

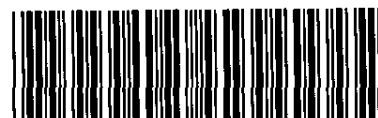
Registration number: 1811431

Cosine UK Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2021

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Cosine UK Limited

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Cosine UK Limited

Strategic Report for the year ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

The purpose of this strategic report is to inform members of the company and help them assess how the directors have performed their duty under section 172 of the Companies Act 2006 (duty to promote the success of the company).

Fair review of the business

Whilst our business prospects are directly linked to our clients, our strategy of identifying marketplace trends is serving us well and our ability to develop and enhance capabilities that support changing client needs has led to limited disruptions in our operations with a decrease in our Income due to Covid-19.

We will continue to focus on the digitisation of our processes, products and services to ensure that we are able to provide more cost-effective solutions for our clients moving forward.

Aligned with our Investment in our Client Audit Process, this ensures we gain valuable insights into customer requirements, allowing us to focus on key deliverables and demonstrate ROI.

The key indicators that we focus on are turnover, gross profit, operating profit and the operating margin of the business. Following the global pandemic, our turnover has decreased by £2,593,716 but operating profit has increased by £758,935 due to implementing cost efficiencies within the business.

We measure operating expenses in two distinct cost categories: staff costs and office and administrative expenses. Staff costs are primarily comprised of salaries, social security and employer pension contributions. Office and administrative expenses are primarily comprised of rent and occupancy costs, technology related costs and depreciation.

As a service business, costs are monitored on a percentage of revenue basis. Details regarding these costs are provided in notes 3 and 5 of these accounts.

Whilst we have experienced a decrease in Turnover, the management are satisfied with the performance in a year focused on making the agency stronger and more agile to cope with an increasingly competitive and turbulent market.

Our Balance Sheet continues to be strong, recognizing the value of investments we have made to grow the Group. Our net assets have increased to £1,715,541 (2020: £947,232).

Given this and the strength of our relationships with the Omnicom Group, we are confident in the company's financial position and future.

The key financial indicators are as follows:

	Unit	2021	2020
Turnover	£	7,493,436	10,087,152
Operating Profit	£	957,947	199,012

Cosine UK Limited

Strategic Report for the year ended 31 December 2021

People

We communicate regularly and transparently so our people understand the decisions we are making to support them and our clients.

We continue to provide additional resources and guidance to support people development and motivate our people to enable them to reach their full potential by harnessing their talent, creativity and diversity.

We are committed to being a place where people love to work.

Suppliers

In partnership with our suppliers we look to improve quality, innovation and sustainability throughout our supply chain.

Community

In the local community, we provide good employment opportunities, supporting local and national charities and initiating community initiatives.

Principal risks and uncertainties

We believe that our business prospects continue to be good but remain dependent on a stable UK and global economy. We have a diverse client portfolio mix which continues to mitigate risk in the macro-economic environment and continue to review the impact on the business as economic conditions change.

The industry in which we operate is highly competitive. Key competitive considerations for keeping existing business and winning new business include our ability to develop flexible, cost effective creative solutions that meet client needs, the quality and effectiveness of the services we offer, and our ability to efficiently serve clients. While many of our client relationships are long-standing, a good number of these are in fast moving industries, which drive such clients to regularly review the scope and level of services which we provide. Providing an outstanding service to our clients and investing in market leading digital solutions continues to help us mitigate this risk.

Our ability to retain key personnel is also a risk for the business. Our employees are our most important assets and our ability to retain key personnel is a key aspect of our competitiveness. Our continued focus on digitisation of our processes and the development of digital products serves to reduce our heavy reliance on people in the future.

We have seen a bounce back in demand and have fully re-opened our office in the second half of the year as Covid-19 restrictions lifted. We continue to monitor cases and remain ready to adapt and respond to any future outbreaks.

Approved and authorised by the Board on 25 August 2022 and signed on its behalf by:


.....
M.C Ridler
Director

Cosine UK Limited

Directors' Report for the year ended 31 December 2021

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

Principal activity

The principal activity of the company is the provision of field marketing services.

Dividends

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2021 (2020: £nil).

Directors of the company

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

S.J. Mounty (ceased 22 January 2021)

J.M.W. Betts

P.E. Vaughan (ceased 22 February 2022)

The following directors were appointed after the year end:

L. Butler (appointed 18 February 2022)

K. Knight (appointed 18 February 2022)

M.C Ridler (appointed 18 February 2022)

Political and charitable donations

During the year the Company made political donations of £nil (2020: £nil). Donations to charity amounted to £nil (2020: £nil).

Employment of disabled persons

The Company's policy in respect of disabled people is to offer them suitable positions where possible, and to help any employees who became disabled by making, where possible, reasonable adjustments to their employment or working conditions which they consider would assist them in the performance of their duties.

