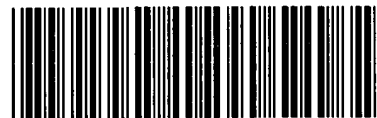


**The Kantar Group Limited**

**Annual report and Financial statements**

**for the year ended 31 December 2020**

Registered number: 02887671



A14      \*ABØQT5Øw\*      #199  
COMPANIES HOUSE

# **The Kantar Group Limited**

## **Annual report and financial statements 2020**

### **Contents**

	<b>Page</b>
Officers and professional advisers	1
Strategic report	2
Directors' report	4
Directors' responsibilities statement	8
Independent auditor's report	9
Profit and loss account	12
Balance sheet	13
Statement of changes in equity	14
Notes to the financial statements	15

# **The Kantar Group Limited**

## **Annual report and financial statements 2020**

### **Officers and professional advisers**

#### **Directors**

Peter Russell  
Katharine Herrity  
Ian Griffiths

#### **Company Secretary**

Jason de Bruin  
Shanny Looi (appointed 18 November 2021)

#### **Registered Office**

6 More London Place  
Tooley Street  
London  
SE1 2QY  
United Kingdom

#### **Bankers**

National Westminster Bank Plc  
63-65 Piccadilly  
London  
W1J 0AJ  
United Kingdom

#### **Solicitors**

Squire Sanders  
7 Devonshire Square  
Cutlers Gardens  
London  
EC2M 4YH  
United Kingdom

#### **Auditor**

Deloitte LLP  
Statutory Auditor  
London  
EC4A 3TR  
United Kingdom

# The Kantar Group Limited

## Strategic report Year ended 31 December 2020

The Directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006.

### **Principle activity, business review, key performance indicators and dividends**

The principal activity of the Company is to host global employees and associated global infrastructure costs which are recharged to divisional operating companies.

The Company continues to lead the strategic direction of the Kantar group and to provide supervision of and services to group companies.

The Company reports its key performance indicator, a loss for the year after tax of £53,646,691 (2019: £20,481,592). The loss for this year is mainly due to transformation costs incurred of £65,709,295.

The balance sheet on page 13 of the financial statements reflects a net liabilities position of £158,670,537 (2019: £102,176,897). The timing of invoicing of the intercompany service fees drives the bank overdraft and amounts owed by other group undertakings balances. The Directors consider that owing to the nature of the business, no further key performance indicators are necessary to understand the performance of the business in the year.

### **Principal risk and uncertainties**

The principle risk is considered liquidity risk. This risk is mitigated because the Company is a wholly owned subsidiary in the Kantar network, participates in the group banking arrangements, has access to a group cash management facility and has received a letter of support from Kantar Group Holdings Limited.

### **Environment**

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

### **Future developments**

See Directors' report (page 4).

### **Section 172(1) Statement**

The directors of the company, as those of all UK companies, must act in accordance with section 172 of the UK Companies Act 2006. The directors are of the opinion that they have acted fairly and in good faith to promote the success of the company for the benefits of its members.

The directors have carried out these duties and have made decisions and undertaken short and long-term strategies to maintain its financial performance and position. The directors continue to recognise the importance of the company's partnership with all stakeholders, including employees, members, suppliers, customers and the community, as well as maintaining its high standards of business conduct and reputation.

We have representatives who attend and communicate with industry bodies in the markets in which we operate who engaged on issues that affect our people, clients and competitors. We contributed during the year to indexes that provide meaningful data on governance and policy issues.

# The Kantar Group Limited

## Strategic report (continued) Year ended 31 December 2020

### Section 172(1) Statement (continued)

#### a. Long term consequences

The directors met throughout the year and considered the purpose and strategy for the company, supported by a budget for the following year and a medium-term financial plan. Agenda items for the following year are set based on the discussions held and decisions taken by the Board throughout the year. For example, business development and operational progress are discussed to help maintain the long-term sustainability of the business model.

#### b. Interest of employees

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings, briefings and through Group and company communications. Employees are consulted regularly on a wide range of matters affecting their current and future interests.

#### c. Interest of other stakeholders

The company recognises the importance of its continued partnerships with its wider stakeholders including suppliers and customers, in delivering its business strategy and sustainability goals. The company aims to have an open and transparent relationship which is based on honesty and respect. The company engages in constant conversation with clients and suppliers on improving delivery of services and relationships.

