

Registration number: 4431736

Omnicom Media Group UK Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 December 2022



Omnicom Media Group UK Limited

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Omnicom Media Group UK Limited

Strategic Report for the year ended 31 December 2022

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

The purpose of this strategic report is to inform members of the group and help them assess how the directors have performed their duty under section 172 of the Companies Act 2006 (duty to promote the success of the group).

Fair review of the business

Gross billings for the year were £2,022,160,867 (2021: £2,005,946,571), turnover £222,328,061 (2021: £195,503,702) and profit after tax £20,685,428 (2021: £18,212,127). The profit and loss account is shown on page 12.

The key indicators that we review focus on turnover, administrative expenses and operating margin. Our turnover has increased by 14% as a group due to new client wins coupled with an increase in spend as clients began to increase their advertising budgets post the height of the Covid-19 pandemic.

As we are a service business, we monitor expenses on a percentage of turnover basis. We measure expenses in two distinct cost categories: staff costs and all other operating expenses. Staff costs are primarily comprised of salaries, social security and employer pension contributions. Other operating expenses are primarily comprised of rent and occupancy costs, technology related costs and depreciation. Staff costs remained at 46% (2021: 46%) of turnover while other administrative costs decreased to 21% (2021: 23%). Our operating margin increased to 11% (2021: 10%).

The balance sheet continues to be strong with an increase in the value of net assets to £43,656,921 (2021: £41,947,851).

The strict adherence to our credit policies and observance of good working capital management procedures has ensured that we have had minimal amounts of bad debts during the year and we expect this to continue.

We are confident in the group's financial position and future. Accordingly the directors have prepared the financial statements on a going concern basis.

Duty to promote the success of the company

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for all of the members as a whole. In doing so they should have regard to, amongst other matters, the following:

(a) Decision making and s172 of the Companies Act 2006;

All of Omnicom Media Group's London media agencies continue to be based at one site, in their own distinctive and dedicated spaces across our two buildings. This has provided our agencies with seamless access to all the wider specialist OMG capabilities across data, digital, technology and e-commerce, which continue to be key focus areas for growth. Our people continued to use a hybrid working model during the year, supported by the Company's investments in collaborative tools and systems, and as such, we are still able to seamlessly service both our clients and stakeholders. The health and wellbeing of our people remains paramount and we have reinstated in-person team catch ups and company wide town halls, as well as our people still having the opportunity to attend virtually if chosen.

Omnicom Media Group UK Limited

Strategic Report for the year ended 31 December 2022

(b) the interests of the company's colleagues;

Our employees are our most important asset and our ability to attract and retain key personnel is fundamental to ensuring that we remain competitive. Failure to attract and retain talent could adversely impact upon our ability to provide our services in the manner in which our clients have come to expect. The Board is committed to ensuring that Omnicom Media Group UK is a great place to work. We run a variety of initiatives to support the recruitment and retention of the most talented and diverse workforce, including comprehensive learning and development programs, wellbeing initiatives and the promotion of diversity and inclusion through eight employee lead advisory teams (OMG Multicultural, OMG Women, OMG Minds, OMG LGBTQ+, OMG Disability, OMG Social Mobility, OMG Working Parents and Carers and OMG Age).

(c) the need to foster the company's business relationships with customers;

Retaining existing clients and winning new business depends on our ability to service our clients' needs. Attracting and retaining top talent is paramount to ensuring that we provide our clients with an excellent service. We receive feedback from our clients on an ongoing basis and retaining existing clients and winning new business depends on our ability to service our clients' needs in a constantly evolving environment. Clients periodically review their advertising and marketing requirements and put these up for competitive tender. It is the priority of the Board to ensure that our brands can maintain a competitive advantage by retaining key personnel and maintaining a highly skilled workforce to ensure the highest quality of service for their clients.

(d) the need to foster the company's business relationships with suppliers

The Board recognises the need to foster healthy working relationships with our suppliers as well as our customers. Suppliers keep us up to date with their latest offerings so that we can provide the best recommendations to our clients, enabling them to make better decisions.

(e) the impact of the company's operations on the community and the environment

Omnicom Media Group UK supports our major brands in their contributions to the community, such as OMD's "NSPCC Childhood Day" fundraiser and PHD's volunteering day to help the relief effort for Ukraine. Environmental initiatives include cycle to work schemes and implementing environmental strategies to increase recycling in the office, as well as local litter picking events. In 2022, we continued to carry out work to reduce our carbon footprint, with continued efforts to improve the energy efficiency of Bankside 2 & 3. For more detail on our environmental strategy, please refer to page 5.

(f) the desirability of the company maintaining a reputation for high standards of business conduct;

Maintaining a reputation for high standards of business conduct is a key priority for Omnicom Media Group UK. Our success doesn't just come from our talent, in our creativity or the work we do. Our success also comes from the way we work and the way we interact with others - with a solid commitment to integrity. Our Code of Business Conduct, which was significantly enhanced in 2018, and has been reviewed and updated where necessary annually thereafter, underscores our commitment to upholding the highest ethical standards. It spells out what we value, what we believe and the policies that Omnicom expects us to all uphold. All staff were required to complete mandatory ethics and business conduct training in 2022 and this is being repeated periodically going forward.

