

AI Wertheimer Parentco UK Limited

Annual Report

Company registered number 11083865

31 December 2021

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Company information

Company registered number

11083865

Directors

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C Benson

G McGaghey

Registered office

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Independent auditors

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Strategic report

Strategic report for the year ended 31 December 2021

The directors present their strategic report on AI Wertheimer Parentco UK Limited (the "Company") and its subsidiary companies (together the "Group") for the year ended 31 December 2021

Ownership

The Group is owned by funds containing institutional owners. It is controlled by funds advised by Advent International Corporation, a private equity investment company.

Advent International Corporation ("Advent") is one of the largest and most experienced global private equity firms. With offices on four continents, Advent has established a globally integrated team of more than 470 investment professionals, focused on buyouts and growth equity investments in five core sectors. Since beginning its private equity strategy in 1989, Advent has invested \$61 billion in over 390 private equity investments across 42 countries, and as of 31 December 2021, managed \$88 billion in assets. For more than 30 years Advent has sought to invest in well-positioned companies and partner with management teams to create value through sustained revenue and earnings growth.

AI Wertheimer Parentco UK Limited was incorporated on 27 November 2017 and its immediate parent is AI Wertheimer Holdings Limited which is the ultimate parent company of the Williams Lea Tag Group. The board that directs and controls the Group operates at the level of a subsidiary company, Wertheimer UK Limited.

History of the Group

The Williams Lea Tag business began in 1820 when Wertheimer Lea was established to supply print to the financial sector.

In 2006 Deutsche Post DHL Group acquired the Williams Lea Group enhancing its global reach. By November 2017 and following the acquisition of Tag Worldwide in 2011, the Williams Lea Tag Group was a single global business, delivering integrated marketing and communications services and offering skilled business-critical support services worldwide.

In November 2017, AI Wertheimer Holdings Limited and its Williams Lea Tag subsidiaries were acquired by funds advised by Advent International Corporation.

Business model

The Williams Lea Tag Group is a global provider of marketing production and skilled business-critical support services worldwide. The Group comprises two strategic business units, Williams Lea and Tag.

The Group's purpose is to create value for its clients by working smarter, leveraging technology, enhancing efficiencies, improving their customers' experience and strengthening their brand reputation. The Group's clients and their customers are at the heart of everything the business does. Long-term partnerships, strong relationships, exceptional employees and leading technology have been the driving force behind the Group's success.

Williams Lea is a global provider of skilled business-critical support services to financial, legal and professional services firms, connecting people, processes and technology to streamline key business and administrative functions and helping companies adapt to a more virtual and digital workplace.

Built on a strong heritage, great client relationships and a talented team, Williams Lea is the trusted global outsourcing provider to clients in highly regulated environments.

Strategic report (continued)

Tag is a leading independent, end-to-end, technology-enabled, global content production powerhouse, serving the world's leading brands. Tag is powered by Digital Interact, a proprietary platform for 21st Century content production. As a tech-enabled content production specialist, Tag offers a complementary skillset to in-house teams and advertising agencies to bring to life, extend and deploy creative ideas. Tag also has a unique ability to scale master assets into bespoke omnichannel content through offshore hubs and benefits from local teams of creative talent and account managers across the world.

Strategy

The key future strategies to deliver growth in the Group's marketing production and skilled business critical support services are as follows:

- The creation of two strategic business units – Williams Lea (Business Support Services) and Tag (Marketing Production and Sourcing Services) with separate leadership and business plans.
- Investment in broader digital capabilities to drive efficiencies and improve the client offering.
- Customer excellence programme to drive commercial effectiveness including investment in next generation technology platforms to enhance client experience and value.
- Building the mergers and acquisition pipeline to bolster Group capabilities and to bring in additional service lines as well as continued geographical expansion.

Review of the business

Revenues for the year ended 31 December 2021 amounted to €956.4m (2020: €975.5m), with EBITDA before exceptional items of €55.9m (2020: €39.9m). The business exited 2020 with strong growth, recovering from the uncertainty resulting from the global COVID-19 pandemic in 2020 where businesses slowed the outsourcing of support services and marketing activities. The adverse impact on demand was not as severe as originally expected in response to the pandemic in 2020, with continuing and strengthening of the new and key business pipelines. The mix of customers and actions undertaken by the Group was a key driver of the reduced impact. These actions taken during the later half of 2020 enabled the business to enter 2021 with a solid turnover base and strong profit growth, which was further enhanced in 2021 with quarter-on-quarter improvements in sales and profit growth through a continuing strengthening of the new sales pipeline and significant cost reduction initiatives, improving the gross margins.

Key performance indicators	Year ended 31 December 2021	Year ended 31 December 2020
Revenues	€956.4m	€975.5m
EBITDA before exceptional costs	€55.9m	€39.9m
Exceptional items	€31.3m	€36.6m
Operating cash flow	€22.4m	€46.1m

Exceptional items of €31.3m (2020: €36.6m) were incurred during the year primarily relating to the separation of the Williams Lea and Tag fiscal structures and day-to-day operations, including back-office and ERP systems to fully equip the businesses to independently execute their growth strategies more effectively. In addition to this major transformational program, the Group continued with a number of operational restructuring, offshoring and business transformation projects to improve cost effectiveness, productivity and quality of service offering to its clients. Further detail on exceptional items can be found in note 5 to the financial statements. These projects all form part of and underpin the Board's strategies to align the business into two strategic business units and to deliver improved future performance for the shareholders.

The retained loss for the financial year, including exceptional items, amounted to €30.5m (2020: €77.0m) and as at the year end, the Group had net liabilities of €21.7m (2020: net assets €5.9m). The decrease in total equity in the year of €27.6m was lower than the 2020 decrease in total equity of €76.3m mainly driven by improved operating performance, lower finance costs and lower taxation.

Strategic report (continued)

Acquisition

On 19 August 2021, the Group acquired MoniMedia, an experience-driven digital commerce agency based in Hong Kong. MoniMedia has over twelve years of experience designing and delivering innovative digital commerce solutions and experiences for global brands. The acquisition contributed €1.5m to 2021 Group revenue in the 4-month period following the acquisition. Further details can be found in note 26 to the financial statements.

Subsequent events

Disposal of business

In the first quarter of 2022, a formal decision to dispose of the Group's holding in CCM Limited (CCM) was agreed. On 1 April 2022, Tag Worldwide Holdings Limited, a wholly-owned subsidiary of the Group, disposed of its entire shareholding in CCM to Paragon Customer Communications. CCM provides secure personalised customer communications through a transactional print service with limited back office integration into the Group and had been operating as a standalone entity for the past few years. The sale is in line with Group's overall strategy to streamline operations and focus on the Williams Lea and Tag business units.

Refinancing of borrowings

On 6 May 2022 the Group completed a refinancing of its existing borrowings whereby a new funding structure was put in place comprising a financing facility of €310m and a further acquisition facility of €50m both repayable in 2027 and a revolving credit facility of €40m repayable in 2025. On 10 May 2022, the existing senior bank and payment in kind loans were repaid in full. Further details can be found in note 18.

Russia – Ukraine War

Geopolitical tensions arising from Russia's invasion of Ukraine on 24 February 2022 are creating volatility within domestic and global markets, leading to wide ranging impacts affecting inflation, global trade and consumer confidence. The sanctions imposed on Russia has resulted in many Tag clients now reducing their current campaign activity and has increased volatility in the supply chain network.

The Group's Russian entity OOO Tag RUS employs 27 staff, contributed €6.1m of revenue and €0.5m of EBITDA to the Group's consolidated results in 2021 and had net assets at 31 December 2021 of €1.6m. The Group does not have an office in Ukraine but does have Ukraine-based clients who are serviced from its Tag Europe operations.

The Directors continue to monitor and react to the challenges arising from the conflict including managing supply chain and foreign currency risks and the evolving impact of the conflict on its operations and strategy. As at the date of this report, the Directors believe that overall, the conflict will not affect the going concern of the Group.

Outlook

During 2021 the management and directors of the business have acted to mitigate the impact of COVID-19, and the Group's 2022 plans consider the implications of decisions taken. For Tag, client MDs encouraged clients to move spend towards digital, video & postproduction services and Tag has benefited from an acceleration of the shift to digital offerings (e.g. Pharma and Consumer Retail). Across Williams Lea, the initial impacts primarily were to office services typically provided onsite as client offices remained closed to staff before starting to open up in Q4 2021, resulting in a strong recovery. Business Services and Presentation Services remained strong throughout 2020 and the business showed growth in 2021 through providing virtual solutions for clients, and these services remained critical in delivering client needs. The business growth experienced in 2021 is anticipated to continue as clients continue to shift business critical services to specialist outsourced providers. More widely, the nature of the multi-country business offered further protection of volumes as markets were impacted by COVID-19 in differing degrees and at differing times across the Globe.

Strategic report (continued)

Tag

Market dynamics are providing Tag with significant growth opportunities. The customer journey is becoming more and more omni-channel, where Tag is well positioned to take advantage of the increase in digital asset creation. Advertising has become more and more digital, with an acceleration in e-commerce, with more people shopping on-line and interacting through social media, a shift accelerated by COVID-19. Management is confident Tag's global footprint enables economies of scale, and that its proprietary digital infrastructure enables the provision of high quality services which excel in delivering on clients' value propositions.

Williams Lea

Market dynamics are providing Williams Lea with significant growth opportunities. COVID-19 accelerated the tendency to outsource across many industries. The cost inflationary environment being experienced globally is driving businesses to focus on optimisation and cost saving through outsourcing. Seismic shifts in employment market dynamics driven by COVID-19, whereby working from home has become a more acceptable norm, has made remote service delivery options accepted by clients, which has accelerated the shift to outsourcing. These markets shifts, particularly in the legal and investment banking industries where Williams Lea has a strong presence, provides significant growth opportunities. Furthermore, digitalisation and automation are opening up new opportunities to Williams Lea, both in terms of upgrading existing support services, as well as introducing new solutions. Significant investments in technologies have provided Williams Lea a strong foothold in the fast growing segment of digital support services to professional firms.

Principal risks and uncertainties

The Group assesses risk at board level and through other operational boards which meet on a regular basis. The principal risks and uncertainties facing the Group are set out below:

General business environment

The business of the Group substantially depends on the financial health of our customers which in turn depends on the global macro-economic environment.

Competition

The Group operates in a competitive environment and all contracts and processes are subject to regular analysis with the aim of retaining existing customers, growing the customer base and optimising the economic performance under customer contracts.

Employees

The hard work, expertise and commitment of its employees are essential to the commercial success of the Group and a high priority is placed on the effectiveness of employment practices and human resource development initiatives. Actions and programmes in relation to employee engagement and involvement are described in the Directors' report.

Information technology and cyber risks

Information technology is an integral part of the Group's service capability and its business performance depends heavily on the functioning and performance of its applications and infrastructure. Active risk management processes are in place to maximise the efficiency of the Group's technology. The directors continuously monitor data security compliance and risk.

Strategic report (continued)

Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's activities expose it to a variety of financial risks including inflation risk, credit risk, contract risk, market risk and liquidity risk.

Inflation risk

Inflation risk arises when goods and services sold by the Group are purchased from external suppliers. These costs are subject to regular review and competitive procurement processes. The Group is partially exposed to commodity price risk as a result of key raw materials historically showing volatility in price. These relate principally to the strategic sourcing service line and are also subject to regular review and competitive procurement processes. Where possible the Group passes the effects of such volatility on to its customers. Where not possible, this is communicated and the risk assessed by senior management.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations. Credit risk management follows normal best practice and includes varying levels of credit assessments according to customer size and active credit performance management through key performance indicators such as days' sales outstanding. As the customer base is predominantly blue chip multinational clients, the risk of a major client defaulting is considered low.

Contract risk

Contract risk is the risk of financial loss to the Group arising from contract breach. Contract risk is managed by formal contract approval processes, active operational management and, to in some cases, certain risks are insured.

Market risk

Market risk is the risk that changes in foreign exchange rates and interest rates will affect the Group's income or costs.

- Foreign currency risk is attributable to investments, financing measures and operating activities. Cross-currency swaps are used to limit foreign currency risk where appropriate. These transactions relate to the exchange rate hedging of material payments covering general business activities that are not made in the functional currency of the respective Group companies. The principle of matching currencies applies primarily to the Group's financing activities.

- Hedging transactions performed in 2021 as part of foreign currency risk management related primarily to sterling, the US dollar and the Euro. Further details are set out in note 17.

- Interest rate risk results from changes in market interest rates, primarily for medium and long term debt. Interest rate swaps, cross-currency swaps and other types of interest rate contracts are entered into to hedge against this risk primarily under fair value or cash flow hedges, and depending on market conditions.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. The Group aims to mitigate liquidity risk by managing cash generation in its operations and maintains funds on demand to meet all operational expenses including the servicing of financial obligations. Further details of the Group's bank facilities and other borrowings are set out in note 18.