#### d. Impact of community and environment

Corporate responsibility, including human rights, environmental stewardship and use of resources, sustainable solutions, greenhouse gas emissions and energy management are monitored with quarterly reporting of these to help the company plan for future actions to be taken in order for the business to help the local community and the environment.

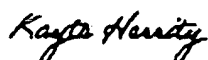
#### e. High standards of business conduct

The company maintains high standards of business conduct focusing on business ethics, anti-bribery and anti-corruption. All employees are required to read and agree with all policies in regard to the Group's code of conduct, right to speak and anti-bribery. These are communicated on an annual basis by HR.

#### f. Act fairly between members

The directors aim to understand the views of its shareholders and always act in their best interests. In order to do this, the directors work closely with the shareholders to ensure operations, strategy and performance are aligned with their long-term objectives, while complying with the Articles of Association of the company, and in line with the highest standards of conduct as laid out in Group policies.

Approved by the Board and signed on its behalf by



Katharine Herrity  
Director  
28 March 2022

# The Kantar Group Limited

## Directors' report

The Directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 31 December 2020.

### Directors

The Directors of the Company, who have served throughout the year and to the date of this report unless otherwise noted, are set out on page 1.

### Political and charitable contributions

During the year the Company made charitable donations of nil (2019: nil). There were no political donations made during the current and prior year.

### Future developments

We expect the Company to incur further transformation costs as we update our IT infrastructure. We expect the operations of the Company to remain consistent for the foreseeable future.

### Dividends

No dividends have been paid in either the current or prior year or subsequent to the balance sheet date of the financial statements.

### Directors' indemnity

The Group to which the Company belongs has made qualifying third-party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

### Going concern

The COVID-19 pandemic has had a significant impact on the global economy. The directors consider that the going concern assumption upon which these financials have been prepared continues to be appropriate. Given the net liability position, the intermediate parent company, Kantar Group Holdings Ltd, has provided a letter of support confirming their support until 12 months from the date of signing of the financial statements. Forecasts and cash flow projections have been produced by the Group, covering the period of 12 months from the date of signing these financial statements, which have been sensitised to reflect potential declines in revenue and profitability resulting from the COVID-19 pandemic and its impact on the global economy. These demonstrate the Group has sufficient funding to enable the Company to meet its obligations as they fall due. Following correspondence with Group management, the directors of the company are satisfied that the Group will continue to invest in this entity as it is considered strategically beneficial to the Group.

### Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

### Cash flow risk

Debtors and creditors are monitored and analysed continuously to ensure liabilities are paid when due.

# The Kantar Group Limited

## Directors' report (continued)

### **Credit risk**

The Company's credit risk is primarily attributable to its group receivables. The majority of the Company's group receivables are due from group companies where the risk of default is considered low. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the Company's management based on expected losses, prior experience and their assessment of the current economic environment.

### **Liquidity risk**

To maintain liquidity and ensure that sufficient funds are available for ongoing operations and future developments, the Company is part of a mutually guaranteed Group overdraft facility.

### **Energy and carbon reporting**

#### *Greenhouse Gas (GHG) Emissions*

In line with the GHG Protocol Corporate Accounting and Reporting Standard, the company has been engaged in a process aimed at reducing our energy and GHG emissions.

The company currently records both Scope 1 & 2 emissions, which are generated from our offices. We also record Scope 1 and 3 emissions from a range of transport including company cars and "grey fleet" (personal cars used for business purposes). Unfortunately, due to Covid, and IT issues, we have been unable to obtain staff mileage from "grey fleet" therefore this has not been included in our reporting.

The company is currently devising a strategy to reduce our carbon footprint significantly including:

- Purchasing energy efficient equipment where appropriate in our offices;
- replacing HVAC systems with energy-efficient equipment where possible;
- adopting behavioural change measures where possible; and
- encouraging employees to purchase renewable technology cars i.e., hybrid vehicles, battery electric vehicles.

The company has been heavily impacted by the Covid pandemic during our financial year. We do have however a longstanding commitment to tackling climate change. Our calculated carbon footprint for our current financial year is 94,662 t CO<sub>2</sub>e, whilst energy consumption was 365,617 kWh ( MWh).

# The Kantar Group Limited

## Directors' report (continued)

### Methodology

We have reported all emission sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 as required. We have calculated and reported our emissions in line with the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2020 (reference "Introduction guidance").