(g) the need to act fairly as between members of the company

Omnicom Media Group UK Limited is a wholly owned subsidiary of Omnicom Media Group Europe Limited. We report our financial performance to Omnicom Media Group Europe on a monthly basis and the management of Omnicom Media Group Europe are consulted on key management decisions at Omnicom Media Group UK Limited.

Omnicom Media Group UK Limited

Strategic Report for the year ended 31 December 2022

Principal risks and uncertainties

The markets in which we participate are highly competitive. Key competitive considerations for keeping existing business and winning new business include our ability to develop creative solutions that meet client needs, the quality and effectiveness of the services we offer and our ability to efficiently service clients. While many of our client relationships are long-standing, companies put their marketing and communications services business up for competitive review from time to time. We have won and lost accounts in the past as a result of these reviews. To the extent that we are not able to remain competitive, our turnover may be adversely effected which could then affect our results and financial condition.

Our employees are our most important assets and our ability to attract and retain key personnel is an important aspect of our competitiveness. If we are unable to attract and retain key personnel, including highly skilled technically proficient personnel, our ability to provide our services in the manner our customers have come to expect may be adversely affected, which could harm our reputation and result in a loss of clients, which could have a material adverse effect on our results and financial position.

Our clients generally are able to reduce advertising and marketing spending or cancel projects at any time on short notice for any reason. It is possible that our clients could reduce spending in comparison to historical patterns, or they could reduce future spending. A significant reduction in advertising and marketing spending by our largest clients, or the loss of several of our largest clients, if not replaced by new clients or an increase in business from existing clients, would adversely affect our turnover and thus affect our results and financial position.

We rely on information technology systems and infrastructure to process transactions, summarise results and manage our business, including maintaining client marketing and advertising information. Our information technology systems are potentially vulnerable to system failures and network disruptions, malicious intrusion and random attack. Likewise, data security incidents and breaches by employees and others with or without permitted access to our systems may pose a risk that sensitive data may be exposed to unauthorised persons or to the public. Additionally, we utilise third parties to store, transfer or process data. While we have taken what we believe are prudent measures to protect our data and information technology systems, there can be no assurance that our efforts will prevent system failures or network disruptions or breaches in our systems, or in systems of third parties we use, that could adversely affect our reputation or business.

Impact of Russia/Ukraine

Omnicom Media Group UK Limited continues to monitor the situation in Ukraine. Although not directly impacted, Omnicom Media Group UK Limited continues to manage our debtors accordingly, as well as our cost base however we are not anticipating any significant areas of concern with regards to this matter.

Environmental Strategy

The OMG Green Team continues to be the focus for activities across the Group aimed at optimising environmental sustainability at OMG UK, with the team focussed on quantifying and mitigating emissions as we continue to target reaching net zero omissions by 2030. We remain active in the Advertising Association's Ad Net Zero initiative in its drive to reduce the carbon impact of developing, producing and running advertising to real net zero by the end of the decade and are still a steering group member. As part of this we continue to work to ensure that Bankside is powered by 100% renewable energy by the end of next year and Omnicom has now established a global task force aligned to these objectives. A combination of our role in Ad Net Zero, our work with Bankside's real estate management company Cardinia and the Omnicom global programme on sustainability means we continue to reduce our footprint, including not just how we consume energy in our office, but also in how we travel on business now that business travel is more frequent again, and the environmental impact of advertising activity for our clients.

Omnicom Media Group UK Limited

Strategic Report for the year ended 31 December 2022

9th August 2023

Approved and authorised by the Board on and signed on its behalf by:



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M. Telling
Director

Omnicom Media Group UK Limited

Directors' Report for the year ended 31 December 2022

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

Principal activity

The principal activity of the company is to provide independent media planning and buying of advertising space and air time together with offering complimentary specialist marketing services.

Dividends

On 22 December 2022 the directors paid a dividend in respect of the year ended 31 December 2022 of £3,149,841 per share totalling £18,899,044 (2021: £16,474,854).

Directors of the group

The directors who held office during the year were as follows:

M. Telling

D. Clays

Political and charitable donations

During the year the group made political donations of £nil (2021: £nil). Donations to charity amounted to £56,998 (2021: £27,014)

Employment of disabled persons

The group gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Environmental report

We have considered the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) when preparing this report. These recommendations encourage businesses to increase disclosure of climate-related information, with an emphasis on financial disclosure. Omnicom Media Group UK Limited supports these recommendations and are committed to disclosing the relevant information which can be found below.

The company itself consumed less than 40,000 kWh of energy in the UK during the financial year ended 31 December 2022 and so, under the Streamlined Energy and Carbon Reporting Framework implemented by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, is not required to disclose information on energy usage and carbon reporting in these financial statements. Additional information concerning the Group's wider environmental sustainability strategy can be found in the Strategic Report.

