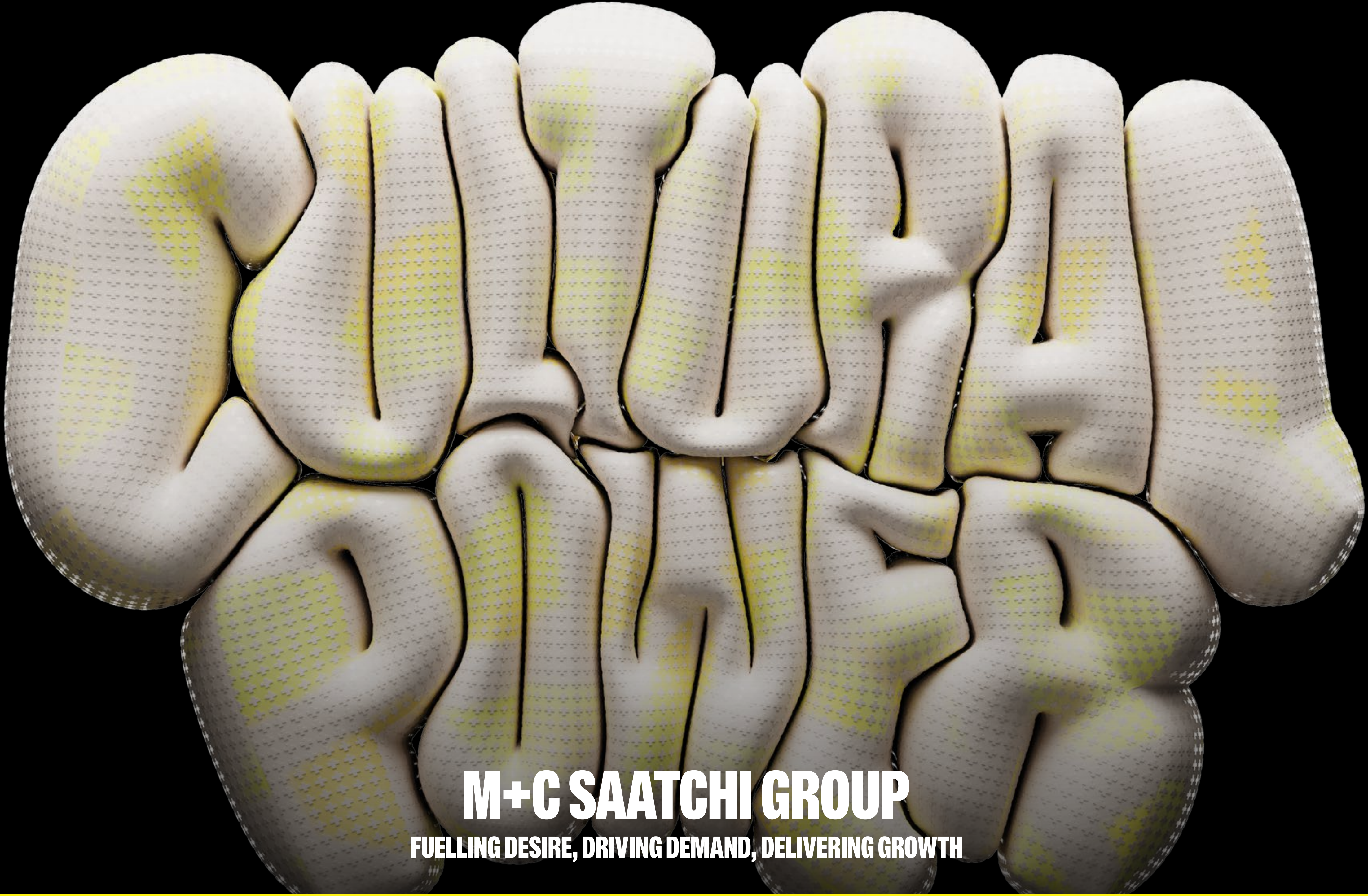


M+C SAATCHI GROUP

FUELLING DESIRE, DRIVING DEMAND, DELIVERING GROWTH

M&C Saatchi plc
Annual Report and Accounts for the year ended 31 December 2024

UNLOCKING CULTURAL POWER

WE ARE A CREATIVE COMPANY, LIKE NO OTHER

View our work here

Welcome from Zillah Byng-Thorne, Non-Executive Chair

"We welcome our shareholders and other stakeholders to our 2024 Annual Report and Accounts.

We are proud of the progress we have made in our transformation in my time as Executive Chair and under our new Chief Executive Officer (**CEO**) Zaid Al-Qassab, and new Chief Financial Officer (**CFO**), Simon Fuller. This report will demonstrate how we are positioned to grow value for all our stakeholders and enable you to share our optimism for our future success."

Strategic Report

Governance Report

Financial Statements

Additional Information

Please see our website at
www.mcsaatchiplc.com

This report provides an update on our strategic progress, financial performance and sustainability. Our sustainability review, including the TCFD, begins on page 50.

