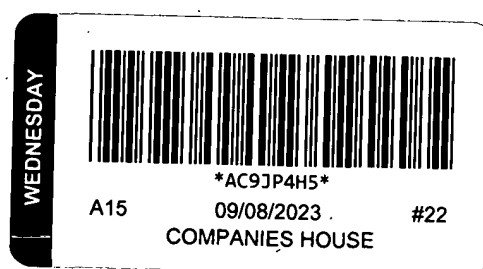


GFK RETAIL AND TECHNOLOGY UK LTD
Annual report and financial statements

Registered number 02450463
For the year ended 31 December 2022



**GfK Retail and Technology UK Ltd
Company information**

Directors	Anthony Norman Philip Offord Bonnie Jones (resigned 21 July 2022) Maria Mazur (appointed 21 September 2022)
Company number	02450463
Registered office	7 th Floor, Blue Fin Building 110 Southwark Street SE1 0SU United Kingdom
Independent auditor	Deloitte LLP 1 New Street Square London EC4A 3HQ United Kingdom

GfK Retail and Technology UK Ltd

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Strategic report

Principal activity

The principal activity of the Company throughout the year was to carry out retail market research with an emphasis on continuous point of sales data.

Business review

Key Performance Indicators (KPIs), which are set at board level, have been devised to allow the Board and shareholders to monitor the company as a whole. The Company monitors KPIs on a regular basis at board level and are as follows:

	2022 £	2021(restated) £
Turnover	34,870,496	33,872,956
Operating profit	8,310,167	8,092,130
Days sales outstanding	9	2

Turnover has increased compared to 2021 as the business continues to set itself ambitious sales targets for selling market insights data. The year-on-year growth of this business demonstrates our increasing impact on and relevance with our customer base, even through challenging economic conditions, as they rely on our data to understand and navigate consumer trends and product successes/failures. This insight is the bedrock for gfknewron, our single access point platform that combines market, consumer and brand intelligence supercharged with AI-powered recommendations. During 2022, our Market Intelligence (MI) business grew by over 4% with gfknewron growing significantly compared to its 2021 value as the business continues to ramp up. The Company has an ambition to become the leading provider of data analytics to the UK technology and consumer durables markets, and continues to invest in new platforms and digital services to our customer base.

Operating profit increased in line with sales growth as we continued to maintain a very healthy 24% operating profit margin in the business, reflecting the continuing stability and resilience of the business despite challenging economic conditions.

During 2022, we signed a contract for a four year lease at the Blue Fin building on the Southbank as part of a global strategy to locate our people in one office per country. Fit out work was completed in May 2022 to create a flagship office space to meet the needs of our hybrid workforce. The lease for this property is held by another group company.

Our cash position is maintained through a pooling arrangement with the group, and limited balances are held at a local level. Cash collection remains a key focus for the group, however, and the KPI Days Sales Outstanding (calculated as trade receivables divided by turnover and multiplied by 365) is an estimate of the number of days it takes a company or organisation to collect its outstanding accounts receivable. Despite seeing a decline in this metric in the year due to some slower paying customers we continue to see strong performance in this area with swift cash collection processes and low overdue debt during the period.

After the successes of 2021, 2022 has seen us continue to grow and win new business, deliver insight and analysis, and develop and launch technologically innovative data analysis tools. Despite the ongoing cost of living crisis and high global inflation we continue to put forward ambitious growth plans for 2023 as our clients seek to better understand the buying habits of their customers during challenging economic conditions.

The company's key business objectives for the year ending 31 December 2022 and beyond can be described as follows:

- Ensuring that the company's objectives of providing quality market research is met;
- Ensuring that all personnel are trained and developed to meet increased client requirements for added value research, and that our recruitment policy reflects changes in client requirements;
- Monitoring costs and ensuring effective cost solutions are utilised to keep the company competitive in the market of global research;and
- Monitoring client needs and ensuring that our products and research effectively anticipate emerging technological need

Strategic report (continued)

Principal risks and uncertainties

Senior management are aware of their responsibility for managing risks within the business. Risk is regularly reviewed at board level to ensure that risk management is being implemented and monitored effectively.

The board policy is to ensure that the business is run effectively and appropriately, bearing in mind the requirements for timely decision making and commercial reality.

Through management reports, risks are highlighted and monitored to identify potential business risk areas and to quantify and address the risk wherever possible.

The principal risks facing the business are as follows:

1 People retention

The company, and the GfK Societas Europaea ("GfK SE") group as a whole, has shifted to focus on building its capability in Digital Market Research, support innovation, increase market opportunities and drive growth. Retaining our employee's know-how and business capability remains a strategic priority in ensuring that we continue to grow and succeed on our targets. We support this activity through regular business updates and Q&A sessions with senior management leaders, maintaining pay levels in line with market rates and actively seeking to promote staff from within.

2 Brexit

On 31 January 2020, the UK left the European Union.

With regard to the ongoing regulation of the transfer of personal data to and from the EU from the UK, transfers from the UK to the EU/EEA as well as other countries outside of the EEA fall under the requirements of the UK GDPR, which prohibits transfers of personal data outside of the UK (and to international organisations) unless an appropriate transfer mechanism is in place. The UK continues to recognise the EEA as adequate under the UK GDPR.

On 28 June 2021, the EU Commission published two adequacy decisions in respect of the UK: one for transfers under the EU GDPR; and the other for transfers under the Law Enforcement Directive (LED). These decisions contain the European Commission's detailed assessment of the UK's laws and systems for protecting personal data, as well as the legislation designating the UK as adequate. Both adequacy decisions are expected to last until 27 June 2025. The European Commission will start work later in 2024 to decide whether to extend the adequacy decisions for the UK for a further period up to a maximum of another four years. If they don't extend the decisions, then they will expire on 27 June 2025. If the adequacy decision were to be changed, or the UK government amended the UK GDPR adversely, it could have a material adverse impact on the current infrastructure of our business due to our close data relationships with fellow group companies based within the EU.

However, GfK continues to monitor this situation and has in place basic contingency plans to put in place Standard Contractual Clauses where necessary if the existing adequacy ruling is not extended or is revoked. The company has a central compliance team engaged in ensuring compliance with the latest regulations imposed by the EU and by the UK government and compliance is monitored on an ongoing basis.

