

Company registration number 01002786 (England and Wales)

CONRAN DESIGN GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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CONRAN DESIGN GROUP LIMITED

COMPANY INFORMATION

Directors	A R Adamson L Hoddy T Newton
Secretary	A McArthur
Company number	01002786
Registered office	Havas House Hermitage Court Hermitage Lane Maidstone Kent UK ME16 9NT
Auditor	Constantin 25 Hosier Lane London UK EC1A 9LQ

CONRAN DESIGN GROUP LIMITED

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CONRAN DESIGN GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022. The directors, in preparing this strategic report, have complied with S414C of the Companies Act 2006.

Fair review of the business

The company has carried on the business of an international design consultancy during the year. The company continues to be one of the most experienced and respected design consultancies in Europe. There have not been any significant changes in this activity in the year under review, nor are any likely changes anticipated in the forthcoming year. Our main objectives are to increase turnover and hence profitability and our intention is to achieve this by continuing to care for and retain our existing client base, drive operational excellence and increase growth through collaboration with our partners across the group.

The results for the period are set out in the profit and loss account and the position of the company at the end of the period is detailed in the balance sheet.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The directors consider the principal risks for the company to be market risk and coronavirus risk.

Market risk : The company operates in a highly competitive market which is a continuing risk to the company as existing clients could be lost to competitors. The company manages this risk by providing bespoke value-added services to its clients, and by building and maintaining strong relationships.

Key performance indicators

To provide value for our shareholders, the directors consider that turnover, gross profit and operating profit are the key performance indicators (KPIs) that show a good measure of the company's performance and financial strength.

Turnover was £12,719,000 in 2022, a decrease of £985,000 or 7% on the turnover in the previous year.

Gross profit was £9,681,000 in 2022, a decrease of £138,000 or 1% on the gross profit in the previous year.

Operating profit was £856,000 in 2022, a decrease of £372,000 or 30% on the operating profit in the previous year.

S172(1) Compliance Statement

Vivendi

Conran Design Group Limited is a member of the Vivendi group. The company is bound by and applies Vivendi group policies.

Vivendi is an integrated content, media and communications group.

More details of Vivendi's Corporate Social Responsibility ethos, policies, activities and results may be found at <https://www.vivendi.com/en/our-group/environmental-societal-social-commitments/>.

CONRAN DESIGN GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Anti-corruption Code

At Vivendi, all employees are required to comply with the laws and regulations in the countries in which they operate. The Group's commitment in this regard is reflected in the implementation of a Compliance Program that covers personal data protection and anti-corruption measures, as well as obligations for monitoring the Group's business activities.

An Anti-corruption policy has been drawn up to prevent and identify any potential risks situation. These rules apply to all Vivendi employees and all Group business partners (suppliers, subcontractors, intermediaries, etc.).

Vivendi Anti-corruption Code may be found at <https://www.vivendi.com/wp-content/uploads/2018/10/Code-anticorruption-SIGNATURE-VA-021018.pdf>.

Vigilance Program

Vivendi has implemented a Compliance Program which sets out general ethics rules which are applicable to each and every group employee.

These guidelines cover the rights of employees, the quality of information and its protection, the prevention of conflicts of interest, commercial ethics and the respect of competition rules, the use of group property and resources, financial ethics and respect for the environment. The objective of the Compliance Program is to make employees aware of their professional responsibilities, to provide them with a reference tool that helps them determine appropriate conduct.

More details may be found at <https://www.vivendi.com/en/our-group/governance/compliance-program/>.

Havas

The company is a member of the global Havas group. The company is bound by and applies global Havas group policies.

Havas is a leading global advertising and communications services group. Havas has special responsibilities due to its influence on society and how the latter evolves over time.

Corporate Social Responsibility and Code of Ethics

Havas Corporate Social Responsibility policy is coordinated at group level. More details may be found at <https://havaspositiveimpact.com/our-pillars/>. In addition, Havas 2021 CSR Report may be found at <https://havaspositiveimpact.com/wp-content/uploads/2022/07/2021-csr-report-havas-group-en-def.pdf>.

