

Registration number: 07255692

# MPMC Holdings Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2019

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# **MPMC Holdings Limited**

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## **MPMC Holdings Limited**

### **Directors' Report for the year ended 31 December 2019**

The directors present their report and the financial statements for the year ended 31 December 2019.

#### **Principal activity**

The principal activity of the company is the provision of directors and related services.

#### **Dividends**

On 9 December 2019 the directors paid a dividend in respect of the year ended 31 December 2019 of £1,250,000 (2018: £Nil).

#### **Directors of the company**

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

A. Cardy (resigned 31 July 2020)

P.J.R. Moore (resigned 30 June 2019)

C. Papa (resigned 5 August 2020)

A. Payne

C. Trevail

M O'Brien (resigned 31 October 2019)

D Bachmann (appointed 31 October 2019)

The following director was appointed after the year end:

Manoj Bhate (appointed 31 July 2020)

#### **Political and charitable donations**

The company made no political or charitable donations in the year (2018: £Nil).

#### **Going concern**

At the end of the year the Company had net current assets of £70,378 (2018 - £212,577). The COVID-19 pandemic has brought unprecedented circumstances and challenges to business across the globe. It's impact is still unfolding, and some sectors are more severely affected than others in the same region. MPMC Holdings Limited provides Director's support services for Hosker Moore Kent Melia Limited. Due to the uncertain and lowered position of revenue generation, the decision was taken to cease trading for both companies as of 30th June in 2020, and subsequently only any ongoing work is to be completed where possible. Funding and support to fulfil all obligations are being made by the holding company and there is no further work for MPMC Holdings post closure.

Approved by the Board on 13 August 2020 and signed on its behalf by:

*Manoj Bhate*

.....  
Manoj Bhate  
Director

Bankside 3  
90 - 100 Southwark Street  
London  
SE1 0SW

## **MPMC Holdings Limited**

### **Statement of Directors' Responsibilities in respect of the annual report and the financial statements**

The directors acknowledge their responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

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

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

# MPMC Holdings Limited

## Profit and Loss Account for the year ended 31 December 2019

	Note	2019 £	2018 £
Administrative expenses		(393,010)	(686,240)
Other operating income		<u>524,700</u>	<u>699,600</u>
Operating profit	3	131,690	13,360
Income from shares in group undertakings		1,000,000	-
Other interest receivable and similar income	6	<u>1,398</u>	<u>1,650</u>
Profit before taxation		1,133,088	15,010
Tax on profit	7	<u>(25,287)</u>	<u>(8,749)</u>
Profit for the financial year		<u><u>1,107,801</u></u>	<u><u>6,261</u></u>

The results shown above are derived wholly from continuing operations.

The company has no recognised gains or losses for the year other than the results above. Consequently, a statement of comprehensive income has not been prepared.

**MPMC Holdings Limited**

**(Registration number: 07255692)**  
**Balance Sheet as at 31 December 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Investments	8	695,073	695,073
<b>Current assets</b>			
Debtors	10	570,096	804,858
Creditors: Amounts falling due within one year	11	<u>(499,718)</u>	<u>(592,281)</u>
Net current assets		<u>70,378</u>	<u>212,577</u>
Net assets		<u>765,451</u>	<u>907,650</u>
<b>Capital and reserves</b>			
Called up share capital	12	14,310	14,310
Share premium account		49,057	49,057
Retained earnings		<u>702,084</u>	<u>844,283</u>
Total equity		<u>765,451</u>	<u>907,650</u>

For the year ending 31 December 2019 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the Board on 13 August 2020 and signed on its behalf by:

*Manoj Bhate*

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Manoj Bhate

Director

# MPMC Holdings Limited

## Statement of Changes in Equity for the year ended 31 December 2019

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 January 2019	14,310	49,057	844,283	907,650
Profit for the year	-	-	1,107,801	1,107,801
Total comprehensive income	-	-	1,107,801	1,107,801
Dividends	-	-	(1,250,000)	(1,250,000)
At 31 December 2019	14,310	49,057	702,084	765,451

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 January 2018	14,310	49,057	838,022	901,389
Profit for the year	-	-	6,261	6,261
Total comprehensive income	-	-	6,261	6,261
At 31 December 2018	14,310	49,057	844,283	907,650

The notes on pages 6 to 15 form an integral part of these financial statements.