WHO WE ARE

We are one of the world's largest independent creative networks, uniquely positioned to unlock and develop Cultural Power for our clients

Our transformative new market proposition, Cultural Power, is the advantage we create for our clients, helping them harness cultural forces to fuel desire, drive demand and deliver brand growth.

In today's world, culture is the driving force behind how people see, think and act. Brands and organisations who get this, win, and M+C Saatchi's new proposition sees the Group galvanising around the principle of creating and curating Cultural Power for its clients.

- **M+C Saatchi is a leading worldwide brand partnering with clients to drive their business growth –** we have evolved far beyond our famous advertising heritage.
- **Our highly talented and creative people** offer clients innovative, strategic and data-led solutions to help grow their brands.
- **Our operating model benefits our clients, our people and our shareholders** through regional-first, inter-disciplinary access to our Specialisms and advanced digital capabilities across our global footprint.

2024 HIGHLIGHTS

Strong results with organic growth and increased profitability, demonstrating the success of our transformed global operating model

Profitable and cash-generative growth benefiting all stakeholders

LFL[1] net revenue[2]	LFL operating profit	LFL operating margin	LFL EBITDA[3]	LFL PBT	LFL EPS (basic)[4]	Adjusted net cash[5]	Operating cash conversion[6]	Dividends
£231.0M	£35.2M	15.2%	£42.0M	£30.5M	17.6P	£15.3M	85%	1.95P
+3.7%	+5.2%	+0.2pps	+2.3%	+4.2%	+6.1%	(2023: 8.3m)		+21.9%
Statutory	Statutory	Statutory		Statutory	Statutory			
£231.4M	£22.5M	9.7%		£18.1M	9.6P			

Our brilliant people deliver amazing creative solutions for our clients

Number of employees	Number of awards	New business wins	Repeat client business[7]	Employee engagement	Employee voluntary churn, UK	Females in senior teams
2003	141	140	92%	71	19%	39%
(2023: 2315)	(2023: 119)	(2023: 216 including project extensions)	(2023: not measured)	(2023: 72)	(2023: 18%)	(2023: 32%)

Responsibility for our environmental impact

GHG Scope 1 and 2 emissions[8]	GHG Scope 3 emissions[8]	Electricity from renewable sources
345 TCO_2E	26,760 TCO_2E	66%
(2023: 587 TCO_2E)	(2023: 32,327)	(2023: 51%)

Definitions applied throughout this report

1. We discuss our results on a like-for-like (**LFL**) basis throughout, unless otherwise stated, to provide a more comparable and better basis for understanding our current and future performance, reflecting the Directors' view of the underlying profitability of the business units. LFL results exclude items that are not part of routine expenses, including one-off and exceptional items, (Headline results). In addition, LFL results exclude the subsidiaries discontinued during 2023 and 2024 and translate 2023 figures to 2024 foreign exchange (**FX**) rates. LFL adjustments are set out in the Financial review and at Note 1 of the financial statements. Figures are subject to rounding variances.
2. Refer to Notes of the financial statements for the definition of net revenue and net cash.
3. EBITDA is calculated excluding the income statement charges relating to IFRS 16.
4. Earnings are calculated after deducting tax and the share of profits attributable to non-controlling interests. Please see Note 1 of the financial statements for a detailed view on Statutory vs Headline EPS.
5. Adjusted net cash includes £3.5 million of restricted cash. Net cash is £11.8 million.
6. Conversion of LFL operating profits into adjusted operating cash (operating cash generated from operations (excluding put option payments and non-Headline cash costs) net of purchases of intangible/tangible fixed assets and the principal payment of leases).
7. Based on retained clients who accounted for 92% of 2023 revenue who also spent in 2024.
8. GHG (Green House Gas) emissions statement on page 66.

OUR BUSINESS AT A GLANCE

Our purpose

To deliver creative solutions which drive growth for clients, tackling the most complex business and societal challenges

Our vision

Brilliant people, extraordinary creativity and amazing client service to create a sustainable advantage for clients

Delivering Cultural Power for our clients through

Constant creativity
Ideas that make an impact in the world.

Brutal simplicity of thought
We make the complex simple with incisive, innovative solutions.

Cutting edge tools
Our suite of tools helps us understand Cultural Power and harness it to grow our clients' businesses.

Growth engineering
We build agile, channel agnostic teams with the sole objective of driving brand growth.

Cultural connectivity
Our team of experts in their fields and diverse thinkers live and breathe all areas of culture.

Our strengths

A world-famous brand with strong roots in advertising.

Agile, regional-first, integrated operating model with global reach.

Focused on shareholder returns through capital growth and dividends.

Resilient and diverse portfolio of geographies and Specialisms.

Operationally levered, capital light, cash generative.

Creative solutions from brilliant people.

Read more:
Our business model: page 12

What differentiates us

For our clients
Our unique combination of global reach and breadth of services, combined with flexibility, agility and creative flair.

Read more:
Our operating model: page 12

For our people
Our entrepreneurial client-focused culture, providing creative solutions and an ability for people to grow.

Read more:
Our culture section: page 19

For our shareholders
Our goal is to accelerate shareholder returns through revenue growth, margin accretion and cash generation, leading to capital appreciation and dividends.