Energy consumption (kWh) from our buildings was calculated based on consumption data included on energy supply invoices. Transport energy consumption was calculated by dividing emissions totals by the corresponding conversion factor(s) outlined in government produced guidance.

The reporting period is the financial year 2020, the same as that covered by the Annual Report and Financial Statements. The boundaries of the GHG inventory are defined using the operational control approach. In general, the emissions reported are the same as those which would be reported based on a financial control boundary.

### 2020 Emissions

	<b>Tonnes CO<sub>2</sub> equivalent (tCO<sub>2</sub>e)</b>
Scope 1 (natural gas)	21
Scope 1 (transport)	9
Scope 2 (electricity)	59
Scope 3 (electricity T & D*)	5
<b>Total</b>	<b>94</b>

\*Transmission and distribution losses.

Scope 1, 2 and 3 carbon intensity metric = 0.06 tCO<sub>2</sub>e / m<sup>2</sup> of floor area (based on 24,769 m<sup>2</sup>, our average floor area during the financial year).

### Efficiency Measures Taken

- 1) Replaced aging office equipment with energy-efficient products.
- 2) Expanded video conferencing and online meetings (as opposed to face-to-face meetings) in line with both government policy and Kantar's specific response to Covid. This has set the foundations for continued remote working and associated emissions benefits.
- 3) Upgraded lighting portfolio where possible.

### Objectives for 2021

- 1) Reduce our baseline (2019) electricity and gas consumption by 2%.
- 2) Continual review of existing operational and office equipment company policies.
- 3) Reviewing supply contracts to determine feasibility of renewable energy.
- 4) Assessment and implementation of the Energy Savings Opportunity Scheme (ESOS) recommendations.

The company will report on progress within our next set of Annual Report.

# The Kantar Group Limited

## Directors' report (continued)

### Business relationships

Please refer to the Section 172(1) statement, paragraph c), in the Strategic report for detail of how during the financial year the Directors have had regard to the need to foster the company's business relationships with suppliers, customers and others, and the effect of that regard.

### Auditor


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

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

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

Deloitte LLP have indicated their willingness to be reappointed as auditor for a further term and, accordingly, a resolution for their reappointment for the year ending 31 December 2020 will be put to the Company's members in accordance with the provisions of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



Katharine Herrity  
Director  
28 March 2022

# **The Kantar Group Limited**

## **Directors' responsibilities statement**

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting UK standards have 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 The Kantar Group Limited

## Report on the audit of the financial statements

### Opinion

In our opinion the financial statements of The Kantar Group Limited (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss 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 profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 17.

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.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 We have nothing to report in this regard.

# Independent auditor's report to the members of The Kantar Group Limited (continued)

## 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.

## Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included employment regulations.

We discussed among the audit engagement team including relevant internal specialists such as tax and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and our specific procedures performed to address it are described below:

- The accuracy of service fee revenue recognised, specifically in relation to the portion of income billed based on an estimated cost-base being recharged: We assessed the design and implementation of relevant controls and for a sample of operating companies, agreed the amount of service fee income recognised to final invoicing issued.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

# Independent auditor's report to the members of The Kantar Group Limited (continued)

## Report on other legal and regulatory requirements

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

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

- The information given in the Strategic Report and the Director's 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 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 and Directors' Report.

### 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.



Devan Vedhera FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
28 March 2022

# The Kantar Group Limited

## Profit and loss account For the year ended 31 December 2020

	Notes	2020 £	2019 £
<b>Turnover</b>	2	47,406,760	34,194,715
Administrative expenses		(112,000,234)	(57,241,952)
<b>Operating loss</b>	3	<u>(64,593,474)</u>	<u>(23,047,237)</u>
Interest charge and similar expenses	6	(43,527)	(1,766,945)
<b>Loss before taxation</b>		<u>(64,637,001)</u>	<u>(24,814,182)</u>
Tax credit	7	10,990,310	4,332,590
<b>Loss for the financial year</b>		<u><u>(53,646,691)</u></u>	<u><u>(20,481,592)</u></u>

The loss before taxation derives entirely from continuing activities.

There are no other gains or losses other than those shown in the profit and loss account above for either the current year or prior year and, accordingly, no separate statement of other comprehensive income has been presented.

