

Company Registration No. 09487040 (England and Wales)

ADCITY UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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ADCITY UK LIMITED

COMPANY INFORMATION

Directors	P F Woodhouse J I Alonso
Secretary	A J Ross
Company number	09487040
Registered office	Havas House Hermitage Court Hermitage Lane Maidstone Kent UK ME16 9NT
Auditor	Constantin 25 Hosier Lane London UK EC1A 9LQ

ADCITY UK LIMITED

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ADCITY UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and the audited financial statements for the year ended 31 December 2016. The directors' report has been prepared in accordance with section 415A of the Companies Act 2006 and the provisions applicable to companies entitled to the small companies exemption.

Principal activities

The company commenced trading in late 2015 as a cross-channel, data-driven solution offering unique local marketing expertise to impact clients' business.

In May 2016 the company incorporated a subsidiary in Singapore, Adcity Media Asia Pte. Ltd.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P F Woodhouse
J I Alonso

Results and dividends

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

No ordinary dividends were paid during the year. The directors recommend the payment of a final dividend of £41,000 in respect of the year ended 31 December 2016.

Auditor

The auditor, Constantin, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

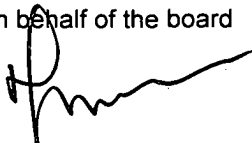
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with section 418 of the Companies Act 2006.

Strategic report

The company is a member of an ineligible group within Part 15 of the Companies Act 2006, and is not required to prepare a strategic report in accordance with section 414B(b) of the Act.

On behalf of the board



P F Woodhouse
Director

25 September 2017

ADCITY UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

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). 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

ADCITY UK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ADCITY UK LIMITED

We have audited the financial statements of Adcity UK Limited for the year ended 31 December 2016 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.


ADCITY UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ADCITY UK LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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 company is not entitled to claim exemption in preparing a strategic report due to it being a member of an ineligible group.



Peter Smith FCA (Senior Statutory Auditor)
for and on behalf of Constantin

25 September 2017.
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Chartered Accountants
Statutory Auditor

25 Hosier Lane
London
UK
EC1A 9LQ

ADCITY UK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2016

		Year ended 31 December 2016 £000	5 month period ended 31 December 2015 £000
	Notes		
Turnover	3	1,501	626
Cost of sales		(1,186)	(532)
Gross profit		<u>315</u>	<u>94</u>
Administrative expenses		(62)	(119)
Profit/(loss) before taxation		<u>253</u>	<u>(25)</u>
Taxation	6	(51)	5
Profit/(loss) for the financial year	12	<u><u>202</u></u>	<u><u>(20)</u></u>

ADCITY UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 £000	2015 £000
Profit/(loss) for the year	202	(20)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>202</u>	<u>(20)</u>

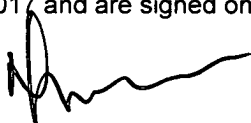
ADCITY UK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £000	£000	2015 £000	£000
Fixed assets					
Investments	7		174		-
Current assets					
Debtors	9	560		535	
Cash at bank and in hand		132		-	
		<u>692</u>		<u>535</u>	
Creditors: amounts falling due within one year	10	<u>(509)</u>		<u>(555)</u>	
Net current assets/(liabilities)			183		(20)
Total assets less current liabilities			<u>357</u>		<u>(20)</u>
Capital and reserves					
Called up share capital	11		175		-
Profit and loss reserves	12		182		(20)
Total equity			<u>357</u>		<u>(20)</u>

The financial statements were approved by the board of directors and authorised for issue on 25 September 2017 and are signed on its behalf by:



P F Woodhouse
Director

Company Registration No. 09487040

ADCITY UK LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

		Share capital	Profit and loss reserves	Total
	Notes	£000	£000	£000
		<hr/>	<hr/>	<hr/>
Period ended 31 December 2015:				
Loss and total comprehensive income for the year		-	(20)	(20)
		<hr/>	<hr/>	<hr/>
Balance at 31 December 2015		-	(20)	(20)
		<hr/>	<hr/>	<hr/>
Period ended 31 December 2016:				
Profit and total comprehensive income for the period		-	202	202
Issue of share capital	11	175	-	175
		<hr/>	<hr/>	<hr/>
Balance at 31 December 2016		175	182	357
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

ADCITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Adcity UK Limited is a company limited by shares incorporated in England and Wales. The registered office is Havas House, Hermitage Court, Hermitage Lane, Maidstone, Kent, UK, ME16 9NT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a "qualifying company" for the purposes of FRS 102 and has taken advantage of the disclosure exemption relating to the provision of a cash flow statement in accordance with FRS 102 paragraph 1.12 (b).

The company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group. The company is a wholly owned subsidiary of Havas S.A., which is incorporated in France. The results of the company are included in the consolidated financial statements of Havas S.A. which are available from Havas S.A., 29/30 quai de Dion Bouton, F92817 Puteaux Cedex, France, and from the Havas website at www.havas.com/finance.

In accordance with FRS 102 paragraph 33.1A, transactions entered into by the company and other wholly owned members of the Havas S.A. group are not disclosed within the notes to the financial statements.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.3 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

1.4 Cash and cash equivalents

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

ADCITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs. At subsequent reporting periods, the basic financial assets receivable within one year are measured at the undiscounted amount of the cash or other consideration that the company expects to receive.

Basic financial assets that constitute financing transactions, in accordance with FRS 102 paragraph 11.13, are measured at the present value of the future receipts discounted at a market rate of interest.

Basic financial assets that meet the conditions in FRS 102 paragraph 11.8 (b) are initially recognised at the transaction price and are subsequently measured at amortised cost using the effective interest method.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, and loans from fellow group companies that are payable within one year or less, other than those that constitute a financing transaction in accordance with FRS 102 paragraph 11.13, are initially recognised at the transaction price and, except for those financial liabilities that meet the conditions in FRS 102 paragraph 11.8 (b), are subsequently measured at the undiscounted amount of the cash or other consideration that the company expects to pay.