Strategic report (continued)

Borrowings

The Group's borrowings at 31 December 2021 were put in place at the time of the acquisition by Advent International Corporation on 30 November 2017. On 6 May 2022 the Group completed a refinancing of its existing borrowings whereby a new funding structure was put in place comprising a financing facility of €310m and a further acquisition facility of €50m both repayable in 2027 and a revolving credit facility of €40m maturing in 2025. On 10 May 2022, the existing senior bank and payment in kind loans were repaid in full. Drawdowns on the revolving facility that were outstanding as at 31 December 2021 totalled €28.5m (2020: €25.4m). Drawdowns on the revolving credit facility as at the date of these financial statements amounted to €20.4m repayable on 25 November 2022. Further details can be found in note 18.

Senior facilities

At 31 December 2021, the Group's financing facilities with a syndicate of lenders comprised senior loans of €120m and a revolving credit facility of €30m, which were secured by a charge over all of the Group's subsidiaries. Interest was charged at a rate of EURIBOR (subject to a 1% floor when EURIBOR is less than zero) plus a margin of 5% and 3% on the senior loans and revolving credit facility, respectively. Interest on the senior loans was payable on a quarterly basis or semi-annually, at the discretion of the Group. Drawdowns of the revolving facility during the year ended 31 December 2021 which remained outstanding at year end totalled €28.5m (2020: €25.4m).

The senior facilities agreement included one financial covenant, a leverage ratio, which was tested on a quarterly basis. The covenant required that the Group's net debt as at 31 December 2021 did not exceed 3.00 times (2020: 3.00 times) its adjusted consolidated EBITDA. At all testing periods during the year, the covenant tests were met. At year end the Group's leverage ratio was 1.88.

As noted above, the senior bank loans of €120m were repaid on 10 May 2022.

Hedging instruments

The Group has entered into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency payables incorporating an interest rate swap to hedge the Group's exposure to interest rate movements on the Senior bank loans. Further details are set out in note 17.

Payment in kind loan

The Group's borrowings as at 31 December 2021 included a PIK loan of €134.5m (2020: €124.1m) provided by Deutsche Post DHL. No repayments of the loan were made during the year (2020: nil). The loan was secured by a charge over all of the Group's subsidiaries and interest charged at a rate of EURIBOR (subject to a 0% floor when EURIBOR is less than zero) plus a scaled margin starting at 6.25% in year one and rising to 9.5% in year six. Interest was capitalised and to be settled on the date of final repayment. The PIK loan, which was repayable on 31 May 2023, was repaid on 10 May 2022 following the new financing arrangements entered into on 6 May 2022.

Directors' statement on Section 172 (1)

Section 172 of the Companies Act 2006 requires the directors to act in a way which they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole, and in doing so have regard to a range of matters outlined in s172(1) (a) – (f) as follows:

- (a) the likely consequences of any decisions in the long term;
- (b) the interests of the Group's employees;
- (c) the need to foster the Group's business relationships with suppliers, customers and others;
- (d) the impact of the Group's operations on the community and the environment;
- (e) the desirability of the Group maintaining a reputation for high standards of business conduct, and
- (f) the need to act fairly between members of the Group.

Strategic report (continued)

Key decisions and matters that are of strategic importance to the Group are appropriately informed by s172 factors.

Through an open and transparent dialogue with key stakeholders, the board has been able to develop a clear understanding of their needs, assess their perspectives and monitor their impact on the Group's strategic ambition and culture.

As part of the board's decision-making process, the board and its committees consider the potential impact of decisions on relevant stakeholders whilst also having regard to a number of broader factors, including the impact of the Group's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term.

The board delegates authority for day-to-day management of the Group to executives and senior management. The board engages management in setting, approving and overseeing execution of the business strategy and related policies. The board reviews risk and compliance, legal matters, the Group's financial and operational performance; stakeholder related matters, diversity and inclusivity and corporate responsibility matters at board meetings. This is done through the consideration and discussion of reports which are sent in advance of each board meeting and through presentations to the board.

The Group's key stakeholders and how the board engages with them include:

- Institutional investors - board reporting, regular discussions and meetings with senior executives;
- Customers - meetings and discussions with leadership teams who are involved in the commercial dialogue and engagement with our customers and face-to-face meetings with key customers;
- Suppliers - meetings and discussions with leadership teams who are involved in the commercial dialogue and engagement with suppliers and face-to-face meetings with key suppliers;
- Employees - news updates via email and intranet, townhalls and employee surveys;
- Finance providers - monthly reporting on the Group's financial position and cash flows; provision of quarterly covenant reporting; discussions and meetings.

Section 172 factors applied by the board are discussed in this Strategic report and the Directors report, in particular:

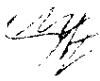
- the Business model section in this Strategic report on pages 4 and 5 provides details of the Group's customer engagement and focus;
- the Strategy and Outlook sections of this Strategic report on pages 5, 6 and 7 give further information on how the Group responds to the changing global marketplace and intends to deliver growth for investors and further enhance customer experience and value;
- information on the Group's financial risk management and covenant reporting to lenders can be found in this Strategic report on pages 8 and 9;
- the Group's risk profile and management are included in the Principal risks and uncertainty section of this Strategic report on page 8;
- information on how the Group fosters business relationships with customers, suppliers and others can be found in the Directors' report on pages 17 and 18;
- details of how the Group has considered the impact of its operations on the community and environment are included in the Directors' report on page 15 and 16; and
- information on how the Group has engaged with employees is described in the Directors' report on page 14.

Strategic report *(continued)*

Statement of compliance

The Directors consider the annual report and financial statements to comply with all aspects of the Guidelines for Disclosure and Transparency in Private Equity, except for the filing of the report and accounts within 6 months of the group year end.

By order of the board



G McGaghey
17 August 2022

1-5 Poland Street
London
England
W1F 8PR

Directors' report

Directors' report for the year ended 31 December 2021

The directors present their report and the audited financial statements of the Group and Company for the year ended 31 December 2021.

Future developments

The Directors intend to follow the strategy as set out in the Strategic report, to be a global provider of marketing production and skilled business-critical support services worldwide through its two strategic business units, Williams Lea and Tag.

Commentary

The commentary on the operational performance of the Group in the year is set out in the Strategic report.

Dividends

No dividends were paid or are recommended for the year (2020: none).

Donations

Charitable donations of €3,119 (2020: nil) were made by the Group and no political donations were made (2020: nil).

Financial instruments

Details of financial instruments are provided in the Strategic report and in note 17 to the financial statements.

Research and development

The Group's research and development activities are focussed on technology and efficiency activities, with specific attention to the digitalisation of marketing assets, process improvements in workflow management, and in developing solutions to data analytics relevant and available to clients.

Subsequent events

Details of subsequent events are provided in the Strategic report and in note 27 to the financial statements.

Going concern

The directors make an estimate of the future performance of the Group and Company in order to prepare the financial statements on a going concern basis. When assessing future performance, the directors consider financial projections which reflect current expected market conditions, liquidity requirements and opportunities and risks. On the basis of their assessment and notwithstanding the net liabilities on the balance sheet at 31 December 2021, the directors are confident that the Group and Company has adequate resources to continue to trade for the foreseeable future, being a period of at least 12 months from the date of approving these financial statements. The Group and Company therefore continue to adopt the going concern as a basis for the preparation of these financial statements.

On 10 May 2022, the Group completed a refinancing of its existing borrowings. Further details are set out in the Strategic Report and in note 18 to the financial statements. The directors remain of the view that the Group and the Company has adequate resources to continue to trade for a period of at least 12 months from the date of approving these financial statements and the going concern basis is appropriate for the preparation of these financial statements.

The COVID-19 pandemic continues to impact all stakeholders in the market and industry. However, the geographic spread of markets the Company operates in and the broad the customer mix of the business have provided some degree of protection from the Covid-19 impact on the Group. The Group and Company have navigated these circumstances well through robust cost and cash flow management. The impact of and steps taken by the directors to mitigate the impact of the pandemic are set out in the Strategic Report.

Directors' report (continued)

The Directors continue to monitor and react to the challenges arising from the conflict in Ukraine including managing supply chain and foreign currency risks and the evolving impacts of the conflict on its operations and strategy. As at the date of this report, the Directors believe that overall, the conflict will not affect the going concern of the Group.

Directors

The directors who held office during the year and up until the date of approval of the financial statements unless otherwise indicated were as follows:

J Brocklebank
C Benson
G McGaghey (appointed 2 December 2021)
D Kassler (resigned 2 December 2021)

None of the directors hold any interest in the shares of the Group or Company.

Messrs Brocklebank and Benson are representatives of Advent International Corporation. Summary details for each of the current directors are shown below.

James Brocklebank, Managing Partner Advent International Ltd, London

Experience: James Brocklebank joined Advent in 1997. Based in London, he co-chairs Advent's global Executive Committee and is co-head of the firm's European business. He is a member of the Europe and North America Investment Committees. His sector focus is Business and Financial Services. James sits on the Advisory Council of Level20, is chairman of the Private Equity Taskforce of the Sustainable Markets Initiative (SMI) and is a member of the CFR's Global Board of Advisors. Prior to Advent, James worked on international mergers and acquisitions in the London office of investment bank Baring Brothers and its affiliate Dillon, Read & Co. in New York. James has an MA from Cambridge University.

Investments: James has worked on 17 Advent investments, including Concardis GmbH, Equiniti, GFKL, Nets, Nexi, V. Group, Williams Lea Tag and Worldpay.

Directorships: Current: V.Group Limited, Williams Lea Tag
Previous: Equiniti, MACH, Tertio Telecoms, Worldpay, Nexi, Nets Holding

Chris Benson, Director Advent International Ltd, London

Experience: Chris Benson joined Advent in 2012. Previously, he worked for Actis, an emerging market private equity fund, making investments across Africa, Asia and Latin America. Prior to Actis, he was a consultant with OC&C Strategy Consultants in London. Chris has an MA in Philosophy, Politics and Economics from Oxford University and an MBA from Harvard Business School, where he was a Fulbright Scholar.

Investments: Chris has worked on Advent's investments in Nexi, Evri, Towergate, V.Group, Williams Lea Tag and Worldpay.

Directorships: Current: Williams Lea Tag

Gary McGaghey, Chief Financial Officer, Williams Lea Tag

Gary has a wealth of experience from various industries as a CFO with a track record of building world class finance teams, delivering organic and M&A driven growth and value in private equity. Prior to joining WLT as the Interim Group Controller, Gary was Group CFO at Nelson & Co Ltd. Prior to that he held various executive financial roles within Unilever.

Directorships: Current: Williams Lea Tag

Directors' report (continued)

Qualifying third-party and pension scheme indemnity provisions

A comprehensive insurance policy is in place against certain liabilities which could arise from a negligent act or a breach of duty by the Company's directors and officers and those of its subsidiaries in the discharge of their duties. This is a qualifying third party indemnity provision, which was in force throughout the financial year and at the date of approval of the financial statements.

Employees

The Group believes that the wellbeing of its employees and their active participation in two-way communication forums is fundamental to the success of the business. Regular meetings, conference calls and webcasts are held where Company strategy and operational matters are discussed. Training is provided according to structured training and development plans for employees at all levels.

Employee engagement surveys are conducted annually and the most recent one had a higher participation rate than in recent years. The results of the survey are built into communication and consultation plans for each employee or, where more relevant, groups of employees.

Full consideration is given to all applications for employment and to treat all staff fairly, regardless of gender, religion, race, age or disability. Where existing employees become disabled, it is the Company's policy, where practicable, to provide continuing employment under normal terms and conditions and to provide training and career development and promotion opportunities to disabled employees.

Senior employees participate directly in the success of the business through the Group's bonus schemes. The organisation publishes information on the Career and Development Plan (CDP) portal about its climate change impacts and CO2 emissions.

Our Learning

Learning and development (L&D) is a constant focus, where we react to industry developments and client demands by continually learn new disciplines. Our investment in our people is vital to professional and personal development and assures both our people and clients we are committed to their growth.

We promise to provide all employees with ample opportunity to build on existing skills but encourage growth into new disciplines across industry practices. We want to cultivate a place of work where employees feel they are performing at their best, growing in confidence, exploring internal prospects and ultimately, reaching their full potential.

In 2021 we:

- Invested €140k in people's L&D globally
- Invested €250k in Cornerstone L&D Platform globally
- Enrolled 40 employees in INSEAD/MSU business school programmes
- Facilitated a Tag Future Programme for 40 employees
- Facilitated a Tag Global Mentorship Programme for 40 employees
- Invested €50k in 40 Mini MBA (global)
- Invested €1.05m in our Poland Street Offices to give our employees and clients a creative and collaborative space to work

Gender diversity information

The Group is committed to providing equal opportunities in employment and eliminating unlawful and unfair discrimination in employment and against clients.