3 Data security

Security of customer, commercial and colleague data poses increasing reputational and financial risk to all businesses. Failure to successfully secure data and systems and inappropriate or usage of information in breach of contract may have a material impact on our brand reputation and financial performance. Other associated costs may also be incurred, including potential regulatory fines. All GfK employees and users have a responsibility to conduct themselves in line with our Information Security Policy framework. This framework provides a suite of policies and supporting materials which outlines the requirements and implementation guidance for meeting the requirements of information security at GfK. The framework consists of a four-tier structure including the GfK Global Information Security Charter, Security Policies, Security Standards and Security Procedures and Guidelines which is monitored and controlled by the Global Information Security team. All employees are also required to complete regular IT security training throughout their employment.

Strategic report (continued)

Section 172 Statement

In 2018 the Companies (Miscellaneous Reporting) Regulations introduced a requirement for large companies to publish a statement describing how the directors have had regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006. Section 172(1) (a) to (f) requires each director to act in the way he or she considers would be most likely to promote the success of the company for the benefit of its members as a whole, with regard to the long term and various other stakeholders.

We have set out below more detail in relation to each part of section 172(1) (a) to (f):

(a) The likely consequences of any decision in the long term

The Leadership Team of the GfK companies operating in the UK meet on a fortnightly basis – with task forces convened more frequently – to discuss key business decisions from a wide range of perspectives, ensuring long term consequences are properly considered.

Members of the management board are also members of the Northern and Central European (NCE) regional leadership team, which also convenes regularly. Through this, key updates and insight about the business are shared and discussed.

As well as providing leadership across all functions, the GfK Group centrally develop all products and market research platform tools, which are sold and delivered by UK staff.

(b) The interests of the Company's employees

The interests of the employees are maintained through the Employee Consultation forum outlined under the Employee Involvement section of the Directors Report, and the GfK SE Works Council. The formation of the GfK SE Works Council (SE WC) brings together employee representatives from the different European countries in which GfK operates in. In total, there are 22 delegates from across 20 European countries, including the UK.

The SE WC was established in 2008 and constituted in 2009. Each SE WC member is elected for 5 years according to national legislation. Each representative is elected by the employees of their respective country.

During the SE WC meetings, representatives are informed and consulted by central management on cross-border issues of concern to GfK's employees. The members of the GfK SE Works Council are obligated to protect the interests of all employees in the Group in Europe and the interests of the Group. The GfK SE WC is the European body which ensures the rights of employees to participation through information and consultation.

(c) The need to foster the Company's business relationships with suppliers, customers and others

Our business relationships with our customers are of paramount importance if we are to provide the tailored, timely insight our business model requires. Key account managers lead the relationships with our major clients and we proactively seek long-term, repeat business with them. Client centricity is at the heart of what we do, and is a key leadership quality which we promote and seek to develop at all levels of our company.

Sales Directors work closely with the Sales Leadership team to ensure we are managing our client base with the appropriate levels of service. We run an annual NPS (Net Promotor Score) survey with our customers to measure overall sentiment with GfK as a supplier.

Our dedicated procurement team foster close relationships with our suppliers to ensure quality of service and operations to support the business. They assess the commercial health of all suppliers and ensure we only work with suppliers who have a strong track record aligned to our own corporate values. As a Market Research company it is critical that our supplier base has the required accreditations whereby we might be using them to support the delivery of client projects.

We have a multi-disciplined supply chain to support us through the different aspects and provisions of our business. We are committed to ensuring that there is no modern day slavery or human trafficking in our supply chains or in any part of our business.

We expect our suppliers to comply with our values. This is supported by the Code of Conduct for GfK Suppliers <https://www.gfk.com/supplier/>.

Strategic report (continued)

Section 172 Statement (continued)

(d) The impact of the Company's operations on the community and the environment

GfK aims to minimize the negative economic, environmental and social impacts of our business while maximizing opportunities to positively impact our people, partners and planet.

We aim to follow and promote good sustainability practices, reduce the environmental impacts of all our activities, and encourage our people and partners to do the same. Our company doesn't see a trade-off between commercial success and environmentally responsible behavior. Rather, we see the two as being inextricably linked.

At GfK, we are committed to establishing and maintaining systems to protect our company from negative impacts and to ensure we have a positive impact to our planet. We have increased the focus on our sustainability agenda and targets by calculating our carbon footprint annually to track our progress and take targeted action more quickly. Further details on this, together with the specific actions being taken at a local and group wide level, can be seen in the Streamlined Energy and Carbon Reporting section of the Directors Report, below.

We adhere to a Group-wide Sustainable Procurement Policy which aims to ensure that the procurement of goods and services is done in a sustainable manner, with minimum impact to the environment and with a high focus on business ethics and responsibility.

Within our employee community, the company are proud of the various diversity, equity and inclusion working groups that we have had in operation for a number of years now to ensure that all people within our community are cared for and treated equally. Our Wellness Team lead opportunities for staff to enhance and manage their physical and mental wellbeing at work, through a wide variety of staff-led activities, information sharing and support, backed by GfK management. This is also includes the organization of, and participation in, various events each year which provide opportunities for charitable giving.

Mindful of the local community in which our office is based, we are an active member of the Better Bankside Business Improvement District (BID), which leads innovative economic, environmental and social actions to drive positive change in the local neighbourhood. We also support the work of the Blackfriars Settlement, a community organization in North Southward whose vision is to work with local people to make life better; employees are encouraged to participate in volunteering with the settlement including kitchen takeovers, sports events and local befriending.

(e) The desirability of the company maintaining a reputation for high standards of business conduct

GfK management at all levels is committed to living up to high standards of ethical behaviour. The GfK Management Board oversees GfK's commitment to ethics and compliance with legal standards. To help our employees measure up to our high standards, GfK has established a global compliance team, which is responsible for overseeing the company's compliance with laws and regulations, the GfK internal Code of Conduct, and multiple other GfK guidelines across the full breadth of the business.

Our Code of Conduct expresses our commitment to:

- Rewarding integrity
- Encouraging ethical decision making
- Creating an open work environment where colleagues feel comfortable speaking up about concerns
- Preventing retaliation against those who speak up; and
- Seeking help in resolving and escalating issues if they arise

It covers our expectations of how we treat one another as colleagues, how we do business (including compliance with laws and regulation, and anti-bribery and corruption), how we promote competition and fair trade, how we interact with vendors and suppliers, adherence to international trade controls, and how we handle personal interests, property and information.

There is a cycle of mandatory e-learning for all new joiners as well as existing staff in these areas, and completion rates are monitored by the UK Leadership Team.

