

**Kantar Retail UK Limited**  
**Annual Report and Financial Statements**  
**For the year ended 31 December 2018**

**Company Registration No. 02386956**



# **Kantar Retail UK Limited**

## **Annual report and financial statements 2018**

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# **Kantar Retail UK Limited**

## **Annual report and financial statements 2018**

### **Officers and professional advisers**

#### **Directors**

J Barton  
J Cohen  
D Recaldin  
P Smiley

#### **Company Secretary**

WPP Group (Nominees) Ltd

#### **Registered office**

24-28 Bloomsbury Way  
London  
WC1A 2SL  
United Kingdom

#### **Auditor**

Deloitte LLP  
Statutory Auditor  
London  
United Kingdom

# **Kantar Retail UK Limited**

## **Strategic Report**

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

### **Principal activities**

The principal activity of the company during the year was that of sales and marketing consultancy. As of 1 October 2018, the company's principal activities changed to a dormant non-trading company, as the entity ceased to trade and assets were transferred to another group company.

### **Business Review and Key Performance Indicators**

The results for the year and financial position of the company are as shown on page 8 and 9 of the financial statements.

The directors consider the results for 2018 as satisfactory, having taken into account the wider economic environment during the year. Revenues year on year were lower at £9,360,820 in 2018 (2017: £11,898,979). The gross margin in the year decreased to 22% (2017: 36%).

### **Principal risks and uncertainties**

The directors consider that the primary financial risks faced by the business are minimal, affecting primarily credit risk. The directors do not believe that the company is exposed to any price risk or liquidity risk.

The company's principal financial assets are bank balances and cash, trade and other receivables. The company's credit risk is primarily in respect of other receivables from other group companies. The amounts presented in the balance sheet are net of allowances for doubtful receivables.

### **Future developments**

The trade and assets of Kantar Retail UK Limited were acquired by another company within the Kantar Group, Kantar Consulting UK Limited, on 1 October 2018, and Kantar Retail UK Limited has ceased to trade. The legal entity will remain dormant for the foreseeable future until it is completely dissolved and wound up.

### **Events after the balance sheet date**

In July 2019 the WPP Group agreed sale of a controlling interest in Kantar Group to Bain Capital, with the transaction expected to complete in late 2019 or early 2020. The Company forms part of this disposal group. The financial statements do not include any adjustments relating to the forthcoming change in control.

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



J Barton  
Director

27<sup>th</sup> November 2019

# Kantar Retail UK Limited

## Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 December 2018. Details of future developments, financial risk management and key financial risks are included within the strategic report on page 2 which forms a part of this report by cross reference.

### Directors and their interests

The directors who served throughout the year and up to the date of this report, were:

J Barton  
J Cohen  
D Recaldin  
P Smiley

### Results and dividends

The audited financial statements for the year ended 31 December 2018 are set out on pages 8 to 21. The profit for the year after taxation was £8,559,454 (2017: loss £2,033,360).

During the year the directors did not propose the payment of any dividends (2017: £nil).

### Future developments and events after the balance sheet date

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic Report on page 2 and form part of this report by cross-reference.

### Going Concern

As noted in the strategic report the trade and assets of the entity were acquired by another group company and this entity ceased to trade. As such these financial statements have been prepared on a basis other than going concern. This did not impact the value of assets in the balance sheet which represent the lower of book value or net realisable value.

Further details regarding the adoption of the going concern basis can be found in note 1 of the financial statements.


### Disclosure of information to the auditor

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

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

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



J Barton  
Director

27<sup>th</sup> November 2019

## **Kantar Retail UK Limited**

### **Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **Independent auditor's report to the members of Kantar Retail UK Limited**

## **Independent auditor's report to the members of Kantar Retail UK Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of Kantar Retail UK Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 19.