Directors' report (continued)

The Group values the differences that a diverse workforce brings to the organisation and will not discriminate because of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (which includes colour, nationality and ethnic or national origins), religion or belief, sex or sexual orientation (each of these being a "protected characteristic" in discrimination law). It will not discriminate because of any other irrelevant factor and will build a culture that values openness, fairness and transparency.

The gender split of the Group's work force at the end of December 2021 is set out below:

	Male No.	Female No.	Non-binary No.	Not declared No.	Total No.
Board	3	-	-	-	3
Senior management	12	5	-	-	17
Total workforce	5,042	3,855	12	145	9,054

In accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2018, the Company published our Gender Pay Gap Analysis which can be viewed on the Company website at:

<https://www.tagww.com/emea/walker-guidelines/>

Environmental matters

The Group recognises that environmental issues are a fundamental challenge for the global community. The business is committed to managing the environmental impacts that arise through the lifecycle of its products and services.

The Group has in place an Environmental Management System that demonstrates our commitment to environmental protection, pollution prevention, waste reduction and the preservation of our natural resources. We recognise our responsibility to manage the environmental impacts that arise through operations and the need to support our clients in achieving their environmental objectives. We believe we can affect positive environmental change within the market in which we operate and within the supply chain, that supports our products and services.

The Board supports our Williams Lea and Tag integrated Safety, Health, Environment and Quality (SHEQ) policies as it seeks to add value by safeguarding our reputation, minimising loss, improving our sustainability performance and providing continued service delivery.

Our Williams Lea and Tag SHEQ Policies set the high-level structure within which the Group can meet its legal, regulatory and contractual obligations. We identify our environmental aspects and impacts within our operations and manage these in accordance with good industry practice.

The Group's SHEQ objectives include:

- We are committed to ensure that no harm occurs to our people or those affected by our operations.
- We strive to reduce waste and minimize pollution from our business operations
- We aim to ensure, our products and services are sustainable by having low impact to the environment including reducing our carbon emissions, efficient use of resources and responsible supply chain management.
- We strive to deliver world leading products and services that satisfy customer's needs, through the implementation of quality processes.
- All our activities, products and services will comply with applicable legislation, contractual requirements, and company policies.
- We are committed to ensuring our people are competent by providing required training, information, and supervision to enable them to provide the highest quality of products and services in a safe manner.
- We strive to continuously improve our SHEQ management systems to enhance our performance through measurable SHEQ targets.
- We align our health & safety management system with ISO 45001, our environmental management system with ISO 14001, our quality management system with ISO 9001 and maintain accredited certifications where required.

Directors' report (continued)

Key environmental aspects and impacts for the organisation include CO2 emissions, waste management and resource use. The organisation publishes information on the CDP portal about its climate change impacts and CO2 emissions. Actions taken in 2021 to reduce emissions include consolidation of property portfolio and reduction in use of associated utilities. Reduction in business travel and improved use of technology to facilitate collaboration.

The business also takes part in the EcoVadis scheme to disclose its performance in relation to Environmental Social Governance (ESG) to relevant interested parties. During the 2021 submission the group achieved a gold rating from EcoVadis with 69%.

The details of our business energy use and CO2 emissions for the UK are listed below.

	2021	2020	2019
Total KWH*	11,146,693	12,000,985	18,735,544
Total tCO2e**	2,511	2,932	4,735
tCO2e per £'m of UK gross revenue	7.54	7.4	10.14

* Scope 1 & 2 energy use

** Scope 1, 2 & partial scope 3 emissions

Methodology

Methods for calculating the energy use and CO2 emissions are following the government guidance (Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance). Conversion factors used are those published from the Department for Business, Energy & Industrial Strategy for the relevant year. The period of reporting covers the company financial year running from January 1st to December 31st.

Scope and boundary

The scope and boundary of the energy data which has been reported is limited to the UK operations only at this point. In many cases the organisation operates on client sites and energy use for the client facility is not included in our reporting.

Scope 1 emissions are predominantly from natural gas used for heating and domestic water along with some fuel for fleet vehicles / business mileage.

Scope 2 emissions are predominantly from procured energy such as electricity supply to our premises.

Scope 3 emissions are partial and mainly in relation to procured business travel such as rail travel, air travel and hotel stays.

Data for gas and electricity use is taken from actual invoice data. The data for scope 1 business mileage is a combination of actual mileage readings and estimated emissions for vehicle types. Data for scope 3 procured business travel is estimated by emissions for vehicle types and standard industry practises.

Social, community and human rights issues

The Group is developing its Corporate Social Responsibility (CSR) strategy to widen its reach and measure its impact across the many communities we engage with. The Group performed the Corporate Social Responsibility assessment using the EcoVadis methodology and platform, where a Gold (2020: Gold) Rating was achieved. Our impact was assessed across four themes: environment, fair labour practices, ethics/fair business practices, and supply chain, and against 21 key CSR indicators.

Pursuant to Section 54(1) of the Modern Slavery Act 2015 the Group has taken and is continuing to take adequate practices to ensure that modern slavery or human trafficking is not taking place within our business or supply chain.

Directors' report (continued)

Our People

In 2021, the formation of dedicated global DE&I (Diversity, equity and inclusion) teams drove initiatives that would make a difference to our people. We aim to break down barriers, encourage conversation and ignite ideas.

We want all employees to have a voice, to openly express who they are and to feel safe, respected and valued. DE&I at the Group is an all-inclusive request for equality that encompasses gender, gender identity, age, race, religion, ethnicity, disability and more.

Collecting global baseline data was key to identifying opportunities where we can improve diversity across genders, and race/ethnicities; this helped us establish measurable DE&I objectives and programmes for the forthcoming years.

We are proud to have:

- A diverse team spanning the globe
- Completed training to aim to eliminate bias
- 50% of women in leadership positions (directors and above) bolstered by Internal Women in Leadership programmes (EMEA)
- 16% mean pay gap of basic salary of FTE based on gender and further plans to reduce this (EMEA)
- Collected baseline data globally to identify opportunities to improve diversity
- Over 12 DE&I initiatives to get employees involved across 2021 around Family, Gender Equality, LGBT+, Mental Health and more (Global)
- New talent acquisition tactics to establish more diverse talent pools and inclusive recruiting methods.

Modern slavery encompasses slavery, servitude, human trafficking and forced labour. The Group has a zero-tolerance approach to any form of modern slavery. We are strongly committed to playing our part in eradicating modern slavery by ensuring we act ethically and with integrity and transparency in all business dealings and to putting effective systems and controls in place to safeguard against any form of modern slavery taking place within the business or supply chain.

Our Policies

Our internal policies ensure that we are conducting business in an ethical and transparent manner, such as:

- Recruitment policy— This includes vetting, eligibility to work, safeguards our employees against human trafficking or individuals being forced to work against their will.
- Code of Conduct— Our code defines the objectives and rules that reflect our commitment to responsible, ethically irreproachable and legally compliant behaviour from all employees and contractors.
- Whistleblowing policy— where there are concerns regarding any unethical conduct within our business, including any forms of modern slavery, we strongly encourage our employees to report the concern so we may properly and quickly resolve the situation. An external and independent whistleblowing hotline service operates 24 hours a days 365 days a year, across approximately 40 countries enabling our employees to report matters anonymously, without fear of reprisal and includes a translation service.

Our Suppliers

The Group works with a wide and varied network of suppliers to execute and support solutions that we design for our clients. Supplier due diligence is a critical part of what we provide for our clients and essential for the security and performance of our own business.

All suppliers to the Group must go through our due diligence process at the on-boarding stage and are then subject to regular audits and reviews. These audits are based on perceived risk (i.e. country of supplier, strategic importance of supplier, and handling of confidential data) with a tiered approach taken to ensure each supplier's corporate social responsibilities are aligned with that of the Group and, most importantly, United Nations Global Compact, the UN Universal Declaration of Human Rights as well as the 1998 International Labour Organization Declaration on Fundamental Principles and Rights at Work in addition to full compliance with the UK legislation, including the Modern Slavery Act.

Directors' report (continued)

Our Supplier Code of Conduct sets the minimum standards for doing business with the Group, and we request is signed by each supplier as part of the onboarding process, with follow up to ensure our policies are adhered to. We also review supply chain contracts to ensure they contain the appropriate legislative requirements.

Breaches of our code and/or the Modern Slavery Act within our supply chain are treated seriously and investigated in detail. Whilst we shall, of course look to support companies in their efforts to comply with the legislation, in the event of a serious breach, a termination of the supplier relationship could occur.

Key Performance Indicators

We will know and understand the effectiveness of the steps that we are taking to ensure that slavery and/or human trafficking is not taking place within our business or supply chain if:

- no reports are received from employees, the public, or law enforcement agencies to indicate that modern slavery practices have been identified; and by
- completing annual due diligence, where necessary, on our supplier's code of conduct.

Looking Forward

We will periodically review the effectiveness of our processes and systems and any changes will be reflected in future annual statements.

Globally, the Group's employees have participated and volunteered across a wide range of charitable initiatives including 22,000 hours for employee paid volunteer day incentive globally, Ukraine crisis fundraising, sponsoring POPAI's Retail Recycling Research, Alexandra Murphy HHT Foundation, Pencils for Kids, World Vision India sponsoring a child, fundraising for Epilepsy Society and Alzheimer's Society and many other charities, all aiding the underprivileged in the community.

Branches outside the UK

During the 2021 reporting year, the subsidiaries of the Group operated branches in: Korea, the Netherlands, New Zealand, Poland, Saudi Arabia, Switzerland, Taiwan, Türkiye and the UAE.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law).

Under company law, 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 Company and of the profit or loss of the Group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

Directors' report (continued)

The directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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

Directors' confirmations

In the case of each director in office at the date the Directors' report is approved:

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

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and are deemed to be reappointed under Section 487(2) of the Companies Act 2006.

By order of the board



G McGaghey
17 August 2022

1-5 Poland Street
London
England
W1F 8PR

Independent auditors' report to the members of AI Wertheimer Parentco UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, AI Wertheimer Parentco UK Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2021 and of the group's and company's loss and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated and Company balance sheets as at 31 December 2021; the Consolidated profit and loss account, Consolidated statement of comprehensive income, the Consolidated statement of changes in equity and Company statement of changes in equity and the Consolidated cash flow statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Independent auditors' report to the members of AI Wertheimer Parentco UK Limited (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

Independent auditors' report to the members of AI Wertheimer Parentco UK Limited (continued)

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.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to employment laws, modern slavery, tax legislations and equivalent local laws and regulations applicable to significant component teams, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue and journal entries that inappropriately credit cash and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulations and fraud and review of legal costs;
- Evaluation of management's controls designed to prevent and detect irregularities;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations (for example credit to revenue with a debit entry to an unexpected account), or journals which credit cash without going through the standard purchases and payables process; and
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to impairment of intangible assets and goodwill and valuation of defined benefit scheme liabilities.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

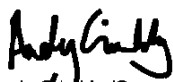
Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Andy Crisp (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
17 August 2022

Consolidated profit and loss account
for the year ended 31 December 2021

	<i>Note</i>	Year ended 31 December 2021 €'000	Year ended 31 December 2020 €'000
Revenue	3	956,369	975,526
EBITDA before exceptional items	4	55,946	39,908
Exceptional items	5	(31,295)	(36,616)
Amortisation	6	(31,443)	(32,643)
Depreciation and impairment	6	(6,887)	(7,189)
Operating loss	6	(13,679)	(36,540)
Interest receivable and similar income	8	5,634	1,730
Interest payable and similar expenses	9	(27,633)	(31,879)
Loss before taxation		(35,678)	(66,689)
Tax on loss	10	5,177	(10,267)
Loss for the financial year		(30,501)	(76,956)
Loss attributable to owners of the parent		(29,331)	(74,493)
Loss attributable to non-controlling interests		(1,170)	(2,463)
		(30,501)	(76,956)

Consolidated statement of comprehensive income
for the year ended 31 December 2021

	Year ended 31 December 2021 €'000	Year ended 31 December 2020 €'000
Loss for the year	(30,501)	(76,956)
Other comprehensive income/(expense):		
Currency translation differences	321	639
Remeasurement of net defined benefit obligation	19 278	9
Deferred tax arising on gains recognised in this statement	(70)	-
Other comprehensive income for the year, net of tax	529	648
Total comprehensive loss for the year	(29,972)	(76,308)
 Total comprehensive loss attributable to owners of the parent	 (28,822)	 (73,866)
Total comprehensive loss attributable to non-controlling interests	(1,150)	(2,442)
	(29,972)	(76,308)

Consolidated and Company balance sheets
at 31 December 2021

		Group		Company	
	<i>Note</i>	2021	2020	2021	2020
		€'000	€'000	€'000	€'000
Fixed assets					
Intangible assets	11	233,574	236,869	-	-
Tangible assets	12	15,813	22,750	-	-
Investments	13	-	-	177,403	177,403
		249,387	259,619	177,403	177,403
Current assets					
Inventories	14	6,092	7,359	-	-
Debtors	15	226,714	209,291	602	603
Cash at bank and in hand		43,649	55,398	-	-
		276,455	272,048	602	603
Creditors: amounts falling due within one year	16	(371,653)	(246,531)	-	-
Net current (liabilities)/assets		(95,198)	25,517	602	603
Total assets less current liabilities		154,189	285,136	178,005	178,006
Creditors: amounts falling due after more than one year	17	(145,344)	(250,210)	-	-
Post-employment benefits	19	(8,472)	(8,472)	-	-
Provisions for other liabilities	20	(22,106)	(20,591)	-	-
Net (liabilities)/assets		(21,733)	5,863	178,005	178,006
Capital and reserves					
Called up share capital	23	177,307	177,307	177,307	177,307
Share premium account		700	700	700	700
Accumulated losses		(196,513)	(169,496)	(2)	(1)
Accumulated other comprehensive loss		(1,866)	(2,375)	-	-
Total equity attributable to owners of the parent		(20,372)	6,136	178,005	178,006
Non-controlling interests	30	(1,361)	(273)	-	-
Total equity		(21,733)	5,863	178,005	178,006

The Company has not presented its individual profit and loss account as allowed under section 408 of the Companies Act 2006. The Company's loss for the year was €1,000 (2020: €nil).