Strategic report (continued)

Section 172 Statement (continued)

Our global internal audit team also serves to provide independent assurance that our risk management, governance and internal control processes are operating effectively.

As well as the Code of Conduct, the Company operates an integrated quality management system which conforms to the requirements of BS EN ISO 9001:2015 Quality Assurance Standard and ISO 20252:2012 International Standard for Market Opinion and Social Research. The Internal Group Audit team performs an annual assessment to monitor compliance with these standards. The Quality Assurance Team via the GfK Quality Management system, is committed to identifying and implementing any changes to ensure that the company remains compliant in respect of:

- Data Protection Act 2018 / UK General Data Protection (GDPR)
- Information Security
- Quality initiatives
- Market Research Society (MRS) Code of Conduct
- Fair Data Marque
- Industry Standards ESOMAR, etc.
- Supporting Legal & Compliance
- Environmental Issues and Initiatives
- Freedom of Information Act 2000

(f) The need to act fairly between members of the Company

After weighing up all relevant factors, the Directors consider which course of action best enables delivery of our strategy through the long-term, taking into consideration the impact on stakeholders. In doing so, our Directors seek to act fairly as between the Company's members.

The report was approved by the board and signed on its behalf.



Maria Mazur
Director

Date: 20th June 2023

Registered office:
7th Floor, Blue Fin Building
110 Southwark Street
SE1 0SU
United Kingdom

Directors' report

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

Results and dividends

The profit for the year, after taxation, amounted to £7,559,519 (2021: £6,693,010).

There were no dividends paid in 2022 (2021: nil) nor were any dividends proposed after the year end.

Directors

The directors who held office during the year and subsequently, unless otherwise stated, were as follows:

Anthony Norman
Philip Offord
Bonnie Jones (resigned 21 July 2022)
Maria Mazur (appointed 21 September 2022)

The Company has third party worldwide professional indemnity insurance which provides cover for all Directors up to a liability of £5m for marketing, advertising and communications, for special limit claims brought in the USA or Canada and specific cover for claims arising from the production of expert reports to go into Prospectuses. This insurance also covers the directors who are also directors of other GfK SE group companies.

Financial risk management objectives and policies

In addition to the principal business risks outlined in the Strategic Report, the Company faces a number of financial risks including liquidity and cash flow risk, and currency risk which are managed as part of the GfK SE Group's risk management objectives and policies, including entering into forward foreign exchange contracts to manage material foreign exchange risks.

Liquidity and cash flow risk

Management in the UK actively monitors all funding requirements for UK group companies, and will manage any financial arrangements needed to meet such requirements. The Company operates as part of the GfK SE Group cash pool. The Company reports a bi-weekly, forward-looking 13 week cash flow forecast to the GfK SE Group Treasury team, which monitors and manages cash flow requirements across the Group.

Whilst the Company does not have any third-party borrowing, the GfK SE group is funded in part by external debt which is subject to covenant requirements, once the level of borrowing under a revolving credit facility exceeds a specified level. In the event of non-compliance with these covenant requirements, the Company's access to funding via the group cash pooling arrangements may be adversely affected. At 31 December 2022, no amounts had been drawn down on the revolving credit facility.

Currency risk

The Company undertakes transactions with other group companies and with third parties in currencies other than sterling, principally the US dollar and the euro as well as holding certain foreign currency denominated assets in these currencies. As a result it is exposed to movements in foreign exchange rates. Decisions to hedge foreign currency exposures are taken in consultation with the GfK SE Group Treasury team. The Company does not use any other derivative financial instruments.

Going concern

On 1 July 2022, the shareholders of the GfK SE signed an agreement with a subsidiary of Advent International Corporation ("Advent"), Boston, Massachusetts, USA, which subject to the satisfaction of customary closing conditions will result in Advent becoming the major share holder of GfK SE.

While the directors consider that this company is a going concern, and have prepared the financial statements on this basis, once this change in ownership concludes the intentions of any future management are uncertain, including the continuation of financial support that the company currently receives as described above. This represents a material uncertainty which may cast significant doubt about on the company's ability to continue as a going concern, and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Directors' report (continued)

Going concern (continued)

Please also refer to Note 1.2 to the Financial Statements for further information.

Employee involvement

The board recognises the value of communication with employees at all levels and this is further encouraged by various incentive schemes. Furthermore, we have had several initiatives during the year on wellness and career development, to help support and retain our people, including a career day, benefits refresh and people charter.

The Company operate an open Q&A model, with quarterly open floor sessions with all employees to ask any questions they have to the local leadership teams. These questions can be put forward anonymously prior to the session or can be asked during the session. This setup allows for transparency and a more topical focus (for example an entire session on the gender pay gap took place in 2022). We will continue to use an Employee Forum where needed for any particular issues requiring employee consultation.

Employees are engaged in the Company's performance through the provision of an annual performance bonus payable to all qualifying staff employed at the end of the year. The Company holds regular all staff meetings during which key information affecting employees is presented, including the latest financial performance and KPIs as reported in the monthly management accounts.

Disabled employees

The company pursues a policy of providing the same employment opportunities for applications for employment from disabled people as to others. As part of its application process, the Company as standard asks applicants of any disabilities they hold, and whether they require any additional support with their application as a result of any disability held. Applicant responses are kept confidential.

GfK are part of the Business Disability Forum and have worked with them to design and publish a Reasonable Workplace Adjustments Policy, which sets out how GfK can support employees, workers and contractors with disabilities or long-term conditions to realize their potential by making necessary adjustments to help reduce the impact of any such conditions at work.

GfK's Workplace Adjustments Policy is to assist maintaining a healthy working environment for all employees. It is GfK's duty to improve accessibility for all employees seeking support or adjustments to their working environment and to provide reasonable adjustments for disabled employees.

Also, GfK is Disability Confident Committed (level 1), which is a government scheme to encourage employers to think differently about disability and take action.

Engagement with suppliers, customers and other stakeholders

GfK's business relationships with suppliers, customers and other stakeholders are of paramount importance with policies and procedures in place to ensure that they are managed and governed appropriately. Further details on these practices have been outlined in the Section 172 statement contained within the Strategic Report.

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2021: £nil).

Future developments

The company has an ambition to be the leading provider of data analytics to the UK technology and consumer durables markets and is investing heavily in new products to support these areas. The company anticipates that future sales generated in these areas will lead to an increase in future turnover and operating profit, though this is dependent on the successful execution of the company's transformation strategy.