Disclosure of information to the auditor

Each director who held office at the date of approval of this directors' report confirms that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Reappointment of auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Omnicom Media Group UK Limited

Directors' Report for the year ended 31 December 2022

9th August 2023

Approved by the Board on and signed on its behalf by:



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M. Telling
Director

Bankside 3
90 - 100 Southwark Street
London
SE1 0SW

Omnicom Media Group UK Limited

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Group and parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the profit or loss of the Group and parent Company for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and 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;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of Omnicom Media Group UK Limited

Opinion

We have audited the financial statements of Omnicom Media Group Limited ("the Company") for the year ended 31 December 2022 which comprise the Consolidated Profit and Loss account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

Independent Auditor's Report to the Members of Omnicom Media Group UK Limited

Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentives schemes and performance targets for management, directors and staff.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that certain complex revenue streams are recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries; and
- the risk of bias in accounting estimates and judgements such as the accrual of unbilled revenue at year-end.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries and supporting documentation. These included those posted with a credit to revenue against an unexpected account pairing.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statement varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of the procedures on the related financial statement items.

Independent Auditor's Report to the Members of Omnicom Media Group UK Limited

Secondly, the Group is subject to many other laws and regulations, where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation.

Context of the ability of the audit to detect fraud or breaches of law and regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations

Strategic Report and Directors' Report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Independent Auditor's Report to the Members of Omnicom Media Group UK Limited

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

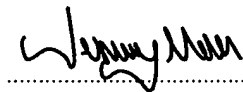
Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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



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Jeremy Hall (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

Date: 9 August 2023

Omnicom Media Group UK Limited

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

	Note	2022 £	2021 £
Gross billings		2,022,160,867	2,005,946,571
Rebillable costs		<u>(1,799,832,806)</u>	<u>(1,810,442,869)</u>
Turnover	2	222,328,061	195,503,702
Direct costs		<u>(50,091,550)</u>	<u>(42,408,004)</u>
Gross profit		172,236,511	153,095,698
Administrative expenses		<u>(148,041,822)</u>	<u>(133,305,558)</u>
Operating profit	3	<u>24,194,689</u>	<u>19,790,140</u>
Other interest receivable and similar income	7	1,943,124	3,942,456
Interest payable and similar charges	8	<u>(337,490)</u>	<u>(374,630)</u>
		<u>1,605,634</u>	<u>3,567,826</u>
Profit before tax on ordinary activities		25,800,323	23,357,966
Taxation	9	<u>(5,114,895)</u>	<u>(5,145,839)</u>
Profit for the financial year		<u>20,685,428</u>	<u>18,212,127</u>
Profit attributable to:			
Owners of the company		<u>20,685,428</u>	<u>18,212,127</u>

The results shown above are derived wholly from continuing operations.

Omnicom Media Group UK Limited

Consolidated Statement of Comprehensive Income for the year ended 31 December 2022

	Note	2022 £	2021 £
Profit for the year		<u>20,685,428</u>	<u>18,212,127</u>
Total comprehensive income for the year		<u><u>20,685,428</u></u>	<u><u>18,212,127</u></u>
Total comprehensive income attributable to:			
Owners of the company		<u><u>20,685,428</u></u>	<u><u>18,212,127</u></u>

The notes on pages 19 to 38 form an integral part of these financial statements.

Omnicom Media Group UK Limited

(Registration number: 4431736)

Consolidated Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	11	81,694	1,244,988
Tangible assets	12	<u>1,156,108</u>	<u>1,203,823</u>
		<u>1,237,802</u>	<u>2,448,811</u>
Current assets			
Debtors	14	653,407,392	688,891,619
Cash at bank and in hand		<u>344</u>	<u>139</u>
		653,407,736	688,891,758
Creditors: Amounts falling due within one year	15	<u>(609,799,628)</u>	<u>(648,254,447)</u>
Net current assets		<u>43,608,108</u>	<u>40,637,311</u>
Total assets less current liabilities		44,845,910	43,086,122
Creditors: Amounts falling due after more than one year	15	(1,017,984)	(954,286)
Provisions for liabilities		<u>(171,005)</u>	<u>(183,985)</u>
Net assets		<u>43,656,921</u>	<u>41,947,851</u>
Capital and reserves			
Called up share capital	16	6	6
Share premium account		22,073,999	22,073,999
Capital contribution reserve		1,079	1,079
Retained earnings		(30,675,485)	(32,384,555)
Merger reserve		<u>52,257,322</u>	<u>52,257,322</u>
Equity attributable to owners of the company		<u>43,656,921</u>	<u>41,947,851</u>
Total equity		<u>43,656,921</u>	<u>41,947,851</u>

9th August 2023

Approved and authorised by the Board on and signed on its behalf by:



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M. Telling
Director

The notes on pages 19 to 38 form an integral part of these financial statements.

