

Registration number: 1699246

# AMV BBDO Investments Limited

Strategic Report, Directors' Report and Consolidated Financial Statements

for the Year Ended 31 December 2022



## **AMV BBDO Investments Limited**

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## AMV BBDO Investments Limited

### Strategic Report for the year ended 31 December 2022

The directors present their strategic report for the year ended 31 December 2022.

The board of directors consider that we have acted in ways which would be most likely to promote the success of the Group 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 group 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 group'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 group 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 2022

The group's turnover reported in 2022 amounted to £75,563,778 (2021: £62,144,310). The profit before tax for the year was £15,354,153 (2021: £22,510,861).

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

At the end of the year the group had net current assets of £32,623,199 (2021: £34,115,229). 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.

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 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 increased by 21.6% in 2022 compared to 2021. Salary and service costs increased by 10.7% in 2022 compared to 2021.

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) increased by 14.1% in 2022 compared to 2021.

Operating margin decreased to 19.9% in 2022 (2021: 22.4%).

#### **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.

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.

## AMV BBDO Investments Limited

### Strategic Report for the year ended 31 December 2022

#### **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.

We are continuing to monitor the impact of macroeconomic conditions and geopolitical tensions on the group, including the ongoing war in Ukraine and the Israel/Hamas conflict. The combination of higher inflation and interest rates has altered the outlook of the UK economy. The group has a diverse portfolio, so the impact is not widespread, and where revenues have reduced active steps have been taken to reduce staff costs and controllable overheads to reduce the impact on margins. We are in regular dialogue with our clients and closely monitor revenues for any possible decline. If necessary, we will take further actions available to us to align our cost structure and manage working capital. Management has no immediate reservations over the group's ability to continue as a going concern.

**AMV BBDO Investments Limited**

**Strategic Report for the year ended 31 December 2022**

Approved by the Board on 18 April 2024 and signed on its behalf by:



.....  
M. Sanders  
Director

## **AMV BBDO Investments Limited**

### **Directors' Report for the year ended 31 December 2022**

The directors present their report and the consolidated financial statements for the year ended 31 December 2022.

#### **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 £14,014,915 during the year ended 31 December 2022 (2021: £25,306,450).

#### **Directors of the group**

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

S. Gilson (ceased 11 March 2022)

M. Sanders (appointed 11 March 2022)

J. Moser (ceased 12 June 2023)

The following director was appointed after the year end:

H. Cavanagh (appointed 12 June 2023)

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 £21,719 (2021: £21,275).

#### **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.

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.

## AMV BBDO Investments Limited

### Directors' Report for the year ended 31 December 2022

#### 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.

#### Post balance sheet events

No subsequent events have been identified pertaining to AMV BBDO Investments Limited or any of its subsidiaries from 31 December 2022 to the date the financial statements have been signed.

#### Environmental report

The Group consumed less than 40,000 kWh of energy in the UK during the financial year ended 31 December 2022 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.

#### 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 18 April 2024 and signed on its behalf by:



.....  
M. Sanders  
Director

Bankside 3  
90 - 100 Southwark Street  
London  
SE1 0SW

Registered office

## **AMV BBDO Investments Limited**

### **Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they 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 group and the parent company and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

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

## **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 2022, 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 2022 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 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 its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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's 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 transaction exists. These included those posted with a credit to revenue against an unexpected account pairing.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

#### *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**

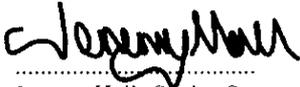
### **Auditor's responsibilities for the audit of the financial statements**

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](http://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.



.....  
Jeremy Hall (Senior Statutory Auditor)  
For and on behalf of KPMG I.L.P. Statutory Auditor  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