As explained above and in note 1.2 to the financial statement, on 1 July 2022 the shareholders of GfK SE signed an agreement with Advent which, subject to closing conditions, would result in Advent becoming the major shareholder of GfK SE, the parent company of the GfK Group. The planned merger of NiQ and GfK will create new opportunities in the area of retail and consumer analysis. Synergies, the combination of modern technologies and competencies, and the launch of innovative products will result in a wide range of growth opportunities and performance improvements. In particular, a merger will enable business to be expanded both within existing client segments and in new markets.

Research and development

The Company engages in research and development activities to develop new software to enable our clients to better analyse brand and market data. The most significant of these projects is gfknewron, where the technology

Directors' report (continued)

team seek advances in machine learning, high performance computing and scientific computing. Further details of the spend can be found in note 3 to the financial statements.

Streamlined Energy & Carbon Reporting

Greenhouse gas emissions	2022	2021
<i>In tonne CO₂</i>		
<i>Scope 1 – Direct emissions from company vehicles</i>	35.92	32.26
<i>Scope 2 – Purchased electricity for own use</i>	246.58	19.80
<i>Scope 3 – indirect emissions from various sources</i>	671.99	353.36
Total Greenhouse gas emissions	954.49	405.42
<i>Carbon intensity (per £'000 of total UK revenue)</i>	10.34	4.37

The UK Group of companies (which comprise GfK U.K. Limited, GfK Retail and Technology UK Ltd, GfK U.K. Holding Limited, and GfK Retail and Technology UK Holding Limited) scope 1-3 greenhouse gas emissions have been measured in compliance with the widely recognised Greenhouse Gas Reporting Protocol (GHG Protocol)

Streamlined Energy & Carbon Reporting (continued)

and have been independently reviewed for 2022 and 2021 by ClimatePartner our independent partner for monitoring climate emissions.

ClimatePartner's methodology for calculating GHG emissions is closely aligned with ISO 14064/PAS 2060 standards. Wherever possible, calculations have been taken from source material to ensure the accuracy of reporting, where this hasn't been possible estimates for fuel usage and other activities have been estimated based on GBP spend through our expenses portals and other finance systems. We will continue to review and evolve our calculation methodology to improve its accuracy over time.

The GHG emissions have been calculated and reported as an aggregate number across all trading UK entities, in addition our intensity ratio has been calculated based on the total UK revenue for all trading entities. The figures above exclude any non-UK based affiliated entities and are strictly based on UK generated emissions only. Total energy use for 2022 was 306,129 kWh (2021:53,805 kWh). The increase in Scope 2 energy usage from 2021 is due to the inclusion of purchased heating information which was previously unavailable from our previous offices. All of our in-office electricity is provided from carbon neutral sources.

Given the nature of our business, the majority of our emissions come from office electricity usage and travel costs. In 2022, our Scope 3 emissions increased due to higher travel following the end of the extensive covid lockdown periods and travel restrictions.

We have implemented a number of successful measures to work towards reducing our impact on the planet. We have signed up to the MRS' Net Zero pledge with the challenge of being a net carbon-neutral business by the year 2026, this pledge also includes the commitment to publishing carbon emissions, collaborating across the sector and encouraging call outs by employees and clients on environmental concerns. Further details on this pledge can be seen on the MRS website. In addition, the UK business set up a sustainability group in 2021 who meet on a monthly basis to discuss sustainability plans to meet our net zero pledge and to come up with new initiatives to educate our staff on measures they can take to reduce their impact on the planet.

Globally, GfK achieved a silver EcoVadis score in 2022 increased our score by 9 points to 65 putting us in the top 5% of companies in our industry. As part of our plan to move to net-zero by 2026 GfK carried out its first carbon offsetting program in 2022 offsetting 25% of our 2021 emissions through a carefully procured BioMass power project in India.

Directors' report (continued)

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that she/he ought to have taken as a director to make herself/himself 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.

Auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

The directors do not have the power to amend the financial statements after issuance.

This report was approved by the board and signed on its behalf.



Maria Mazur
Director

Date: 20th June 2023

Registered office:
7th Floor, Blue Fin Building
110 Southwark Street
SE1 0SU
United Kingdom

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 UK accounting 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of GfK Retail and Technology UK Ltd

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of GfK Retail and Technology UK 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 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 and other comprehensive income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 22.

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.

Material uncertainty related to going concern

We draw attention to Note 1.2 of the financial statements, which indicates the possibility of a change in ownership and the impact this will have on the company's ability to continue as a going concern, which is dependent on the company's access to the group cash pooling arrangement. Whilst the directors consider that the company is a going concern, the intentions of future management are uncertain, including the amount of financial support, if any, the company will receive from the new owners. As stated in Note 1.2, these events or conditions, along with the other matters set forth in Note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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.

Independent auditor's report to the members of GfK Retail and Technology UK Ltd (continued)

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.

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 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. These included the Bribery Act 2010.

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.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

Independent auditor's report to the members of GfK Retail and Technology UK Ltd (continued)

- Revenue recognition in relation to the risk that panel revenues could be recognised in the incorrect period. We tested this by identifying transactions that occurred around the period end based on expected delivery of panel reports and assessing whether the actual delivery of these reports aligned with the expected delivery.

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 in-house 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

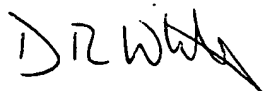
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

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.



David White (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
20th June 2023

Profit and loss account and other comprehensive income
for the year ended 31 December 2022

	Note	2022 £	2021 £
Revenue	1,2	34,870,496	33,872,956
Cost of sales		(17,220,102)	(18,372,437)
Gross profit		17,650,394	15,500,519
Administrative expenses		(9,340,227)	(7,408,389)
Operating profit	3	8,310,167	8,092,130
Interest receivable and similar income	6	489,476	133,196
Interest payable and similar expenses	7	-	(2,785)
Profit before taxation		8,799,643	8,222,541
Tax on profit	8	(1,240,124)	(1,529,531)
Profit for the financial year		7,559,519	6,693,010

The accompanying notes on pages 19 to 37 form part of the financial statements. All the amounts relate to continuing operations. There are no items of comprehensive income in the current year or prior year other than the profit for the year.