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

#### **Basis for opinion**

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

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

#### **Emphasis of matter – Financial statements prepared other than on a going concern basis**

We draw attention to note 1 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

#### **Other information**

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

## **Independent auditor's report to the members of Kantar Retail UK Limited (continued)**

### **Other information (continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

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

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

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

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

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

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

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

## **Independent auditor's report to the members of Kantar Retail UK Limited (continued)**

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

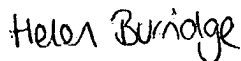
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

### **Use of our report**

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



Helen Burrridge (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

27th November 2019

## Kantar Retail UK Limited

### Statement of Comprehensive income Year ended 31 December 2018

	Note	2018 £	2017 £
<b>Turnover</b>	3	9,360,820	11,898,979
Cost of sales		(7,278,983)	(7,627,797)
Gross profit		2,081,837	4,271,182
Administrative expenses		(4,808,953)	(6,309,554)
Loss on disposal of fixed assets		-	(1,602)
Other operating income		-	122,070
<b>Operating loss</b>	4	(2,727,116)	(1,917,904)
Interest payable and similar expenses	7	(145,369)	(115,456)
Profit on disposal of trade and assets		11,431,939	-
<b>Profit / (loss) before taxation</b>		8,559,454	(2,033,360)
Tax	8	-	-
<b>Profit / (loss) for the financial year after taxation and total comprehensive income / (loss) for the year</b>		<u>8,559,454</u>	<u>(2,033,360)</u>

#### Discontinued operations

All activities are derived from discontinued operations (see note 1).

#### Total comprehensive income

The company has no other comprehensive income or expenses in either year other than the profit for the financial year and the loss for the preceding financial year.

# Kantar Retail UK Limited

## Balance Sheet

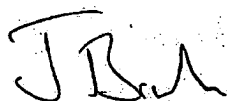
As at 31 December 2018

	Notes	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	11	-	67,100
		-	67,100
<b>Current assets</b>			
Cash at bank and in hand		787,373	1,419,283
Debtors – due within 1 year	12	12,696,947	5,921,922
		13,484,320	7,341,205
<b>Creditors: amounts falling due within one year</b>	14	(13,484,320)	(15,967,759)
<b>Net current liabilities</b>		-	(8,626,554)
<b>Total assets less current liabilities</b>		-	(8,559,454)
<b>Net liabilities</b>		-	(8,559,454)
<b>Capital and reserves</b>			
Called up share capital	15	87,475	87,475
Share premium account		598,663	598,663
Other reserves		37,269	37,269
Profit and loss account		(723,407)	(9,282,861)
<b>Shareholders' deficit</b>		-	(8,559,454)

The accompanying notes are an integral part of this balance sheet.

The financial statements of Kantar Retail UK Limited, registered number 02386956 and the related notes 1 to 19, were approved by the board of directors and authorised for issue on 27th September 2019.

Signed on behalf of the Board of Directors



J Barton  
Director

## Kantar Retail UK Limited

### Statement of changes in equity As at 31 December 2018

	Called up share capital (Note 15) £	Share premium account £	Other reserves £	Profit and loss account £	Total £
Balance at 1 January 2017	87,475	598,663	37,269	(7,249,501)	(6,526,094)
Loss for the year, being total comprehensive loss for the year	-	-	-	(2,033,360)	(2,033,360)
<b>Balance at 1 January 2018</b>	<u>87,475</u>	<u>598,663</u>	<u>37,269</u>	<u>(9,282,861)</u>	<u>(8,559,454)</u>
Profit for the year, being total comprehensive income for the year	-	-	-	8,559,454	8,559,454
<b>Balance at 31 December 2018</b>	<u>87,475</u>	<u>598,663</u>	<u>37,269</u>	<u>(723,407)</u>	<u>-</u>

The Other reserves balance comprises £36,000 relating to the repurchase and subsequent cancellation of ordinary 10p shares in the year to June 1998 and a £1,269 transfer in respect of shares cancelled in the year to June 2000.

# Kantar Retail UK Limited

## Notes to the financial statements Year ended 31 December 2018

### 1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

#### Basis of accounting

Kantar Retail UK Limited is a private company incorporated in the United Kingdom and registered in England and Wales under the Companies Act 2006 limited by shares. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out on page 2.