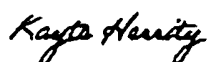
# The Kantar Group Limited

## Balance sheet As at 31 December 2020

	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	9	1,536,536	886,833
Intangible assets	10	<u>3,886,336</u>	<u>5,393,539</u>
		5,422,872	6,280,372
<b>Current assets</b>			
Debtors	11	118,077,426	97,774,320
Cash at bank and in hand		<u>174,390</u>	<u>29,584</u>
		118,251,816	97,803,904
<b>Creditors: amounts falling due within one year</b>	12	(282,345,225)	(206,261,173)
<b>Net current liabilities</b>		<u>(164,093,409)</u>	<u>(108,457,269)</u>
<b>Net liabilities</b>		<u>(158,670,537)</u>	<u>(102,176,897)</u>
<b>Capital and reserves</b>			
Called up share capital	13	2	2
Equity reserve		-	2,846,949
Profit and loss account		(158,670,539)	(105,023,848)
<b>Shareholder's deficit</b>		<u>(158,670,537)</u>	<u>(102,176,897)</u>

These financial statements of The Kantar Group Limited, (registered number 02887671) were approved by the Board of Directors and authorised for issue on 28 March 2022.

Signed on behalf of the Board of Directors



Katharine Herrity  
Director

# The Kantar Group Limited

## Statement of changes in equity For the year ended 31 December 2020

	Called up share capital (see note 13)	Equity reserve *	Profit and loss account	Total
	£	£	£	£
<b>At 1 January 2019</b>	2	2,585,328	(84,542,256)	(81,956,926)
Total comprehensive expense for the financial year	-	-	(20,481,592)	(20,481,592)
Capital contribution for equity-settled share-based payments	-	261,621	-	261,621
<b>Balance at 31 December 2019</b>	<u>2</u>	<u>2,846,949</u>	<u>(105,023,848)</u>	<u>(102,176,897)</u>
Total comprehensive expense for the financial year	-	-	(53,646,691)	(53,646,691)
Equity settled share based payment	-	(2,846,949)	-	(2,846,949)
<b>Balance at 31 December 2020</b>	<u>2</u>	<u>-</u>	<u>(158,670,539)</u>	<u>(158,670,537)</u>

\*The equity reserve reflects the cumulative capital contribution from WPP Plc, the Kantar group's previous owner, in relation to expenses borne in respect of share-based payments. For more information see note 8.

# The Kantar Group Limited

## Notes to the financial statements For the year ended 31 December 2020

### 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 preparation***

The Kantar Group Limited (the Company) is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. 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 in the Strategic report on page 2.

The financial statements have been prepared on the historical cost basis. These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates. These financial statements are separate financial statements. Details of the parent, Kantar Group Holdings Sarl, in whose consolidated financial statements the Company is included are shown in note 16 to the financial statements.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 (FRS 101) 'Reduced Disclosure Framework'.

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 cashflow statement, share based payments, standards not yet effective, impairment of assets and business combinations. Where required, equivalent disclosures are given in the consolidated financial statements of Kantar Group Holdings Sarl.

#### ***Amendments to International Financial Reporting Standards (IFRSs) and the new interpretations that are mandatory effective for the current year***

No such amendments or interpretations have a material impact on the financial statements in the current year.

#### ***Going concern***

The COVID-19 pandemic has had a significant impact on the global economy. The directors consider that the going concern assumption upon which these financials have been prepared continues to be appropriate. Given the net liability position, the intermediate parent company, Kantar Group Holdings Ltd, has provided a letter of support confirming their support until 12 months from the date of signing of the financial statements. Forecasts and cash flow projections have been produced by the Group, covering the period of 12 months from the date of signing these financial statements, which have been sensitised to reflect potential declines in revenue and profitability resulting from the COVID-19 pandemic and its impact on the global economy. These demonstrate the Group has sufficient funding to enable the Company to meet its obligations as they fall due. Following correspondence with Group management, the directors of the company are satisfied that the Group will continue to invest in this entity as it is considered strategically beneficial to the Group.

# The Kantar Group Limited

## Notes to the financial statements For the year ended 31 December 2020

### 1 Accounting policies (continued)

#### **Turnover**

The majority of turnover represents the total amount receivable by the Company in respect of recharges to all group companies relating to the services provided by the Kantar Group Limited. The rechargeable expenses are appropriately marked up. Revenue is recognised when related expenses are incurred.

#### **Share-based payments**

Certain employees of the company benefitted from equity-settled share-based payments through participation in stock options and restricted stock incentive schemes. Such awards were satisfied by the delivery of shares in WPP plc, the former ultimate parent undertaking of the company, prior to the sale in December 2019 to Bain Capital.