Balance sheet

As at 31 December 2022

	Note	2022 £	2021(restated) £
Non-current assets			
Intangible assets	9	-	-
Property, plant and equipment	10	1,314	4,729
Deferred tax asset	13	102,313	108,013
		103,627	112,742
Current assets			
Trade and other receivables	11	41,607,883	29,203,978
Cash at bank and in hand		132,460	1,890,409
		41,740,343	31,094,387
Current liabilities			
Trade and other payables: amounts falling due within one year	12	(15,747,970)	(12,614,023)
Provisions for liabilities – Short-term	14	(98,895)	-
Net current assets		25,893,478	18,480,364
Total assets less current liabilities		25,997,105	18,593,106
Non-current liabilities			
Provisions for liabilities – Long-term	14	-	(155,520)
Net assets		25,997,105	18,437,586
Capital and reserves			
Called up share capital	16	2,025,305	2,025,305
Share premium	17	8,603,151	8,603,151
Profit and loss account		15,368,649	7,809,130
Shareholders' funds		25,997,105	18,437,586

For information relating to year ended 31 December 2021 restatements please see note 22.

The accompanying notes on pages 19 to 37 form part of the financial statements.

These financial statements were approved by the board of directors and were signed on its behalf by:



Maria Mazur
Director

Date: 20th June 2023

Registered office:
7th Floor, Blue Fin Building
110 Southwark Street
SE1 0SU
United Kingdom

Statement of changes in equity
for the year ended 31 December 2022

	Note	Called up Share capital £	Share Premium £	Profit and loss account £	Total equity £
Balance at 1 January 2021		2,025,305	8,603,151	1,116,120	11,744,576
Total comprehensive income for the year					
Profit for the year		-	-	6,693,010	6,693,010
Balance at 31 December 2021		2,025,305	8,603,151	7,809,130	18,437,586
Balance at 1 January 2022		2,025,305	8,603,151	7,809,130	18,437,586
Total comprehensive income for the year					
Profit for the year		-	-	7,559,519	7,559,519
Balance at 31 December 2022		2,025,305	8,603,151	15,368,649	25,997,105

The accompanying notes on pages 19 to 37 form part of the financial statements.

Notes to the financial statements for the year ended 31 December 2022

1. Accounting policies

GfK Retail and Technology UK Ltd (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. Its registered office is stated on the "Company Information" page. The nature of the Company's operations and its principal activities are set out in the strategic report on page 3.

These financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates.

The ultimate parent undertaking and controlling party is GfK Societas Europaea ("GfK SE") which is registered in Germany. GfK SE is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of GfK SE's consolidated financial statements may be obtained from its registered office (GfK SE, Nordwestring 101, D-90419, Nuremberg, Germany).

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 '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, compensation of key management personnel, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, certain disclosures in respect of revenue from contracts with customers, impairment of assets and certain related party transactions. Where relevant, equivalent disclosures have been given in the group accounts of GfK SE.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

1.2 Going concern

The Company has reported a profit for the year of £7,559,519, had net assets of £25,997,105 and has cash balances of £132,460 at 31 December 2022. It relies on funding from the GfK SE group which operates a cash pooling arrangement in which the Company participates.

During 2021 the GfK SE group refinanced its existing borrowing facilities and its new term loan is due for repayment in 2028. The Group has access to a €140 million revolving credit facility which is currently undrawn. There are no financial covenants attached to the Group's borrowing, unless the revolving credit facility is 40% drawn. The Group has generated positive free cash flow and profits before tax for the current year.

In order to monitor risks linked to liquidity, the GfK SE Management Board carries out continuous analyses in respect of short-term capital requirements in the form of rolling cash flow planning at both the GfK SE Group and individual company levels.

The risk in connection with the Ukraine crisis is currently not classified by the Management Board as a threat to the company's continued existence.

Notes to the financial statements

for the year ended 31 December 2022

1. Accounting policies (continued)

1.2 Going concern (continued)

The directors have prepared forecasts for the period to 31 December 2024. Based on these forecasts, and having made enquiries of GfK SE Group management regarding the ongoing availability of access to sufficient resources through the cash pooling arrangements in place, the directors are satisfied that the Company will be able to meet its obligations as they fall due, and consequently have prepared the financial statements on the going concern basis in this regard.

On 1 July 2022, the shareholders of the GfK SE signed an agreement with a subsidiary of Advent International Corporation ("Advent"), Boston, Massachusetts, USA, which subject to the satisfaction of customary closing conditions will result in Advent becoming the major share holder of GfK SE. Advent acquired the US-based market research group under Nielsen Consumer LLC ("NIQ"), Chicago, Illinois, USA, in 2021 and intends to combine the GfK and NIQ group of enterprises. NIQ is a leading global information and analysis provider particularly in the Fast Moving Consumer Goods sector and in over 90 countries. The offerings of GfK and NIQ are considered complementary and will result in improved combined insights into consumer buying behaviour across all channels and categories. As at the date of preparing this report, the closing conditions have not yet been satisfied.

While the directors consider that this company is a going concern, and have prepared the financial statements on this basis, once this change in ownership concludes the intentions of any future management are uncertain, including the continuation of financial support that the company currently receives as described above. This represents a material uncertainty which may cast significant doubt about on the company's ability to continue as a going concern, and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

1.3 Turnover

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts, and group undertakings. Turnover is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises turnover when it transfers control of a product or service to a customer.

The Company has no obligations for returns or refunds once contractual services have been delivered to the customer.

The Company's turnover is recognised in line with IFRS 15 Revenue from Contracts with Customers as follows:

Turnover recognised over time

Turnover from provision of bespoke 'ad hoc' research is recognised as a performance obligation satisfied over time. Turnover is recognised based on the stage of completion of the contract. This is measured using the proportion of total contract value performed based on costs incurred in relation to total anticipated costs due to completion. The Company includes an enforceable right to payment as part of its standard terms with all customers. Anticipated costs include estimates of costs incurred up to the date of 31 December which are best estimates made by the management and can vary from the actual costs incurred at completion. The Company typically receives a portion of the payment on these contracts on signature of the contract for services, with final payment made once the performance obligation has been delivered to the customer.

Turnover recognised at a point in time

Turnover from the sale of panel data to clients is recognised at a point in time in line with the performance obligations defined in the contractual arrangement agreed with the customer. Performance obligations are typically provided to customers in the form of a report, or through access to market data via a portal service, in varying frequencies as defined in the contract for services. Each delivery to the client is treated as a separate performance obligation of the contract. The Company typically receives payment for these services on a quarterly basis in arrears from the first month following signature of the contract.