Ethics is the foundation of this Corporate Social Responsibility approach and the basis on which the group conducts its business. Havas Code of Ethics is aligned with expectations on the part of its stakeholders. Havas Code of Ethics is detailed at https://www.havasgroup.com/havas-content/uploads/2020/01/havas_codeofethics_2017.pdf.

Havas signed the Global Compact in 2003 and continues to assert its commitment to the 10 main principles defined by the United Nations with regard to human rights, labour law, the environment and the fight against corruption.

Havas has made corporate social responsibility an integral part of everything it does. Havas encourages its agencies to harness the power of creative ideas to bring about positive change and minimize any negative impact on society.

The Group has established six commitments to progress which guide all aspects of the business regardless of the nature of the work.

Havas is committed to:

- promoting a harmonious and healthy working environment that supports collaborators' growth and development;

CONRAN DESIGN GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

- reinforcing socially responsible procurement policies in our supply chain;
- promoting transparency and ethics in our business;
- taking the lead in the creation and diffusion of responsible communications throughout our agencies and in collaborations with clients and partners;
- reducing the environmental footprint of our operations; and
- maintaining our commitment to collaborative efforts in reducing climate change.

Havas Group UK

In the UK, the directors of the company have taken all necessary steps to ensure that the company has implemented and complied with all Havas and Vivendi group policies and procedures.

Furthermore, the board constantly assesses the implications of decisions made, in terms of the both the potential long-term consequences for the company, together with the impact on our stakeholders, including shareholders, employees, clients, suppliers and customers, the wider community and the environment.

Shareholders

The board communicates directly with Vivendi regarding strategy and performance of the company through a number of different channels:

- Regular and timely management accounts;
- Detailed and accurate financial budgets and forecasts;
- Collaboration as part of the Vivendi cash management policy; and
- Consultation and approval of any significant investment and acquisition decisions.

Conran and HKX

The company is primarily located within Havas's London Village at Havas King's Cross ("HKX") in Pancras Square, London.

Employee engagement

The board understands that Conran's UK's staff are at the heart of everything we do as a business, and the importance of an engaged and dynamic workforce to ensure we can respond to the challenging media market. We have 3 key strategic pillars that deliver against this commitment:

Learning and Development

Our People team provide high quality development opportunities for all employees:

- HKX Campus, is a comprehensive programme of learning and development offerings servicing 1,700 employees across the UK;
- Regular keynote talks and inspiration sessions are delivered both in our onsite auditorium and virtually;
- Bespoke team and individual development plans and manager training;

Health and Wellbeing

Our business also recognises the crucial importance of promoting positive health and wellbeing:

- Havas Equalise is our industry-leading, award-winning health and wellbeing programme, awarded the best mental health strategy from the Not a Red Card Awards 2020;
- The programme continues to deliver over 600 hours of wellbeing activity for our employees, comprised of: mental wellness sessions, 1:1 personal development coaching surgeries, physical wellness sessions.

Diversity and Inclusion

The Havas group has a concerted strategic focus on diversity and inclusion and strives to create a workplace that is free of bias and fully representative of the diverse community of the UK.

We deliver against this commitment in the following ways:

CONRAN DESIGN GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

- Our Executive Diversity, Equity & Inclusion Committee holds our Diversity & Inclusion Charter which sets out our commitments over the next five years;
- We encourage all our employees to share information about their ethnicity with us to ensure we have a clear picture and we communicate regularly and transparently with them;
- We deliver Havas Doorway events with partner schools and community groups to drive awareness about our industry with young people and make entry more accessible;
- We deliver our bespoke All In Workshop covering bias, privilege, equity, intersectionality and anti-racism practice; and
- Our HKX Platform internship programme, designed to provide access and opportunity for individuals typically underserved and underrepresented by our industry, provides 6 month full time placements, paying the London Living Wage, for 10 people every quarter. In 2022, 39% of interns were offered permanent roles at the end of their internship.

The community

We recognise that we have a responsibility to enact positive social change and can be both a mirror and an engine in society.

Some of our achievements to date within our community:

- partnered with small UK-based charity to deliver meals and essential items to homeless people in London and Manchester;
- developed a homework club for local students who have nowhere to work after school;
- set up clothes recycling stations in our offices;
- partnered with Redemption Roasters to give young offenders the chance to skill up.
- Donated £50,000 worth of time to a charity combating loneliness and isolation.