Date: 18 April 2024

## AMV BBDO Investments Limited

### Consolidated Profit and Loss Account for the year ended 31 December 2022

	Note	2022 £	2021 £
Gross billings		123,206,190	101,369,560
Rebillable costs		<u>(47,642,412)</u>	<u>(39,225,250)</u>
Turnover	2	75,563,778	62,144,310
Direct costs		<u>(6,355,503)</u>	<u>(496,888)</u>
Gross profit		69,208,275	61,647,422
Administrative expenses		(54,205,137)	(48,403,417)
Other operating income		<u>56,797</u>	<u>696,450</u>
Operating profit	3	<u>15,059,935</u>	<u>13,940,455</u>
Profit on disposal of operations		-	8,584,196
Other interest receivable and similar income	7	318,657	9,546
Interest payable and similar charges	8	<u>(24,439)</u>	<u>(23,336)</u>
		<u>294,218</u>	<u>8,570,406</u>
Profit before tax on ordinary activities		15,354,153	22,510,861
Taxation	9	<u>(2,690,566)</u>	<u>(2,643,211)</u>
Profit for the financial year		<u>12,663,587</u>	<u>19,867,650</u>
<b>Profit attributable to:</b>			
Owners of the company		<u>12,663,587</u>	<u>19,867,650</u>

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.

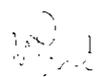
**AMV BBDO Investments Limited**

**(Registration number: 1699246)**

**Consolidated Balance Sheet as at 31 December 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	11	549,148	576,858
<b>Current assets</b>			
Stocks	13	13,797,306	4,340,465
Debtors	14	59,736,629	60,892,306
Cash at bank and in hand		-	5,525
		<u>73,533,935</u>	<u>65,238,296</u>
Creditors: Amounts falling due within one year	15	<u>(40,910,736)</u>	<u>(31,123,067)</u>
Net current assets		<u>32,623,199</u>	<u>34,115,229</u>
Total assets less current liabilities		33,172,347	34,692,087
Creditors: Amounts falling due after more than one year	15	<u>(909,862)</u>	<u>(1,066,642)</u>
Net assets		<u><u>32,262,485</u></u>	<u><u>33,625,445</u></u>
<b>Capital and reserves</b>			
Called up share capital	16	9	9
Share premium account		77,680,312	77,680,312
Retained earnings		13,343,436	14,706,396
Merger reserve		<u>(58,761,272)</u>	<u>(58,761,272)</u>
Total equity		<u><u>32,262,485</u></u>	<u><u>33,625,445</u></u>

Approved and authorised by the Board on 18 April 2024 and signed on its behalf by:

 .....  
 M. Sanders  
 Director

**AMV BBDO Investments Limited**  
**(Registration number: 1699246)**  
**Company's Balance Sheet as at 31 December 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Investments	12	62,593,510	62,593,510
<b>Current assets</b>			
Debtors	14	<u>16,138,026</u>	<u>16,138,026</u>
Net assets		<u><u>78,731,536</u></u>	<u><u>78,731,536</u></u>
<b>Capital and reserves</b>			
Called up share capital	16	9	9
Share premium account		77,680,312	77,680,312
Retained earnings		<u>1,051,215</u>	<u>1,051,215</u>
Total equity		<u><u>78,731,536</u></u>	<u><u>78,731,536</u></u>

The company made a profit after tax for the financial year of £14,014,915 (2021 - profit of £7,309,826).

Approved and authorised by the Board on 18 April 2024 and signed on its behalf by:



.....  
M. Sanders  
Director

**AMV BBDO Investments Limited**

**Consolidated Statement of Changes in Equity for the year ended 31 December 2022**

	Share capital £	Share premium £	Merger reserve £	Retained earnings £	Total £
At 1 January 2022	9	77,680,312	(58,761,272)	14,706,396	33,625,445
Profit for the year	-	-	-	12,663,587	12,663,587
Total comprehensive income	-	-	-	12,663,587	12,663,587
Dividends	-	-	-	(14,014,915)	(14,014,915)
Share-based payments expense	-	-	-	(11,632)	(11,632)
At 31 December 2022	9	77,680,312	(58,761,272)	13,343,436	32,262,485
	Share capital £	Share premium £	Merger reserve £	Retained earnings £	Total £
At 1 January 2021	9	95,680,312	(58,761,272)	2,145,196	39,064,245
Profit for the year	-	-	-	19,867,650	19,867,650
Total comprehensive income	-	-	-	19,867,650	19,867,650
Dividends	-	-	-	(25,306,450)	(25,306,450)
Capital reduction	-	(18,000,000)	-	18,000,000	-
At 31 December 2021	9	77,680,312	(58,761,272)	14,706,396	33,625,445

