

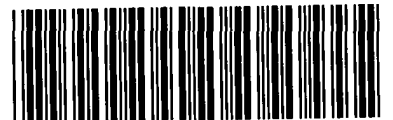
Registration number: 7496844

Omnicom Pacific Finance Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2019

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Omnicom Pacific Finance Limited

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Omnicom Pacific Finance 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 Company's principal activity is the lending of money in AUD, hence AUD is the currency from which its financing activities are generated and the currency in which its debts were issued. The loans on the balance sheet are denominated in AUD and the interest it receives is in AUD and AUD is therefore the Company's functional currency.

Directors of the Company

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

S.C.N. Medhurst

A.P. Phipkin

J.S. Rodd (resigned 30 September 2019)

R.M. Tarlowe (appointed 30 September 2019)

Going concern

At the end of the year the Company had net current assets of AUD 232,109,275 (2018: AUD 223,766,470). The directors consider that the Company has access to sufficient funding to meet its funding requirements for the reasons set out in note 1 to the financial statements. Accordingly the directors have prepared the financial statements on a going concern basis.

COVID-19

Impact of the Group

While the global COVID-19 pandemic has brought uncertainty to the global market, the group remains focused on supporting clients with their ongoing requirements.

Operationally the group has responded well as the transition to work from home was swift and effective, allowing the group to focus on delivering for clients and supporting the health and wellbeing of employees.

The pandemic has brought about uncertainty affecting the economic outlook of all sectors of the UK Economy. Whilst the group has a diversified client base to minimise the impact to revenue, the pandemic could have a material adverse effect on the business, results of operation and financial position. The Company holds inter-company balances with group entities based outside of the UK, much like the UK, these entities have also been effected by the pandemic. The Company expects the group inter-company balances to be fully recovered.

Impact on the Company

Despite the pandemic, the company expects to continue accessing group funding through Omnicom Group Inc. and its subsidiaries. This will provide sufficient access to funding to ensure that the Company is able to meet its liabilities as they fall due for the foreseeable future. For further details on this arrangement please refer to Note 1 in the financial statements.

Disclosure of information to the auditor

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

Omnicom Pacific Finance Limited

Directors' Report for the year ended 31 December 2019

Reappointment of auditor

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

Approved by the Board on 1 October 2020 and signed on its behalf by:



.....
A.P. Phipkin
Director

Bankside 3
90 - 100 Southwark Street
London
SE1 0SW

Omnicom Pacific Finance 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.

Independent auditor's report to the members of Omnicom Pacific Finance Limited

Opinion

We have audited the financial statements of Omnicom Pacific Finance Limited ("the company") for the year ended 31 December 2019 which comprise the profit and loss account, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' Report

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

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

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

Independent auditor's report to the members of Omnicom Pacific Finance Limited

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

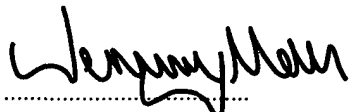
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit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

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

Independent auditor's report to the members of Omnicom Pacific Finance Limited

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

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



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

2 October 2020

Omnicom Pacific Finance Limited

Profit and Loss Account for the year ended 31 December 2019

	Note	2019 AUD	2018 AUD
Administrative expenses		<u>(6,696)</u>	<u>(6,062)</u>
Operating loss		(6,696)	(6,062)
Other interest receivable and similar income	4	<u>10,306,455</u>	<u>10,641,956</u>
Profit before taxation		10,299,759	10,635,894
Tax on profit	5	<u>(1,956,954)</u>	<u>(2,020,820)</u>
Profit after taxation		<u><u>8,342,805</u></u>	<u><u>8,615,074</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.

Omnicom Pacific Finance Limited

(Registration number: 7496844)

Balance Sheet as at 31 December 2019

	Note	2019 AUD	2018 AUD
Current assets			
Debtors	6	233,687,700	225,413,286
Creditors: Amounts falling due within one year	7	<u>(1,578,425)</u>	<u>(1,646,816)</u>
Net assets		<u>232,109,275</u>	<u>223,766,470</u>
Capital and reserves			
Called up share capital	8	15,230	15,230
Share premium account		152,300,000	152,300,000
Retained earnings		<u>79,794,045</u>	<u>71,451,240</u>
Total equity		<u>232,109,275</u>	<u>223,766,470</u>

Approved by the Board on 1 October 2020 and signed on its behalf by:



A.P. Phipkin

Director

The notes on pages 10 to 15 form an integral part of these financial statements.