The notes on pages 29 to 68 are an integral part of these financial statements.

These financial statements on pages 23 to 68 were authorised for issue by the board of directors on 17 August 2022 and were signed on its behalf by:

Gary McGaghey

Director

Company registered number: 11083865

Consolidated statement of changes in equity
for the year ended 31 December 2021

Group	Called up share capital €000	Share premium account €000	Accumulated losses €000	Accumulated other comprehensive loss €000	Equity attributable to the owners of the parent €000	Non controlling interest €000	Total equity €000
Balance at 1 January 2020	177,307	700	(95,003)	(3,002)	80,002	2,169	82,171
Loss for the year	-	-	(74,493)	-	(74,493)	(2,463)	(76,956)
Other comprehensive income for the year	-	-	-	627	627	21	648
Total comprehensive loss for the year	-	-	(74,493)	627	(73,866)	(2,442)	(76,308)
Balance as at 31 December 2020	177,307	700	(169,496)	(2,375)	6,136	(273)	5,863

Group	Called up share capital €000	Share premium account €000	Accumulated losses €000	Accumulated other comprehensive loss €000	Equity attributable to the owners of the parent €000	Non controlling interest €000	Total equity €000
Balance at 1 January 2021	177,307	700	(169,496)	(2,375)	6,136	(273)	5,863
Loss for the year	-	-	(29,331)	-	(29,331)	(1,170)	(30,501)
Other comprehensive income for the year	-	-	-	509	509	20	529
Total comprehensive loss for the year	-	-	(29,331)	509	(28,822)	(1,150)	(29,972)
Total changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	2,314	-	2,314	(2,314)	-
Total transactions with owners, recognised directly in equity	-	-	2,314	-	2,314	(2,314)	-
Transactions with non-controlling interests	-	-	-	-	-	2,376	2,376
Balance as at 31 December 2021	177,307	700	(196,513)	(1,866)	(20,372)	(1,361)	(21,733)

Company statement of changes in equity
for the year ended 31 December 2021

	Called up share capital €000	Share premium account €000	Accumulated losses €000	Total equity €000
Company				
Balance at 1 January 2020	177,307	700	(1)	178,006
Result for the year	-	-	-	-
Total comprehensive loss for the year	-	-	-	-
Balance as at 31 December 2020	177,307	700	(1)	178,006
Company				
Balance at 1 January 2021	177,307	700	(1)	178,006
Loss for the year	-	-	(1)	(1)
Total comprehensive loss for the year	-	-	(1)	(1)
Balance as at 31 December 2021	177,307	700	(2)	178,005

Consolidated cash flow statement
for the year ended 31 December 2021

		Year ended 31 December 2021 €'000	Year ended 31 December 2020 €'000
	Note		
Net cash from operating activities	25	27,524	54,437
Taxation paid		(5,145)	(8,294)
Net cash generated from operating activities		<u>22,379</u>	<u>46,143</u>
Cash flow from investing activities			
Purchase of subsidiaries (net of cash acquired)	26	(1,663)	-
Payment of deferred consideration on acquired subsidiaries		-	(2,052)
Purchase of intangible fixed assets	11	(15,477)	(6,798)
Purchase of tangible fixed assets	12	(8,339)	(7,921)
Receipts from sales of tangible fixed assets		653	995
Interest received		219	1,730
Net cash used in investing activities		<u>(24,607)</u>	<u>(14,046)</u>
Cash flow from financing activities			
Receipts from revolving credit facility	25	1,107	999
Interest paid	9	(15,972)	(21,493)
Receipts from non-controlling interests	30	2,376	-
Net cash used in financing activities		<u>(12,489)</u>	<u>(20,494)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(14,717)</u>	<u>11,603</u>
Cash and cash equivalents at the beginning of the year		55,398	46,092
Exchange gains/(losses) on cash and cash equivalents		2,968	(2,297)
Cash and cash equivalents at the end of the year		<u><u>43,649</u></u>	<u><u>55,398</u></u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		43,649	55,398
		<u><u>43,649</u></u>	<u><u>55,398</u></u>

The Company is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption provided by FRS 102, para 1.12 (b) not to present the Company cash flow statement.

Notes to the financial statements

1 Accounting policies

General information

AI Wertheimer Parentco UK Limited ('the Company') and its subsidiaries ('the Group') provide marketing and communications services and skilled business-critical support services worldwide.

AI Wertheimer Parentco UK Limited is a private company limited by shares and is incorporated in the United Kingdom and registered in England. The address of its registered office is 1-5 Poland Street, London, England, W1F 8PR.

Statement of compliance

The Group and individual financial statements of AI Wertheimer Parentco UK Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

Summary of significant accounting policies

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

a. Basis of preparation

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

The Company has not presented its individual profit and loss account as allowed under section 408 of the Companies Act 2006. The Company's loss for the year was €1,000 (2020: €nil).

b. Going concern

The Group meets its day-to-day working capital requirements through its own financial resources, trade receivables financing (note 16) and bank facilities (note 18). On 6 May 2022, the Group completed a refinancing of its existing borrowings putting in place a new funding structure. Further details on the refinancing are set out in the Strategic Report, which is included in these financial statements and in note 18 to the financial statements.

The COVID-19 pandemic continues to impact all stakeholders in the market and industry. However, the geographic spread of markets the Company operates in and the broad the customer mix of the business have provided some degree of protection from the Covid-19 impact on the Group. The Group and Company have navigated these circumstances well through robust cost and cash flow management. The impact of and steps taken by the directors to mitigate the impact of the pandemic are set out in the Strategic Report, which is included in these financial statements.

The Group also continues to monitor and react to the challenges arising from the conflict in Ukraine following Russia's invasion on 24 February 2022 including supply chain and foreign currency risks and the evolving impact on its operations and strategy.

Notes to the financial statements (continued)

1 Accounting policies (continued)

b. *Going concern (continued)*

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance and the continuing impact of COVID-19 and the conflict in Ukraine, show that the Group should be able to operate within the level of its current facilities. After making enquiries and notwithstanding the net liabilities on the balance sheet at 31 December 2021, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

c. *Exemptions for qualifying entities under FRS 102*

FRS 102 allows a qualifying entity certain disclosure exemptions. The Company has taken advantage of the following exemptions in its individual financial statements on the basis that it is a qualifying entity:

- from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48 and paragraphs 12.26 to 12.29, as the information is provided in the consolidated financial statement disclosures;
- from disclosing the Company key management personnel compensation in total, paragraph 33.7; and
- from preparing a statement of cash flows under FRS 102 paragraph 1.12(b), on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these statements, includes the Company's cash flows.

d. *Basis of consolidation*

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings together with the Group's share of the results of any associates made up for the year to 31 December 2021.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the Group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity it accounts for that entity as a subsidiary.

Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the Group holds a long-term interest and where the Group has significant influence. The Group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate. The results of associates are accounted for using the equity method of accounting.

Any subsidiary undertakings or associates sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.

Where control of a subsidiary is lost, the gain or loss is recognised in the consolidated income statement. The cumulative amounts of any exchange differences on translation, recognised in equity, are not included in the gain or loss on disposal and are transferred to retained earnings. The gain or loss also includes amounts included in other comprehensive income that are required to be reclassified to profit or loss but excludes those amounts that are not required to be reclassified.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on transactions with associates to the extent of the Group's interest in the entity.

Notes to the financial statements (continued)

1 Accounting policies (continued)

e. Foreign currency

The Group and Company financial statements are presented in Euros and rounded to thousands. The Company's functional and presentation currency is the Euro.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each year end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses that relate to borrowings, hedging activities and cash and cash equivalents are presented in the profit and loss account within 'finance (expense)/income'. All other foreign exchange gains and losses are presented in the profit and loss account within 'Other operating (losses)/gains'.

The trading results of Group undertakings are translated into Euros at the average exchange rates for the year. The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the year end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in 'Other comprehensive income' and allocated to non-controlling interest as appropriate.

f. Revenue recognition

All income relating to normal business operations is recognised as revenue in the profit and loss account. All other income is reported as other operating income.

Revenue is recognised to the extent that the Group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Notes to the financial statements (continued)

1 Accounting policies (continued)

f. Revenue recognition (continued)

Rendering of services

Revenue from the provision of services is recognised when the risks and rewards of ownership have transferred to the buyer, the Group retains no continuing involvement or control, the amount of revenue can be measured reliably, it is probable that future economic benefits will flow to the Group and when delivery of those services is complete. Revenue that meets these criteria but that has not been invoiced is recognised as accrued income. When assessing the value of accrued income management considers factors including selling price, the ageing profile and historical experience. Revenue that has been invoiced but that does not meet the recognition criteria is deferred and any related direct costs are recognised as work in progress.

Interest income is recognised as it accrues using the effective interest rate method.

g. Exceptional items

Items which are significant by virtue of their size or nature and which are considered non-recurring are classified as exceptional items. Such items, which include costs in relation to the separation of the Williams Lea and Tag fiscal structures and operations and other restructuring and transformation costs of the Group, are included within the appropriate profit and loss account category but are highlighted separately in the notes to the financial statements. Exceptional items are excluded from the underlying profit measures used by the Board to monitor and measure the underlying performance of the Group (see note 5).

h. Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Annual bonus plans

The Group operates a number of annual bonus plans for employees. An expense is recognised in the profit and loss account when the Group has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

Defined contribution pension plans

The Group operates a number of country-specific defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

Defined benefit pension plans

The Group operates defined benefit plans for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

Notes to the financial statements (continued)

1 Accounting policies (continued)

h. Employee benefits (continued)

Defined benefit pension plans (continued)

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Re-measurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- i. the increase in pension benefit liability arising from employee service during the period; and
- ii. the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as 'Finance expense'.

Termination benefits

Any payments awarded to individuals where the group decides to terminate employee's employment by way of legislation, contractually or other agreements, are determined to be termination benefits. The group recognises a corresponding liability and expense when it has demonstrably committed either the terminating before the normal retirement date, or as a result of an offer made in order to encourage voluntary redundancy.

Either of these will be deemed as demonstrably committed when communicated in a formal plan for the termination and is without realistic possibility of withdrawal from the plan.

Such payments are measured at the expected expenditure required to be settled at the reporting date. Where these are due more than 12 months after the end of the reporting period they shall be measured at their discounted present value.

Management Incentive Plan ("MIP")

The Group has a MIP to incentivise key directors and employees for the performance and value of the business in addition to annual salary, other benefits and their annual bonus. This MIP only crystallises at the time of a liquidity/exit event based on the holding of a certain class of share in an intermediate holding company which owns this Group. Given the current facts and circumstances, no compensation expense for these awards has been recognised to date.

The Company has no employees and thus there are no employee benefits.

Notes to the financial statements (continued)

1 Accounting policies (continued)

i. Taxation

Taxation expense for the year comprises current and deferred tax recognised in the reporting year. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

j. Business combinations and goodwill

Business combinations are accounted for by applying the purchase method. The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages the cost is the consideration at the date of each transaction.