Omnicom Media Group UK Limited
(Registration number: 4431736)
Company Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	11	81,694	408,370
Tangible assets	12	269,934	206,098
Investments	13	<u>22,123,296</u>	<u>22,123,296</u>
		<u>22,474,924</u>	<u>22,737,764</u>
Current assets			
Debtors	14	182,164,891	82,438,129
Creditors: Amounts falling due within one year	15	<u>(180,323,238)</u>	<u>(82,069,613)</u>
Net current assets		<u>1,841,653</u>	<u>368,516</u>
Total assets less current liabilities		24,316,577	23,106,280
Creditors: Amounts falling due after more than one year	15	(211,043)	(194,086)
Provisions for liabilities		<u>(22,962)</u>	<u>-</u>
Net assets		<u>24,082,572</u>	<u>22,912,194</u>
Capital and reserves			
Called up share capital	16	6	6
Share premium account		22,073,999	22,073,999
Retained earnings		<u>2,008,567</u>	<u>838,189</u>
Total equity		<u>24,082,572</u>	<u>22,912,194</u>

9th August 2023

* Approved and authorised by the Board on and signed on its behalf by:



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M. Telling
Director

Omnicom Media Group UK Limited

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

	Share capital £	Share premium £	Capital contribution reserve £	Merger reserve £	Retained earnings £	Total £
At 1 January 2022	6	22,073,999	1,079	52,257,322	(32,384,555)	41,947,851
Profit for the year	-	-	-	-	20,685,428	20,685,428
Total comprehensive income	-	-	-	-	20,685,428	20,685,428
Dividends	-	-	-	-	(18,899,044)	(18,899,044)
Other reserve movements	-	-	-	-	(77,314)	(77,314)
At 31 December 2022	6	22,073,999	1,079	52,257,322	(30,675,485)	43,656,921
	Share capital £	Share premium £	Capital contribution reserve £	Merger reserve £	Retained earnings £	Total £
At 1 January 2021	6	22,073,999	1,079	52,257,322	(34,296,514)	40,035,892
Profit for the year	-	-	-	-	18,212,127	18,212,127
Total comprehensive income	-	-	-	-	18,212,127	18,212,127
Dividends	-	-	-	-	(16,474,854)	(16,474,854)
Other reserve movements	-	-	-	-	174,686	174,686
At 31 December 2021	6	22,073,999	1,079	52,257,322	(32,384,555)	41,947,851

The notes on pages 19 to 38 form an integral part of these financial statements.

Omnicom Media Group UK Limited

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

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 January 2022	6	22,073,999	838,189	22,912,194
Profit for the year	-	-	20,072,035	20,072,035
Total comprehensive income	-	-	20,072,035	20,072,035
Dividends	-	-	(18,899,044)	(18,899,044)
Other reserve movements	-	-	(2,613)	(2,613)
At 31 December 2022	6	22,073,999	2,008,567	24,082,572
	Share capital £	Share premium £	Retained earnings £	Total £
At 1 January 2021	6	22,073,999	2,967,286	25,041,291
Profit for the year	-	-	14,183,826	14,183,826
Total comprehensive income	-	-	14,183,826	14,183,826
Dividends	-	-	(16,474,854)	(16,474,854)
Other reserve movements	-	-	161,931	161,931
At 31 December 2021	6	22,073,999	838,189	22,912,194

The notes on pages 19 to 38 form an integral part of these financial statements.
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Omnicom Media Group UK Limited

Consolidated Statement of Cash Flows for the year ended 31 December 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Profit for the year		20,685,428	18,212,127
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	3	955,336	1,392,735
Finance income	7	(1,943,124)	(3,942,456)
Finance costs	8	337,490	374,630
Share based payment transactions		88,818	97,728
Income tax expense	9	5,114,895	5,145,839
		<u>25,238,843</u>	<u>21,280,603</u>
Working capital adjustments			
Decrease/(increase) in trade debtors and other debtors	14	39,740,363	(127,923,338)
(Decrease)/increase in trade creditors and other creditors	15	(14,616,373)	102,118,391
Cash generated from operations		50,362,833	(4,524,344)
Income taxes paid	9	(3,817,673)	(3,730,152)
Net cash flow from operating activities		<u>46,545,160</u>	<u>(8,254,496)</u>
Cash flows from investing activities			
Acquisitions of tangible assets	12	(777,380)	(845,949)
Proceeds from sale of tangible assets	12	196,435	-
Acquisition of intangible assets	11	-	(37,000)
Proceeds from sale of intangible assets		836,618	-
Net cash flows from investing activities		<u>255,673</u>	<u>(882,949)</u>
Cash flows from financing activities			
Net finance income and costs		1,605,634	3,567,826
Dividends paid		(18,899,044)	(16,474,854)
Movement in cash concentration arrangement		(29,507,218)	22,044,252
Net cash flows from financing activities		<u>(46,800,628)</u>	<u>9,137,224</u>
Net increase/(decrease) in cash and cash equivalents		205	(221)
Cash and cash equivalents at 1 January		<u>139</u>	<u>360</u>
Cash and cash equivalents at 31 December		<u><u>344</u></u>	<u><u>139</u></u>

The notes on pages 19 to 38 form an integral part of these financial statements.

Omnicom Media Group UK Limited

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

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The following accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the Company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Omnicom Media Group UK Limited (the "Company") is a private company incorporated, domiciled and registered in England and Wales in the UK. The registered number is 04431736 and the registered address is Bankside 3, 90-100 Southwark Street, London, England, SE1 0SW.