Going concern

At the end of the year the Company had net current assets of £1,715,491 (2020: net current assets of £947,182). 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.

Approved and authorised by the Board on 25 August 2022 and signed on its behalf by:

M.C. Ridler

M.C. Ridler - Aug 25, 2022 16:29 GMT+1

.....
M.C Ridler
Director

Bankside 3
90 - 100 Southwark Street
London
SE1 0SW

Cosine UK Limited

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

The directors acknowledge their responsibilities for preparing the Strategic Report, 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.

Cosine UK Limited

Profit and Loss Account for the year ended 31 December 2021

	Note	2021 £	2020 £
Turnover	2	7,493,436	10,087,152
Direct costs		<u>(4,142,755)</u>	<u>(6,293,316)</u>
Gross profit		3,350,681	3,793,836
Administrative expenses		(2,392,734)	(3,603,351)
Other operating income		<u>-</u>	<u>8,527</u>
Operating profit	3	<u>957,947</u>	<u>199,012</u>
Profit before tax on ordinary activities		957,947	199,012
Taxation	6	<u>(189,638)</u>	<u>(62,117)</u>
Profit for the financial year		<u><u>768,309</u></u>	<u><u>136,895</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.

The notes on pages 8 to 16 form an integral part of these financial statements.

Cosine UK Limited

**(Registration number: 1811431)
Balance Sheet as at 31 December 2021**

	Note	2021 £	2020 £
Fixed assets			
Investments	7	50	50
Current assets			
Debtors (Including £nil (2020: £7,459) due after more than one year)	8	4,943,361	6,145,275
Creditors: Amounts falling due within one year	9	<u>(3,227,870)</u>	<u>(5,198,093)</u>
Net current assets		<u>1,715,491</u>	<u>947,182</u>
Net assets		<u>1,715,541</u>	<u>947,232</u>
Capital and reserves			
Called up share capital	10	12,500	12,500
Retained earnings		<u>1,703,041</u>	<u>934,732</u>
Total equity		<u>1,715,541</u>	<u>947,232</u>

For the year ending 31 December 2021 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 25 August 2022 and signed on its behalf by:

M.C. Ridler
25 August 2022

M.C Ridler
Director

Cosine UK Limited

Statement of Changes in Equity for the year ended 31 December 2021

	Share capital £	Retained earnings £	Total £
At 1 January 2021	12,500	934,732	947,232
Profit for the year	-	768,309	768,309
Total comprehensive income	-	768,309	768,309
At 31 December 2021	12,500	1,703,041	1,715,541
	Share capital £	Retained earnings £	Total £
At 1 January 2020	12,500	797,837	810,337
Profit for the year	-	136,895	136,895
Total comprehensive income	-	136,895	136,895
At 31 December 2020	12,500	934,732	947,232

The notes on pages 8 to 16 form an integral part of these financial statements.

Cosine UK Limited

Notes to the Financial Statements for the year ended 31 December 2021

1 Accounting policies

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.

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.

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.

Cosine UK Limited

Notes to the Financial Statements for the year ended 31 December 2021

Going concern

The Company has net current assets of £1,715,491 at 31 December 2021 (2020: net current assets £947,182). 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 subsidiaries, Omnicom Finance Limited/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 Financial Limited/Omnicom Financial Services or by Omnicom Financial Limited/Omnicom Financial Services 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 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 that it will not do so. Accordingly, the directors have prepared the financial statements as a going concern.

Key sources of estimation uncertainty

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

Turnover

Turnover comprises fees and commissions earned in respect of gross billings and direct costs, which meet the Companies Act definition of turnover

The Company recognises revenue when:

- The amount of revenue can be reliably measured;
 - it is probable that future economic benefits will flow to the entity;
- and recognition is in accordance with the terms of arrangements reached with each client.

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.

Cosine UK Limited

Notes to the Financial Statements for the year ended 31 December 2021

Tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and 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 or 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.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Interest in associated undertakings

Associated undertakings are entities in which the Company has a participating interest and over whose operating and financial policy the Company exercises a significant influence.

Defined contribution pension obligation

The company operates a defined contribution pension 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.

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.

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.

Cash and cash equivalents

Cash and cash 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 of value.

Cosine UK Limited

Notes to the Financial Statements for the year ended 31 December 2021

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.

Dividend income is recognised in the profit and loss account on the date the company's right to receive payment is established.