Contingent consideration is initially recognised at estimated amount where the consideration is probable and can be measured reliably. Where (i) the contingent consideration is not considered probable or cannot be reliably measured but subsequently becomes probable and measurable or (ii) contingent consideration previously measured is adjusted, the amounts are recognised as an adjustment to the cost of the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

Notes to the financial statements (continued)

1 Accounting policies (continued)

j. Business combinations and goodwill (continued)

On acquisition, goodwill is allocated to cash-generating units ('CGU's') that are expected to benefit from the combination.

Goodwill is amortised over its expected useful lives which is estimated to be 10 or 20 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. No reversals of impairment are recognised.

k. Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated, impairment losses.

Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

- Brand	7 to 15 years
- Customer relationships	15 years
- Technology platforms	3 to 5 years
- Goodwill	10 to 20 years

Intangible assets under development are not amortised until they are fully brought into use, at which point they are transferred into the appropriate intangible asset category above. Amortisation is included in administration expenses in the profit and loss account.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Costs associated with maintaining technology platforms are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Notes to the financial statements (continued)

1 Accounting policies (continued)

l. Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Buildings - leasehold improvements

Buildings include short leasehold improvements and are stated at cost less accumulated depreciation and accumulated impairment losses.

Plant and machinery and computer and office equipment

Plant and machinery and computer and office equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation and residual values

Depreciation on assets is calculated, using the straight-line method, to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

- Buildings	over the period of the lease
- Plant and machinery	10 – 15 years
- Computer and office equipment	3 – 8 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Group and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Assets in the course of construction

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use.

De-recognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss within operating profit or loss.

m. Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Notes to the financial statements (continued)

1 Accounting policies (continued)

n. Leased assets

At inception the Group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Finance leased assets

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the Group's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of present value of minimum lease payments. Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

o. Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

Notes to the financial statements (continued)

1 Accounting policies (continued)

o. Impairment of non-financial assets (continued)

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

Goodwill is allocated on acquisition to the cash generating unit expected to benefit from the synergies of the combination. Goodwill is included in the carrying value of cash generating units for impairment testing.

p. Investments – Company

Investments in subsidiary companies and associates are held at cost less accumulated impairment losses.

q. Inventories

All inventories are stated at the lower of cost and estimated selling price less costs to sell. The cost is recognised as an expense in the period in which the related revenue is recognised.

Raw materials, consumables and goods for resale

Cost is determined on the first-in, first-out (FIFO) method. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition.

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

Work in progress and finished goods

Cost of work in progress and finished goods includes all costs incurred in bringing each product and service to its present location and condition. Cost includes direct materials, labour plus attributable overheads based on a normal level of activity.

r. Amounts recoverable on contracts

Direct incremental costs incurred on contracts prior to and during service commencement and reimbursable during the contract are included in amounts recoverable on contracts and amortised over the life of the contract.

s. Cash and cash equivalents

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

Notes to the financial statements (continued)

1 Accounting policies (continued)

t. Provisions and contingencies

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations might be small. In particular:

Restructuring provisions are recognised when the Group has a detailed, formal plan for the restructuring and has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected and therefore has a legal or constructive obligation to carry out the restructuring; and

Provision is not made for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

Contingent liabilities are not recognised, except those acquired in a business combination. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Group's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

u. Financial instruments

The Group has chosen to adopt sections 11 and 12 of FRS102 in respect of financial instruments.

Financial assets

Basic financial assets and liabilities, including trade and other receivables, cash and bank balances, trade and other payables and loans from fellow Group companies are recognised at transaction price, unless the arrangement constitutes a financing transaction. The Group currently has no such financing transactions.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

Notes to the financial statements (continued)

1 Accounting policies (continued)

u. Financial instruments (continued)

Financial assets (continued)

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

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade payables and other payables, bank loans and loans from fellow Group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is recognised in profit or loss.

Trade payables 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 payment is due within one period or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

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

Notes to the financial statements (continued)

1 Accounting policies (continued)

u. Financial instruments (continued)

Hedging arrangements

The Group applies hedge accounting for transactions entered into to manage the fair value risks of borrowings. Cross currency interest rate swaps are held to manage the fair value risks which could arise from changes in interest rates and foreign currency rates.

Changes in the fair values of derivatives designated as fair value hedges are recognised in directly in profit or loss.

Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the hedged debt instrument is derecognised or the hedging instrument is terminated.

v. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

w. Distributions to equity holders

Dividends and other distributions to the Group's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

x. Related party transactions

The Group discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

y. Government grants

Government Grants, including any assistance programmes in respect of COVID, are measured at the fair value of the asset receivable. Where the grant becomes repayable it is recognised as a liability when the definition is met. Management choose to recognise government grants in line with the accrual model:

- i. Grants related to revenue are recognised in income over the period in which the costs are recognised that the grant is intended to compensate. Where the grant is for expenses already incurred then the grant is recognised in the period which it becomes receivable.
- ii. Grants related to assets are recognised in income over the expected useful life of the associated asset. Where such grants are deferred it shall be recognised as deferred income and not deducted from the carrying amount of the asset.

Notes to the financial statements (continued)

2 Accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key accounting estimates and assumptions

The preparation of the financial statements requires exercise of judgment by management, who are required to make certain assumptions and estimates that may affect the amounts of the assets and liabilities included in the balance sheet, the amounts of income and expenses and the disclosures regarding contingent liabilities. These judgements include estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are as follows:

Technology platforms

Development expenditure on internal technology platforms is capitalised in accordance with the accounting policy for intangible assets. Initial capitalisation is based on management's judgement that technical and economic feasibility is confirmed, usually when a development project has reached a defined milestone. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

Income taxes

The Group has operating activities around the globe and is subject to local tax laws. Management uses estimates in calculating the amounts of current and deferred taxes in the relevant countries. Although management believes that it has made a reasonable estimate in relation to tax matters that are inherently uncertain, there can be no guarantee that the actual outcome of these uncertain tax matters will correspond exactly to the original estimate made. Any difference between the actual outcomes of these uncertain tax matters could have an effect on the tax liabilities and deferred taxes in the period in which the matter is finally decided.

Impairment of intangible assets and goodwill

At each reporting date, the Group considers whether intangible assets and/or goodwill are impaired. Where an indication of impairment is identified, the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

Estimation of work in progress

The Group makes an estimate of the recoverable value of work in progress. When assessing the recoverable value of work in progress management considers factors including selling price, the ageing profile and historical experience.

Impairment of debtors

The Group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Notes to the financial statements (continued)

2 Accounting judgements and estimation uncertainty (continued)

Fair values in business combinations

The fair values of tangible and intangible assets acquired on the acquisition of subsidiaries involves the use of valuation techniques and the estimation of future cash flows to be generated over a number of years. In addition, the estimation of any contingent consideration payable requires estimation of the level of profitability of the business acquired. The estimation of the fair values requires the combination of assumptions including revenue growth, sales mix and volumes and customer churn rates. In addition the use of discount rates requires judgement.

Provisions

Provision is made for dilapidations, onerous leases, onerous contracts and employee benefits. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement

Defined benefit pension scheme

The Group has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet.

Notes to the financial statements (continued)

3 Revenue

The table below sets out an analysis of the Group's revenue by geography and business operation

	Marketing services 2021 €'000	Communica- tion services 2021 €'000	Total 2021 €'000	Marketing services 2020 Restated €'000	Communica- tion services 2020 Restated €'000	Total 2020 Restated €'000
UK, Rest of Europe, Middle East and Africa	239,889	114,951	354,840	260,649	133,677	394,326
Americas	234,233	157,666	391,899	202,063*	171,099*	373,162*
Asia-Pacific	158,793	50,837	209,630	156,209*	51,829*	208,038*
Total revenue	632,915	323,454	956,369	618,921	356,605	975,526

* The classification of revenue totalling €165.1m (Marketing Services - €45.8m and Communication Services - €119.3m) has been changed from Asia-Pacific to Americas due to a mapping mis-classification in the prior year. There has been no impact on the Profit or loss account or the Statement of changes in equity as a result of the reclassification.

4 EBITDA and net operating expenses

Group EBITDA (Earnings before interest, tax, depreciation and amortisation) before exceptional items is calculated as follows:

	2021 €'000	2020 €'000
Revenue	956,369	975,526
Net operating costs	(970,048)	(1,012,066)
Operating loss	(13,679)	(36,540)
Depreciation, impairment and amortisation	38,330	39,832
Exceptional items	31,295	36,616
EBITDA before exceptional items	55,946	39,908

Net operating expenses of the Group, including exceptional items (note 5), comprise:

Cost of sales	736,029	775,650
Administration expenses	247,332	253,978
Other operating income	(13,313)	(17,562)
	970,048	1,012,066

Notes to the financial statements (continued)

5 Exceptional items

<i>Exceptional items included within net operating expenses (note 4) are categorised as follows:</i>	2021 €'000	2020 €'000
Cost of sales	-	301
Administration expenses:		
Recruitment costs	212	1,770
Severance costs	2,231	5,548
Other staff costs	5,787	7,336
Legal, professional and consultancy fees	17,048	7,789
System separation and implementation costs	3,157	8,874
Other staff and reorganisation costs	2,860	4,998
	31,295	36,616

Exceptional items incurred during the year primarily relate to the separation of the Williams Lea and Tag fiscal structures and day-to-day operations, including back-office and ERP systems to fully equip the businesses to independently execute their growth strategies more effectively. Costs were also incurred on a number of operational restructuring, offshoring and business transformation projects to improve cost effectiveness, productivity and quality of service offering to its clients and to complete the separation of finance and human resources systems. These projects all form part of and underpin the Board's strategies to align the business into two strategic business units.

6 Operating loss

<i>Operating loss is stated after charging/(crediting)</i>	2021 €'000	2020 €'000
Wages and salaries	349,821	355,958
Social security costs	26,272	25,117
Other pension costs	10,993	12,045
Total staff costs	387,086	393,120
Operating lease rentals	20,529	28,711
Net foreign exchange gains	(1,380)	(75)
Exceptional items (note 5)	31,295	36,616
Amortisation	31,443	32,643
Depreciation and impairment	6,887	7,189
Loss on disposal of tangible and intangible fixed assets	1,562	5,802
Impairment of trade receivables	414	-

Notes to the financial statements (continued)

6 Operating loss (continued)

	2021 €'000	2020 €'000
<i>Auditors' remuneration:</i>		
Audit of the Company and the Group consolidated financial statements	1,261	1,134
Amounts receivable by the Company's auditors and their associates in respect of:		
Audit of the Company's subsidiaries	333	394
Tax and other advisory services	3,081	664
Tax compliance services	930	555

7 Employees and directors

Employees

The Company has no employees (2020: none). The monthly average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	Group 2021	Group 2020
Marketing services	2,324	2,111
Communication services	428	455
Administration	6,141	6,095
	8,893	8,661

Directors

Aggregate remuneration paid or payable to the directors, remunerated by the Group during the year, in respect of their services to both the Company and the Group amounted to €579,000 (2020: €554,000). The highest paid director's aggregate remuneration amounted to €552,000 (2020: €554,000). There are no post-employment benefits accruing for the directors under defined benefit schemes (2020: €nil) and no directors are members of defined contribution schemes. No directors exercised any share options during 2021 or 2020.

Key management compensation

Key management includes the directors and members of senior management. The compensation paid or payable to key management for employee services is shown below:

	2021 €'000	2020 €'000
Salaries and other short-term benefits	4,023	3,001
Post employment benefits	70	109
	4,093	3,110

Notes to the financial statements (continued)

8 Interest receivable and similar income

	2021 €'000	2020 €'000
Bank interest receivable	14	16
Net foreign exchange gains	5,414	94
Other interest receivable	206	1,620
	5,634	1,730

9 Interest payable and similar expenses

	2021 €'000	2020 €'000
Senior bank loan interest	8,210	8,157
Amortisation of capitalised bank fees	1,182	1,224
Payment in kind loan interest	10,342	8,776
Net interest on post-employment benefits	137	386
Interest on receivables factoring	6,696	8,735
Other interest payable	1,066	4,601
	27,633	31,879

10 Tax on loss

	2021 €'000	2020 €'000
<i>Analysis of (credit)/charge in year</i>		
<i>UK corporation tax</i>		
Current tax on income for the year	-	-
Adjustments in respect of previous periods	(14)	(163)
<i>Foreign tax</i>		
Current tax on income for the year	4,735	4,458
Adjustments in respect of previous periods	(2,298)	4,266
Total current tax	2,423	8,561
<i>Deferred tax</i>		
Origination and reversal of timing differences	(5,270)	4,903
Adjustments in respect of previous periods	(2,554)	(2,340)
Effect of changes in tax rates	224	(857)
Total deferred tax	(7,600)	1,706
Tax on loss on ordinary activities	(5,177)	10,267

Notes to the financial statements (continued)

10 Tax on loss (continued)

Factors affecting the tax credit for the current year

The current tax credit for the year was lower (2020: tax charge was higher) than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 €'000	2020 €'000
Total tax reconciliation		
Loss on ordinary activities before tax	(35,678)	(66,689)
Loss multiplied by standard rate of corporation tax	(6,779)	(12,263)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	8,944	4,008
Tax rate differences	224	(1,085)
Tax rates on overseas earnings	644	742
Adjustments to tax charge in respect of previous periods	(4,866)	1,764
Deferred tax assets not recognised	102	12,989
Foreign exchange and consolidation adjustments	(3,446)	4,112
Total tax (credit)/charge	(5,177)	10,267

Factors that may affect future current and total tax charges

The UK corporation tax rate is 19% (2020: 19%).