Basic financial liabilities that constitute a financing transaction in accordance with FRS 102 paragraph 11.13 are measured at the present value of the future disbursements discounted at a market rate of interest.

Basic financial liabilities that meet the conditions in FRS 102 paragraph 11.8 (b) are initially recognised at the transaction price and are subsequently measured at amortised cost using the effective interest method.

1.6 Taxation

Current tax

Current tax, including UK corporation tax and foreign tax, is provided at the amounts expected to be paid (or recovered) using the tax rates that have been enacted or substantively enacted at the balance sheet date.

ADCITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Deferred tax

Deferred taxation is recognised in respect of the cumulative timing differences that have originated but not reversed at the balance sheet date where transactions or events that will result in an obligation to pay more, or a right to pay less, or to receive more, tax, have occurred at that date. Timing differences are differences between the company's taxable profit and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets, including unrelieved tax losses carried forward, are recognised only to the extent that the directors consider that on the balance of the available evidence, it is more likely than not that there will be sufficient taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

1.7 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rates of exchange prevailing at the balance sheet date. Gains and losses arising on translation differences are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

Turnover analysed by geographical market

	Year ended 31 December 2016 £000	5 month period ended 31 December 2015 £000
Europe	1,292	626
United Kingdom	209	-
	<u>1,501</u>	<u>626</u>

ADCITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

4 Operating profit/(loss)

	Year ended 31 December 2016 £000	5 month period ended 31 December 2015 £000
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange gains	(69)	-
Fees payable to the company's auditor for the audit of the company's financial statements	10	-
	<u> </u>	<u> </u>

5 Employees

The company had no employees during 2016 or in the preceding period ended 31 December 2015.

The directors were employed and remunerated by fellow group companies throughout 2016 and during the preceding period.

6 Taxation

	Year ended 31 December 2016 £000	5 month period ended 31 December 2015 £000
Current tax		
UK corporation tax on profits for the current period	49	(5)
Adjustments in respect of prior periods	2	-
	<u> </u>	<u> </u>
Total current tax	51	(5)
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	2	-
Adjustment in respect of prior periods	(2)	-
	<u> </u>	<u> </u>
Total deferred tax	-	-
	<u> </u>	<u> </u>
Total tax charge	51	(5)
	<u> </u>	<u> </u>

ADCITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

6 Taxation

(Continued)

The charge/(credit) for the year can be reconciled to the profit/(loss) per the profit and loss account as follows:

	2016 £000	2015 £000
Profit/(loss) before taxation	253	(25)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%)	51	(5)
Tax charge/(credit) for the year	51	(5)

7 Fixed asset investments

	Notes	2016 £000	2015 £000
Investments in subsidiaries	8	174	-

Movements in fixed asset investments

	Shares in group undertakings £000
Cost or valuation	
At 1 January 2016	-
Additions	174
At 31 December 2016	174
Carrying amount	
At 31 December 2016	174
At 31 December 2015	-

8 Subsidiaries

Details of the company's subsidiaries at 31 December 2016 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held Direct Indirect
Adcity Media Asia Pte. Ltd. Singapore	Media buyer	Ordinary shares	100.00

ADCITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

9 Debtors

	2016	2015
	£000	£000
Amounts falling due within one year:		
Trade debtors	211	388
Corporation tax recoverable	-	5
Amounts due from fellow group undertakings	246	-
Prepayments and accrued income	103	142
	<u>560</u>	<u>535</u>

The financial assets held at amortised cost at 31 December 2016 amount to £457,000 (2015 : £388,000).

10 Creditors: amounts falling due within one year

	2016	2015
	£000	£000
Loans and overdrafts	-	86
Amounts due to fellow group undertakings	147	-
Corporation tax	32	-
Accruals and deferred income	330	469
	<u>509</u>	<u>555</u>

The financial liabilities held at amortised cost at 31 December 2016 amount to £147,000 (2015 - £nil).

11 Share capital

	2016	2015
	£000	£000
Ordinary share capital		
Authorised, issued and fully paid		
175,000 ordinary share of £1 each	<u>175</u>	<u>-</u>
Issued and fully paid		
175,000 ordinary share of £1 each	<u>175</u>	<u>-</u>

All shares rank pari passu in all respects.

ADCITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

11 Share capital

(Continued)

Reconciliation of movements during the year:

	Ordinary Number
At 1 January 2016	1
Issue of fully paid shares	174,999
At 31 December 2016	<u>175,000</u>

174,999 ordinary shares of £1 each par value were issued to the parent company Havas UK Limited in April 2016. The shares were allotted in full and paid for in cash.

12 Profit and loss reserves

	2016 £000	2015 £000
At the beginning of the year	(20)	-
Profit/(loss) for the year	202	(20)
At the end of the year	<u>182</u>	<u>(20)</u>

13 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	2016 £000	2015 £000
Other related parties	<u>61</u>	<u>-</u>

The following amounts were outstanding at the reporting end date:

	2016 Balance £000
Amounts owed by related parties	
Other related parties	<u>61</u>

There were no amounts owed in the previous period.

ADCITY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

14 Controlling party

The company's immediate parent company and controlling party is Havas UK Limited, which is incorporated in the United Kingdom and registered in England & Wales. The company's ultimate parent company and controlling party is Havas S.A., which is incorporated in France.

The smallest and largest group in which the results of the company are consolidated is that headed by Havas S.A., whose financial statements are available in English and in French from Havas S.A., 29/30 quai de Dion Bouton, F92817 Puteaux Cedex, France, and from the Havas website at www.havas.com/finance.