The financial statements are presented in sterling the Company's functional currency.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

Summary of disclosure exemptions

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures for the parent company financial statements only:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Omnicom Group Inc. include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 Share Based Payments; and,
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

Related party transactions: As a 100% owned subsidiary of Omnicom Group Inc. the Company has taken advantage of the exemption available under FRS 102 Section 33. 1A: Related Party Disclosures, which enable it to exclude disclosure of transactions with Omnicom Group Inc., and its wholly owned subsidiaries.

Omnicom Media Group UK Limited

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

1 Accounting policies (continued)

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2022.

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

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Omnicom Media Group UK Limited

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

1 Accounting policies (continued)

Going concern

The financial statements have been prepared on a going concern basis, which assumes the group will be able to meet its liabilities as they fall due, for the foreseeable future. The Directors have concluded that it is appropriate to adopt the going concern basis, having undertaken an assessment of the financial forecasts for the 12 month period after the approval of these financial statements,

The group has net current assets of £43,608,108 at 31 December 2022 (2021: net current assets of £40,637,311).

The directors have made a going concern assessment which covers a period of at least 12 months from the date of approval of these financial statements, taking into account of severe but plausible scenarios (including Ukraine war, supply chain issues, inflation/cost of living increase, increase in foreign exchange, increased interest rates and associated loss of revenue/increase in costs), that indicates the group will have sufficient funds to meet its liabilities as they fall due throughout that period, via the group facilities described above. The directors have prudently considered recent devaluation of the Pound Sterling against US Dollar and recent recovery, although the foreign exchange rate continues to be volatile. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The group participates in a cash concentration arrangement with its fellow subsidiaries, Omnicom Finance Limited, Omnicom Financial Services Limited, and the group's UK treasury operations, under which bank balances are cleared to zero on a daily basis either by the company depositing cash with Omnicom Finance Limited or Omnicom Financial Services Limited or by Omnicom Finance Limited or Omnicom Financial Services Limited depositing cash with the group. The group's access to borrowings under the cash concentration arrangement is not limited as long as these borrowings are required in the normal course of business and are made in accordance with the Omnicom Group Inc Grant of Authority and includes a period of at least 12 months from the date of approval of these financial statements.

Omnicom Finance Limited, is able to make this commitment because Omnicom Finance Limited is a co-borrower with Omnicom Finance Inc. and Omnicom Capital Inc. under certain group bank facilities which are more fully described in the Omnicom Group Inc. financial statements filed on Form 10-K and available at www.OmnicomGroup.com.

The directors consider the group facilities and expected funding requirements of the Omnicom Media Group Inc. and its subsidiaries provides sufficient access to funding to ensure that the Group is able to meet its liabilities as they fall due for the foreseeable future being 12 months from the date of signing of these accounts. Accordingly, the directors have prepared the financial statements as a going concern.

Gross billings

Gross billings are recognised when the service is performed, in accordance with the terms and conditions of the contractual arrangement and when collection is reasonably assured. Gross billings comprises amounts billed to clients in respect of commission based income together with the total of other fees earned and amounts recharged to clients for billable costs.

Omnicom Media Group UK Limited

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

1 Accounting policies (continued)

Rebillable costs

Rebillable costs comprise media payments and third party production costs for those services that the Company is arranging for its clients in its capacity as an intermediary. The Company contracts directly with suppliers and is responsible for their payment, recharging its clients for all costs incurred. Although the Company bears credit risk in respect of these activities, the arrangements with its clients are such that, in effect it acts as an intermediary on behalf of its client. Where the Company acts as an intermediary, costs incurred with external suppliers are excluded from turnover.

Turnover

Consequently, turnover comprises fees and commissions earned in respect of gross billings and direct costs, which meet the Companies Act definition of turnover. Turnover is recognised when services are performed, in accordance with the terms of arrangements reached with each client. Turnover is stated exclusive of VAT, sales taxation and trade discounts. Substantially all income occurs in the UK.

Foreign currency transactions and balances

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Foreign exchange movements that arise on consolidation of foreign operations are recognised in the Statement of Comprehensive Income.

Tax

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.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Fixed assets and depreciation

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold improvements	Life of lease
Furniture, fittings, tools and equipment	3 Years
Office equipment	3 Years

Omnicom Media Group UK Limited

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

1 Accounting policies (continued)

Intangible assets

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Software	5 years

Fixed asset investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities. Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when the group has an obligation at the reporting date as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Omnicom Media Group UK Limited

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

1 Accounting policies (continued)

Defined contribution pension obligation

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in independently administered funds. The amounts charged against the profit and loss account represent the contributions payable to the scheme in respect of the accounting period.