Notes to the financial statements for the year ended 31 December 2022

1. Accounting policies (continued)

1.3 Turnover (continued)

Barter arrangements

The Company has arrangements with a number of UK retailers with whom it provides services in exchange for the retailers' market data. The Company has assessed that it has control over such market data which is accounted for as non-cash consideration received from the customer. Such non-cash consideration is measured at fair value. When the fair value of the non-cash consideration cannot be reasonably estimated, the consideration is measured indirectly by reference to the estimated stand-alone selling price of the goods or services promised to the customer in exchange for the consideration.

Group services revenue

For turnover related to group undertakings, turnover is recognised over time as the services are performed and are invoiced monthly.

1.4 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.5 Non-derivative 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.

Non-derivative financial instruments comprise investments in equity securities, trade and other debtors, cash and cash equivalents, amounts owed by and to group undertakings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Notes to the financial statements

for the year ended 31 December 2022

1. Accounting policies (continued)

1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to the profit and loss account on a straight-line basis so as to write off the cost of assets less their residual values over their useful lives over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- plant and equipment - 4 to 5 years

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

Improvements to leasehold properties are written off over the life of the lease or 40 years, whichever is less.

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

1.7 Intangible assets and goodwill

Goodwill

Goodwill is stated at cost less any accumulated impairment losses.

Software licences

Acquired software licenses are stated at cost less accumulated amortisation and impairment. Software is amortised on a straight-line basis. The estimated useful life is as follows:

- Software licences - 3 years

Amortisation methods, useful lives and residual values are reviewed at the each balance sheet date.

1.8 Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.9 Expenses

Retirement benefit costs

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

1.10 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Notes to the financial statements

for the year ended 31 December 2022

1. Accounting policies (continued)

1.10 Taxation (continued)

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. 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.

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.

1.11 Impairment of non-financial 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.

Recoverable amount is the higher of fair value less costs of disposal 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.

1.12 Impairment of financial assets

The Company recognises a loss allowance for expected credit losses ("ECL") on trade debtors and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade debtors and contract assets. The ECL on these financial assets is estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Notes to the financial statements

for the year ended 31 December 2022

1. Accounting policies (continued)

1.13 Leases

The Company as Lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Notes to the financial statements for the year ended 31 December 2022

1. Accounting policies (continued)

1.13 Leases (continued)

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented within the tangible fixed assets line in the balance sheet.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'impairment of tangible and intangible assets' policy.

1.14 Critical judgements and estimates in applying accounting policies

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, turnover and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors that are considered relevant. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The following are the critical judgements that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Turnover

The Company has arrangements with a number of UK retailers with whom it provides services in exchange for the retailers' market data. The Company has assessed that it has control over such market data which is accounted for as non-cash consideration received from the customer. Such non-cash consideration is measured at fair value. When the fair value of the non-cash consideration cannot be reasonably estimated, the consideration is measured indirectly by reference to the estimated stand-alone selling price of the goods or services promised to the customer in exchange for the consideration. The amount of revenue recorded on such arrangements is £1,324,391 (2021: £1,161,726).

Key sources of estimation uncertainty

The Company does not consider there to be any key assumptions concerning the future, or other key sources of estimation at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1.15 Accounting standards, amendments and interpretations made effective in the year

No accounting standards, amendments or interpretations made effective from 1 January 2022 had a material impact on the financial statements.

Notes to the financial statements

for the year ended 31 December 2022

2. Turnover

	2022 £	2021 £
By geographical market		
United Kingdom	11,714,819	10,555,002
European Union	19,936,859	20,276,053
Rest of World	3,218,818	3,041,901
	34,870,496	33,872,956
	2022 £	2021 £
By timing of revenue recognition		
Contractual services recognised at a point in time	29,556,876	28,162,001
Contractual services recognised over time	5,313,620	5,710,955
	34,870,496	33,872,956
	2022 £	2021 £
By client		
Services provided to external parties	13,066,234	11,849,967
Services provided to group undertakings	21,804,262	22,022,989
	34,870,496	33,872,956

The Company's turnover is recognised in line with IFRS 15 Revenue from Contracts with Customers as per the the accounting policies in note 1.3.

There was no (2021: £nil) revenue recognised in the current period from performance obligations satisfied or partially satisfied in the previous period.

Notes to the financial statements

for the year ended 31 December 2022

3. Operating profit

Operating profit is stated after charging/(crediting) the following:

	Note	2022 £	2021 £
Depreciation of tangible fixed assets	10	3,415	301,520
Foreign exchange (gain)/loss		(156,572)	77,212
Expenses in connection with low value or ST lease agreements	20	-	17,908
Research and development costs		311,040	418,794
		<u>311,040</u>	<u>418,794</u>

Auditor's remuneration

	2022 £	2021 £
Fees payable to Deloitte LLP for the audit of the Company's annual accounts	81,000	58,564
	<u>81,000</u>	<u>58,564</u>

The Company made no payments during the year (2021: £nil) in respect of fees payable to Deloitte LLP for the provision of non-audit services.

4. Staff numbers and costs

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

	2022 No.	2021 No.
Market Research	106	130
Administration	3	3
	<u>109</u>	<u>133</u>

The aggregate payroll costs of these persons were as follows:

	2022 £	2021 £
Wages and salaries	7,510,833	8,147,134
Social security costs	1,040,176	1,052,358
Contributions to defined contribution plans	457,450	454,450
	<u>9,008,459</u>	<u>9,653,942</u>

In addition, the Company made payments for severance for £27,467 during the year (2021: £129,452).

Notes to the financial statements

for the year ended 31 December 2022

4. Staff numbers and costs (continued)

Defined contribution plans

The company contributes to a Group Personal Pension Plan and to an Executive Pension Plan on behalf of eligible employees.

The total expense relating to these plans in the current year was £457,450 (2021: £454,450).

Contributions totalling £69,000 (2021: £71,000) were payable to the fund at the balance sheet date.

5. Directors' remuneration

	2022 £	2021 £
Directors' remuneration	233,194	199,537
Company contributions to money purchase pension plans	19,780	19,109
	<u>252,975</u>	<u>218,646</u>

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £233,194 (2021: £199,537) and company pension contributions of £19,780 (2021: £19,109) were made to a money purchase scheme on their behalf.

During the year, the highest paid director did not exercise any share options or received shares under a long-term incentive scheme (2021: £nil).