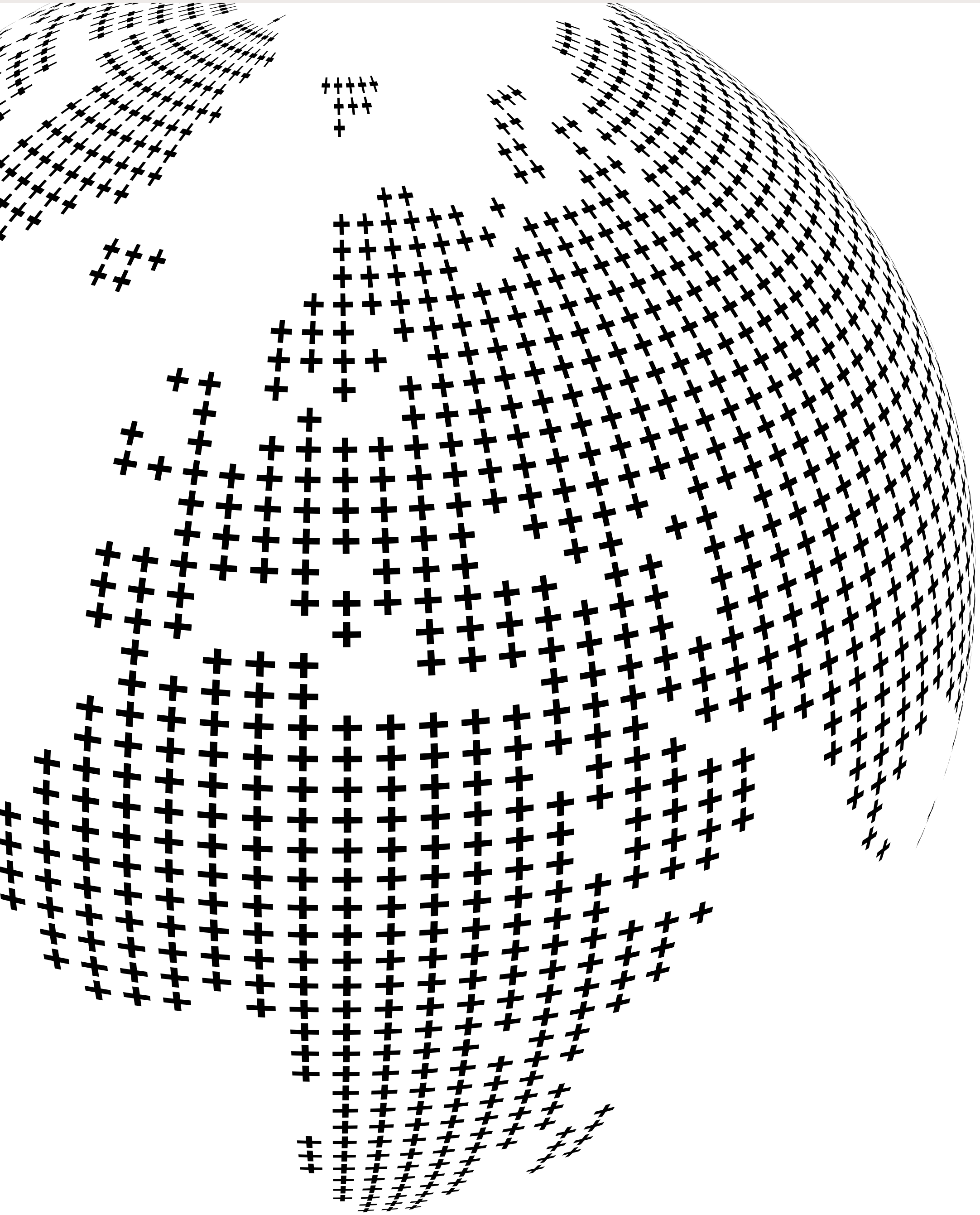
Read more:
Our investment case: page 22

New management team driving our business forward

A new senior management team

Zillah Byng-Thorne was Executive Chair from September 2023 until the appointment of Zaid Al-Qassab as CEO in May 2024, when she resumed her role as Non-Executive Chair. Simon Fuller was appointed as CFO in July 2024 when Bruce Marson returned to his role as Deputy CFO.

Read more:
Zaid and Simon in conversation: page 20



Our regions

A regional-first approach with global reach

We operate in the UK, Americas, APAC, Europe and Middle East with a regional-first approach allowing clients to access all our Specialisms from their own region.