## **MPMC Holdings Limited**

### **Notes to the Financial Statements for the year ended 31 December 2019**

#### **1 Accounting policies**

##### **Statement of compliance**

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

##### **Basis of preparation**

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

The company is a private company limited by share capital incorporated, domiciled and registered in England in the United Kingdom

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

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts as the Company is included in the consolidated accounts of a larger group headed by DAS UK Investments Limited, a parent undertaking established under the law of the United Kingdom. These financial statements present information about the Company as an individual undertaking and not about its group.

##### **Summary of disclosure exemptions**

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

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

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

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

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



## **MPMC Holdings Limited**

### **Notes to the Financial Statements for the year ended 31 December 2019**

#### **Going concern**

Company has net current assets of £70,378 at 31 December 2019 (2018: £212,577). Due to the uncertain and lowered position of revenue generation in 2020 as a result of the COVID-19 pandemic, the decision was taken to cease trading as of 30th June in 2020, and subsequently only any ongoing work is to be completed where possible. Funding and support to fulfil all obligations are being made by the holding company and there is no further work requiring completion post closure.

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

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

The directors consider the combination of the group facilities and expected funding requirements of the Omnicom Group Inc. and its subsidiaries provides sufficient access to funding to ensure that the Company is able to meet its liabilities as they fall due for the foreseeable future.

#### **Key sources of estimation uncertainty**

There are no key sources of estimation uncertainty that have a significant risk of causing material adjustments to carrying amounts of assets and liabilities within the next financial year.

#### **Summary of significant accounting policies and key accounting estimates**

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

#### **Gross Billings**

Gross billings are recognised when the service is performed, in accordance with the terms and conditions of the contractual arrangement and when collection is reasonably assured.

Gross billings comprises the gross amounts billed to clients in respect of commission based income together with the total of other fees earned and amounts recharged to clients for billable costs.

#### **Rebillable costs**

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

## **MPMC Holdings Limited**

### **Notes to the Financial Statements for the year ended 31 December 2019**

#### **Turnover**

Turnover comprises the fair value of the consideration received or receivable for the sales of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates, discounts, and after eliminating sales within the company.

The company recognises revenue when;

- The amount of revenue can be reliably measured
- It is probable that the future economic benefits will flow into the company
- and specific criteria have been met for each of the company's activities.

#### **Foreign currency transactions and balances**

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

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

#### **Tax**

The tax expenses for the period comprises current tax. Tax is recognised in the profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or subsequently enacted by the reporting date in the countries of where the company operates taxable income.

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

#### **Fixed asset investments**

Investment in subsidiary undertakings are stated at historical cost less provision for impairment. Where the directors consider that a previous impairment provision is no longer appropriate the impairment is reversed.

#### **Cash and cash equivalents**

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

#### **Trade and other debtors**

Trade and other debtors are amounts due from customers for services performed in the ordinary course of business.

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

## **MPMC Holdings Limited**

### **Notes to the Financial Statements for the year ended 31 December 2019**

#### **Trade and other creditors**

Trade and other creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade and other creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

#### **Defined contribution pension obligation**

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

## MPMC Holdings Limited

### Notes to the Financial Statements for the year ended 31 December 2019

#### 2 Turnover

The whole of the Company's gross billings, turnover and operating profit for the year related to its principal activity, which is the provision of directors and related services, and which was carried out in the United Kingdom.

#### 3 Operating profit

Arrived at after charging/(crediting)

	2019 £	2018 £
Foreign exchange (gains) / losses	-	835

#### 4 Directors' remuneration

	2019 £	2018 £
Directors' emoluments	396,216	432,913
Contributions to money purchase pension scheme	4,537	2,163

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

	2019 No.	2018 No.
Received or were entitled to receive shares under long term incentive schemes	-	1
Accruing benefits under money purchase pension scheme	1	3

In respect of the highest paid director:

	2019 £	2018 £
Remuneration	93,750	154,100
Defined benefit accrued pension entitlement at the end of the period	3,750	2,769

The Company's directors participate in the restricted stock scheme operated by the Ultimate Parent Undertaking. Shares were received or receivable under this restricted share scheme by 1 director (2018: 1)

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

## MPMC Holdings Limited

### Notes to the Financial Statements for the year ended 31 December 2019

#### 5 Staff costs

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

	2019 £	2018 £
Wages and salaries	338,535	563,541
Share related awards	-	31,037
Social security costs	41,364	72,564
Pension and other post-employment benefit costs	7,945	8,162
	<u>387,844</u>	<u>675,304</u>