Omnicom Pacific Finance Limited

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

	Share capital AUD	Share premium AUD	Retained earnings AUD	Total AUD
At 1 January 2019	15,230	152,300,000	71,451,240	223,766,470
Profit for the year	-	-	8,342,805	8,342,805
Total comprehensive income	-	-	8,342,805	8,342,805
At 31 December 2019	15,230	152,300,000	79,794,045	232,109,275

	Share capital AUD	Share premium AUD	Retained earnings AUD	Total AUD
At 1 January 2018	15,230	152,300,000	62,836,166	215,151,396
Profit for the year	-	-	8,615,074	8,615,074
Total comprehensive income	-	-	8,615,074	8,615,074
At 31 December 2018	15,230	152,300,000	71,451,240	223,766,470

The notes on pages 10 to 15 form an integral part of these financial statements.

Omnicom Pacific Finance 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 and domiciled in England & Wales.

The financial statements are presented in Australian Dollars, the Company's functional currency.

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.

Omnicom Pacific Finance Limited

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

Going concern

The Company has net current assets of AUD 232,109,275 at 31 December 2019 (2018: AUD 223,766,470). The financial statements have been prepared on a going concern basis which the directors consider to be appropriate as the directors consider that the Company will have access to sufficient funding to meet its needs for the reasons set out below.

The Company participates in a cash concentration arrangement with its fellow subsidiary, Omnicom Finance Limited, the group's UK treasury operation, under which bank balances are cleared to zero on a daily basis either by the Company depositing cash with Omnicom Finance Limited or by Omnicom Finance Limited depositing cash with the Company. 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.

The directors of the Company 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. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Accordingly, the directors have prepared the financial statements as a going concern.

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.

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.

Omnicom Pacific Finance Limited

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

Tax

Tax is recognised in the profit or loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity other comprehensive income.

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

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.

2 Auditor's remuneration

	2019 AUD	2018 AUD
Audit of the financial statements	<u>6,696</u>	<u>6,062</u>

3 Directors' remuneration

The directors are not remunerated specifically for their services to the Company.

4 Other interest receivable and similar income

	2019 AUD	2018 AUD
Receivable from group undertakings	<u>10,306,455</u>	<u>10,641,956</u>

Omnicom Pacific Finance Limited

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

5 Taxation

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

	2019 AUD	2018 AUD
Current taxation		
Current tax on income for the period	<u>1,956,954</u>	<u>2,020,820</u>

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

The differences are reconciled below:

	2019 AUD	2018 AUD
Profit before tax	<u>10,299,759</u>	<u>10,635,894</u>
Corporation tax at standard rate	<u>1,956,954</u>	<u>2,020,820</u>
Total tax charge	<u>1,956,954</u>	<u>2,020,820</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.

6 Debtors

	2019 AUD	2018 AUD
Amounts owed by group undertakings - trading balances	73,470,047	65,526,491
Amounts owed by group undertakings - loans and advances	159,296,549	158,965,691
Other debtors	<u>921,104</u>	<u>921,104</u>
	<u>233,687,700</u>	<u>225,413,286</u>

The company participates in a cash concentration arrangement with its' fellow subsidiary Omnicom Finance Limited, the UK's group treasury operation, under which bank balances are cleared to zero on a daily basis either by the Company depositing cash with Omnicom Finance Limited or by Omnicom Finance Limited depositing cash with the company. Included in 'Amounts owed by group undertakings - trading balances' is AUD73,470,047 (2018: AUD65,526,491) representing cash owed to the company under these arrangements.

Omnicom Pacific Finance Limited

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

7 Creditors

	2019 AUD	2018 AUD
Due within one year		
Amounts owed to group undertakings - trading balances	15,726	6,793
Taxation and social security	1,554,129	1,622,422
Accruals and deferred income	8,570	17,601
	<u>1,578,425</u>	<u>1,646,816</u>

8 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	AUD	No.	AUD
Ordinary shares of AUD1 each	15,230	15,230	15,230	15,230

9 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.

10 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.

No other group accounts include the results of the Company.

Omnicom Pacific Finance Limited

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

11 Post balance sheet events

The COVID-19 pandemic has developed rapidly in 2020. Measures taken by the government to contain the virus have affected economic activity and the groups business in various ways. Whilst the group has a diversified client base to minimise the impact to revenue, the pandemic could have a material adverse effect on the business, results of operation and financial position. The exact impact on the Company's activities in the remainder of 2020 and thereafter cannot be predicted.

No significant adjusting events have occurred between balance date and the date of authorisation.