The environment

Our unique employee-led HKX Roots committee is focused on progressing green policies in the UK to make our business as environmentally friendly as possible.

Some examples of achievements the group has garnered to date:

- Our King's Cross premises has eliminated all single use plastics;
- Reduced carbon emissions by 6% per employee;
- Achieved zero waste to landfill;
- All employee notebooks, pens and pencils are made from old pallets
- Achieve Gold CSR rating with EcoVadis, a trusted provider of sustainability ratings.

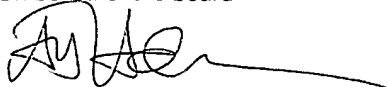
Suppliers, customers and clients

Conran Design Group Limited are committed to reinforcing socially responsible procurement policies in our supply chain and with our clients.

Some examples include:

- For local corporate travel, we use a taxi company that only uses low and zero emission cars;
- Sourced over 80% of suppliers within 50 miles of our office;

On behalf of the board



A R Adamson
Director

CONRAN DESIGN GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Date: 03/08/2023

CONRAN DESIGN GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Results and dividends

The results for the year are set out on page 13.

Ordinary dividends were paid amounting to £1,004,000. The directors recommend payment of a final dividend amounting to £700,000.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A R Adamson

L Hoddy

T Newton

Financial instruments

Financial risks

The management of the business is subject to a number of financial risks, including credit risk, currency risk, cash flow and liquidity risk.

Credit risk : The company's credit risk is primarily attributable to its trade debtors. The amount presented in the balance sheet is net of allowances for doubtful receivables. The company manages this risk by continually monitoring the status of its debtors and client list. Credit checks are made and appropriate credit insurance is taken out in respect of specific customers, or payment terms are altered where no insurance can be obtained.

Currency risk : The company's reporting currency is GBP but it transacts in other currencies including the US Dollar and Euro. The company's revenues, costs and operating profits may be affected by fluctuations in value between GBP and the other foreign currencies. The company maintains bank accounts denominated in its major trading currencies and wherever possible matches foreign currency income and expenses in order to minimise its foreign currency exposures.

Cash flow & liquidity risk : The company monitors its working capital and available cash carefully. The company ensures that it has sufficient funds available to settle its liabilities as they fall due.

Future developments

The restrictions as a result of the Coronavirus pandemic have impacted the way the company operates. Specifically, many employees had transitioned to working from home. The nature of the company's business is such that this transition was achieved without significant adverse impact on the company's ability to deliver services to its clients. As the restrictions eased, employees have gradually returned to office working in a controlled manner and many now have a hybrid of home and office working. The directors have ensured that the return to office working will meet all government guidelines.

On 31 January 2020, the UK left the European Union. The directors continue to monitor the possible impact that this may have on the business but do not consider this to be a significant risk to the company.

The directors do not anticipate any significant change in the activities of the company in the foreseeable future.

Details of how the company fosters relationships with suppliers, customers and others are set out in the strategic report.

Auditor

The auditor, Constantin, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

CONRAN DESIGN GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Energy and carbon report

The company is exempt from the requirement to produce an energy and carbon report by reason of its size.

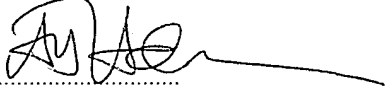
Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to include in the company's strategic report certain information in respect of the company's principal activities, a review of the business and the company's principal risks and uncertainties which would otherwise be contained in the directors' report in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



A R Adamson
Director

Date: 03/08/2023

CONRAN DESIGN GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

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). 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

CONRAN DESIGN GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CONRAN DESIGN GROUP LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Conran Design Group Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 23 which include the statement of accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (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.

CONRAN DESIGN GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CONRAN DESIGN GROUP LIMITED

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 fact.

We have nothing to report in this regard.

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. This description forms part of our auditor's report.

CONRAN DESIGN GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CONRAN DESIGN GROUP LIMITED

Extent to which the audit was considered capable of detecting irregularities

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 and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

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 the 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.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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.

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.

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.

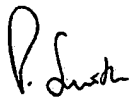
CONRAN DESIGN GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CONRAN DESIGN GROUP LIMITED

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.