Operating countries including licensees and associates

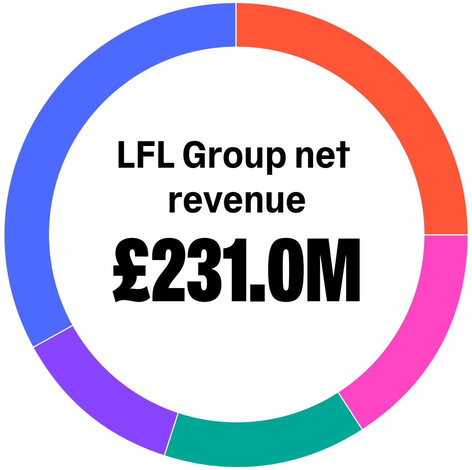
Australia	New Zealand
Brazil	Pakistan
Germany	Saudi Arabia
India	Singapore
Indonesia	South Africa[1]
Italy	Spain (licensee)
Japan (licensee)	Sweden (licensee)
Lebanon (licensee)	Thailand (associate)
Malaysia	UAE
Mexico	UK
Netherlands	US

1. South Africa businesses sold on 30 September 2024 but retained as a licensee.

Our Specialisms

A broad range of specialist capabilities

The services we offer clients span planning, execution and measurement, with market-leading Specialisms and capabilities.



Issues	25%
Passions & PR	16%
Consulting	14%
Media	12%
Advertising	33%

Read more:
Our operating review: page 24

Selected key clients demonstrating the breadth of our work

Selected awards providing evidence of the quality of our work

CHAIR'S STATEMENT

Zillah Byng-Thorne
Non-Executive Chair

"It was my privilege to lead this great company as Executive Chair for nine months encompassing the first half of 2024. That experience enriched my understanding of the right integrated model for sustainable and profitable growth, and we have made huge progress on our transformation to implement that. Our new CEO and CFO, Zaid and Simon, picked up the baton halfway through the year and have embedded and extended the transformation. This strong financial performance demonstrates our stability and resilience in a year of considerable change.

"We are proud of what our people have achieved and their enthusiasm for building a future growth model for our stakeholders and our brand."

LFL net revenue	LFL operating margin	LFL PBT	Adjusted net cash	Dividends per share
£231.0M	**15.2%**	**£30.5M**	**£15.3M**	**1.95P**
(+3.7%)	(+0.2pps)	(+4.2%)	(+84.3%)	(2023: 1.6p)
Statutory	Statutory	Statutory		
£231.4M	**9.7%**	**£18.1M**		

Strong LFL performance demonstrating revenue growth, improved profitability and increased cash generation.

- 3.7% net revenue growth to £231.0 million, driven by strong 6.7% growth in Non-Advertising Specialisms, offsetting the Advertising decline of -1.9%.
- 5.2% operating profit growth to £35.2 million, driven by the global efficiency programme, local cost actions and improved mix.
- Operating margins of 15.2% (+0.2pps), driven by higher-margin Non-Advertising at 25.2% (2023: 23.3%) and improved Advertising at 11.2% (2023: 9.5%). Group central costs increased, reflecting investment into centralised services for the Group.
- Profit before tax increased 4.2%.
- LFL earnings per share (basic) of 17.6p (2023: 16.6p) also reflects further reduction in put option liabilities, with minority interests now at 3.2% of earnings (2023: 9.1%), in addition to profitability improvement.
- Adjusted net cash up 84% at £15.3 million (2023: £8.3 million); put option settlements of £8.6 million; operating cash conversion of 85%.
- Proposed increase in dividend of 21.9% to 1.95p (2023: 1.6p) reflecting our improved earnings performance.

Key drivers of this performance

- The transformation investment included key hires reinforcing our creativity, regional-first strategy, data capability and business development.
- Our global efficiency programme met its target of £10 million of annualised savings.
- Our new operating model is already facilitating Selling In, Up and Across (cross-sell), the freeing up of creativity and global collaboration.
- The continued shift in our portfolio towards higher-margin Non-Advertising Specialisms which now represent 67% of Group net revenue (compared with 54% in 2021), increases our resilience, whilst we maintain our Advertising strength and fame.
- Client retention remains strong: this year we retained clients who accounted for 92% of 2023 revenue. New wins include Carlsberg, L'Oreal, Ferrari and Allwyn.

Statutory results

- Net revenue £231.4 million (2023: £236.7 million) decline principally due to the sale of our businesses in South Africa.
- Operating profits £22.5 million (2023: £5.7 million) up due to lower staff costs and the portfolio shift to higher-margin Non-Advertising Specialisms; Operating margins 9.7% (2023: 1.4%).
- Profit before tax £18.1 million (2023: -£0.8 million) up due to lower staff costs, the reversal of an impairment and a decrease in finance expense.

Strategy and transformation

We have delivered the strategic objectives we set out last year. Our strategy is delivering a leaner, more agile Company, with a regional-first go-to-market approach and a Group-wide focus on leveraging our right to win across all regions and Specialisms.

The new integrated operating model, combined with the new back-office Shared Service Centre ("**SSC**") in Cape Town, South Africa, has reduced costs, improved operational leverage, supported cross-sell, and relieved creative management of non client-facing processes, such as finance, HR, IT and procurement.

We have created a Group-wide culture, reinforced by our revised incentivisation plan. We have invested in creative talent, and, since the year end, launched a new positioning focusing on the range of our capabilities, spear-headed by our proposition of Cultural Power, which you see throughout this report.

The exits from loss-making businesses during 2023 and 2024, alongside the continued shift towards the higher-margin Non-Advertising Specialisms, have improved margins.