An increase in the UK corporation tax rate to 25% was announced in the Chancellor's Budget on 3 March 2021, which was substantively enacted on 24 May 2021. This rate has been used to value deferred tax assets and liabilities.

The tax rate differences between the subsidiaries is due mainly to higher (2020: higher) corporate tax rates in the US.

Notes to the financial statements (continued)

11 Intangible assets

Group	Goodwill	Brands	Customer relationships	Technology platforms	Intangible assets under development	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Cost						
At 1 January 2021	96,606	79,900	85,900	70,948	1,848	335,202
Additions	-	-	-	4,063	11,414	15,477
Acquired in business combinations	3,718	-	-	-	-	3,718
Disposals	-	-	-	(4,163)	-	(4,163)
Transfers	-	-	-	2,410	(2,410)	-
Foreign currency translation adjustment	8,314	-	-	5,041	147	13,502
At 31 December 2021	108,638	79,900	85,900	78,299	10,999	363,736
Accumulated amortisation						
At 1 January 2021	19,130	16,542	17,914	44,747	-	98,333
Charge for year	4,773	5,365	5,810	15,495	-	31,443
Disposals	-	-	-	(2,847)	-	(2,847)
Foreign currency translation adjustment	179	-	-	3,054	-	3,233
At 31 December 2021	24,082	21,907	23,724	60,449	-	130,162
Net book value						
At 31 December 2021	84,556	57,993	62,176	17,850	10,999	233,574
At 31 December 2020	77,476	63,358	67,986	26,201	1,848	236,869

The net book value of brands includes the following material items:

	Group 2021 €'000	Group 2020 €'000
Williams Lea Tag brand	55,384	60,457

The directors consider each acquisition separately for the purpose of determining the amortisation period of any goodwill that arises. Goodwill arising on the acquisition of AI Wertheimer Holdco UK Limited and its subsidiaries the Williams Lea Tag Group, on 30 November 2017 is being amortised evenly over the directors' estimate of its useful life of 20 years. Goodwill arising on the 2018 acquisitions of Taylor James Group, THP Group and Popcorn Group and the 2021 acquisition of MoniMedia is being amortised evenly over the directors' estimated useful life of 10 years for each acquisition.

The Group assesses at each reporting date whether there are any indicators that the carrying values of intangible assets may be impaired. There were no impairment indicators as at 31 December 2021 (31 December 2020 - none) for the Group.

Company

The Company had no intangible assets at 31 December 2021 and 31 December 2020.

Notes to the financial statements (continued)

12 Tangible assets

Group	Buildings €'000	Plant and machinery €'000	Computer and office equipment €'000	Assets in the course of construction €'000	Total €'000
Cost					
At 1 January 2021	18,578	5,664	19,948	590	44,780
Additions	3,315	839	2,597	1,588	8,339
Acquired in business combinations	-	-	22	-	22
Disposals	(7,719)	(3,412)	(15,038)	(249)	(26,418)
Impairment	(1,378)	-	(203)	-	(1,581)
Transfers	-	100	-	(100)	-
Foreign currency translation adjustment	1,584	799	919	47	3,349
At 31 December 2021	14,380	3,990	8,245	1,876	28,491
Accumulated depreciation					
At 1 January 2021	7,284	3,444	11,302	-	22,030
Charge for year	2,848	1,150	1,989	-	5,987
Disposals	(2,181)	(2,899)	(11,463)	-	(16,543)
Impairment	(570)	-	(111)	-	(681)
Foreign currency translation adjustment	675	594	616	-	1,885
At 31 December 2021	8,056	2,289	2,333	-	12,678
Net book value					
At 31 December 2021	6,324	1,701	5,912	1,876	15,813
At 31 December 2020	11,294	2,220	8,646	590	22,750

The net book amount of land and buildings comprises:

	2021 €'000	2020 €'000
Short leasehold improvements	6,324	11,294

An impairment of €900,000 (2020: €nil) has been recorded in relation to a London Office no longer occupied by the Group. The assets have been written down to their estimated value-in-use.

Company

The Company had no tangible assets at 31 December 2021 and 31 December 2020.

Notes to the financial statements (continued)

13 Investments

Company	Shares in subsidiary under-taking
	€'000
Cost	
1 January 2021 and at 31 December 2021	177,403
Provisions	
1 January 2021 and at 31 December 2021	-
Net book value	
At 31 December 2021 and at 31 December 2020	177,403

Details of the subsidiaries that make up the investments in Group entities are included in note 31.

14 Inventories

Group	2021	2020
	€'000	€'000
Raw materials and consumables	940	882
Work in progress	4,367	5,692
Finished goods and goods for resale	785	785
	6,092	7,359

There is no significant difference between the replacement cost of the inventory and its carrying amount.

Company

The Company had no inventories at 31 December 2021 and 31 December 2020.

Notes to the financial statements (continued)

15 Debtors

Group

	2021	2020
	€'000	€'000
Trade debtors	134,955	116,223
Other debtors	14,218	20,041
Corporation tax assets	5,256	4,564
Deferred tax assets (note 21)	26,354	18,424
Prepayments and accrued income	45,931	50,039
	226,714	209,291
Trade debtors are stated after deducting provisions for impairment of	(1,645)	(1,638)
Other debtors includes amounts falling due after more than one year of	6,314	5,219

Company

The Company had debtors of €602,000 at 31 December 2021 (2020: €603,000) which represented amounts owed by group undertakings which are unsecured, have no fixed date of repayment and are repayable on demand.

16 Creditors: amounts falling due within one year

Group

	2021	2020
	€'000	€'000
Revolving credit facility (note 18)	28,516	25,377
Senior bank loans (note 18)	119,801	-
Trade creditors	87,847	78,738
Corporation tax	5,819	7,226
Other taxation and social security costs	3,629	9,505
Other creditors	30,954	45,645
Accruals and deferred income	95,087	80,040
	371,653	246,531

The Group has access to a Receivables Financing scheme, with a maximum utilisation amount of €52.3m. Interest is charged at rates of 2.25% and 9.0%. The outstanding value of the scheme as at 31 December 2021 was €14.1m (2020: €15.5m).

An amount of €2.6m (US\$2.9m) has been included in accruals and deferred income at 31 December 2021 (2020: €nil) in relation to a legal claim made against a subsidiary of the Group in 2020 for breach of employment practices in the State of California. Mediation proceedings were entered into with the claimant and a settlement proposal amounting to US\$2.9m agreed in principle. The claim is expected to be fully resolved in 2022.

Company

The Company had no creditors (amounts falling due within one year) at 31 December 2021 or at 31 December 2020.

Notes to the financial statements (continued)

17 Creditors: amounts falling due after more than one year

Group

	2021 €'000	2020 €'000
Senior bank loans (note 18)	-	115,408
Payment in kind loan (note 18)	134,487	124,145
Other creditors	5,303	10,382
Derivative financial instruments	5,554	275
	145,344	250,210

Other creditors

Other creditors includes contingent consideration payable on the Group's acquisitions.

Derivative financial instruments

The Group entered into a series of replacement cross currency interest rate swaps effective 29 February 2020 to receive interest at EURIBOR and pay interest at fixed % rates. The swaps were based on a principal amount of €75m, being 75% of the outstanding principal Euro amount of the Group's existing Euro senior bank loans and had a maturity date of 28 February 2022. The swaps have subsequently been extended to 10 May 2024. The instruments are used to hedge the Group's exposure to interest rate and currency movements on the senior bank loans. The hedging arrangement fixed the total interest payable on the Euro senior bank loans to an average rate of 7.2%. Payments are made quarterly on the interest rate swaps, until maturity, and on the senior loans payments are made either quarterly or semi-annually, at the discretion of the Group. The fair value of the swaps is €5,554,000 (2020: €275,000). During 2021, a loss of €5,279,000 (2020: gain of €7,041,000) was recognised in the profit and loss account

Company

The Company had no creditors (amounts falling due after more than one year) at 31 December 2021 or at 31 December 2020.

Notes to the financial statements (continued)

18 Loans and other borrowings

Group	Revolving credit facility (note 16) €'000	Senior bank loans (note 16) €'000	Payment in kind loan (note 17) €'000	Total €'000
Capital				
At 1 January 2021	25,377	117,712	124,145	267,234
Capitalised interest	-	-	10,342	10,342
Drawdowns	2,000	-	-	2,000
Repayments	(893)	-	-	(893)
Foreign currency translation adjustment	2,032	3,211	-	5,243
At 31 December 2021	28,516	120,923	134,487	283,926
Issue costs				
At 1 January 2021	-	2,304	-	2,304
Amortisation for year	-	(1,182)	-	(1,182)
At 31 December 2021	-	1,122	-	1,122
Net loans and other borrowings				
At 31 December 2021	28,516	119,801	134,487	282,804
At 31 December 2020	25,377	115,408	124,145	264,930

Senior bank loans

The Group's financing facility with a syndicate of lenders includes senior loans of €120m, which are secured by a charge over all of the Group's subsidiaries. Interest is charged at a rate of EURIBOR or LIBOR (subject to a 1% floor when EURIBOR or LIBOR is less than zero) plus a ratchet margin of 4.5% - 5% depending on the Senior Secured Leverage Ratio. All of the senior bank loans were due to be repaid on 30 November 2022.

On 6 May 2022 the Group completed a refinancing of its existing borrowings whereby a new funding structure was put in place including a financing facility of €310m and a further acquisition facility of €50m both repayable in 2027. The existing senior bank loans of €120m were repaid in full on 10 May 2022. Interest under the new financing facility will be charged at a rate of EURIBOR (subject to 0% floor when EURIBOR is less than zero) plus a ratchet margin of 6.25% - 7.00% depending on the leverage ratio.

Payment in kind loan

The PIK loan is secured by a charge over all of the Group's subsidiaries. Interest is charged at a rate of EURIBOR (subject to a 0% floor when EURIBOR is less than zero) plus a scaled margin starting at 6.25% in year one and rising to 9.5% in year 6. The PIK loan, which was repayable on 31 May 2023, was repaid on 10 May 2022 following the new financing arrangements entered into on 6 May 2022.

Revolving facility

The Group's financing facility with a syndicate of lenders also includes a revolving facility of €30m, which is secured by a charge over all of the Group's subsidiaries. Interest is charged at a rate of EURIBOR or LIBOR (subject to a 1% floor when EURIBOR or LIBOR is less than zero) plus a ratchet margin of 2.25% - 3% depending on the Senior Secured Leverage Ratio. Drawdowns on the revolving facility that were outstanding as at 31 December 2021 totalled €28.5m (2020: €25.4m). This facility was repaid and replaced with a new revolving credit facility of €40m maturing in 2025 with interest to be charged at variable interest rates. Drawdowns on the revolving credit facility as at the date of these financial statements amounted to €20.4m repayable on 25 November 2022.

Notes to the financial statements (continued)

18 Loans and other borrowings (continued)

Guarantees

Guarantees issued by group companies and which are not recognised on the balance sheet at 31 December 2021 amounted to €0.9m. The obligations covered by the guarantees include workers compensation in the US of €0.8m and trade obligations in Australia, lease liabilities in the Netherlands and a Software Technology Parks of India guarantee in India which all total €0.1m. Maturity dates vary and the guarantees will terminate on payment and/or cancellation of the obligation. Guarantees in place cover trade payments, workers compensation, A payment under a guarantee contract would be triggered by failure of the guaranteed party to fulfil its obligation covered by the guarantee.

Company

The Company had no loans, other borrowings or outstanding guarantees as at 31 December 2021 or at 31 December 2020.

Notes to the financial statements (continued)

19 Post-employment benefits

Group

Defined contribution pension schemes

The Group operates a number of country-specific defined contribution plans for its employees. The pension charge for the year represents contributions payable by the Group to the plans and amounted to €10,993,000 (2020: €12,045,000). There were no outstanding or prepaid contributions as at 31 December 2021 (2020: €nil). The plan's assets are held separately from the Group in independently administered funds.