Peter Smith FCA (Senior Statutory Auditor)

For and on behalf of Constantin

Chartered Accountants and Statutory Auditor

25 Hosier Lane

London

EC1A 9LQ

03/08/2023

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CONRAN DESIGN GROUP LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £000	2021 £000
Turnover	3	12,719	13,704
Cost of sales		(3,038)	(3,885)
Gross profit		<u>9,681</u>	<u>9,819</u>
Administrative expenses		(8,825)	(8,591)
Operating profit	4	<u>856</u>	<u>1,228</u>
Interest receivable and similar income	7	46	15
Profit before taxation		<u>902</u>	<u>1,243</u>
Tax on profit	8	(202)	(237)
Profit for the financial year		<u><u>700</u></u>	<u><u>1,006</u></u>

CONRAN DESIGN GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £000	2021 £000
Profit for the year	700	1,006
Other comprehensive income	-	-
Total comprehensive income for the year	<u>700</u>	<u>1,006</u>

CONRAN DESIGN GROUP LIMITED

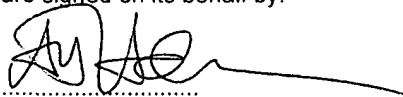
BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£000	£000	£000	£000
Fixed assets					
Goodwill	10		785		940
Tangible assets	11		62		51
Investments	12		215		215
			<u>1,062</u>		<u>1,206</u>
Current assets					
Work in progress		1		16	
Debtors	14	3,451		4,020	
Cash at bank and in hand		<u>2,630</u>		<u>3,073</u>	
		6,082		7,109	
Creditors: amounts falling due within one year	16	<u>(3,115)</u>		<u>(3,982)</u>	
Net current assets			<u>2,967</u>		<u>3,127</u>
Net assets			<u>4,029</u>		<u>4,333</u>
Capital and reserves					
Called up share capital	18		3,063		3,063
Share premium account	19		264		264
Profit and loss reserves	20		<u>702</u>		<u>1,006</u>
Total equity			<u>4,029</u>		<u>4,333</u>

The accompanying accounting policies and notes on pages 17 to 30 are an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 03/08/2023 and are signed on its behalf by:



A R Adamson
Director

Company Registration No. 01002786

CONRAN DESIGN GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £000	Share premium account £000	Profit and loss reserves £000	Total £000
Balance at 1 January 2021		3,063	264	415	3,742
Year ended 31 December 2021:					
Profit and total comprehensive income for the year		-	-	1,006	1,006
Dividends	9	-	-	(415)	(415)
Balance at 31 December 2021		3,063	264	1,006	4,333
Year ended 31 December 2022:					
Profit and total comprehensive income for the year		-	-	700	700
Dividends	9	-	-	(1,004)	(1,004)
Balance at 31 December 2022		3,063	264	702	4,029

CONRAN DESIGN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Conran Design Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is Havas House, Hermitage Court, Hermitage Lane, Maidstone, Kent, UK, ME16 9NT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group. Conran Design Group Limited is a subsidiary of Vivendi S.E., which is incorporated in France. The financial statements of the company are consolidated in the financial statements of Vivendi SE. Those consolidated financial statements are available from its registered office, 42 avenue de Friedland, 75380 Paris Cedex 08, France and the website - <https://www.vivendi.com/en/shareholders-investors/financialpublications-and-reports/financial-results/>.

1.2 Going concern

The directors of Havas S.A., the intermediate parent company, have confirmed that they will support the company to enable it to meet its third party liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

CONRAN DESIGN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses incurred that are recoverable.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of 35 Group Limited in August 2008 and of CGI London in December 2006 over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. The goodwill has a finite useful life, and is being amortised evenly over the remaining estimated useful life of 14 years and 7 months for 35 Group Limited and 13 years for CGI London from the date of transition to FRS102.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	5 years
Computer equipment	3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

1.7 Work in progress

Work in progress consists of direct charges, which are recoverable from clients. It excludes overheads and salaries. It is valued at the lower of cost and net realisable value.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

CONRAN DESIGN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

CONRAN DESIGN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

CONRAN DESIGN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end 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. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to retained reserves.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

CONRAN DESIGN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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.