We have reduced our cost base, with annualised back-office cost savings of £10 million on entering 2025, and a further £3 million expected during this year, allowing reinvestment in strategic capabilities to accelerate growth.

We have further reduced put option liabilities, lowering the future cash settlements required. This combined with better internal disciplines has strengthened our cash profile.

There is always more to do, but these are strong foundations upon which we will continue to build.

Cultural Power Proposition

Our new Cultural Power proposition supported by the Cultural Power Index (CPI), launched in March 2025, is the advantage we create for clients to help them harness cultural forces to fuel desire, demand and brand growth.

Strategic focus for 2025

Our strategic focus is on delivering phase two of the transformation, providing shared middle office services, such as production, data and intelligence, and products. We are continuing to invest in organic growth through three channels: people and talent, client service (such as expanding in the fast-growing UAE where we have a right to win) and creative solutions and product (such as our new centre for data excellence, M+C Saatchi Intelligence).

We discuss the continuing strategic transformation in detail on page 14.

The Board

This has been a year of significant change on the Board. I undertook the role of Executive Chair from September 2023 until the appointment of Zaid Al-Qassab as CEO on 16 May 2024. Following which, I reverted to my prior role of Non-Executive Chair.

We followed Zaid's appointment with that of the new CFO, Simon Fuller, on 1 July 2024. We are delighted with these appointments and the leadership they are already demonstrating.

Bruce Marson departed the Board, returning to his role as Deputy CFO, and left the Company on 31 December 2024; we thank him for his valuable contribution.

We welcomed to the Board Non-Executive Directors, Dame Heather Rabbatts on 22 January 2024 and Georgina Harvey on 1 October 2024. Dame Heather is Senior

Independent Director and Georgina became Chair of the Remuneration Committee as of 1 January 2025. We are already benefiting from their experience and expertise across a range of companies.

Louise Jackson stepped down as Chair of the Remuneration Committee at the end of 2024 and will step down from the Board at the forthcoming Annual General Meeting, having joined in March 2020. We thank her for her valuable contribution to the Company.

I thank all the members of the Board for their dedication and commitment to the Company.

Thanks to our people

This is a people business, and it is our fantastically talented and dedicated teams who have won new contracts and awards, as well as having delivered outstanding creative solutions, retained existing clients, applied themselves to our transformation, resisted the distractions of the restructuring, embraced the efficiency programme, and achieved these strong results.

Congratulations to you all and my heartfelt thanks for all your effort. Here's to another excellent year in 2025.

Shareholder returns

Our capital allocation policy aims to maintain an optimal capital structure for supporting our ambitions, prioritising re-investment in organic growth, where there continue to be many opportunities. We will, however, consider strategic and selective M&A, where it adds to our capabilities or geographies. Please refer to page 22 for more on capital allocation.

We return cash to shareholders through a growing yearly dividend. Alongside shareholder returns and dividends, the Board will also consider share buyback relative to other uses of cash as a means of creating shareholder value. This year, the Board is proposing, subject to shareholders' approval at the Annual General Meeting planned for 15 May 2025, a dividend of 1.95p per share which represents an increase of 21.9%.

