited	3276270	England	Ordinary	100	Dormant	Bankside 3, 90-100 Southwark Street, London, SE1 0SW, England
Proximity London Limited	2617496	England	Ordinary	100	Direct Marketing	Bankside 3, 90-100 Southwark Street, London, SE1 0SW, England
Redwood Publishing Limited	03582472	England	Ordinary	100	Marketing	Bankside 3, 90-100 Southwark Street, London, SE1 0SW, England

23. Assets and liabilities transferred via Business Transfer Agreement

Per Note 1, the assets and liabilities transferred from the discontinued operation were as follows. This excludes cash of £9,344,403.

Account category	£
NBV of fixed assets	187,989
Accounts receivable	3,359,005
WIP	2,069,051
Prepaid and other receivables	954,868
Intercompany receivables excluding cash	532,388
Accounts payable	(1,134,393)
Customer advances	(1,209,637)
Accrued DC pension	28
Other current liabilities	(3,256,644)
Taxes-EE withholding	(338,095)
Taxes-UK CT	145,163
Taxes-VAT	(1,153,329)
Intercompany payables	(131,477)
Deferred tax asset	133,994
Long term liabilities	(90,883)
Total	68,028