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

	2019 No.	2018 No.
Administration and support	2	3
Sales, marketing and distribution	2	3
	<u>4</u>	<u>6</u>

#### 6 Other interest receivable and similar income

	2019 £	2018 £
Receivable from group undertakings	<u>1,398</u>	<u>1,650</u>

#### 7 Taxation

Tax charged/(credited) in the profit and loss account

	2019 £	2018 £
<b>Current taxation</b>		
Current tax on income for the period	<u>25,287</u>	<u>8,749</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2018 - higher than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

## MPMC Holdings Limited

### Notes to the Financial Statements for the year ended 31 December 2019

	2019 £	2018 £
<i>Profit before tax</i>	<u>1,133,088</u>	<u>15,010</u>
Corporation tax at standard rate	215,287	2,852
Tax increase (decrease) from effect of dividends from UK companies	(190,000)	-
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>-</u>	<u>5,897</u>
Total tax charge	<u>25,287</u>	<u>8,749</u>

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016.

The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This will increase the company's future current tax charge accordingly.

#### 8 Fixed Asset Investments

	Shares in group undertakings £	Total £
<b>Cost</b>		
At 1 January 2019	<u>695,073</u>	<u>695,073</u>
At 31 December 2019	<u>695,073</u>	<u>695,073</u>
<b>Carrying amount</b>		
At 31 December 2019	<u>695,073</u>	<u>695,073</u>
At 31 December 2018	<u>695,073</u>	<u>695,073</u>

During the year, Management performed an impairment test. This demonstrated that no impairment provision was required in respect of fixed asset investments.

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are shown in note 15.

#### 9 Dividends

	2019 £	2018 £
Dividend paid (2018 - £Nil)	<u>1,250,000</u>	<u>-</u>

## MPMC Holdings Limited

### Notes to the Financial Statements for the year ended 31 December 2019

#### 10 Debtors

	2019 £	2018 £
Amounts owed by group undertakings - trading balances	487,947	524,700
Amounts owed by group undertakings - loans and advances	45,036	167,865
Other debtors	34,084	19,182
Prepayments and accrued income	<u>3,029</u>	<u>93,111</u>
	<u>570,096</u>	<u>804,858</u>

The Company participates in a cash concentration arrangement with its fellow subsidiaries, Omnicom Finance Limited and Omnicom Financial Services Limited, the Omnicom Europe Limited group's UK treasury operations, under which bank balances are cleared to zero on a daily basis either by the Company depositing cash with Omnicom Finance Limited / Omnicom Financial Services Limited or by Omnicom Finance Limited / Omnicom Financial Services Limited depositing cash with the Company. Included in Amounts owed by group undertakings - loans and advances is £45,036 (2018: £167,865) representing cash deposited by the Company under these arrangements.

#### 11 Creditors

	2019 £	2018 £
<b>Due within one year</b>		
Amounts owed to group undertakings - trading balances	435,318	429,107
Amounts owed to group undertakings - loans and advances	-	99,322
Taxation and social security	62,900	60,048
Accruals and deferred income	<u>1,500</u>	<u>3,804</u>
	<u>499,718</u>	<u>592,281</u>

#### 12 Share capital

##### Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	14,310	14,310	14,310	14,310

#### 13 Pension and other schemes

##### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £7,945 (2018 - £8,162).

## **MPMC Holdings Limited**

### **Notes to the Financial Statements for the year ended 31 December 2019**

#### **14 Related party transactions**

##### **Summary of transactions with subsidiaries**

At 31 December 2019, the Company's ultimate parent undertaking was Omnicom Group Inc. The shareholders of the Company have interest directly or indirectly in certain other companies which are considered to give rise to related party disclosures under FRS 102 Section 33.

As a 100% owned indirect subsidiary of Omnicom Group Inc, the Company has taken advantage of the exemption under FRS102 Section 33.1A: Related Party Disclosures, which enable it to exclude disclosure of transactions with Omnicom Group Inc and its wholly owned subsidiaries.

#### **15 Parent and ultimate parent undertaking**

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

These Financial Statements are available upon request from Omnicom Group Inc's registered address, 437 Madison Avenue, New York, NY10022, USA.

The Company is consolidated into DAS UK Investments Limited and these accounts may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ, Wales.



**MPMC Holdings Limited**

**Notes to the Financial Statements for the year ended 31 December 2019**

**16 Details of undertaking**

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

Undertaking	Company number	Country of incorporation	Holding	Proportion of voting rights and shares held	Principal activity	Registered address
<b>Subsidiary undertakings</b>						
Hosker Moore Kent Melia Limited	4197028	England	Ordinary	100%	Consultancy	Bankside 3, 90-100 Southwark Street, London, SE1 0SW