Defined benefit schemes

The Group also operates a number of country-specific defined benefit schemes for its employees, in the UK, Germany, France and India. Details of the material Group schemes are disclosed below.

a. UK defined benefit bridging pension scheme

The UK Group funds a bridging pension scheme for certain former employees of The Stationery Office Limited who are made redundant between the ages of 50 and 60, with entitlements structured on age and service. The arrangement is closed to further accrual. The scheme was valued by a qualified independent actuary at 31 December 2021, using the assumptions below.

Valuation assumptions	2021	2020
Long term inflation assumption	3.00%	2.25%
Rate of increase in pensions in payment	3.00%	2.25%
Discount rate	1.75%	0.85%

The long term inflation and pension increases assumptions are based on CPI.

The post-retirement mortality assumptions used are based on the S3PXA CMI 2020 1.25% LTR and are as follows:

Life expectancy from age 60	2021 Years	2020 Years
Males currently aged 60	86.6	86.4
Female currently aged 60	89.2	88.9

b. The movements on the Group defined benefit pension scheme liabilities during the year, by country, were as follows:

	UK €'000	Germany €'000	India €'000	Group €'000
At 1 January 2021	7,338	558	576	8,472
Additional amounts provided	-	-	83	83
Amounts released unused	-	(85)	-	(85)
Credited to other comprehensive income	(278)	-	-	(278)
Interest cost	65	4	68	137
Amounts paid	(478)	-	-	(478)
Foreign exchange adjustment	576	-	45	621
At 31 December 2021	7,223	477	772	8,472

Company

The Company has no employees and therefore does not operate a pension scheme.

Notes to the financial statements (continued)

20 Provisions for other liabilities

	Deferred tax (Note 21)	Dilapidations and onerous leases	Onerous contracts	Employee benefits	Total
	€'000	€'000	€'000	€'000	€'000
At 1 January 2021	7,469	6,412	1,572	5,138	20,591
Utilised during the year	-	(801)	(206)	-	(1,007)
Charge/(credit) to P&L for the year:					
Additional amounts provided	2,489	1,320	843	1,115	5,767
Amounts released unused	-	-	(1,026)	-	(1,026)
Foreign exchange translation adjustment	(3,062)	451	126	266	(2,219)
At 31 December 2021	6,896	7,382	1,309	6,519	22,106

Dilapidations and onerous leases

As part of the Group's property leasing arrangements there is an obligation to restore property to its original condition at the end of the lease. The expected cost is charged to profit and loss at the start of the lease and deferred in its entirety. This deferred expenditure is amortised on a straight-line basis over the term of the lease. The provision is expected to be utilised between 2022 and 2028 as the leases terminate.

Where leasehold properties become vacant, the Group provides for all costs, net of anticipated income, to the end of the lease or the anticipated date of the disposal or sublease. This provision relates to properties in London which were vacated by Williams Lea Tag during the period before acquisition from 2015 to 2017 and are surplus to the Group's requirements. The provision is expected to be utilised over the remaining life of the related leases in 2022.

Onerous contracts

The Group regularly assesses its client and supplier contracts to ensure that the expected economic benefits exceed the unavoidable costs of meeting the Group's obligations under those contracts. Where costs to fulfil a contract are determined as exceeding the economic benefits, an immediate charge is made to profit and loss. The provision is expected to be utilised in 2022.

Employee benefits

The Group operates a non-qualified deferred compensation plan for employees in the US. Employees decide how much they wish to defer from receipt as income and select the funds in which those funds should be invested. There is no employer investment involvement and no funding assumptions are required. There are a number of different benefit schemes across different regions, with the expectation to be utilised by 2030.

Notes to the financial statements (continued)

21 Deferred tax

The elements of the deferred tax assets and provisions are as follows:

	2021 €'000	2020 €'000
Group		
<i>Asset (note 15)</i>		
Accelerated capital allowances	2,794	1,355
Other timing differences	7,912	4,742
Tax losses	11,520	10,123
Post-employment benefits	1,818	1,476
Provisions for other liabilities	2,310	728
	26,354	18,424
<i>Provisions (note 20)</i>		
Acquired intangible assets	6,896	7,469

	Acquired intangible assets €'000	Tax losses €'000	Capital allowances €'000	Post- employment benefits €'000	Other timing differences €'000	Total €'000
Group						
At 1 January 2021	(7,469)	10,123	1,355	1,476	5,470	10,955
(Charge)/credit to P&L for the year	(2,489)	3,130	1,657	256	(570)	1,984
Adjustments in respect of previous periods	-	(2,177)	(50)	156	4,625	2,554
Charge to other comprehensive income	-	-	-	(70)	-	(70)
Foreign exchange translation adjustment	3,062	444	(168)	-	697	4,035
At 31 December 2021	(6,896)	11,520	2,794	1,818	10,222	19,458

The net deferred tax asset expected to reverse in 2022 is €2.5m. This relates to the utilisation of losses in the US and UK.

The Group has additional unused tax losses of €151m (2020: €154m), mostly in the UK, which can be carried forward indefinitely and used against future taxable profits in the same tax group. Recognition of these assets in the entirety would result in an increase in the reported deferred tax asset of €38m (2020: €29m).

Notes to the financial statements (continued)

22 Financial instruments

Group	2021 €'000	2020 €'000
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Trade debtors	134,955	116,223
Other debtors	14,218	20,041
	<u>149,173</u>	<u>136,264</u>
<i>Financial liabilities measured at fair value through profit or loss</i>		
Derivative financial instruments	5,554	275
<i>Financial liabilities measured at amortised cost</i>		
Senior bank loan	119,801	115,408
Payment in kind loan	134,487	124,145
Trade creditors	87,847	78,738
Accruals	95,087	80,040
Other creditors	36,257	55,930
	<u>473,479</u>	<u>454,261</u>

23 Called up share capital

Group and Company

Ordinary shares of €0.01 each	2021 Number 000s	2021 €'000	2020 Number 000s	2020 €'000
<i>Allotted, called up and fully paid</i>				
At 1 January	17,730,706	177,307	17,730,706	177,307
At 31 December	<u>17,730,706</u>	<u>177,307</u>	<u>17,730,706</u>	<u>177,307</u>

The ordinary shares issued by the Company have full voting, dividend and capital distribution rights. They do not confer any rights of redemption.

24 Capital and other commitments

The Group had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2021 €'000	2020 €'000
Not later than one year	13,603	17,037
Later than one year and not later than five years	30,055	39,856
Later than five years	7,503	25,409
	<u>51,161</u>	<u>82,302</u>

Company

The Company had no capital or other commitments as at 31 December 2021 and 31 December 2020.

Notes to the financial statements (continued)

25 Notes to the cash flow statement

	2021 €'000	2020 €'000
Loss for the financial year/period	(30,501)	(76,956)
Adjustments for:		
Tax on loss	(5,177)	10,267
Net interest expense	21,999	30,149
Operating loss	(13,679)	(36,540)
Amortisation	31,443	32,643
Depreciation and impairment	6,887	7,189
Loss on disposal of tangible assets	1,562	5,802
Balance sheet remediation	-	(1,995)
Impairment of trade receivables	414	-
Post-employment benefits less payments	(478)	97
Other provisions less payments	1,245	(3,008)
	27,394	4,188
Working capital movements		
Decrease in inventories	1,267	1,553
(Increase)/decrease in debtors	(9,215)	76,804
Increase/(decrease) in creditors	8,078	(28,108)
Net cash from operating activities	27,524	54,437

Analysis of changes in net debt

	At beginning of year €'000	Cash flow €'000	Other non- cash changes €'000	Foreign exchange adjustment €'000	At end of year €'000
Cash at bank and in hand	55,398	(14,717)	-	2,968	43,649
Cash and cash equivalents	55,398	(14,717)	-	2,968	43,649
Revolving credit facility	(25,377)	(1,107)	-	(2,032)	(28,516)
Senior bank loans (net of issue costs)	(115,408)	-	(1,182)	(3,211)	(119,801)
Payment in kind loan	(124,145)	-	(10,342)	-	(134,487)
Total	(209,532)	(15,824)	(11,524)	(2,275)	(239,155)

Notes to the financial statements (continued)

26 Business combinations

On 19 August 2021, Tag Worldwide (Singapore) Pte. Ltd acquired 100% of the issued share capital of Moni-Media Limited (including its 100% holding in Moni-Media (Taiwan) Company Limited) and 100% of the issued share capital of Moni-Media Pte. Ltd. for a total consideration of €6.1m (collectively referred to as MoniMedia)

The total consideration includes €1.2m of contingent consideration. This figure represents Management's best estimate of the amount that will become payable between May 2022 and January 2024.

The goodwill of €3.7m arising from the acquisition is attributable to the future revenue streams projected by MoniMedia.

Management have estimated the useful life of the goodwill to be 10 years.

The following tables summarise the consideration paid by the Group, the revised fair values of assets acquired and liabilities assumed at the acquisition date.

	2021 €'000
Consideration as at 21 August 2021	
Equity	2,376
Cash	2,335
Directly attributable costs	240
Contingent consideration	1,188
Total	6,139

For cash flow disclosure purposes the amounts are disclosed as follows:

Cash consideration paid including directly attributable costs	2,575
Less: cash and cash equivalents acquired	(912)
Net cash outflow	1,663

Recognised amounts of identifiable assets acquired and liabilities assumed:

	Book value €'000	Adjustments €'000	Fair value €'000
Tangible fixed assets	22	-	22
Debtors	1,758	-	1,758
Cash at bank and in hand	912	-	912
Creditors	(271)	-	(271)
Total identifiable assets	2,421	-	2,421
Goodwill arising on acquisition			3,718
Total			6,139

As at the date of preparing the 2021 Group financial statements, no adjustments to the values of the acquired assets and liabilities have been identified.

The revenue from MoniMedia included in the consolidated income statement for 2021 was €1,542,000 for the four month period since acquisition. Profits of €420,000 have also been included over the same period.

Notes to the financial statements (continued)

27 Events after the reporting period

Disposal of business

In the first quarter of 2022, a formal decision to dispose of the Group's holding in CCM Limited (CCM) was agreed. On 1 April 2022, Tag Worldwide Holdings Limited, a wholly-owned subsidiary of the Group, disposed of its entire shareholding in CCM to Paragon Customer Communications. CCM provides secure personalised customer communications through a transactional print service with limited back office integration into the Group and had been operating as a standalone entity for the past few years. The sale is in line with Group's overall strategy to streamline operations and focus on the Williams Lea and Tag business units.

Refinancing of borrowings

On 6 May 2022 the Group completed a refinancing of its existing borrowings whereby a new funding structure was put in place comprising a financing facility of €310m and a further acquisition facility of €50m both repayable in 2027 and a revolving credit facility of €40m maturing in 2025. The existing senior bank loans and the payment in kind loan were repaid in full on 10 May 2022. Drawdowns on the revolving credit facility as at the date of these financial statements amounted to €20.4m repayable on 25 November 2022. Further details can be found in note 18.

Russia – Ukraine War

Geopolitical tensions arising from Russia's invasion of Ukraine on 24 February 2022 are creating volatility within domestic and global markets, leading to wide ranging impacts affecting inflation, global trade and consumer confidence. The sanctions imposed on Russia has resulted in many Tag clients now reducing their current campaign activity and has increased volatility in the supply chain network.

The Group's Russian entity OOO Tag RUS employs 27 staff, contributed €6.1m of revenue and €0.5m of EBITDA to the Group's consolidated results in 2021 and had net assets at 31 December 2021 of €1.6m. The Group does not have an office in Ukraine but does have Ukraine-based clients who are serviced from its Tag Europe operations.

The Directors continue to monitor and react to the challenges arising from the conflict including managing supply chain and foreign currency risks and the evolving impact of the conflict on its operations and strategy. As at the date of this report, the Directors believe that overall, the conflict will not affect the going concern of the Group.

28 Related party disclosures

Group and Company

Other than the transactions disclosed in note 7, Employees and directors, the Group's related party transactions were with wholly owned subsidiaries.

29 Controlling party

AI Wertheimer Holdings Limited is the Company's immediate parent undertaking. AI Wertheimer Holdings Limited is the parent undertaking of the largest group of which the Company is a member and the only group for which consolidated financial statements are prepared. Copies of the group financial statements of AI Wertheimer Holdings Limited can be obtained from 1-5 Poland Street, London, England, W1F 8PR.

The directors regard the ultimate controlling party as GPE VIII funds managed by Advent International Corporation.

