

Registration number: 04159987

# The Beanstalk Group UK Ltd

Annual Report and Financial Statements

for the Year Ended 31 December 2019

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# **The Beanstalk Group UK Ltd**

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# The Beanstalk Group UK Ltd

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

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

### **Principal activity**

The principal activity of the company in the year under review was brand and trademark licensing and consultancy.

### **Dividends**

On 25 September 2019 the directors paid a dividend in respect of the year ended 31 December 2019 of £750,000 (2018: £1,200,000).

### **Directors of the company**

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

L. Reiner (resigned 31 July 2020)

M. Stone

P D Trueman (resigned 31 March 2019)

J.M.W Betts (appointed 1 April 2019)

The following director was appointed after the year end:

Ms Natalie Lennox (appointed 1 August 2020)

### **Political and charitable donations**

During the 2019 year the company made no political donations (2018: £nil). There were no donations to charity (2018: £nil).

### **Going concern**

At the end of the year the company had net current assets of £747,010 (2018: £581,069). 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 on 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 well-being 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.

#### **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.

## **The Beanstalk Group UK Ltd**

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

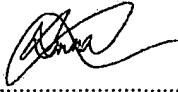
#### **Disclosure of information to the auditor**

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.

#### **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 18 December 2020 and signed on its behalf by:



.....  
Ms Natalie Lennox  
Director

Bankside 3  
90 - 100 Southwark Street  
London  
SE1 0SW

## **The Beanstalk Group UK Ltd**

### **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 The Beanstalk Group UK Ltd**

### **Opinion**

We have audited the financial statements of The Beanstalk Group UK Ltd ("the company") for the year ended 31 December 2019, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, 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 The Beanstalk Group UK Ltd

### 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 the 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](http://www.frc.org.uk/auditorsresponsibilities).

### 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.



.....  
**Kevin Hall (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

18 December 2020

## The Beanstalk Group UK Ltd

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

	Note	2019 £	2018 £
Gross billings	2	3,676,141	3,291,844
Rebillable costs		<u>(82,681)</u>	<u>(139,491)</u>
Turnover		3,593,460	3,152,353
Administrative expenses		<u>(2,531,559)</u>	<u>(2,298,347)</u>
Operating profit	3	1,061,901	854,006
Other interest receivable and similar income	7	14,437	17,294
Interest payable and similar expenses	8	<u>(374)</u>	<u>(576)</u>
Profit before taxation		1,075,964	870,724
Tax on profit	9	<u>(159,010)</u>	<u>(173,896)</u>
Profit for the financial year		<u>916,954</u>	<u>696,828</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 Beanstalk Group UK Ltd**  
**(Registration number: 04159987)**  
**Balance Sheet as at 31 December 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	11	15,749	13,257
<b>Current assets</b>			
Stocks	12	79,063	69,690
Debtors (including £18,271 (2018: £197) due after more than one year)	13	<u>1,612,309</u>	<u>1,319,594</u>
		1,691,372	1,389,284
Creditors: Amounts falling due within one year	14	<u>(919,925)</u>	<u>(808,215)</u>
Net current assets		<u>771,447</u>	<u>581,069</u>
Total assets less current liabilities		787,196	594,326
Creditors: Amounts falling due after more than one year	14	<u>(73,119)</u>	<u>(47,203)</u>
Net assets		<u>714,077</u>	<u>547,123</u>
<b>Capital and reserves</b>			
Called up share capital	15	2	2
Retained earnings		<u>714,075</u>	<u>547,121</u>
Total equity		<u>714,077</u>	<u>547,123</u>

Approved by the Board on 18 December 2020 and signed on its behalf by:



.....  
Ms Natalie Lennox  
Director

**The Beanstalk Group UK Ltd**

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

	<b>Share capital £</b>	<b>Retained earnings £</b>	<b>Total £</b>
At 1 January 2019	2	547,121	547,123
Profit for the year	-	916,954	916,954
Total comprehensive income	-	916,954	916,954
Dividends	-	(750,000)	(750,000)
At 31 December 2019	<u>2</u>	<u>714,075</u>	<u>714,077</u>

	<b>Share capital £</b>	<b>Retained earnings £</b>	<b>Total £</b>
At 1 January 2018	2	1,050,293	1,050,295
Profit for the year	-	696,828	696,828
Total comprehensive income	-	696,828	696,828
Dividends	-	(1,200,000)	(1,200,000)
At 31 December 2018	<u>2</u>	<u>547,121</u>	<u>547,123</u>

The notes on pages 9 to 19 form an integral part of these financial statements.