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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

In the directors' view there are no key judgements that are required to be disclosed in these financial statements.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Impairment of goodwill

In performing the impairment test of goodwill, a discount factor has been applied and estimated rates used for the future weighted average cost of capital and inflation rates. Variation in these factors may have a material impact on the value of goodwill reflected in these financial statements.

3 Turnover

An analysis of the company's turnover is as follows:

	2022 £000	2021 £000
Turnover analysed by class of business		
Goods and services	12,719	13,704
	<u>12,719</u>	<u>13,704</u>
	2022 £000	2021 £000
Turnover analysed by geographical market		
United Kingdom	8,798	9,877
Europe	2,822	3,156
North America	459	191
Rest of the World	640	480
	<u>12,719</u>	<u>13,704</u>

CONRAN DESIGN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

4 Operating profit

	2022	2021
	£000	£000
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(31)	75
Fees payable to the company's auditor for the audit of the company's financial statements	21	20
Depreciation of owned tangible fixed assets	41	43
Amortisation of intangible assets	155	155
Share-based payments	6	25
	<u> </u>	<u> </u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022	2021
	Number	Number
Design	47	49
Administration	29	26
	<u> </u>	<u> </u>
	76	75
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2022	2021
	£000	£000
Wages and salaries	4,508	4,246
Social security costs	565	473
Pension costs	164	129
	<u> </u>	<u> </u>
	5,237	4,848
	<u> </u>	<u> </u>
Redundancy payments made or committed	35	31
	<u> </u>	<u> </u>

CONRAN DESIGN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

6 Directors' remuneration

	2022 £000	2021 £000
Remuneration for qualifying services	586	420
Company pension contributions to defined contribution schemes	20	20
	<u>606</u>	<u>440</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	333	235
Company pension contributions to defined contribution schemes	12	12
	<u>345</u>	<u>247</u>

7 Interest receivable and similar income

	2022 £000	2021 £000
Interest income		
Interest on bank deposits	46	15
	<u>46</u>	<u>15</u>

8 Taxation

	2022 £000	2021 £000
Current tax		
UK corporation tax on profits for the current period	186	256
Adjustments in respect of prior periods	(4)	(1)
Total current tax	<u>182</u>	<u>255</u>
Deferred tax		
Origination and reversal of timing differences	21	(17)
Adjustment in respect of prior periods	(1)	(1)
Total deferred tax	<u>20</u>	<u>(18)</u>
Total tax charge	<u>202</u>	<u>237</u>

CONRAN DESIGN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

8 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £000	2021 £000
Profit before taxation	902	1,243
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	171	236
Tax effect of expenses that are not deductible in determining taxable profit	4	3
Adjustments in respect of prior years	(5)	(2)
Effect of change in corporation tax rate	5	(28)
Permanent capital allowances in excess of depreciation	(2)	(1)
Amortisation on assets not qualifying for tax allowances	29	29
Taxation charge for the year	202	237

9 Dividends

	2022 Per share £	2021 Per share £	2022 Total £000	2021 Total £000
Ordinary shares				
Final paid	0.33	0.14	1,004	415

The proposed final dividend for the year ended 31 December 2022 is:

	Per share £	2022 Total £000	2021 Total £000
Ordinary shares	0.23	700	1,004

The proposed final dividend is subject to approval by shareholders and has not been included as a liability in these financial statements.

CONRAN DESIGN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

10 Intangible fixed assets

	Goodwill £000
Cost	
At 1 January 2022 and 31 December 2022	3,100
Amortisation and impairment	
At 1 January 2022	2,160
Amortisation charged for the year	155
At 31 December 2022	2,315
Carrying amount	
At 31 December 2022	785
At 31 December 2021	940

11 Tangible fixed assets

	Fixtures, fittings & equipment £000	Computer equipment £000	Total £000
Cost			
At 1 January 2022	20	316	336
Additions	-	52	52
At 31 December 2022	20	368	388
Depreciation and impairment			
At 1 January 2022	20	265	285
Depreciation charged in the year	-	41	41
At 31 December 2022	20	306	326
Carrying amount			
At 31 December 2022	-	62	62
At 31 December 2021	-	51	51