#### **Tangible assets**

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Office furniture	33% straight line
Office equipment	33% straight line
Computer equipment	33% straight line

Residual value is calculated on prices prevailing at the date of acquisition or revaluation. Useful lives and residual values are reviewed at the end of every reporting period.

#### **Intangible assets**

Intangible assets represents the capitalised cost of software implementation and customisation and font licences. When the assets come into use, the costs are amortised over their expected useful lives; which are deemed to be five years.

The amortisation expense is recognised in administrative expenses.

#### **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.

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.

# The Kantar Group Limited

## Notes to the financial statements For the year ended 31 December 2020

### 1 Accounting policies (continued)

#### **Taxation**

Current 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.

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

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

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

#### **Pensions**

For defined contribution schemes the amount charged to the profit and loss account 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.

#### **Foreign currencies**

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the functional currency are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

# The Kantar Group Limited

## Notes to the financial statements For the year ended 31 December 2020

### 1 Accounting policies (continued)

#### **Financial instruments**

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Financial assets are measured at amortised cost using the effective interest rate, less any impairment or estimated irrecoverable amounts.

#### **Other financial liabilities**

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Interest is recognised on an accruals basis, with income and expenses matched to the period to which they relate to other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

#### **Critical accounting judgements and key sources of estimation uncertainty**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form a basis for making the judgements about carrying value of assets and liabilities that are not readily available from other sources.

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 revision and future periods if the revision affects both current and future periods.

#### **Critical judgements and key sources of estimation uncertainty in applying the Company's accounting policies**

In the process of applying the Group's accounting policies, management has made the following judgements and estimations that have the most significant effect on the amounts recognised in the financial statements.

The directors consider the estimated service fee 'true-up' to be a source of key estimation uncertainty, as revenue includes both amounts billed in the year and amounts accrued based on expected final costs to be recharged.

### 2 Turnover

An analysis of the turnover by geographical segment is as follows:

	2020	2019
	£	£
United Kingdom	30,998,957	24,488,747
Rest of Europe	11,041,091	6,458,935
United States of America	5,366,712	3,247,033
	<u>47,406,760</u>	<u>34,194,715</u>

# The Kantar Group Limited

## Notes to the financial statements For the year ended 31 December 2020

### 3 Operating loss

Operating loss is stated after charging/(crediting):	2020	2019
	£	£
Staff costs (see note 4)	25,857,587	25,061,558
Share based payments	-	261,621
Net foreign exchange losses	72,545	4,501
Depreciation of tangible fixed assets owned	516,724	680,119
Amortisation of intangible assets	1,507,203	1,537,525
Transformation costs	65,709,295	14,965,870
Fees payable to the Company's auditor for the audit of the Company's annual accounts	62,000	13,000
Fees payable to the Company's auditor for the non audit services	-	-

Other income received from other group Companies is offset by administrative expenses.

### 4 Staff costs

The average monthly number of employees was:	2020	2019
	No.	No.
Administration	207	248
	<u>207</u>	<u>248</u>

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	22,119,975	20,690,730
Social security costs	2,703,028	3,032,588
Pension costs (see note 14)	1,034,584	1,338,240
	<u>25,857,587</u>	<u>25,061,558</u>

### 5 Directors' remuneration

No Directors exercised any share options during the current or prior year.

The emoluments of the directors of the company were:

	2020	2019
	£	£
Aggregate emoluments	1,281,472	-
Pension contributions to defined contribution scheme	22,087	-
	<u>1,303,559</u>	<u>-</u>
<b>Directors' remuneration for the highest paid Director</b>		
Emoluments	1,052,199	-
Company contributions to money purchase pension schemes	7,547	-
	<u>1,059,746</u>	<u>-</u>

During the year 2 directors were members of the defined contribution pension scheme (2019: nil)

No advances and credits were granted by the Company to its Directors, and no guarantees were entered into by the Company on behalf of its Directors (2019: none).