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 2022**

	<b>Share capital £</b>	<b>Share premium £</b>	<b>Retained earnings £</b>	<b>Total £</b>
At 1 January 2022	9	77,680,312	1,051,215	78,731,536
Profit for the year	-	-	14,014,915	14,014,915
Total comprehensive income	-	-	14,014,915	14,014,915
Dividends	-	-	(14,014,915)	(14,014,915)
At 31 December 2022	9	77,680,312	1,051,215	78,731,536
	<b>Share capital £</b>	<b>Share premium £</b>	<b>Retained earnings £</b>	<b>Total £</b>
At 1 January 2021	9	95,680,312	1,047,839	96,728,160
Profit for the year	-	-	7,309,826	7,309,826
Total comprehensive income	-	-	7,309,826	7,309,826
Dividends	-	-	(25,306,450)	(25,306,450)
Capital reduction	-	(18,000,000)	18,000,000	-
At 31 December 2021	9	77,680,312	1,051,215	78,731,536

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 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Profit for the year		12,663,587	19,867,650
Adjustments to cash flows from non-cash items			
Depreciation	3	284,198	279,968
Profit from disposals of investments		-	(8,584,196)
Finance income	7	(318,657)	(9,546)
Finance costs	8	24,439	23,336
Long-term incentives related to restricted stock units		49,413	(235,829)
Share based payment transactions		(11,632)	-
Income tax expense	9	2,690,566	2,643,211
		<u>15,381,914</u>	<u>13,984,594</u>
Working capital adjustments			
(Increase)/decrease in stocks	13	(9,456,841)	1,202,072
(Increase)/decrease in debtors	14	(3,368,755)	8,548,730
Increase/(decrease) in creditors	15	8,642,686	(9,475,512)
Cash generated from operations		11,199,004	14,259,884
Income taxes paid	9	(1,812,960)	(1,762,865)
Net cash generated from operating activities		<u>9,386,044</u>	<u>12,497,019</u>
<b>Cash flows from investing activities</b>			
Interest received		318,657	9,546
Acquisitions of tangible assets		(256,488)	(240,557)
Proceeds from sale of tangible assets to leasing company		256,488	240,557
Disposal of subsidiary (net of cash disposed)		-	8,584,196
Net cash flows from investing activities		<u>318,657</u>	<u>8,593,742</u>
<b>Cash flows from financing activities</b>			
Interest paid	8	(24,439)	(23,336)
Increase in loans to group undertakings		4,325,285	4,272,949
Equity dividend paid		(14,014,915)	(25,306,450)
Repayments of obligation under finance lease		3,843	(28,421)
Net cash flows from financing activities		<u>(9,710,226)</u>	<u>(21,085,258)</u>
Net (decrease)/increase in cash and cash equivalents		(5,525)	5,503
Cash and cash equivalents at 1 January 2022		<u>5,525</u>	<u>22</u>
Cash and cash equivalents at 31 December 2022		<u>-</u>	<u>5,525</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 2022

#### 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, Bankside 3, 90 - 100 Southwark Street, London, SE1 0SW.

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 2022.

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.

## AMV BBDO Investments Limited

### Notes to the Financial Statements for the year ended 31 December 2022

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.

#### **Going concern**

The Group has net current assets of £32,623,199 at 31 December 2022 (2021: £34,115,229). The directors consider that the Group has access to sufficient funding to meet its needs for the reasons set out below.

The group companies participate in a cash concentration arrangement with its fellow subsidiaries, Omnicom Finance Limited, the group's UK treasury operation, under which bank balances are cleared to zero on a daily basis either by the Company depositing cash with Omnicom Finance Limited or by Omnicom Finance 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 and includes a period of at least 12 months from the date of approval of these financial statements.

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 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, 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.

Consequently, the directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### **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 billable costs.