Other directors of the Company are being remunerated by a fellow subsidiary, GfK U.K. Limited. Director emoluments which were paid by GfK U.K. Limited were £358,925 (2021: £350,699) which included Company pensions contributions.

Therefore the total remuneration for all directors totalled as £611,900 (2021: £569,345).

6. Interest receivable and similar income

	2022 £	2021 £
Interest receivable from group undertakings	489,476	133,196
	<u>489,476</u>	<u>133,196</u>

7. Interest payable and similar expenses

	2022 £	2021 £
Interest on lease liabilities	-	2,785
	<u>-</u>	<u>2,785</u>

Notes to the financial statements

for the year ended 31 December 2022

8. Taxation

Recognised in the profit and loss account

	2022 £	2021 £
UK corporation tax		
Current tax on income for the year	1,210,526	1,394,111
Adjustments in respect of prior year	23,896	(13,951)
Total current tax	1,234,422	1,380,160
Deferred tax		
Origination and reversal of temporary differences	440	153,565
Adjustment in respect for prior year	10,474	17,225
Tax rate difference	(5,212)	(21,419)
Total deferred tax	5,702	149,371
Tax on profit	1,240,124	1,529,531

Reconciliation of effective tax rate

	2022 £	2021 £
Profit before tax	8,799,643	8,222,541
Tax using the UK corporation tax rate of 19% (2021: 19%)	1,671,932	1,562,283
Adjustments in respect of prior years	22,201	3,274
Group tax relief	(450,706)	-
Non-deductible expenses for tax purposes	1,907	14,177
Tax rate difference	(5,210)	(21,419)
Amounts not recognised	-	(28,784)
Total tax expense	1,240,124	1,529,531

Factors affecting the future tax charge:

Following the Finance Act 2021 (enacted as at 10 June 2021), the corporation tax rate effect from 1 April 2023 will increase to 25% from 19%, this change had been substantively enacted at the balance sheet date. Changes to the corporation tax rate have been applied to our deferred tax balances at year end.

Notes to the financial statements

for the year ended 31 December 2022

9. Intangible fixed assets

	Goodwill £	Licenses £	Total £
Cost			
Balance at 1 January 2022	14,883,039	2,121,982	17,005,021
Disposals	-	-	-
Balance at 31 December 2022	14,883,039	2,121,982	17,005,021
Accumulated amortisation and impairment			
Balance at 1 January 2022	14,883,039	2,121,982	17,005,021
Disposals	-	-	-
Amortisation for the year	-	-	-
Balance at 31 December 2022	14,883,039	2,121,982	17,005,021
Net book value			
Balance at 31 December 2021	-	-	-
Balance at 31 December 2022	-	-	-
Amortisation and impairment charge			
	2022 £	2021 £	
Cost of sales	-	-	
Administrative expenses	-	-	
	-	-	

Notes to the financial statements

for the year ended 31 December 2022

10. Tangible fixed assets

	Plant & equipment £	Total £
Cost		
Balance at 1 January 2022	448,821	448,821
Additions	-	-
Disposals	-	-
Balance at 31 December 2022	448,821	448,821
Depreciation and impairment		
Balance at 1 January 2022	444,092	444,092
Depreciation charge for the year	3,415	3,415
Disposals	-	-
Balance at 31 December 2022	447,507	447,507
Net book value		
At 31 December 2021	4,729	4,729
At 31 December 2022	1,314	1,314

11. Debtors

	Note	2022 £	2021(restated) £
Trade debtors		855,215	213,794
Amounts owed by group undertakings		39,997,258	27,445,218
Contract assets	15	665,055	1,061,352
Other debtors		-	58,889
Prepayments		90,355	424,725
		41,607,883	29,203,978

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment. Amounts owed by group in respect of cash pooling deposits are unsecured and interest-bearing at the Bank of England base rate +0.5%.

A restatement of comparative information has been made to derecognise trade receivables and contract liabilities in respect of advance invoices which have not been paid or are not yet due at the balance sheet date. A total of £1,261,280 was adjusted. The restatement resulted in decrease of trade debtors balance from £1,475,074 to £213,794 and total debtors balance from £30,462,258 to £29,203,978. Please see note 22 for more information.

Notes to the financial statements

for the year ended 31 December 2022

12. Creditors: amounts falling due within one year

	Note	2022 £	2021(restated) £
Trade creditors		31,420	258,603
Amounts owed to group undertakings		8,869,903	6,073,475
Contract liabilities	15	2,440,847	1,939,694
Corporation tax		1,003,526	2,016,693
Taxation and social security taxes		1,607,360	946,060
Other creditors		1,201,307	1,068,217
Accruals		593,607	310,424
Lease liability		-	857
		15,747,970	12,614,023

Amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment. Amounts owed by group in respect of cash pooling loans are unsecured and interest-bearing at the Bank of England base rate +0.5%.

A restatement of comparative information has been made to derecognise trade receivables and contract liabilities in respect of advance invoices which have not been paid or are not yet due at the balance sheet date. A total of £1,261,280 was adjusted. The restatement resulted in decrease of contract liabilities balance from £3,200,974 to £1,939,694 and total creditors balance from £13,875,303 to £12,614,023. Please see note 22 for more information.

Amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment.

13. Deferred tax assets

Deferred tax assets and liabilities are attributable to the following:

	2022 £	2021 £
Accelerated capital allowances	57,700	65,504
Other temporary differences	44,613	42,509
Deferred tax assets	102,313	108,013

The company has reported taxable profits for the year and is expecting to have sufficient future taxable profits in the future to recover the deferred tax asset recognised.

Notes to the financial statements

for the year ended 31 December 2022

14. Provisions

	LT Incentive plan £	Dilapidation provision £	Restructuring provision £	Total £
Balance at 1 January 2022	77,127	15,000	63,393	155,520
Charged during the year	44,273	-	-	44,273
Used during the year	-	(15,000)	(63,393)	(78,393)
Released during the year	(22,505)	-	-	(22,505)
Balance at 31 December 2022	98,895	-	-	98,895

The LT incentive plan provisions are in relation to a long term incentive plan that has been established for certain employees and is expected to be utilised in 2023. The restructuring provision was utilised in 2022.

A provision was made for contractual obligations to perform restoration on certain leasehold properties on exit. The dilapidation provision was utilised in 2022 on return of the leasehold property to its owners.

