

Company Registration No. 07887439
(England and Wales)

Pulse Creative London Limited
Annual report and financial statements
for the year ended 31 December 2022

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Pulse Creative London Limited

Annual report and financial statements for the 12 month period ended 31 December 2022

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Pulse Creative London Limited

Annual report and financial statements for the year ended 31 December 2022

Officers and professional advisers

Directors

M D Peters
D Graham

Registered Office

17 Gresse Street
London
W1T 1QL

Solicitors

Osborne Clarke

Pulse Creative London Limited

Notes to the financial statements

For the year ended 31 December 2022

The directors present their annual report and non-audited financial statements for the year ended 31 December 2022. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption under S415A.

Principal activities and review of the business

The Company has been used as a billing entity only during the year ended 31 December 2022, in respect of one the key clients of the Company's parent company The & Partners Group Limited. As such, no gross profit or net profit has been generated during the year. Turnover for the Company was £7.820m (31 December 2021 £7.294m).

Results and dividends

The results for the period are set out on page 5.

The company paid a dividend during the period of £nil (31 December 2021: £300,000). No dividends were declared or paid post period end.

Directors

The following directors held office throughout the period:

M D Peters
D Graham

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Principal risks and uncertainty

The principal risks facing the Company in common with other similar agencies, remain the loss of key clients, the retention of key personnel in a competitive marketplace, the potential inflationary pressures and the impact on currency fluctuations. The directors continue to put concerted effort into maintaining strong and close relationships with clients and with staff servicing those clients.

Financial risk management

The financial instruments comprise primarily of cash, trade payables and trade receivables. The Company's operations are cash generative and as such the Company has no borrowings and therefore no material exposure to interest rate risk.

The Company's principal financial assets are bank balances and cash, trade and other receivables, which represents the maximum exposure to credit risk in relation to financial assets. The principal credit risk is attributable to trade receivables. In order to mitigate this risk, the Company operates strict credit control procedures and restricts trading relationships to primarily blue-chip clients. The credit risk on cash balances is limited because the counterparties are banks with high credit ratings. The directors seek to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Pulse Creative London Limited

Directors' report (continued)

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company.

Approved by the Board of Directors and signed on behalf of the Board on 18 SEPTEMBER 23



D Graham
Director

Pulse Creative London Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Pulse Creative London Limited

Income statement

For the year ended 31 December 2022

		Year ended 31 December 2022 £000 Total	Year ended 31 December 2021 £000 Total
	Note		
Revenue	4	7,820	7,294
Cost of sales		(7,820)	(7,294)
Gross profit		-	-
Administrative expenses		-	-
Operating profit		-	-
Profit before taxation		-	-
Tax	6	-	-
Profit for the financial period attributable to owners of the Company		-	-

Revenue and operating profit are all derived from continuing operations.

Pulse Creative London Limited

Statement of comprehensive income

For the year ended 31 December 2022

	Year ended 31 December 2022 £000	Year ended 31 December 2021 £000
Profit for the period	-	-
Other comprehensive income for the period net of tax	-	-
Total comprehensive income for the period attributable to the owners of the Company	-	-

Pulse Creative London Limited

Balance sheet

As at 31 December 2022

	Note	31 December 2022 £000	31 December 2021 £000
Current assets			
Work in progress	9	-	718
Trade and other receivables	8	2,632	2,200
Cash and bank balances		245	1,250
		<u>2,877</u>	<u>4,168</u>
Total assets		<u>2,877</u>	<u>4,168</u>
Current liabilities			
Trade and other payables	10	(2,608)	(4,114)
Current tax liabilities		(215)	-
		<u>(2,823)</u>	<u>(4,114)</u>
Net current assets		<u>54</u>	<u>54</u>
Total assets less current liabilities		<u>54</u>	<u>54</u>
Non-current liabilities		<u>-</u>	<u>-</u>
Total liabilities		<u>(2,823)</u>	<u>(4,114)</u>
Net assets		<u>54</u>	<u>54</u>
Equity			
Share capital	11	-	-
Retained earnings	12	54	54
Equity attributable to owners of the Company		<u>54</u>	<u>54</u>

For the year ending 31 December 2022 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 period 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.

The financial statements of Pulse Creative London Limited (registered number 07887439) were approved by the board of directors and authorised for issue on 18 SEPTEMBER 2023. They were signed on its behalf by:



Director
D Graham

Pulse Creative London Limited

Statement of changes in equity

For the year ended 31 December 2022

	Note	Share capital £000	Retained earnings £000	Total £000
Balance at 31 December 2020		-	354	354
Profit for the period		-	-	-
Other comprehensive income for the period		-	-	-
Total comprehensive income for the period		-	-	-
Dividends	12	-	(300)	(300)
Balance at 31 December 2021		-	54	54
Profit for the period		-	-	-
Other comprehensive income for the period		-	-	-
Total comprehensive income for the period		-	-	-
Dividends	12	-	-	-
Balance at 31 December 2022		-	54	54

No dividends were declared or paid post year end.

Pulse Creative London Limited

Notes to the financial statements **For the year ended 31 December 2022**

1. General information

Pulse Creative London Limited (the Company) is a Company incorporated in the United Kingdom under the Companies Act 2006.

The Company is a private Company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The nature of the Company's operations and its principal activities are set out in the directors' report.

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

These financial statements are separate financial statements. The group accounts of The & Partners Group Limited are available to the public and can be obtained as set out in the notes. The registered office address of the parent Company preparing consolidated accounts is 17 Gresse Street, London, WLT 1QL.

The Company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC) incorporating the Amendments to FRS 101 issued by the FRC in July 2015 and the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 prior to their mandatory effective date of accounting periods beginning on or after 1 October 2018.