Financial instruments

Classification

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Impairment

Financial assets (including trade and other debtors) not carried at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment, an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Omnicom Media Group UK Limited

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

1 Accounting policies (continued)

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than investment property and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Omnicom Media Group UK Limited

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

2 Turnover

The whole of the Company's gross billings and turnover for the year related to its principal activity which was that of media planning and buying, and which was carried out in the following locations:

	2022	2021
	£	£
UK	216,193,497	188,996,597
Europe	5,286,295	5,286,295
Rest of world	1,892,579	1,220,811
	<u>222,328,061</u>	<u>195,503,703</u>

3 Operating profit

Arrived at after charging/(crediting)

	2022	2021
	£	£
Depreciation and other amounts written off tangible fixed assets: owned	628,660	849,779
Amortisation of software	326,676	542,956
Foreign exchange gains	420,522	71,153
Hire of plant and machinery - rentals payable under operating leases	23,756	208,519
Hire of other assets - rentals payable under operating leases	11,505,417	13,440,133
Rental income	<u>(370,757)</u>	<u>(165,000)</u>

4 Auditor's remuneration

	2022	2021
	£	£
Audit of these financial statements	<u>180,600</u>	<u>160,000</u>

The above figure includes both the Group Reporting Fee of £116,850 (2021: £120,000) and the Statutory Audit Fee of £63,750 (2021: £40,000)

Omnicom Media Group UK Limited

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

5 Directors' remuneration

	2022	2021
	£	£
Directors' emoluments	1,236,213	1,150,984
Company contributions to money purchase pension schemes	4,000	28,000
	<u>1,240,213</u>	<u>1,178,984</u>

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

	2022	2021
	No.	No.
Received or were entitled to receive shares under long term incentive schemes	2	2
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

In respect of the highest paid director:

	2022	2021
	£	£
Remuneration	719,519	650,604
Company contributions to money purchase pension schemes	<u>4,000</u>	<u>28,000</u>

The Company's directors participate in the restricted stock scheme operated by the Ultimate Parent Undertaking. Shares were received or receivable under this restricted share scheme by 2 directors (2021: 2)

Under this scheme, certain directors have been awarded restricted shares in the ultimate parent undertaking, Omnicom Group Inc. The restricted shares typically vest in 20% annual increments provided the director remains an employee of the Omnicom group. Restricted shares may not be sold, transferred, pledged or otherwise encumbered until the restrictions lapse. Under most circumstances, the director forfeits the shares still subject to restriction, if the director ceases employment prior to the end of the period of restriction.

Omnicom Media Group UK Limited

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

6 Staff costs

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

	2022	2021
	£	£
Wages and salaries	87,177,605	76,747,418
Share related awards	88,818	97,728
Social security costs	10,635,616	8,839,739
Pension and other post-employment benefit costs	3,726,187	3,482,989
	<u>101,628,226</u>	<u>89,167,874</u>

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

	2022	2021
	No.	No.
Administration and support	115	106
Sales	1,395	1,247
Marketing	35	32
	<u>1,545</u>	<u>1,385</u>

7 Other interest receivable and similar income

	2022	2021
	£	£
Receivable from group undertakings	<u>1,943,124</u>	<u>3,942,456</u>

8 Interest payable and similar expenses

	2022	2021
	£	£
Payable to group undertakings	271,766	282,381
Other interest payable	29,620	48,347
Finance charges payable in respect of finance leases and hire purchase contracts	36,104	43,902
	<u>337,490</u>	<u>374,630</u>

Omnicom Media Group UK Limited

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

9 Taxation

Tax charged in the profit and loss account

	2022 £	2021 £
Current taxation		
Current tax on income for the period	4,840,650	4,777,025
Adjustments in respect of previous periods	<u>72,850</u>	<u>109,678</u>
	<u>4,913,500</u>	<u>4,886,703</u>
Deferred taxation		
Origination and reversal of timing differences	114,724	(262,457)
Effect of increased/decreased tax rate on opening liability	(35,256)	25,279
Adjustment in respect of previous periods	<u>121,927</u>	<u>496,314</u>
Total deferred taxation	<u>201,395</u>	<u>259,136</u>
Tax expense in the profit and loss account	<u><u>5,114,895</u></u>	<u><u>5,145,839</u></u>

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

The differences are reconciled on the next page.

	2022 £	2021 £
Profit before tax	<u>25,800,323</u>	<u>23,357,966</u>
Corporation tax at standard rate	4,902,061	4,438,014
Effect of expense not deductible in determining taxable profit (tax loss)	53,313	57,013
Deferred tax (credit)/expense relating to changes in tax rates or laws	(35,256)	25,279
Deferred tax expense from unrecognised temporary difference from a prior period	121,927	496,314
Increase in UK and foreign current tax from adjustment for prior periods	72,850	109,678
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>-</u>	<u>19,541</u>
Total tax charge	<u><u>5,114,895</u></u>	<u><u>5,145,839</u></u>

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

Omnicom Media Group UK Limited

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

9 Taxation (continued)

Deferred tax

Group

Deferred tax assets and liabilities

	Asset £
2022	
Difference between accumulated depreciation and amortisation and capital allowances	131,537
Other timing differences	(89,970)
	<u>41,567</u>

	Asset £
2021	
Difference between accumulated depreciation and amortisation and capital allowances	246,263
Other timing differences	(3,299)
	<u>242,964</u>

Company

Deferred tax assets and liabilities

	Liability £
2022	
Difference between accumulated depreciation and amortisation and capital allowances	(12,523)
Other timing differences	(10,439)
	<u>(22,962)</u>