## AMV BBDO Investments Limited

### Notes to the Financial Statements for the year ended 31 December 2022

#### 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.

#### 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.

## AMV BBDO Investments Limited

### Notes to the Financial Statements for the year ended 31 December 2022

#### 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.

#### 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

## AMV BBDO Investments Limited

### Notes to the Financial Statements for the year ended 31 December 2022

#### 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.

#### 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:

	2022	2021
	£	£
UK	28,485,551	25,499,683
Europe	19,043,350	16,923,547
Rest of world	28,034,877	19,721,080
	<u>75,563,778</u>	<u>62,144,310</u>

#### 3 Operating profit

Arrived at after charging/(crediting)

	2022	2021
	£	£
Depreciation and other amounts written off tangible fixed assets: owned	284,198	279,968
Foreign exchange (gains)	(1,418,696)	(229,205)
Profit on disposal of property, plant and equipment	-	(12,605)
Hire of plant and machinery - rentals payable under operating leases	(2,166)	(6,417)
Hire of other assets - rentals payable under operating leases	4,761,651	4,933,140
Rental income	<u>(29,177)</u>	<u>(32,918)</u>

#### 4 Auditor's remuneration

	2022	2021
	£	£
Audit of these financial statements	<u>370,587</u>	<u>235,311</u>

The audit fee for the Group has been borne by the subsidiary entities in both 2022 and 2021.

No other fees were paid to the auditors (2021: nil).

## AMV BBDO Investments Limited

### Notes to the Financial Statements for the year ended 31 December 2022

#### 5 Directors' remuneration

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	698,998	867,894
Company contributions to money purchase pension schemes	13,602	31,651
	712,600	899,545

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

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Accruing benefits under money purchase pension scheme	3	3

The aggregate emoluments of the highest paid director was £375,670 (2021: £345,167) and Company pension contributions of £3,125 (2021: £17,776) were made to a money purchase scheme.

#### 6 Staff costs

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	27,740,336	24,655,487
Share related awards	211,498	34,426
Social security costs	3,629,683	3,067,096
Pension and other post-employment benefit costs	1,238,927	1,233,882
Severance/loss of office	349,890	982,495
	33,170,334	29,973,386

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

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Production	177	242
Administration and support	167	117
	344	359

## AMV BBDO Investments Limited

### Notes to the Financial Statements for the year ended 31 December 2022

#### 7 Other interest receivable and similar income

	2022 £	2021 £
Bank interest receivable	230,021	6,562
Receivable from group undertakings	88,636	2,984
	318,657	9,546

#### 8 Interest payable and similar expenses

	2022 £	2021 £
Finance charges payable in respect of finance leases and hire purchase contracts	24,439	23,336
	24,439	23,336

#### 9 Taxation

*Tax charged/(credited) in the income statement*

	2022 £	2021 £
<b>Current taxation</b>		
Current tax on income for the period	2,906,547	2,498,796
Adjustments in respect of previous periods	(112,587)	155,433
	2,793,960	2,654,229
<b>Deferred taxation</b>		
Origination and reversal of timing differences	28,391	6,995
Effect of decreased tax rate on opening liability	(36,960)	(13,184)
Adjustment in respect of previous periods	(94,825)	(4,829)
Total deferred taxation	(103,394)	(11,018)
Tax expense in the income statement	2,690,566	2,643,211

## AMV BBDO Investments Limited

### Notes to the Financial Statements for the year ended 31 December 2022

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2021 - lower than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Profit before tax	<u>15,354,153</u>	<u>22,510,861</u>
Corporation tax at standard rate	2,917,289	4,277,064
Effect of expense not deductible in determining taxable profit (tax loss)	17,649	(1,771,273)
Deferred tax credit relating to changes in tax rates or laws	(36,960)	(13,184)
Deferred tax credit from unrecognised temporary difference from a prior period	(94,825)	(4,829)
(Decrease)/increase in UK and foreign current tax from adjustment for prior periods	<u>(112,587)</u>	<u>155,433</u>
Total tax charge	<u>2,690,566</u>	<u>2,643,211</u>

A UK corporation tax rate of 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the group's future current tax charge accordingly. The deferred tax asset at 31 December 2022 has been calculated at 25% (2021: 19%).