2 Turnover

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

The analysis of the company's turnover for the year from continuing operations for rendering of services is as follows:

	2021	2020
	£	£
UK	7,043,972	9,610,470
Europe	67,347	98,814
Americas	332,508	370,787
Rest of world	49,609	7,081
	<u>7,493,436</u>	<u>10,087,152</u>

3 Operating profit

Arrived at after charging/(crediting)

	2021	2020
	£	£
Foreign exchange gains/losses	<u>-</u>	<u>22</u>

Cosine UK Limited

Notes to the Financial Statements for the year ended 31 December 2021

4 Directors' remuneration

	2021	2020
	£	£
Directors' emoluments	-	130,000
Company contributions to money purchase pension schemes	-	-
	<u>-</u>	<u>130,000</u>

In respect of the highest paid director.

	2021	2020
	£	£
Remuneration	<u>-</u>	<u>161,500</u>

In the current year, the duties performed for Cosine UK Limited as a company by the Directors are minimal and the directors do not consider that they have received any material remuneration for any incidental services to the Company. The directors are also directors of other companies within CPM Group of Companies and are remunerated for their services through CPM United Kingdom Limited.

5 Staff costs

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

	2021	2020
	£	£
Wages and salaries	-	1,383,860
Social security costs	-	164,732
Pension and other post-employment benefit costs	-	93,058
Severance/loss of office	-	82,212
	<u>-</u>	<u>1,723,862</u>

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

	2021	2020
	No.	No.
Other departments	<u>-</u>	<u>44</u>

During 2021 the Company did not employ any staff, services were provided to the Company by employees of other CPM Group Companies. These services were recharged to the Company as appropriate through the intercompany process.

Cosine UK Limited

Notes to the Financial Statements for the year ended 31 December 2021

6 Taxation

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

	2021 £	2020 £
Current taxation		
Current tax on income for the period	173,676	27,073
Adjustments in respect of previous periods	8,505	25,435
	<u>182,181</u>	<u>52,508</u>
Deferred taxation		
Origination and reversal of timing differences	8,334	9,609
Effect of increased/decreased tax rate on opening liability	(877)	-
Total deferred taxation	<u>7,457</u>	<u>9,609</u>
Tax expense in the profit and loss account	<u>189,638</u>	<u>62,117</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2020 - higher than the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Profit before tax	<u>957,947</u>	<u>199,012</u>
Corporation tax at standard rate	182,010	37,812
Effect of expense not deductible in determining taxable profit (tax loss)	-	(1,130)
Deferred tax credit relating to changes in tax rates or laws	(877)	-
Increase in UK and foreign current tax from adjustment for prior periods	8,505	25,435
Total tax charge	<u>189,638</u>	<u>62,117</u>

A UK corporation tax rate of 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly. The deferred tax asset at 31 December 2021 has been calculated at 25% (2020: 19%).

Deferred tax

Deferred tax assets and liabilities

	Asset £
2020	
Difference between depreciation and capital allowances	7,612
Other timing differences	<u>(153)</u>
	<u>7,459</u>

Cosine UK Limited

Notes to the Financial Statements for the year ended 31 December 2021

7 Fixed Asset Investments

	Shares in group undertakings £	Total £
Cost		
At 1 January 2021	50	50
At 31 December 2021	50	50
Carrying amount		
At 31 December 2021	50	50
At 31 December 2020	50	50

Details of the investments in which the company holds 20% or more of the nominal value at any class of share capital are shown in the end of these financial statements.

8 Debtors

	Note	2021 £	2020 £
Trade and other debtors		1,281,250	1,668,610
Amounts owed by group undertakings - trading balances		76,862	139,759
Amounts owed by group undertakings - loans and advances		1,491,957	3,219,432
Other debtors		-	1,896
Deferred tax assets	6	-	7,459
Prepayments and accrued income		2,093,292	1,108,119
		<u>4,943,361</u>	<u>6,145,275</u>

The Company participates in a cash concentration arrangement with its fellow subsidiaries, Omnicom Finance Limited/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 £1,491,957 (2020: £3,219,432) representing cash deposited by the Company under these arrangements.

9 Creditors

	2021 £	2020 £
Due within one year		
Amounts owed to group undertakings - trading balances	1,994,132	1,575,221
Accruals and deferred income	1,233,738	3,622,872
	<u>3,227,870</u>	<u>5,198,093</u>

Cosine UK Limited

Notes to the Financial Statements for the year ended 31 December 2021

10 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>12,500</u>	<u>12,500</u>	<u>12,500</u>	<u>12,500</u>

11 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 £Nil (2020 - £93,058).

12 Related party transactions

Summary of transactions with subsidiaries

At 31 December 2021, 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.

13 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, 280 Park Avenue, New York, NY10017, United States.

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

Cosine UK Limited

Notes to the Financial Statements for the year ended 31 December 2021

14 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
Subsidiary undertakings						
TPN Marketing UK Limited(*)	9185763	England	Ordinary	50%	Market Research and Public Opinion Polling	Bankside 3, 90-100 Southwark Street, London, England, SE1 0SW

(*) Direct subsidiaries of Cosine UK Limited