Outlook in line with market expectations

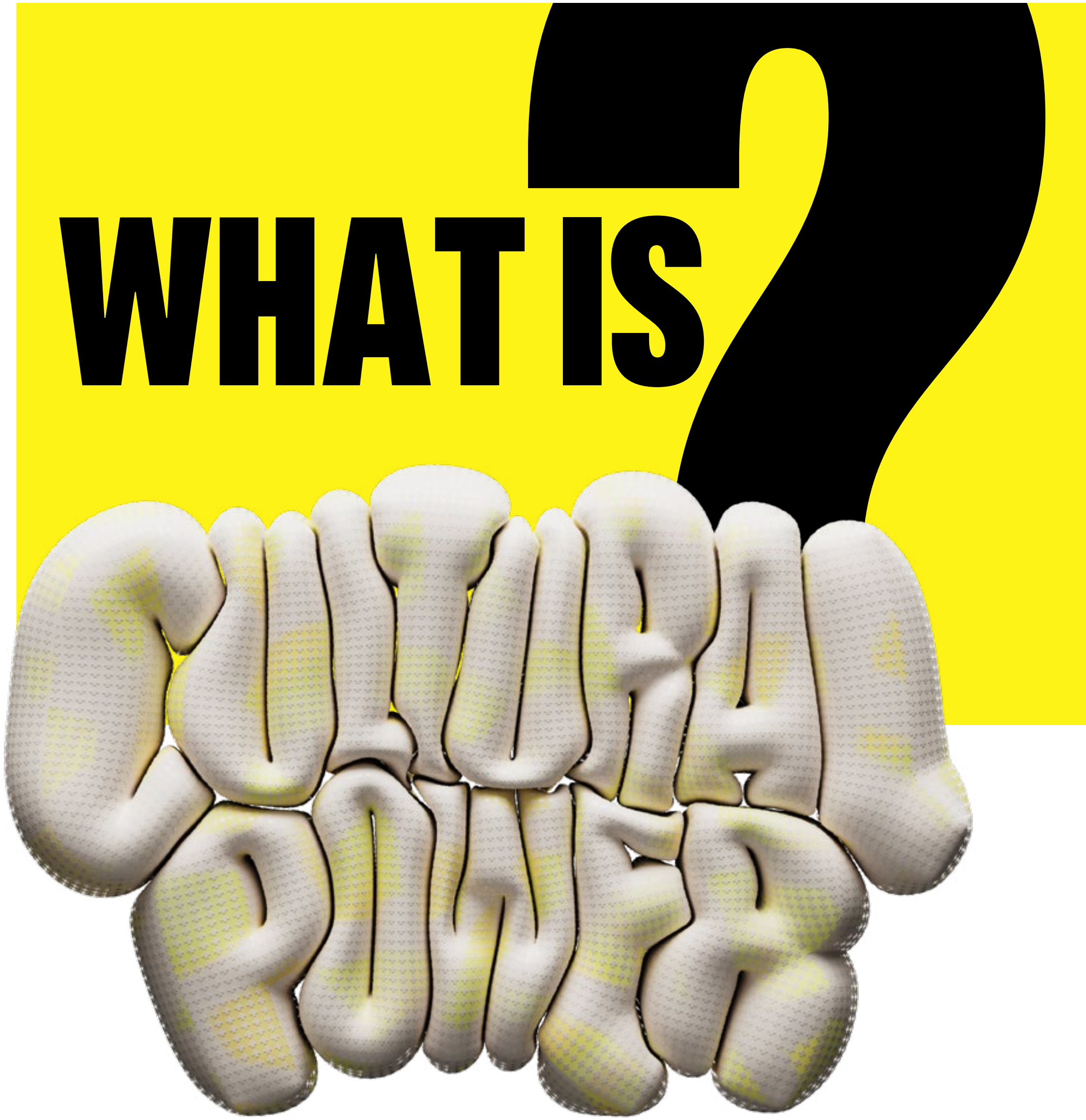
We are reaping the benefits of our ongoing transformation to an integrated global group. With the strong creative leadership we have appointed, the encouraging early success of our new operating model, and the strength and diversity of our portfolio in the face of continuing macro volatility, we are building a strong platform for future organic growth. This, combined with the next phase of our operating model transformation, gives the Board confidence that we can achieve results in line with the market's expectations for 2025.

Looking further out, we are also confident that the platform we are building will underpin our growth ambitions over the medium term.

In summary

Thanks to our operating model and the strength and breadth of our Specialisms and capabilities, combined with our award-winning creative talent and commitment to delivering excellence for clients, we are confident of achieving our growth ambitions.

Zillah Byng-Thorne
Non-Executive Chair



OUR CULTURAL POWER PROPOSITION

Cultural Power is the advantage we create for our clients, helping them harness cultural forces to fuel desire, drive demand and deliver brand growth

The winning brands are those harnessing Cultural Power to drive engagement, purchase and share growth

We help brands navigate the complexities of the fragmented media landscape and thrive in a world where connection and relevance are essential. Audiences now gravitate towards decentralised cultural hubs that hold unprecedented influence, reshaping how people discover, engage with, and advocate for brands.

Cultural Power is the advantage we create for our clients, helping them harness cultural forces to fuel desire, demand and brand growth.

M+C Saatchi delivers Cultural Power for our clients through:

Constant Creativity: Ideas that make an impact in the world.

Brutal Simplicity of Thought: We make the complex simple with incisive, innovative solutions.

Cutting-Edge Tools: We have a suite of tools that help us understand Cultural Power and how to harness it to grow our clients businesses.

Growth Engineering: We build agile, channel-agnostic teams with the sole objective of driving brand growth.

Cultural Connectivity: Our team of experts in their fields and diverse thinkers, live and breathe all areas of culture.

Our M+C Saatchi plus operating model helps clients

M+C Saatchi plus is underpinned by the new Cultural Power proposition and enabled by our integrated operating model. It is built on an ecosystem of our Specialisms, data capabilities, and talent and expertise from across our five regions.

This means we can ensure that every project delivers maximum cultural and commercial advantage for our clients.

Our proprietary cultural and customer data tool

The Cultural Power Index (CPI) is our AI-powered diagnostic tool that helps brands drive growth by harnessing the power of culture.

It's a predictive model and tech-enabled tool for engaging with culture in a way that is both authentic and strategically advantageous.

We analyse billions of data signals to measure how Cultural Power is built, and the actions brands should take to build their own Cultural Power and deliver growth.