### 6 Interest charge and similar expenses

	2020	2019
	£	£
Bank overdrafts	43,527	1,766,945
	<u>43,527</u>	<u>1,766,945</u>

# The Kantar Group Limited

## Notes to the financial statements For the year ended 31 December 2020

### 7 Tax (credit)

Analysis of tax (credit) in the year	2020 £	2019 £
<b>Current tax:</b>		
Corporation tax at 19% (2019: 19%)	(10,757,747)	(3,863,124)
Adjustment in respect of prior years	536,060	-
	<u>(10,221,687)</u>	<u>(3,863,124)</u>
Overseas Tax	1,614	-
<b>Total current tax</b>	<u>(10,220,073)</u>	<u>(3,863,124)</u>
<b>Deferred tax:</b>		
Deferred tax for the current year	(106,837)	232,343
Impact of deferred tax at different rates	(210,175)	-
Prior year adjustment to deferred tax	(453,225)	(701,809)
<b>Deferred tax (credit)</b>	<u>(770,237)</u>	<u>(469,466)</u>
<b>Tax (credit)</b>	<u>(10,990,310)</u>	<u>(4,332,590)</u>

The (credit)/charge for the year can be reconciled to the loss in the profit and loss account as follows:

	2020 £	2019 £
Loss before tax	(64,637,001)	(24,814,182)
Tax credit on loss at 19% (2019: 19%)	(12,281,030)	(4,714,695)
Effects of:		
Imputed transfer pricing adjustment	1,205,679	1,010,306
Expenses not deductible for tax purposes/(income not taxable)	211,074	100,941
Adjustments in respect of prior years - current tax	536,060	-
Adjustments in respect of prior years - deferred tax	(453,225)	(701,808)
Other adjustments	(307)	-
Overseas taxes	1,614	-
Impact of change in rate for deferred tax	(210,175)	(27,334)
Group relief for £nil consideration	-	-
<b>Total (credit)</b>	<u>(10,990,310)</u>	<u>(4,332,590)</u>

The UK corporation tax rate is 19% for the years ended 31 December 2019 and 31 December 2020. A reduction in the rate from 19% to 17% effective from 1 April 2020 was substantively enacted on 6 September 2016 by the Finance Act 2016 and deferred tax was calculated at this rate for the year to December 2019. In the 11 March 2020 Budget it was announced that the UK tax rate will remain at the current 19% and not reduce to 17% from 1 April 2020. The rate of 19% was substantively enacted on 17 March 2020 and has been reflected in the calculation of deferred tax at the statement of financial position date.

In the 3 March 2021 budget, it was announced that the UK tax rate would increase to 25% from 1 April 2023. If the rate change had been substantively enacted and the deferred tax asset calculated at this rate, the deferred tax asset would be £2,767,757.

Deferred tax asset	2020 £	2019 £
The deferred tax asset was as follows:		
Accelerated capital allowances	(2,063,456)	(1,093,535)
Share based payments	-	(209,040)
Other timing differences	(40,039)	(30,684)
	<u>(2,103,495)</u>	<u>(1,333,258)</u>
At the beginning of the year	(1,333,258)	(863,793)
(Credited)/charged to profit and loss account	(560,062)	(469,465)
Impact of deferred tax at different rates	(210,175)	-
<b>As at the end of the year</b>	<u>(2,103,495)</u>	<u>(1,333,258)</u>

# The Kantar Group Limited

## Notes to the financial statements For the year ended 31 December 2020

### 8 Share-based payments

The company historically took part in share-based payment schemes managed by the previous owner, WPP Plc. Subsequent to the sale of the company by WPP in 2019, these schemes have been closed, leading to a cash settlement in the year by the company of £2,846,949.

### 9 Tangible assets

	Computer Equipment £	Office Equipment £	Office Furniture £	Total £
<b>Cost</b>				
At 1 January 2020	5,292,705	460,508	6,766	5,759,979
Additions	1,135,093	(120,918)	152,252	1,166,427
Disposals	(2,650,768)	-	-	(2,650,768)
At 31 December 2020	<u>3,777,030</u>	<u>339,590</u>	<u>159,018</u>	<u>4,275,638</u>
<b>Depreciation</b>				
At 1 January 2020	4,671,764	201,149	233	4,873,146
Charge for the year	420,217	94,995	1,512	516,724
Disposals	(2,650,768)	-	-	(2,650,768)
At 31 December 2020	<u>2,441,213</u>	<u>296,144</u>	<u>1,745</u>	<u>2,739,102</u>
<b>Net book value</b>				
At 31 December 2020	<u>1,335,817</u>	<u>43,446</u>	<u>157,273</u>	<u>1,536,536</u>
At 31 December 2019	<u>620,941</u>	<u>259,359</u>	<u>6,533</u>	<u>886,833</u>