The accounts are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates.

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. The adoption of the amendments to IFRSs and new interpretations that are mandatorily effective for during the year has not had any material impact on the disclosures or on the amounts being reported.

The financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, and related party transactions. Where required, equivalent disclosures are given in the group accounts of WPP plc. The group accounts of WPP plc are available to the public and can be obtained as set out in note 18.

#### Adoption of new and revised Standards

##### Amendments to IFRSs and the new Interpretation that are mandatorily effective for the current year

The following have been applied for the first time from 1 January 2018.

##### IFRS 9: Financial Instruments

The Company adopted IFRS 9: "Financial Instruments" on 1 January 2018. IFRS 9 replaces IAS 39 and the main impact relates to; a) classification and measurement of financial assets and liabilities, b) impairment of financial assets, and c) hedge accounting. The Company has elected not to restate the comparatives. Following management's review, no change in net assets was identified.

The Company has reviewed the classification of its financial instruments and has concluded the following:

There is no change in the classification of derivative financial instruments that were classified as "fair value through profit and loss"; as under IFRS 9 they fail the contractual cash flow characteristics test in IFRS 9 (4.1.2 (b) and 3.1.2A (b));

Financial assets previously classified with the "loans and receivables" category are classified in the "amortised cost" category.

Impairment of financial assets:

# Kantar Retail UK Limited

## Notes to the financial statements Year ended 31 December 2018

### 1. Principal accounting policies (continued)

The Company has adopted an expected credit loss method for calculating any impairment of financial assets, as required under IFRS 9. This replaces the incurred credit loss model previously applied under IAS 39. The impact of the model change associated with IFRS 9 has not had a material impact.

#### Hedge accounting:

The application of IFRS 9 has had no impact on the Company with regard to hedge accounting.

#### Trade receivables

Trade receivables and other receivables are measured and carried at amortised cost using the effective interest method, less any impairment. The carrying amount of other receivables is reduced by the impairment loss directly and a charge is recorded in the Income Statement. For trade receivables, the carrying amount is reduced by the expected lifetime losses. Subsequent recoveries of amounts previously written off are credited against the allowance account and changes in the carrying amount of the allowance account are recognised in the Income Statement.

Trade receivables that are assessed not to be impaired individually are also assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting receipts, an increase in the number of delayed receipts in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

#### Impairment of financial assets

For trade and other receivables, the simplified approach permitted under IFRS 9 is applied. The simplified approach requires that at the point of initial recognition the expected credit loss across the life of the receivable must be recognised. As these balances do not contain a significant financing element, the simplified approach relating to expected lifetime losses is applicable under IFRS 9. Cash and cash equivalents are also subject to impairment requirements.

### IFRS 15: Revenue from Contracts with Customers (and the related clarifications)

The Company adopted IFRS 15: "Revenue from Contracts with Customers" on 1 January 2018 using the full retrospective approach. Due to the immaterial impact of IFRS 15 on the Company for the year ended 31 December 2017, no further disclosure is provided on the comparative results or balance sheet position. There was no impact on revenue or operating profit for the Company.

#### Going concern basis

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on page 2. The financial position of the company, including its net liabilities, liquidity position and borrowing facilities are as described in these Financial Statements and notes to the accounts on pages 8 to 21.

As noted in the strategic report the trade and assets of the entity were acquired by another group company and this entity ceased to trade. The legal entity will remain dormant for the foreseeable future until it is completely dissolved and wound up. As a result, the directors believe it is appropriate to prepare the financial statements on a basis other than going concern. The company's bank accounts remain open and are reported in the balance sheet. The directors believe the carrying value of the assets is their recoverable amount and all liabilities have been provided for.

# Kantar Retail UK Limited

## Notes to the financial statements (continued) Year ended 31 December 2018

### 1. Accounting policies (continued)

#### Turnover

Turnover is stated net of VAT and trade discounts.