We believe Cultural Power is a business driver that unlocks compounding commercial and behavioural outcomes

> "Marketing that earns conversation is 2.6x more likely to achieve very large profit growth."
>
> **IPA**

> "Brands with a high level of cultural relevance grow 6x more than brands with a low level ."
>
> **Kantar**

> "As marketers, we go to market to influence behaviour, and no vehicle is more powerful than culture when it comes to influencing human behaviour."
>
> **Dr Marcus Collins, for The Culture**

> "Brands that are seen to be 'changing culture' are trusted +38% more than brands that are 'functional' only."
>
> **Edelman Trust Barometer**

CHIEF EXECUTIVE'S REVIEW

Zaid Al-Qassab
Chief Executive Officer

"2024 was an important and successful year for the Company. Our strong results, with growing LFL net revenue, profitability and cash generation, were broad-based and reflect the health of the business. Since Simon Fuller and I joined as CFO and CEO, our focus has been laying the foundations for long-term profitable growth. We are confident that our world-leading creativity, global reach, and specialist capabilities is the combination desired by clients. Higher-margin specialist services now account for two-thirds of our business and advertising one third, reflecting the direction of our growth strategy, which is reinforced by our continued transformation programme."

"We have increased our resilience through further diversification of our portfolio, without over-exposure to any particular segment, and we are encouraged that we have the right model for future top-line growth and strong sustainable returns for shareholders. In the near-term, while remaining mindful of ongoing macro volatility, the Board is confident that we are on track to meet market expectations for 2025."

"I'd like to thank all our colleagues across the Group for their commitment during this transformative year, which included welcoming new creative, regional and specialist leadership."

Financial performance highlights

	Like-for-like (LFL) results			Statutory results		
£m	FY 2024	FY 2023	Change %	FY 2024	FY 2023	Change %
Net revenue	**231.0**	222.8	3.7%	**231.4**	236.7	(2.2)%
Operating profit	**35.2**	33.4	5.2%	**22.5**	5.7	294.7%
Operating profit margin	**15.2%**	15.0%	0.2pps	**9.7%**	1.4%	8.3pps
PBT	**30.5**	29.3	4.2%	**18.1**	(0.8)	n.m%
Net cash[1]	**15.3**	8.3	84.3%	**11.8**	8.3	42.2%
EPS (basic) pence	**17.6p**	16.6p	6.1%	**9.6p**	(3.7)p	n.m%
Dividends pence per share				**1.95p**	1.6p	21.9%

1. LFL net cash is adjusted to add back £3.5 million of restricted cash

LFL performance

Our results are testament to the core strengths of our business and the success of our ongoing transformation, reflecting the positive impact of our global cost efficiency programme, with the like-for-like (LFL) results demonstrating a solid foundation for future growth. The benefits of the exit from loss-making operations are, by definition, excluded from the LFL measurement, but also their removal has resulted in a higher quality, higher margin business.

Our LFL net revenue growth of 3.7% demonstrates the strength of M+C Saatchi's global brand, creative capabilities, and loyal, iconic client base.

The improvement in profitability and mix is largely driven by our operating model transformation initiatives. Cost savings achieved in 2024 totalled £6.1 million on an annualised basis, adding to the £3.9 million from 2023 and therefore achieving the annualised savings of £10 million we targeted by the end of 2024. These initiatives allowed reinvestment into the business and contributed to a 5.2% rise in LFL operating profit and a 0.2 percentage point improvement in operating margin to 15.2%, while also enabling us to invest in the second half for future growth. LFL EBITDA grew by 2.3%, while LFL profit before tax rose by 4.2%.

Basic EPS of 17.6p (2023: 16.6p) was driven by enhanced profitability and a substantial reduction in minorities. The remaining put option liabilities are expected to reduce further over the short term, with a current residual liability of £3.7 million at a 170p share price (as at 31 December 2024).

The settlement of put options absorbed £8.6 million of cash in 2024, leaving adjusted net cash up 84% to £15.3 million, including restricted cash of £3.5 million, thanks to our continued focus on cash management and improved working capital. Operating cash conversion was strong at 85%, in-line with our long-term target of 80%, which allows for some variability over the cycle.

Statutory results

The Group generated £231.4 million of net revenue, a decline of -2.2%, largely due to discontinued businesses, particularly the South Africa businesses. Operating profit grew 294.7% to £22.5 million, due to significantly lower staff costs and the portfolio shift to higher-margin Non-Advertising Specialisms. This led to an increase in statutory operating margin to 9.7% (2023: 1.4%). Profit before tax grew to £18.1 million (2023: £-0.8 million), due to lower staff costs, the reversal of an impairment and a decrease in finance expense (given reduced average borrowings).

Review of operations

In the following sections, we review our performance by Specialism and region, providing colour our operations.

Read more:
Our operating review: page 24

Review of the ongoing transformation

The strength of these results derives directly from the early success of the transformation. The team began the work in the second half of 2023 and we stepped it up in the past year, first under Zillah's leadership and, subsequently, after I took over. The transformation is far reaching in its ambition.

Read more:
Our strategic transformation: page 14

Our people and culture

As a people business, our culture and ability to attract and retain high-quality people are critical. Our culture has creativity, innovation and entrepreneurship at its heart. We apply this to our entire business right across all our functions, Specialisms and geographies.

The commitment of our people is as high as ever, despite market volatility and organisational change. Colleagues have reacted positively to the challenges that have arisen through the transformation. Employee engagement has remained broadly level at 71 (2023: 72), and the response rate in our employee survey was very high at 80% (2023: 76%). We are comfortable with our voluntary UK churn rate of 19% (2023: 18%) which is in-line with industry averages and is a proxy for the rest of the Group. This also ensures the right level of new talent coming in.