12 Fixed asset investments

	Notes	2022 £000	2021 £000
Investments in subsidiaries	13	215	215

CONRAN DESIGN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

12 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares £000
Cost or valuation	
At 1 January 2022 & 31 December 2022	215
Carrying amount	
At 31 December 2022	215
At 31 December 2021	215

13 Subsidiaries

Details of the company's subsidiary at 31 December 2020 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
35 Group Limited	England & Wales	Dormant	100.00	-

14 Debtors

	2022 £000	2021 £000
Amounts falling due within one year:		
Trade debtors	2,562	3,389
Amounts owed by group undertakings	625	303
Other debtors	17	12
Prepayments and accrued income	149	198
	3,353	3,902
Deferred tax asset (note 15)	98	118
	3,451	4,020

CONRAN DESIGN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2022 £000	Assets 2021 £000
Balances:		
Capital allowances in excess of depreciation	85	110
Short-term timing differences	13	8
	<u>98</u>	<u>118</u>
Movements in the year:		2022 £000
Liability/(Asset) at 1 January 2022		(118)
Charge to profit or loss		20
		<u>(98)</u>
Liability/(Asset) at 31 December 2022		<u>(98)</u>

Factors That May Affect Future Tax Charges

Finance Act 2020, which was substantively enacted on 11 March 2020, maintained the corporation tax rate at 19% until 31 March 2023.

Finance Act 2021, which was substantively enacted on 24 May 2021, has enacted an increase in the UK corporation tax main rate to 25% from 1 April 2023.

As this rate change had been substantively enacted before the balance sheet date, the closing deferred tax assets and liabilities have been calculated at 25%, on the basis that this is the rate at which those assets and liabilities are expected to unwind.

16 Creditors: amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	386	464
Amounts owed to group undertakings	346	641
Corporation tax	11	15
Other taxation and social security	404	493
Other creditors	13	3
Accruals and deferred income	1,955	2,366
	<u>3,115</u>	<u>3,982</u>

CONRAN DESIGN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

17 Retirement benefit schemes

	2022	2021
	£000	£000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	164	129

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

18 Share capital

	2022	2021
	£000	£000
Ordinary share capital		
Authorised, allotted, called up and fully paid		
3,062,600 Ordinary shares of £1 each	3,063	3,063

All shares rank pari passu in all respects.

19 Share premium account

	2022	2021
	£000	£000
At the beginning and end of the year	264	264

20 Profit and loss reserves

	2022	2021
	£000	£000
At the beginning of the year	1,006	415
Profit for the year	700	1,006
Dividends declared and paid in the year	(1,004)	(415)
At the end of the year	702	1,006

21 Financial commitments, guarantees and contingent liabilities

The company and certain group undertakings participate in the Havas UK Limited group banking facility. In connection therewith, each of the members of the group have given unlimited cross guarantees. The directors do not expect any loss to the company to arise in respect of the foregoing guarantees.

22 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

CONRAN DESIGN GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

22 Related party transactions

(Continued)

	Sales of goods and services		Purchases of goods and services	
	2022	2021	2022	2021
	£000	£000	£000	£000
Entities with control, joint control or significant influence over the company	103	10	1,786	1,896
Other related parties	1,318	568	1,021	1,501
	<u>1,421</u>	<u>578</u>	<u>2,807</u>	<u>3,397</u>

The following amounts were outstanding at the reporting end date:

	2022	2021
	£000	£000
Amounts due to related parties		
Entities over which the entity has control, joint control or significant influence	214	215
Other related parties	132	426
	<u>346</u>	<u>641</u>

The following amounts were outstanding at the reporting end date:

	2022	2021
	£000	£000
Amounts due from related parties		
Entities with control, joint control or significant influence over the company	103	-
Other related parties	522	303
	<u>625</u>	<u>303</u>

23 Ultimate controlling party

The smallest group in which the results of the company are consolidated is headed by Vivendi SE. The consolidated financial statements are available from its registered office, 42 avenue de Friedland, 75380 Paris Cedex 08, France.

The largest group in which the results of the company are consolidated is headed by Compagnie de l'Odét SE. The consolidated financial statements are available from its registered office, Odét - 29500 Ergue Gaberic, France.

The ultimate parent undertaking and controlling party at end of the period was Bolloré Participations SE, a company registered in France.