### 10 Intangible assets

	Other Intangibles £	Software £	Total £
<b>Cost</b>			
At 1 January 2020	277,671	7,593,812	7,871,483
Additions	-	-	-
At 31 December 2020	<u>277,671</u>	<u>7,593,812</u>	<u>7,871,483</u>
<b>Amortisation</b>			
At 1 January 2020	94,837	2,383,107	2,477,944
Charge for the year	27,836	1,479,367	1,507,203
At 31 December 2020	<u>122,673</u>	<u>3,862,474</u>	<u>3,985,147</u>
<b>Net book value</b>			
At 31 December 2020	<u>154,998</u>	<u>3,731,338</u>	<u>3,886,336</u>
At 31 December 2019	<u>182,834</u>	<u>5,210,705</u>	<u>5,393,539</u>

The software costs relate mainly to the implementation and customisation costs of the Human Resources management system.

Other intangibles represents a font licence for the Kantar Brand.

# The Kantar Group Limited

## Notes to the financial statements For the year ended 31 December 2020

### 11 Debtors

	2020	2019
	£	£
Trade debtors	-	784,881
Amounts owed by other group undertakings	90,837,568	86,679,823
Corporation tax receivable	14,084,811	3,863,124
Deferred tax asset (see note 7)	2,103,495	1,333,258
Prepayments	3,572,656	1,674,929
VAT receivable	7,478,896	3,438,305
	<u>118,077,426</u>	<u>97,774,320</u>

Amounts owed by group undertakings are non-secured, receivable on demand and are interest free.

### 12 Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank overdraft	170,819,695	113,861,639
Trade creditors	32,773,760	18,377,731
Amounts owed to other group undertakings	30,205,492	49,782,369
Balances due to related parties	9,453,890	5,333,800
Other tax and social security	1,231,712	2,322,035
Other creditors	63,381	153,294
Accruals	37,797,295	16,430,305
	<u>282,345,225</u>	<u>206,261,173</u>

Amounts owed to group undertakings are non-secured, receivable on demand and are interest free.

The majority of accruals relates to IT software costs and transformation costs.

### 13 Called up share capital

	2020	2019
	£	£
<b>Allotted, called-up and fully paid equity share capital:</b>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

### 14 Defined contribution pension scheme

The Company operates a defined contribution retirement benefit schemes for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The Company charged £1,034,584 (2019: £1,338,240) to the profit and loss account in relation to contributions by the Company to the fund. £206,494 (2019: £153,031) of outstanding contributions was included in creditors at the year-end.

# The Kantar Group Limited

## Notes to the financial statements For the year ended 31 December 2020

### 15 Related party transactions

Bain Capital and WPP Plc Group are deemed to be related parties due to them all having a significant shareholding in the Kantar Group.

During the year, owing to its function as a head office, the company entered into the following transactions with related parties:

	<b>Bain Capital</b>	<b>Members of the WPP Plc Group</b>	<b>Non-wholly owned members of the Kantar Group</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Sales	-	-	47,406,760	47,406,760
Purchases	-	19,276,080	20,867,518	40,143,598
Trade and other receivables	-	-	90,837,568	90,837,568
Trade and other payables	-	9,453,890	30,205,492	39,659,382

### 16 Ultimate parent and controlling party

The parent undertaking of the largest and smallest group of undertakings for which group financial statements are drawn up and of which the company is a member is Kantar Global Holdings S.á.r.l, registered at 4 Rue Lou Hemmer, Findel, Luxembourg L-1748.

Copies of the financial statements of Kantar Global Holdings S.á.r.l are available at 222 Grays Inn Road, London, WC1X 8HB.

The directors consider TNS Group Holdings Ltd, a company incorporated in the United Kingdom, as the immediate parent company and Bain Capital Europe Fund V, SCSp, a private equity fund registered at 4 Rue Lou Hemmer, Findel, Luxembourg L-1748, as the ultimate parent and the ultimate controlling party.

### 17 Guarantees

The company is part of an overdraft facility arrangement, together with a group of other subsidiaries of the Kantar group. As a form of guarantee, providers of the facilities have the right to offset positive and negative cash balances across the respective group of companies. The net limit of the facility is £5m with a gross debit cap of £200m. The facility does not have a set termination date and the provider has the option to demand repayment of amounts owed, or to withdraw the facility, at any time.