#### Deferred tax

##### Group

Deferred tax assets and liabilities

	<b>Asset</b>
	<b>£</b>
<b>2022</b>	
Difference between accumulated depreciation and amortisation and capital allowances	245,053
Other timing differences	<u>28,731</u>
	<u>273,784</u>
<b>2021</b>	<b>Asset</b>
	<b>£</b>
Difference between accumulated depreciation and amortisation and capital allowances	127,817
Other timing differences	<u>7,573</u>
	<u>135,390</u>

## AMV BBDO Investments Limited

### Notes to the Financial Statements for the year ended 31 December 2022

#### 10 Dividends

	2022 £	2021 £
Dividend of £155,721.00 (2021 - £281,183.00) per ordinary share	14,014,915	25,306,450

#### 11 Tangible fixed assets

##### Group

	Furniture, fittings and equipment £	Office equipment £	Total £
<b>Cost</b>			
At 1 January 2022	2,540,590	6,122,290	8,662,880
Additions	-	256,488	256,488
At 31 December 2022	2,540,590	6,378,778	8,919,368
<b>Depreciation</b>			
At 1 January 2022	2,534,917	5,551,105	8,086,022
Charge for the year	5,672	278,526	284,198
Transfers	1,601	(1,601)	-
At 31 December 2022	2,542,190	5,828,030	8,370,220
<b>Carrying amount</b>			
At 31 December 2022	(1,600)	550,748	549,148
At 31 December 2021	5,673	571,185	576,858

##### 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:

	2022 £	2021 £
Office Equipment	550,748	571,185

## AMV BBDO Investments Limited

### Notes to the Financial Statements for the year ended 31 December 2022

#### 12 Fixed assets investments

##### Company

	<b>Shares in group undertakings £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 January 2022	<u>62,593,510</u>	<u>62,593,510</u>
<b>Carrying amount</b>		
At 31 December 2022	<u>62,593,510</u>	<u>62,593,510</u>
At 31 December 2021	<u>62,593,510</u>	<u>62,593,510</u>

The value in use has been calculated by discounting the forecast future cash flows for the next five years. A steady growth rate of 1.5% has been applied in perpetuity thereafter. The discount rate used for the impairment test is 11.7% being the risk adjusted Company's average post tax cost of capital for the specific market in which the investment operates. The directors have reviewed the key assumptions underlying the discount rates and are satisfied that they are reasonable.

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

#### 13 Stocks

	<b>Group</b>		<b>Company</b>	
	<b>2022 £</b>	<b>2021 £</b>	<b>2022 £</b>	<b>2021 £</b>
Work in progress	<u>13,797,306</u>	<u>4,340,465</u>	<u>-</u>	<u>-</u>

#### 14 Debtors

	<b>Note</b>	<b>Group</b>		<b>Company</b>	
		<b>2022 £</b>	<b>2021 £</b>	<b>2022 £</b>	<b>2021 £</b>
Trade debtors		15,550,561	17,136,195	-	-
Amounts owed by group undertakings - trading balances		24,286,284	19,558,614	16,138,026	16,138,026
Amounts owed by group undertakings - loans and advances		17,262,747	21,588,032	-	-
Other debtors		1,392,097	1,703,340	-	-
Deferred tax assets	9	273,784	135,390	-	-
Prepayments and accrued income		971,156	770,735	-	-
		<u>59,736,629</u>	<u>60,892,306</u>	<u>16,138,026</u>	<u>16,138,026</u>

## AMV BBDO Investments Limited

### Notes to the Financial Statements for the year ended 31 December 2022

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 and Omnicom Financial Services Limited or by Omnicom Finance Limited and and Omnicom Financial Services Limited depositing cash with the Group's subsidiaries. Included in 'Amounts owed by group undertakings - loans and advances' is £17,262,747 (2021: £21,588,032) representing cash deposited by the Group's subsidiaries under these arrangements.

#### 15 Creditors

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Due within one year</b>		
Obligations under finance lease and hire purchase contracts	237,370	248,186
Trade creditors	17,872,046	16,647,989
Amounts owed to group undertakings - trading balances	4,379,929	3,789,962
Taxation and social security	1,990,434	853,142
Accruals and deferred income	16,430,957	9,583,788
	40,910,736	31,123,067
<b>Due after one year</b>		
Obligations under finance lease and hire purchase contracts	336,930	333,087
Other creditors	572,932	733,555
	909,862	1,066,642

#### 16 Share capital

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

	<b>2022</b>		<b>2021</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £0.10 each	90	9	90	9

#### 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 £1,238,927 (2021: £1,233,882).

Contributions totalling £85,681 (2021: £68,272) 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 2022

#### 18 Share-based payments

Omnicom Group Inc (the ultimate parent of AMV BBDO Limited Company) runs a share ownership programme that allows group employees to acquire shares in Omnicom Group Inc. Options were awarded in November 2021. It is anticipated that the full vesting period for options will be three years. The option grants all become exercisable three years from the grant date.