2. Significant accounting policies

Basis of accounting

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payment, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions.

Where relevant, equivalent disclosures have been given in the group accounts of CHI Partners Holdings Limited.

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

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

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements

Pulse Creative London Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

2. Significant accounting policies (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- revenue from time and material contracts is recognised at the contractual rates as labour hours are delivered and direct expenses incurred.

Foreign currencies

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Operating profit

Operating profit is stated before investment income and finance costs.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Pulse Creative London Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

2. Significant accounting policies (continued)

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Work in progress

Work in progress is valued at the lower of cost and net realisable value and represents production costs which have not yet been recharged to clients.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Pulse Creative London Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the company's accounting policies

No critical judgements exist apart from those used in the key sources of estimation uncertainty below.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Work in progress

Work in progress represents production costs which have not yet been recharged to clients. When work in progress has a debit balance, this represents costs incurred on behalf of clients that will be receivable on completion of the contract to which the costs relate. These costs are estimated by project managers and are accrued as incurred. Project managers utilise the best information available to generate the estimations of costs, with actual costs being recorded as soon as invoiced by the supplier.

4. Revenue

An analysis of the Company's revenue is as follows:

	Year ended 31 December 2022 £000	Year ended 31 December 2021 £000
Continuing operations		
Rendering of services	7,820	7,294
	<u>7,820</u>	<u>7,294</u>

All revenue is earned from one geographical market.

5. Staff costs

The company has no employees (2021: none) as all staff are employed by other companies who recharge the relevant staff costs to Pulse Creative London Limited.

Pulse Creative London Limited

Notes to the financial statements (continued) For the year ended 31 December 2022

6. Tax

	Year ended 31 December 2022 £000	Year ended 31 December 2021 £000
Corporation tax:		
UK corporation tax	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

Corporation tax is calculated at 19% (31 December 2021: 19%) of the estimated taxable profit for the period. In the March 2021 budget, the government announced that the standard rate of corporation tax in the UK for the year starting 1 April 2023 would increase to 25%.

The charge for the period can be reconciled to the profit in the income statement as follows:

	Year ended 31 December 2022 £000	Year ended 31 December 2021 £000
Profit before tax	-	-
Tax at the UK corporation tax rate of 19% (2021: 19%)	-	-
Tax effect of expenses that are not deductible in determining taxable profit	-	-
Tax expense for the period	<u>-</u>	<u>-</u>

7. Dividends

	Year ended 31 December 2022 £000	Year ended 31 December 2021 £000
Amounts recognised as distributions to equity holders in the period	-	300

No dividends were declared or paid post year end.

Pulse Creative London Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

8. Trade and other receivables

	31 December 2022 £000	31 December 2021 £000
Amounts falling due within one year:		
Amount receivable for the services rendered	1,252	700
Other receivables	1,380	1,500
	<hr/>	<hr/>
Included in current assets	2,632	2,200
Total trade and other receivables	<hr/> 2,632 <hr/>	<hr/> 2,200 <hr/>

9. Work in progress

	31 December 2022 £000	31 December 2021 £000
Work-in-progress	-	718
	<hr/>	<hr/>
	-	718
	<hr/>	<hr/>

10. Trade and other payables

	31 December 2022 £000	31 December 2021 £000
Trade payables	1,233	4,114
Other payables	1,375	-
	<hr/>	<hr/>
Amounts falling due within one year:	<hr/> 2,608 <hr/>	<hr/> 4,114 <hr/>

Pulse Creative London Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

11. Share capital

	31 December 2022 £	31 December 2021 £
Authorised:		
1 ordinary shares of £1 each	1	1
Issued and fully paid:		
1 ordinary shares of £1 each	1	1

The Company has one class of ordinary shares which carry no right to fixed income.

12. Retained earnings

	£000
Balance at 1 December 2020	354
Dividends paid	(300)
Net profit for the period	-
Balance at 31 December 2021	54
Dividends paid	-
Net profit for the year	-
Balance at 31 December 2021	54

13. Related party transactions

Pulse Creative London Limited is a wholly-owned subsidiary of The & Partners Group Limited, the consolidated financial statements of which are publicly available. Consequently, the company is exempt from disclosing transactions with companies that are 100% owned within the Group.

Directors' and key management remuneration

None of the directors received any remuneration for their services to the company (31 December 2021: £nil). Directors are considered to represent key management.

Pulse Creative London Limited

Notes to the financial statements (continued)

For the year ended 31 December 2022

14. Controlling party

Pulse Creative London Limited is a subsidiary of The & Partners Group Limited, which itself is a subsidiary of CHI Partners Holdings Limited, the head of the smallest group of which the results of the Company are consolidated. Copies of those financial statements are available from the registered address of the company and CHI Partners Holdings Limited, 17 Gresse Street, London WLT 1QL.

CHI Partners Holdings Limited is privately owned is incorporated in the United Kingdom, registered in England and Wales.

Cavendish Square Holdings BV, an immediate subsidiary of WPP plc, a company incorporated in Jersey whose address is Queensway House, Hilgrove Street, St Helier, Jersey JE1 1ES, owns 49.9% of the issued share capital of The & Partners Group Limited and 42.4% of CHI Partners Holdings Limited, the head of the largest group of which the results are consolidated.

Through these shareholdings, WPP plc owns an effective 71.1% of The & Partners Group, and is considered the Ultimate Holding Company from an accounting perspective. However, as these are two minority shareholdings, shareholders of CHI Partners Holdings still control CHI Partners Holdings (and thus The & Partners Group) and therefore they hold the key strategic decision making power to control the Company on a day to day basis.

15. Non-adjusting events after the balance sheet date

There were no non-adjusting events after the balance sheet date.