## The Beanstalk Group UK Ltd

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

#### 1 Accounting policies

##### Statement of compliance

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

##### Basis of preparation

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

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

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

##### 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.

## The Beanstalk Group UK Ltd

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

#### **Going concern**

The Company has net current assets of £747,010 at 31 December 2019 (2018: £581,069). 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 and Omnicom Financial Services Limited, the group's UK treasury operations, under which bank balances are cleared to zero on a daily basis either by the Company depositing cash with Omnicom Finance Limited/Omicom Financial Services Limited or by Omnicom Finance Limited/Omicom Financial Services Limited depositing cash with the Company. The Company's access to borrowings under the cash concentration arrangement is not limited as long as these borrowings are required in the normal course of business and are made in accordance with the Omnicom Group Inc Grant of Authority and includes a period of at least 12 months from the date of approval of these financial statements.

Omicom 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.OmicomGroup.com](http://www.OmicomGroup.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 believe 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.

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

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

#### **Gross Billings**

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

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

#### **Rebillable costs**

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

## The Beanstalk Group UK Ltd

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

#### Turnover

Consequently, turnover comprises fees, and commissions earned in respect of gross billings and direct costs, which meet the Companies Act definition of turnover. Turnover is recognised when services are performed, in accordance with the terms of arrangements reached with each client. Gross billings and turnover are stated exclusive of VAT, sales taxes and trade discounts.

#### 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.

#### Tax

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; 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.

#### Fixed assets and depreciation

Tangible fixed assets are stated at cost/deemed cost less accumulated depreciation and accumulated impairment losses. Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Furniture, fittings and equipment	7 years
Office equipment	3 years

#### 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 in value.

#### Trade and other debtors

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

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

## **The Beanstalk Group UK Ltd**

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

#### **Stocks**

Work in progress is stated at the lower of cost and net realisable value. Cost consists of direct expenses incurred on unbilled work. Net realisable value is based on estimated sales value less further costs to completion. Work in progress consists of amounts spent by the company on behalf of its clients which have not been recharged to clients by the end of the year.

#### **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.

#### **Leases**

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease.

#### **Share capital**

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

#### **Dividends**

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

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

The company operates a defined contribution 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.

## **2 Segmental analysis**

The whole of the company's gross billings, turnover and operating profit for the year related to its principal activity, which was that of a licensing agency, and which was carried out in the United Kingdom.

## The Beanstalk Group UK Ltd

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

#### 3 Operating profit

Arrived at after charging/(crediting)

	2019	2018
	£	£
Depreciation and other amounts written off tangible fixed assets: owned	5,748	5,742
Foreign exchange (gains) / losses	76,257	66,643
Hire of other assets - rentals payable	<u>203,860</u>	<u>197,925</u>

#### 4 Auditor's remuneration

	2019	2018
	£	£
Audit of the financial statements	<u>16,069</u>	<u>16,070</u>

#### 5 Directors' remuneration

	2019	2018
	£	£
Directors' emoluments	248,291	211,021
Company contributions to money purchase pension schemes	8,508	5,238
	<u>256,799</u>	<u>216,259</u>

The figures above represent the remuneration for the only and highest paid director of the company who provides qualifying services.

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

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

## The Beanstalk Group UK Ltd

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

#### 6 Staff costs

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

	2019	2018
	£	£
Wages and salaries	1,522,588	1,401,338
Share related awards	2,182	1,089
Social security costs	180,283	173,849
Pension and other post-employment benefit costs	62,766	40,776
	1,767,819	1,617,052

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

	2019	2018
	No.	No.
Administration and support	1	1
Sales	20	20
	21	21

#### 7 Other interest receivable and similar income

	2019	2018
	£	£
Receivable from group undertakings	14,437	17,294
	14,437	17,294

#### 8 Interest payable and similar expenses

	2019	2018
	£	£
Finance charges payable in respect of finance leases and hire purchase contracts	374	576
	374	576



## The Beanstalk Group UK Ltd

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

#### 9 Taxation

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

	2019 £	2018 £
<b>Current taxation</b>		
Current tax on income for the period	223,715	152,420
Adjustments in respect of previous periods	<u>(46,631)</u>	<u>7,164</u>
	<u>177,084</u>	<u>159,584</u>
<b>Deferred taxation</b>		
Origination and reversal of timing differences	(17,984)	14,312
Effect of increased/decreased tax rate on opening liability	<u>(90)</u>	<u>-</u>
Total deferred taxation	<u>(18,074)</u>	<u>14,312</u>
Tax expense in the profit and loss account	<u><u>159,010</u></u>	<u><u>173,896</u></u>