#### Rendering of services

Revenue is recognised when a performance obligation is satisfied, in accordance with the terms of the contractual arrangement. Typically performance obligations are satisfied over time as services are rendered. Revenue recognised over time is based on the proportion of the level of service performed. The stage of completion of the contract is determined as follows:

- Turnover from time and material contracts is recognised at the contractual rates as labour hours are delivered or to milestone of completion.

Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year.

#### Other income

This relates primarily to intercompany cross-charges for services provided. It is recognised as the services are delivered.

#### Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Software	33.3% straight-line on cost
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#### Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

#### Tangible assets

Tangible assets are stated at cost net of depreciation and any provision for impairment. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Leasehold property	10% straight-line over the lease term
Plant and machinery	15-33.3% straight-line on cost

#### Impairment of tangible and intangible assets

At each balance sheet date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

# Kantar Retail UK Limited

## Notes to the financial statements (continued)

Year ended 31 December 2018

### 1. Accounting policies (continued)

#### Impairment of tangible and intangible assets (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

#### Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Differences arising from movements in rates of exchange are dealt with in the profit and loss account.

#### Pensions

The company operates defined contribution schemes. The amount charged to the Statement of Comprehensive Income in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

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

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

# Kantar Retail UK Limited

## Notes to the financial statements (continued) Year ended 31 December 2018

### 1. Accounting policies (continued)

#### Taxation (continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

#### Current tax and deferred tax for the year

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

#### Leases

##### *The company as lessee*

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

#### Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables.

Trade receivables are stated net of provisions for bad and doubtful debts. The company has adopted IFRS9 Financial Instruments from 1 January 2018 which requires an expected loss method of impairment of financial assets to be used. The implementation of this did not have a material impact on the Group.

The Company has applied the simplified approach to measuring expected credit losses, as permitted by IFRS9. Therefore the company does not track changes in credit risk, but recognises a loss allowance based on the financial asset's lifetime expected credit loss. The company measures expected credit losses based on the ageing of the receivable, based on the Group's historical experience and informed credit assessment.

#### Overdraft and interest payable

Overdrafts are repayable on demand and all borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1 above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

# Kantar Retail UK Limited

## Notes to the financial statements (continued) Year ended 31 December 2018

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### Critical judgements in applying the Company's accounting policies

No critical judgements were noted in the preparation of the financial statements.

### Key source of estimation uncertainty

No key source of estimation uncertainty was noted in the preparation of the financial statements.

### 3. Turnover

Turnover represents the total amount earned by the company in respect of market research services net of VAT. The geographical analysis of turnover by location is presented below:

	2018 £	2017 £
Europe	5,466,061	8,606,490
Asia	309,015	164,802
Rest of world	3,585,744	3,127,687
	<u>9,360,820</u>	<u>11,898,979</u>

### 4. Operating loss

	2018 £	2017 £
The operating loss is stated after charging / (crediting):		
Loss on disposal of fixed assets	-	1,602
Amortisation	30,461	2,966
Depreciation		
- owned tangible fixed assets	30,370	41,909
Operating lease rentals		
- Plant, vehicles and equipment	395	19,297
Auditor's remuneration:		
- Fees payable to the company's auditor for the audit of annual accounts	29,997	45,966
Foreign exchange gain	(7,931)	(238,829)
	<u></u>	<u></u>

### 5. Directors' remuneration

#### Remuneration

The remuneration of the directors was as follows:

	2018 £	2017 £
Emoluments	797,801	875,710
Company contributions to money purchase pension schemes	39,342	40,750
	<u>837,143</u>	<u>916,460</u>

# Kantar Retail UK Limited

## Notes to the financial statements (continued) Year ended 31 December 2018

### 5. Directors' remuneration (continued)

#### Remuneration (continued)

The number of directors who are members of pension schemes are as follows:

	2018 Number	2017 Number
Money purchase schemes	3	2

Information regarding the highest paid director is as follows:

	2018 £	2017 £
Emoluments	257,197	360,290
Company pension contribution to money purchase schemes	4,167	10,000
	<u>261,364</u>	<u>370,290</u>

### 6. Staff costs

Particulars of employees (including executive directors) are shown below:

	2018 £	2017 £
Wages and salaries	5,764,923	6,522,932
Social security costs	779,708	800,599
Other pension costs	415,555	373,523
	<u>6,960,186</u>	<u>7,697,054</u>

The average monthly number of persons employed by the company during the year was:

	2018 No.	2017 No.
Office and management	22	21
Sales	57	34
Product support	18	23
	<u>97</u>	<u>78</u>

### 7. Interest payable

	2018 £	2017 £
Bank overdraft interest	<u>145,369</u>	<u>115,456</u>

## Kantar Retail UK Limited

### Notes to the financial statements (continued)

#### Year ended 31 December 2018

##### 8. Tax on loss

The tax charge is based on the loss for the year and comprises:

	2018 £	2017 £
<i>Current taxation</i>		
UK Corporation tax	-	-
Double tax relief	-	-
	<hr/>	<hr/>
	-	-
<i>Foreign tax</i>		
Current period	-	-
Adjustment in respect of prior years	-	-
	<hr/>	<hr/>
Total current tax	-	-
<i>Deferred taxation</i>		
	-	-
	<hr/>	<hr/>
Total tax charge	-	-
	<hr/>	<hr/>

Corporation tax payable is provided on taxable profits at the current rate, except to the extent that the losses are transferred from another group company under the group relief provisions, without corresponding payment by the claimant company.

The tax assessed on the loss for the period is different from the standard rate of corporation tax in the UK of 19% (2017: 19.25%). There was a reduction in the UK corporation tax rate to 19% from April 2017. The differences are reconciled below.

	2018 £	2017 £
Loss on before tax	8,559,454	(2,033,360)
	<hr/>	<hr/>
Tax on loss at standard rate of 19% (2017: 19.25%)	1,626,296	(391,422)
Factors affecting charge for the period:		
Expenses not deductible for tax purposes	-	52,435
Income not taxable for tax purposes	(2,160,815)	-
Group relief surrendered/(claimed)	736,308	330,731
Deferred tax not recognised	(201,789)	7,292
Deferred tax rate adjustment	-	964
	<hr/>	<hr/>
Total actual amount of current tax	-	-
	<hr/>	<hr/>

##### 9. Pension costs

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable by the company amounted to £415,555 (2017: £373,523).

# Kantar Retail UK Limited

## Notes to the financial statements (continued) Year ended 31 December 2018

### 10. Intangible assets

	Software £	Total £
<b>Cost</b>		
At 1 January 2018	-	-
Additions	178,084	178,084
Disposals	(178,084)	(178,084)
	<hr/>	<hr/>
At 31 December 2018	-	-
<b>Amortisation</b>		
At 1 January 2018	-	-
Charge for the year	30,461	30,461
Disposals	(30,461)	(30,461)
	<hr/>	<hr/>
At 31 December 2018	-	-
<b>Net book value</b>		
At 31 December 2018	<hr/>	<hr/>
	-	-
At 31 December 2017	<hr/>	<hr/>
	-	-

### 11. Tangible assets

	Short Leasehold £	Plant and machinery £	Total £
<b>Cost</b>			
At 1 January 2018	17,770	188,245	206,015
Additions	-	19,862	19,862
Disposals	(17,770)	(208,107)	(225,877)
	<hr/>	<hr/>	<hr/>
At 31 December 2018	-	-	-
<b>Depreciation</b>			
At 1 January 2018	17,770	121,145	138,915
Charge for the year	-	30,370	30,370
Disposals	(17,770)	(151,515)	(168,285)
	<hr/>	<hr/>	<hr/>
At 31 December 2018	-	-	-
<b>Net book value</b>			
At 31 December 2018	<hr/>	<hr/>	<hr/>
	-	-	-
At 31 December 2017	<hr/>	<hr/>	<hr/>
	-	67,100	67,100