15. Contract assets and contract liabilities

	2022 £	2021(restated) £
Contract assets	665,055	1,061,352
Contract liabilities	2,440,847	1,939,694

Contract assets represent work performed on bespoke ad hoc research or panel or syndicated data where performance is either partially complete or fully complete where no amounts have been invoiced or amounts invoiced to date are less than the amount of turnover recognised and represent the entity's right to consideration for the services transferred to date. Amounts previously recognised as contract assets are reclassified to trade debtors at the point at which it is invoiced to the customer.

The Company typically receives a portion of the payment on signature of the contract for services which is immediately classified as a contract liability and recognised within turnover at a point in time in line with the delivery of the performance obligations as stated in the contract. A contract asset arises at any point whenever turnover recognised based delivery of the performance objectives is in excess of the amounts billed to the customer. Final payment is typically made once the performance obligation has been delivered to the customer.

Contract liabilities represent amounts billed on bespoke ad hoc research or panel or syndicated data in advance of performance obligations being satisfied.

Included in turnover for the year ended 31 December 2022 is an amount of £1,939,694 (2021: £2,031,401) that was recognised in the contract liability balance at the beginning of the year.

A restatement of comparative information has been made to derecognise trade receivables and contract liabilities in respect of advance invoices which have not been paid or are not yet due at the balance sheet date. A total of £1,261,280 was adjusted. The restatement resulted in decrease of contract liabilities from £3,200,974 to £1,939,694. Please see note 22 for more information.

Notes to the financial statements

for the year ended 31 December 2022

16. Capital and reserves

Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
2,025,305 ordinary shares of £1 each	2,025,305	2,025,305

Called-up share capital represents the nominal value of shares that have been issued. The Company has one class of ordinary shares which carry no right to fixed income. The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

The profit and loss reserve represents cumulative profits or losses net of dividends paid and other adjustments.

17. Share premium account

	Share premium £
Balance at 1 January 2022 and 31 December 2022	8,603,151

18. Related parties

During the year, the company entered into transactions with other members of the GfK SE group. The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose such transactions with fellow wholly-owned subsidiaries.

19. Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of GfK Retail and Technology UK Holding Ltd. Its registered office is as set out on page 1 of these financial statements.

The ultimate undertaking and controlling party is GfK Societas Europaea ("GfK SE") which is registered in Germany. GfK SE is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of GfK SE's consolidated financial statements may be obtained from their registered office at Nordwestring 101, D-90419, Nuremberg, Germany.

20. Leases

During 2021, the Company was the lessee of office space under long-term lease agreements. The material lease agreements in GfK Retail and Technology UK Limited were lease agreements for land and buildings. The lease agreement expired in December 2021 and was not renewed. There is no intention to enter into any other property leases in the foreseeable future.

The Company had no residual value guarantees or sale-and-lease-back transactions, nor lease agreements with restrictions or conditions (covenants).

The Company holds low value leases for cars and equipment which have been disclosed as an expense as part of administrative expenses.

Notes to the financial statements

for the year ended 31 December 2022

20. Leases (continued)

Right of use asset

	2022 £	2021 £
Land and Buildings		
Right of use – brought forward	-	229,075
Right of use as at 1 January 2022		
Depreciation charged in year	-	(229,075)
Right of use as at 31 December 2022	-	-

In 2021, the Company exited its lease at Dukes Court, Woking, as part of a global strategy to locate our people in one office per country, with staff working remotely until the opening of our flagship headquarters at the Blue Fin building on the Southbank in 2022. No new agreements were taken out.

Lease liabilities

	2022 £	2021 £
Under 1 year	-	-

The profit and loss account shows the following amounts in connection with lease agreements:

	2022 £	2021 £
Interest on lease liabilities	-	2,785
Expenses in connection with lease agreements on low value or short term assets	-	-

21. Post balance sheet event

On 1 July 2022 the shareholders of GfK SE signed an agreement with Advent which, subject to closing conditions, would result in Advent becoming the major shareholder of GfK SE, the parent company of the GfK Group. The planned merger of NiQ and GfK will create new opportunities in the area of retail and consumer analysis. Synergies, the combination of modern technologies and competencies, and the launch of innovative products will result in a wide range of growth opportunities and performance improvements. In particular, a merger will enable business to be expanded both within existing client segments and in new markets.

Notes to the financial statements

for the year ended 31 December 2022

22. Restatement

A restatement of comparative information has been made to derecognise trade receivables and contract liabilities in respect of advance invoices which have not been paid or are not yet due at the balance sheet date. A total of £1,261,280 was adjusted. This adjustment had no impact on the profit or the net assets for the year. The restatement resulted in reduction of following balances:

Trade receivables balance from £1,475,074 to £213,794;

Total debtors balance from £30,465,258 to £29,203,978;

Contract liabilities balance from £3,200,974 to £1,939,694; and

Total creditors balance from £13,875,303 to £12,614,023.

Please see note 11, 12 and 15 for more information. The following table summarises the impact on the Company's balance sheet.

Balance sheet

For the year ended 31 December 2021

	Note	As previously reported £	Adjustments £	As restated £
Non-current assets				
Intangible assets	9	-	-	-
Tangible assets	10	4,729	-	4,729
Deferred tax asset	14	108,013	-	108,013
		<u>112,742</u>	<u>-</u>	<u>112,742</u>
Current assets				
Trade and other receivables	11	30,465,258	(1,261,280)	29,203,978
Cash at bank and in hand		1,890,409	-	1,890,409
		<u>32,355,667</u>	<u>(1,261,280)</u>	<u>31,094,387</u>
Creditors: amounts falling due within one year	12	(13,875,303)	1,261,280	(12,614,023)
Provisions for liabilities – Short-term	14	-	-	-
Net current assets		<u>18,480,364</u>	<u>-</u>	<u>18,480,364</u>
Total assets less current liabilities		<u>18,593,106</u>	<u>-</u>	<u>18,593,106</u>
Provisions for liabilities – Long-term	14	(155,520)	-	(155,520)
Net assets		<u>18,437,586</u>	<u>-</u>	<u>18,437,586</u>

Notes to the financial statements
for the year ended 31 December 2022

22. Restatement (continued)

Capital and reserves

Called up share capital	16	2,025,305	-	2,025,305
Share premium	17	8,603,151	-	8,603,151
Profit and loss account		7,809,130	-	7,809,130

Shareholders' funds		18,437,586	-	18,437,586
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