The fair value of services received in return for shares and share options granted to employees, is measured by reference to the fair value of shares and share options granted. As permitted by FRS 20, the Company has applied the requirements of this standard to all share based payment awards granted after 7 November 2002. The estimate of the fair value of the services received is measured based on the Black-Scholes formula.

During the year ended 31 December 2022, AMV BBDO Limited Company recognised an expense of £206,555 (2021: £34,426) in respect of outstanding share awards.

There were no new share options awarded during the year.

The options outstanding at the year-end have an exercise price of USD\$72.47 and a weighted average contractual life of 10 years.

	<b>Granted Nov 2021</b>
Fair value at measurement date \$	8.47
Weighted average share price \$	73.27
Exercise price \$	72.47
Expected volatility (expressed as 5 year historical monthly used in the modelling under Black Scholes model)	23.0%
Option life remaining in years	9 years
Expected dividends	4.6%
Risk-free interest rate (based on national government bonds)	1.4%

The expected volatility is wholly based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

Share options are granted under a service condition and a non-market performance condition. Such conditions are not taken into account in the grant date fair value measurement of the services received.

## AMV BBDO Investments Limited

### Notes to the Financial Statements for the year ended 31 December 2022

The number and weighted average exercise prices of share options in Omnicom Group Inc held by AMV BBDO Limited Company employees are as follows:

	2022	2022	2021	2021
	Weighted average exercise price \$	Number of options	Weighted average exercise price \$	Number of options
At beginning of year	72.47	100,000		-
Granted		-	72.47	100,000
Exercised		-		-
Lapsed		-		-
Forfeited		-		-
<b>Outstanding options at end of the year</b>	<u>72</u>	<u>100,000</u>	<u>72</u>	<u>100,000</u>
<b>Exercisable at end of the year</b>		<u>-</u>		<u>-</u>

The asset arising in relation to the linked recharge from Omnicom Group Inc in relation to these share options for the year was £7,353 (2021: liability of £300,721).

The weighted average share price at the date of exercise of share options exercised during the year was \$nil (2021: \$nil).

#### 19 Commitments

##### Group

##### 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 £4,763,345 (2021: £4,933,140).

#### 20 Related party transactions

##### Income and receivables from related parties

2022	Entities with joint control or significant influence £	Associates £
Amounts receivable from related party	<u>11,880</u>	<u>89,838</u>

**AMV BBDO Investments Limited**

**Notes to the Financial Statements for the year ended 31 December 2022**

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

**Expenditure with and payables to related parties**

	<b>Entities with joint control or significant influence £</b>
<b>2022</b>	
Rendering of services	105,893
Amounts payable to related party	<u>56,957</u>

	<b>Entities with joint control or significant influence £</b>
<b>2021</b>	
Rendering of services	257,753
Amounts payable to related party	<u>252,758</u>

Total compensation of key management personnel (including the directors) in the year amounted to £900,598 (2021: £936,745).

**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](http://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 2022**

**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 2022

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

<b>Undertaking</b>	<b>Company number</b>	<b>Country of incorporation</b>	<b>Holding</b>	<b>Proportion of voting rights and shares held</b>	<b>Principal activity</b>	<b>Registered address</b>
<b>Subsidiary undertakings</b>						
Abbott Mead Vickers BBDO Limited	1935786	England	Ordinary	100	Advertising	Bankside 3, 90-100 Southwark Street, London, SE1 0SW,
Abbott Mead Vickers Group Pension Trustee Limited	3276270	England	Ordinary	100	Dormant	Bankside 3, 90-100 Southwark Street, London, SE1 0SW,
Redwood Publishing Limited	03582472	England	Ordinary	100	Marketing	Bankside 3, 90-100 Southwark Street, London, SE1 0SW,