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

The differences are reconciled below:

	2019 £	2018 £
Profit before tax	<u>1,075,964</u>	<u>870,724</u>
Corporation tax at standard rate	204,433	165,438
Effect of expense not deductible in determining taxable profit (tax loss)	1,298	1,294
Deferred tax expense (credit) relating to changes in tax rates or laws	(90)	-
Increase in UK and foreign current tax from adjustment for prior periods	<u>(46,631)</u>	<u>7,164</u>
Total tax charge	<u><u>159,010</u></u>	<u><u>173,896</u></u>

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016, and the UK deferred tax asset as of 31 December 2019 has been calculated based on this rate.

The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This will increase the company's future current tax charge accordingly and increase the deferred tax asset by £2.150.

## The Beanstalk Group UK Ltd

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

#### Deferred tax

Deferred tax assets and liabilities

	Asset £
<b>2019</b>	
Other timing differences	<u>18,271</u>
<b>2018</b>	
Other timing differences	<u>197</u>

#### 10 Dividends

	2019 £	2018 £
Dividend of £375,000 (2018 - £600,000.00) per ordinary share	<u>750,000</u>	<u>1,200,000</u>

#### 11 Tangible fixed assets

	Furniture, fittings and equipment £	Office equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2019	2,795	26,110	28,905
Additions	<u>-</u>	<u>8,240</u>	<u>8,240</u>
At 31 December 2019	<u>2,795</u>	<u>34,350</u>	<u>37,145</u>
<b>Depreciation</b>			
At 1 January 2019	799	14,849	15,648
Charge for the year	<u>399</u>	<u>5,349</u>	<u>5,748</u>
At 31 December 2019	<u>1,198</u>	<u>20,198</u>	<u>21,396</u>
<b>Carrying amount</b>			
At 31 December 2019	<u>1,597</u>	<u>14,152</u>	<u>15,749</u>
At 31 December 2018	<u>1,996</u>	<u>11,261</u>	<u>13,257</u>

## The Beanstalk Group UK Ltd

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

#### Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2019	2018
	£	£
Office equipment	<u>14,152</u>	<u>11,261</u>

#### 12 Stocks

	2019	2018
	£	£
Work in progress	<u>79,063</u>	<u>69,690</u>

#### 13 Debtors

	Note	2019	2018
		£	£
Trade and other debtors		5,198	49,428
Amounts owed by group undertakings - trading balances		437,576	363,936
Amounts owed by group undertakings - loans and advances		1,098,442	868,815
Other debtors		21,180	14,650
Deferred tax assets (due after more than one year)	9	18,271	197
Prepayments and accrued income		<u>31,642</u>	<u>22,568</u>
		<u>1,612,309</u>	<u>1,319,594</u>

The company participates in a cash concentration arrangement with its fellow subsidiaries, Omnicom Finance Limited and Omnicom Financial Services Limited, the Omnicom Europe Limited group's UK treasury operations, under which bank balances are cleared to zero on a daily basis either by the company depositing cash with Omnicom Finance Limited/Omicom Financial Services Limited or by Omnicom Finance Limited/Omicom Financial Services Limited depositing cash with the company. Included in Amounts owed by group undertakings - loans and advances is £1,098,442 (2018: £868,815) representing cash deposited by the company under these arrangements.

## The Beanstalk Group UK Ltd

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

#### 14 Creditors

	2019 £	2018 £
<b>Due within one year</b>		
Obligations under finance lease and hire purchase contracts	6,239	4,918
Trade and other creditors	46,929	43,246
Amounts owed to group undertakings - trading balances	-	10,903
Amounts owed to group undertakings - loans and advances	8,722	-
Taxation and social security	27,036	17,287
Accruals and deferred income	830,999	731,861
	919,925	808,215
<b>Due after one year</b>		
Obligations under finance lease and hire purchase contracts	8,218	6,739
Other creditors	64,901	40,464
	73,119	47,203

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#### 15 Share capital

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

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	2	2	2	2

#### 16 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 £62,766 (2018 - £40,776).

#### 17 Commitments

##### Operating leases

The Company's principal premises are leased from a fellow group company on terms with no future minimum lease payments.

## **The Beanstalk Group UK Ltd**

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

#### **18 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.

#### **19 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 office, 437 Madison Avenue, New York, NY10022, USA.

No other group accounts include the results of the Company.

#### **20 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.

There were no significant post balance sheet events which required adjustment to the financial statements.