Notes to the financial statements (continued)

30 Non-controlling interests

Group	2021 €'000	2020 €'000
At 1 January	(273)	2,169
Total comprehensive loss for the year attributable to non-controlling interests	(1,150)	(2,442)
Total changes in ownership interests in subsidiaries that do not result in a loss of control	(2,314)	-
Other transactions with non-controlling interests	2,376	-
At 31 December	(1,361)	(273)

31 Subsidiaries and related undertakings

The list of subsidiaries and other related undertakings is as follows:

Name	Address of the registered office	Interest	Nature of business
AI Wertheimer Holdco UK Limited* (UK company no. 11024760)	1-5 Poland Street, London, England, W1F 8PR	96.16%	Holding Company
AI Wertheimer Debtco UK Limited* (UK company no. 11026824)	1-5 Poland Street, London, England, W1F 8PR	100%	Holding Company
AI Wertheimer Midco UK Limited* (UK company no. 11027218)	1-5 Poland Street, London, England, W1F 8PR	100%	Holding Company
Wertheimer UK Limited* (UK company no. 10888457)	1-5 Poland Street, London, England, W1F 8PR	100%	Holding Company
AI Wertheimer USA Inc	530 Seventh Ave, 23rd Floor, New York, NY 10018, USA	100%	Holding Company
GoodsandServices.tv Limited* (UK company no. 02302673)	1-5 Poland Street, London, England, W1F 8PR	100%	Pre-media production and creative services
Moni-Media Limited	7/F, East Town Building, 41 Lockhart Road, Wanchai, Hong Kong	100%	Digital commerce solutions
Moni-Media Pte. Ltd.	80 Robinson Road, #02-00, Singapore 068898	100%	Digital commerce solutions
Moni-Media (Taiwan) Company Limited	12th Floor, No. 81-1, Sec. 2, Keelung Rd., Xinyi Dist., Taipei City 110, Taiwan	100%	Digital commerce solutions
Popcorn Displays (Shenzhen) Co Ltd	G761, 7 7F Haujiia Plaza, Hubei Road, Luohu District, Shenzhen, Guangdong Province, China	100%	Design and manufacture of point of sale displays

Notes to the financial statements (continued)

31 Subsidiaries and related undertakings (continued)

Name	Address of the registered office	Interest	Nature of business
Popcorn Displays Australia Pty Limited	Level 2/60-62 Clarence St, Sydney NSW 2000, Australia	100%	Design and manufacture of point of sale displays
Popcorn Displays USA Inc	530 Seventh Ave, 23rd Floor, New York, NY 10018, USA	100%	Pre-media production and creative services
Smoke and Mirrors Productions Limited* (UK company no. 03012951)	1-5 Poland Street, London, England, W1F 8PR	100%	Pre-media production and creative services
Tag Belgium SA	Chaussée de Charleroi, 112, Saint Gilles, 1060 Brussels, Belgium	100%	Marketing and communication supply chain services
Tag EquityCo Limited	c/o Equity Trust Company (Cayman) Limited, Second Floor, Compass Centre, Shedden Road, Grand Cayman, KY1-1003, Cayman Islands	100%	Dormant
Tag Europe Limited* (UK company no. 02299109)	1-5 Poland Street, London, England, W1F 8PR	100%	Marketing and communication supply chain services
Tag India Private Limited	Room 203, Second Flr, 2-A/3 Kundan Mansion, Asaf Ali Rd, New Delhi, Delhi, 110002, India	100%	Marketing and communication supply chain services
Tag Japan Limited	Gotenyama Trust Tower 9f., 7- 35, Kitashinagawa 4-chome, Shinagawa-ku, Tokyo, Japan	100%	Marketing and communication supply chain services
Tag Pac Limited* (UK company no. 06434923)	1-5 Poland Street, London, England, W1F 8PR	100%	Marketing and communication supply chain services
Tag Response Limited* (UK company no. 02656579)	1-5 Poland Street, London, England, W1F 8PR	100%	Marketing and communication supply chain services
OOO Tag Rus	16 Kalanchevskaya St., bld 1, 4/1A2, 129090. Moscow, Russian Federation	100%	Marketing and communication supply chain services

Notes to the financial statements (continued)

31 Subsidiaries and related undertakings (continued)

Name	Address of the registered/principal office	Interest	Nature of business
Tag Sao Paulo Servicos de Consultoria Ltda.	Rua Wisard, no.305, Sala 52, Edificio W305, Bairro Vila Madalena, CEP 05434-080, Sao Paulo, Brazil	100%	Marketing and communication supply chain services
Tag Topco Limited* (UK company no. 07535335)	1-5 Poland Street, London, England, W1F 8PR	100%	Holding Company
Tag Worldwide Asia Limited	4007 Central Plaza, 18 Harbour Road, Wanchai, Hong Kong	100%	Marketing and communication supply chain services
Tag Worldwide (Australia) Pty Ltd	Level 3, 40 King Street, Sydney, NSW 2000	100%	Marketing and communication supply chain services
Tag Worldwide (Canada) Holdings Inc	44 Chipman Hill Suite 1000, Saint John NB E2L 2A9, Canada	100%	Pre-media production and creative services
Tag Worldwide (Canada) Inc	349 Carlaw Avenue, Suite #301, Toronto ON M4M 2T1, Canada	100%	Advertising agency
Tag Worldwide France SAS	33 Rue Lafayette, Paris, 75009, France	100%	Marketing
Tag Worldwide GmbH	Menuhinstraße 6, 53113, Bonn, Germany	100%	Marketing
Tag Worldwide Group Limited* (UK company no. 01031786)	1-5 Poland Street, London, England, W1F 8PR	100%	Marketing
Tag Worldwide Holdings Limited* (UK company no. 05696914)	1-5 Poland Street, London, England, W1F 8PR	100%	Holding Company
Tag Worldwide (Italy) S.R.L.	Largo Toniolo, 6, 00186, Roma, Italy	100%	Pre-media production and creative services
Tag Worldwide (Malaysia) Sdn BHD.	Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia	100%	Marketing
Tag Worldwide (Netherlands) BV	Anchorageaan 32, 1118LD Schiphol, The Netherlands	100%	Marketing
Tag Worldwide Pty Limited	Level 3, 40 King Street, Sydney, NSW 2000	100%	Marketing
Tag Worldwide (Shanghai) Co Limited	Unit 05-06, 6F, Tower 1, Shanghai Arch, 523 Lou Shan Guan Road, Shanghai 200051, P.R.China	100%	Marketing

Notes to the financial statements (continued)

31 Subsidiaries and related undertakings (continued)

Name	Address of the registered/principal office	Interest	Nature of business
Tag Worldwide (Singapore) Pte. Ltd	90 EU Tong Sen Street, #03-01, 059811 Singapore	100%	Marketing
Tag Worldwide Spain SL	c/o Arfa Oliver, Rambla Catalunya, 62 ppal.1ª, 08007 Barcelona, Spain	100%	Marketing
Tag Worldwide Tech Limited	1-5 Poland Street, Soho, London, W1F 8PR	100%	Marketing
Tag Worldwide (Thailand) Company Limited	No. 44, Soi Sukhumvit 64, Sukhumvit Road, Phra Khanong-Tai Sub-district, Phra Khanong District, Bangkok, Thailand	100%	Pre-media production and creative services
Tag Worldwide (USA) Holdings Inc.	530 Seventh Ave, 23rd Floor, New York, NY 10018, USA	100%	Holding company
Tag Worldwide (USA) Inc	530 Seventh Ave, 23rd Floor, New York, NY 10018, USA	100%	Marketing
Tag Worldwide (Vietnam) IM Company Limited	Số 617-617A, Quốc lộ 13, Khu phố 3, Phường Hiệp Bình Phước, Thành phố Thủ Đức, Thành phố Hồ Chí Minh Vietnam	100%	Marketing
TAGWW MÉXICO, S. DE R.L. DE C.V.	Av. Insurgentes Sur 1605, Piso 12, Col. San José Insurgentes, Del. Benito Juárez, C.P. 03900, Mexico City	100%	Marketing
Taylor James GmbH	c/o Bunzel and Partner StbG mbH, Kronenstraße 1, 10119, Berlin, Germany	100%	Non-trading
Taylor James (Holdings) Limited* (UK company no. 09196645)	1-5 Poland Street, London, England, W1F 8PR	100%	Holding Company
Taylor James Limited* (UK company no. 04799582)	1-5 Poland Street, London, England, W1F 8PR	100%	Pre-media production and creative services
Taylor James Ltd	530 Seventh Ave, 23rd Floor, New York, NY 10018, USA	100%	Pre-media production and creative services
The Stationery Office Holdings Limited	1-5 Poland Street, Soho, London, W1F 8PR	100%	Non-trading
The Stationery Office Limited* (UK company no. 03049649)	1-5 Poland Street, London, England, W1F 8PR	100%	Communication supply chain services

Notes to the financial statements (continued)

31 Subsidiaries and related undertakings (continued)

Name	Address of the registered/principal office	Interest	Nature of business
The Stationery Office Pension Trustees Limited	1-5 Poland Street, London, England, W1F 8PR	100%	Dormant
THP International Limited* (UK company no. 10017658)	1-5 Poland Street, London, England, W1F 8PR	100%	Advertising agency
THP USA Inc	530 Seventh Ave, 23rd Floor, New York, NY 10018, USA	100%	Advertising agency
Wertheimer Germany GmbH	Menuhinstraße 6, 53113, Bonn, Germany	100%	Holding Company
Williams Lea Limited* (UK company no. 02119266)	1-5 Poland Street, London, England, W1F 8PR	100%	Communication supply chain services
Williams Lea LLC	535 8th Avenue 4th Floor New York, NY 10018 USA	100%	Communication supply chain services
Williams Lea, s.r.o.	Mlynska 326/13, 110 00 Brno, Czech Republic	100%	Dormant
Williams Lea Argentina S.A.	c/o Severgnini Robiola Grinberg Larrechea, Reconquista 336, 2ndo Piso, Buenos Aires C1003ABH, Argentina	100%	Dormant
Williams Lea Australia Pty Ltd	c/o Ehh Accountants & Advisors, Suite 11, 431 Burke Road, Glen Iris VIC 3146, Australia	100%	Communication supply chain services
Williams Lea (Beijing) Limited	Room 1201-28, No.8 Jianguomenbei Road, Dongcheng District, Beijing, China	100%	Communication supply chain services
Williams Lea (Brazil) Assessoria Em Solucoes Empresariais Ltda.	Rua Wisard, no. 305, Sala 52, Edificio 'W305', Bairro Vila Madalena, Sao Paulo, CEP 05434-080, Brazil	100%	Communication supply chain services
Williams Lea (Canada), Inc.	3700-1000 rue De La Gauchetière Montréal H3B4W5, Québec, Canada	100%	Communication supply chain services
Williams Lea CCM Limited* (UK company no. 11605285)	1-5 Poland Street, London, England, W1F 8PR	100%	Communication supply chain services
Williams Lea Finland Oy	c/o Revico Grant, Thornton Oy, Paciusgatan 27, Helsinki, 00271, Finland	100%	Dormant
Williams Lea France SAS	122 rue Amelot 75011 Paris France	100%	Communication supply chain services

Notes to the financial statements (continued)

31 Subsidiaries and related undertakings (continued)

Name	Address of the registered/principal office	Interest	Nature of business
Williams Lea Germany GmbH	Opernplatz XIV, 60313, Frankfurt am Main, Hesse, Germany	100%	Communication supply chain services
Williams Lea Group Limited* (UK company no. 01627560)	1-5 Poland Street, London, England, W1F 8PR	100%	Holding Company
Williams Lea (Hong Kong) Limited	4007 Central Plaza, 18 Harbour Road, Wanchai, Hong Kong	100%	Communication supply chain services
Williams Lea India Private Limited	Module 0308, D Block Tidel Park, 4 Canal Bank Road, Taramani, Chennai 600113, India	100%	Communication supply chain services
Williams Lea International Limited	1-5 Poland Street, Soho, London, W1F 8PR	100%	Holding company
Williams Lea Ireland Limited	Ground Floor, 71 Lower Baggot Street, Dublin D02 P593, Ireland	100%	Communication supply chain services
Williams Lea Japan Limited	Gotenyama Trust Tower, 9th Floor, 4-7-35 Kitashinagawa, Shinagawaku, Tokyo 140-0001, Japan	100%	Communication supply chain services
Williams Lea Private Limited	8 Wilkie Road, #03-01 Wilkie Edge, Singapore 228095, Singapore	100%	Communication supply chain services
Williams Lea Sweden AB	c/o Lindebergs Grant Thornton AB, Att: Lena Douhan, Box: 547, 61110 Nyköping, Sweden	100%	In liquidation
Williams Lea Ukraine LLC	23 A Yaroslaviv Val Street, Kyiv 01034, Ukraine	100%	In liquidation
Williams Lea (US Acquisitions) Limited	1-5 Poland Street, Soho, London, W1F 8PR	100%	In liquidation

All of the above subsidiaries are included in the consolidation.

* The financial statements for the year ended 31 December 2021 for these subsidiaries have been exempted from audit under section 479A of the Companies Act 2006 by way of parental guarantee from AI Wertheimer Parentco UK Limited.