	Asset £
2021	
Difference between accumulated depreciation and amortisation and capital allowances	(73,527)
Other timing differences	179,877
	<u>106,350</u>

10 Dividends

	2022 £	2021 £
Dividend of £3,149,841 (2021 - £2,745,809) per ordinary share	<u>18,899,044</u>	<u>16,474,854</u>

Omnicom Media Group UK Limited

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

11 Intangible assets

Group	Software £	Total £
Cost or valuation		
At 1 January 2022	2,036,526	2,036,526
Disposals	<u>(1,045,772)</u>	<u>(1,045,772)</u>
At 31 December 2022	<u>990,754</u>	<u>990,754</u>
Amortisation		
At 1 January 2022	791,538	791,538
Amortisation charge	326,676	326,676
Disposals	<u>(209,154)</u>	<u>(209,154)</u>
At 31 December 2022	<u>909,060</u>	<u>909,060</u>
Carrying amount		
At 31 December 2022	<u>81,694</u>	<u>81,694</u>
At 31 December 2021	<u>1,244,988</u>	<u>1,244,988</u>

Company	Software £	Total £
Cost or valuation		
At 1 January 2022	<u>990,754</u>	<u>990,754</u>
At 31 December 2022	<u>990,754</u>	<u>990,754</u>
Amortisation		
At 1 January 2022	582,384	582,384
Amortisation charge	<u>326,676</u>	<u>326,676</u>
At 31 December 2022	<u>909,060</u>	<u>909,060</u>
Carrying amount		
At 31 December 2022	<u>81,694</u>	<u>81,694</u>
At 31 December 2021	<u>408,370</u>	<u>408,370</u>

Capitalised development costs are not treated as a realised loss for the purpose of determining the Company's distributable profits as the costs meet the conditions requiring them to be treated as an asset in accordance with FRS 102 Section 18.

Omnicom Media Group UK Limited

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

12 Tangible fixed assets

Group

	Leasehold improvements £	Furniture, fittings and equipment £	Office equipment £	Total £
Cost or valuation				
At 1 January 2022	979,053	952,260	4,800,683	6,731,996
Additions	4,454	23,913	749,013	777,380
Disposals	-	(5,398)	(894,804)	(900,202)
At 31 December 2022	<u>983,507</u>	<u>970,775</u>	<u>4,654,892</u>	<u>6,609,174</u>
Depreciation				
At 1 January 2022	942,663	910,232	3,675,278	5,528,173
Charge for the year	21,088	18,276	589,296	628,660
Disposal	-	-	(703,767)	(703,767)
At 31 December 2022	<u>963,751</u>	<u>928,508</u>	<u>3,560,807</u>	<u>5,453,066</u>
Carrying amount				
At 31 December 2022	<u>19,756</u>	<u>42,267</u>	<u>1,094,085</u>	<u>1,156,108</u>
At 31 December 2021	<u>36,390</u>	<u>42,028</u>	<u>1,125,405</u>	<u>1,203,823</u>

Omnicom Media Group UK Limited

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

12 Tangible fixed assets (continued)

Company

	Leasehold improvements £	Furniture, fittings and equipment £	Office equipment £	Total £
Cost or valuation				
At 1 January 2022	395,278	133,785	1,044,493	1,573,556
Additions	-	-	185,876	185,876
Disposals	-	(5,398)	-	(5,398)
At 31 December 2022	<u>395,278</u>	<u>128,387</u>	<u>1,230,369</u>	<u>1,754,034</u>
Depreciation				
At 1 January 2022	382,233	128,387	856,838	1,367,458
Charge for the year	<u>5,398</u>	<u>-</u>	<u>111,244</u>	<u>116,642</u>
At 31 December 2022	<u>387,631</u>	<u>128,387</u>	<u>968,082</u>	<u>1,484,100</u>
Carrying amount				
At 31 December 2022	<u>7,647</u>	<u>-</u>	<u>262,287</u>	<u>269,934</u>
At 31 December 2021	<u>13,045</u>	<u>5,398</u>	<u>187,655</u>	<u>206,098</u>

13 Fixed assets investments

Company

	Shares in group undertakings £	Total £
Subsidiaries		
Cost		
At 1 January 2022	<u>22,123,296</u>	<u>22,123,296</u>
At 31 December 2022	<u>22,123,296</u>	<u>22,123,296</u>
Carrying amount		
At 31 December 2022	<u>22,123,296</u>	<u>22,123,296</u>
At 31 December 2021	<u>22,123,296</u>	<u>22,123,296</u>

Omnicom Media Group UK Limited

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

14 Debtors

		Group		Company	
	Note	2022 £	2021 £	2022 £	2021 £
Trade debtors		361,331,206	379,265,193	150,707,257	50,193,355
Amounts owed by group undertakings - trading balances		61,810,331	51,556,729	-	-
Amounts owed by group undertakings - loans and advances		169,243,376	164,775,783	-	6,264,761
Other debtors		59,357,210	91,163,851	31,027,372	25,405,149
Deferred tax assets	9	212,573	426,948	-	106,350
Prepayments and accrued income		1,452,696	1,703,115	430,262	468,514
		<u>653,407,392</u>	<u>688,891,619</u>	<u>182,164,891</u>	<u>82,438,129</u>

The Company participates in a cash concentration arrangement with its fellow subsidiary, Omnicom Finance Limited, Omnicom Europe Limited group's UK treasury operation, under which bank balances are cleared to zero on a daily basis either by the Company depositing cash with Omnicom Finance Limited or by Omnicom Finance Limited depositing cash with the Company. Included in Amounts owed by group undertakings - loans and advances is £169,243,376 (2021: £164,775,783) representing cash deposited by the Company under these arrangements.