# Kantar Retail UK Limited

## Notes to the financial statements (continued) Year ended 31 December 2018

### 12. Debtors: amounts falling due within one year

	2018 £	2017 £
Trade debtors	-	4,476,015
Amounts owed by group undertakings*	12,696,947	861,148
Other debtors	-	126,627
Prepayments and accrued income	-	458,132
	<u>12,696,947</u>	<u>5,921,922</u>

\*Amounts owed by group undertakings are unsecured, receivable on demand and interest-free

### 13. Deferred tax asset

There is no deferred tax asset in 2018, as the company has ceased to trade and there are no longer any fixed assets. The unrecognised deferred tax asset in 2017 was £343,544.

### 14. Creditors: amounts falling due within one year

	2018 £	2017 £
Bank overdraft	13,484,320	9,674,408
Trade creditors	-	295,021
Amounts owed to group undertakings	-	1,467,017
Other creditors	-	48,832
Other taxation and social security	-	282,172
Accruals	-	2,261,165
Deferred income	-	1,939,144
	<u>13,484,320</u>	<u>15,967,759</u>

Kantar Retail UK Limited participates in group banking arrangements with its ultimate parent company, WPP plc, and has access to a group cash management facility. This facility is secured by a debenture over all assets of the company.

## Kantar Retail UK Limited

### Notes to the financial statements (continued) Year ended 31 December 2018

#### 15. Called up share capital

	2018 £	2017 £
<b>Authorised:</b>		
1,000,000 ordinary 'A' shares of 10p each	100,000	100,000
1,000,000 ordinary 'B' shares of 10p each	100,000	100,000
1,000,000 ordinary 'C' shares of 10p each	100,000	100,000
	<u>300,000</u>	<u>300,000</u>
<b>Called up, allotted and fully paid</b>		
521,900 ordinary 'A' shares of 10p each	52,190	52,190
84,435 ordinary 'B' shares of 10p each	8,443	8,443
268,415 ordinary 'C' shares of 10p each	26,842	26,842
	<u>87,475</u>	<u>87,475</u>

All classes of share rank pari-passu.

#### 16. Guarantees and other financial commitments

Kantar Retail UK Limited participates in group banking arrangements with its ultimate parent company, WPP plc, and has access to a group cash management facility. Kantar Retail UK Limited guarantees the facility to the extent of its cash deposited in the UK with its clearing bank. The company, together with its ultimate parent, WPP plc, and certain other subsidiary undertakings, is party to the group's syndicated banking arrangements. The company has jointly and severally guaranteed the borrowings under these arrangements. Details of these arrangements are included in the financial statements of WPP plc.

#### 17. Related party transactions

The company has taken advantage of the exemption under FRS 101 not to disclose the details of transactions with other WPP group companies, as it is 100% owned by ultimate parent WPP plc, the consolidated accounts of which are publicly available.

#### 18. Ultimate parent company and controlling party

The directors regard WPP Vancouver Ltd, a company incorporated in the United Kingdom, as the immediate parent company and WPP plc, a company incorporated in Jersey, as the ultimate parent company and the ultimate controlling party.

At the year end the parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the company is a member is WPP plc, registered in Jersey.

The parent undertaking of the smallest such group is WPP Jubilee Limited, a company incorporated in England and Wales.

Copies of the group financial statements of WPP plc are available at [www.wppinvestor.com](http://www.wppinvestor.com). Copies of the financial statements of WPP Jubilee Limited can be obtained from 27 Farm Street, London, W1J 5RJ, UK, its registered address.

#### 19. Subsequent events

As described in Note 1, in July 2019 the WPP Group agreed sale of a controlling interest in Kantar Group to Bain Capital, with the transaction expected to complete in late 2019 or early 2020. The Company forms part of this disposal group. The financial statements do not include any adjustments relating to the forthcoming change in control.