15 Creditors

		Group		Company	
	Note	2022 £	2021 £	2022 £	2021 £
Due within one year					
Obligations under finance lease and hire purchase contracts		26,594	14,133	-	-
trade creditors		466,234,372	449,147,989	-	-
Amounts owed to group undertakings - trading balances		66,061,911	63,480,449	73,599,981	50,665,829
Amounts owed to group undertakings - loans and advances		-	25,039,625	84,130,852	-
Taxation and social security		10,247,946	46,793,571	2,127,245	16,846,989
Accruals and deferred income		67,228,805	63,594,696	20,465,160	14,556,795
Deferred tax liability		-	183,984	-	-
		<u>609,799,628</u>	<u>648,254,447</u>	<u>180,323,238</u>	<u>82,069,613</u>
Due after one year					
Obligations under finance lease and hire purchase contracts		<u>1,017,984</u>	<u>954,286</u>	<u>211,043</u>	<u>194,086</u>

Omnicom Media Group UK Limited

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

15 Creditors (continued)

Included within Amounts owed to group undertakings - trading balances is £10,000,000 in relation to preference shares that were created on 25th November 2022, converted to convertible redeemable preference shares on 28th December 2022 and subsequently redeemed on 30th December 2022.

16 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>

17 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £3,646,879 (2021 - £3,342,105).

Contributions amounting to £330,328 (2021: £285,956) were payable to the scheme and are included in creditors.

18 Parent and ultimate parent undertaking

The Company is a subsidiary undertaking of Omnicom Group Inc incorporated in the United States of America and is the largest group in which the results are consolidated.

These financial statements are available upon request from Omnicom Group Inc's registered address, 280 Park Avenue, New York, NY 10017, United States.

No other group accounts include the results of the Company.

19 Post balance sheet events

There are no adjusting or significant non-adjusting events that have occurred between 31 December 2022 and the date of authorisation of these financial statements.

20 Related party transactions

Group

Key management personnel

Key management personnel are considered to be the senior leadership management across the group, agencies and specialist services with responsibility for planning, directing and controlling the activities of the group. Total remuneration in respect of these individuals is £3,741,986 (2021 - £2,953,530).

Omnicom Media Group UK Limited

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

20 Related party transactions (continued)

Summary of transactions with subsidiaries

At 31 December 2022, the Company's parent undertaking was Omnicom Media Group Europe Ltd. The shareholders of the Company have interests directly or indirectly in certain other companies which are considered to give rise to related party disclosures under FRS 102 Section 33.

As a 100% owned subsidiary of Omnicom Media Group Europe Ltd, the Company has taken advantage of the exemption under FRS 102 Section 33.1A: Related Party Disclosures, which enable it to exclude disclosure of transactions with Omnicom Media Group Europe Limited and its wholly owned subsidiaries.

21 Details of undertakings

Subsidiary exemption

The following UK subsidiaries of the group, having met the criteria set out in sections 479A-479C of the Companies Act 2006, are claiming exemptions from the audit of the individual accounts afforded by those sections for the year ended 31 December 2022.

Details of the investments in which the company holds 20% or more, directly or indirectly, of the nominal value of any class of share capital are as follows:

Omnicom Media Group UK Limited

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

21 Details of undertakings (continued)

Details of the investments in which the company holds 20% or more, directly or indirectly, of the nominal value of any class of share capital are as follows:

Undertaking	Company number	Country of incorporation	Holding	Proportion of voting rights and shares held	Principal activity	Registered address
Subsidiary undertakings						
Drum OMG Limited	2904456	England	Ordinary	100	Creative Content Agency	Bankside 3, 90-100 Southwark Street, London, SE1 0SW
Hearts & Science Limited	10445362	England	Ordinary	100	Media Planning and Buying	Bankside 3, 90-100 Southwark Street, London, SE1 0SW
OMD Group Limited	2078820	England	Ordinary	100	Media Planning and Buying	Bankside 3, 90-100 Southwark Street, London, SE1 0SW
PHD Media Limited	2423952	England	Other; Ordinary; Preference	100	Media Planning and Buying	Bankside 3, 90-100 Southwark Street, London, SE1 0SW
Resolution Media UK Limited	03802728	England	Ordinary	100	Performance Marketing Agency	Bankside 3, 90-100 Southwark Street, London, SE1 0SW

Omnicom Media Group UK Limited

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

21 Details of undertakings (continued)

Empyrean OMG Limited	13240527	England	Ordinary	100 Creative Content Agency	Bankside 3, 90-100 Southwark Street, London, SE1 0SW
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