We thank each and every one of our people, including the new people in our SSC who are making such a difference.

Read more:
Our people and culture: page 19

Executive management

I'd like to express my sincere thanks to Zillah Byng-Thorne for her time as Executive Chair and for initiating our transformation, followed by her successful leadership and execution of that plan. I am extremely proud of what the Company has already achieved and am confident that we will drive it on to greater ambition and success.

We also welcomed Simon Fuller, who joined as CFO in July, taking over from Bruce Marson. We have improved our financial processes, systems and commercial discipline with a focus on optimisation and investment to support growth, increase margin and generate cash. The success of the SSC's finance function is a tribute to the quality of planning and execution.

Creativity is the life blood of our business and the senior creative appointments this year are critical to accelerating our reinvigorated creative culture and new go-to-market approach without losing the entrepreneurial spirit of the Group, which has long been a core strength. These 2024 appointments add to those made in 2023 and at an executive leadership level, include:

- Rob Doubal and Laurence (Lolly) Thomson, Global Chief Creative Officers, joined in September 2024.
- Jo Bacon, Group CEO of M+C Saatchi UK Group, joined in February 2024.
- Nadja Bellan-White, Group CEO M+C Saatchi North America, joined in January 2024.
- Robin Clarke, Global CEO of the Passions & PR Specialism, joined in October 2024.

Capital allocation

Our capital allocation prioritises organic growth while remaining open to strategic and selective M&A. Alongside shareholder returns and dividends, the Board will also consider share buyback relative to other uses of cash as a means of creating shareholder value.

Read more:
Our capital allocation policy: page 22

Outlook in line with market expectations

In line with the Chair's comments, we are already reaping the benefits of our ongoing transformation to an integrated global group. With the strong creative leadership we have appointed, the encouraging early success of our new operating model and the strength and diversity of our portfolio in the face of continuing macro volatility, we are building a strong platform for future organic growth. This, combined with the next phase of our transformation, gives the Board confidence that we can achieve results in line with the market's expectations for 2025.

Our fundamental strengths in people and creative solutions and our continued transformation give us confidence in achieving our growth ambitions over the medium term and strong returns for our shareholders.

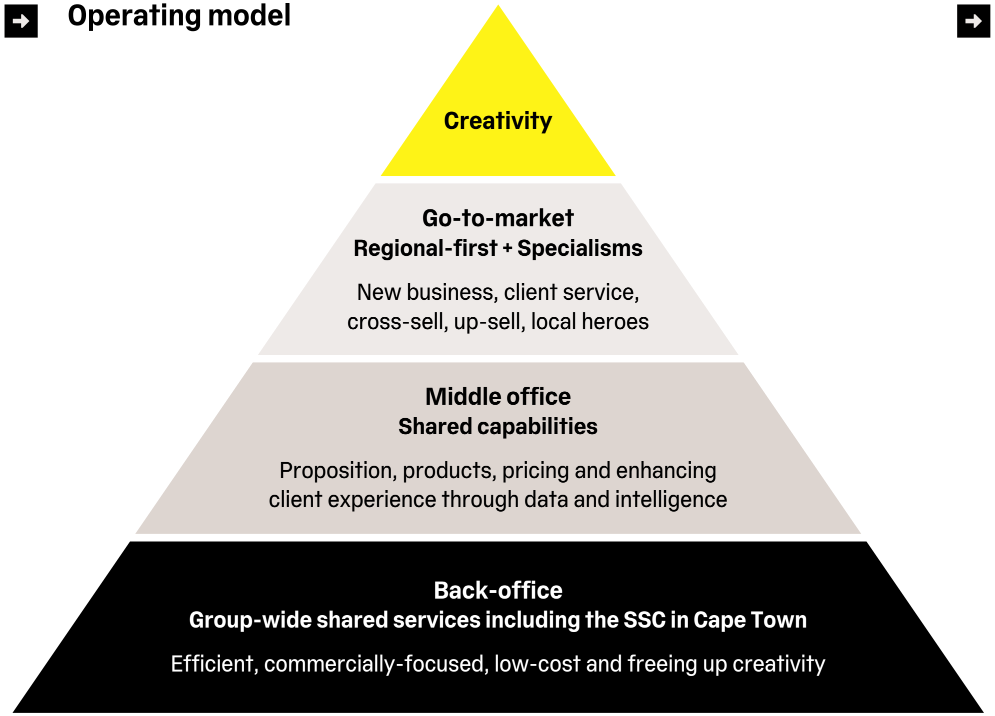
Zaid Al-Qassab
Chief Executive Officer

OUR BUSINESS MODEL EMPOWERED BY OUR NEW OPERATING MODEL

Capital resource inputs

- **Human and intellectual capital. Predominantly our creativity, innovation and customer focus,** which we nurture by empowering our people, whether they are in direct contact with clients or maintaining the enabling structures and services, including our newly created Shared Service Centre (“**SSC**”), which provides support in fields such as finance, IT, HR and procurement.
- **Social capital. We share talent and build on our relationships** effectively using our integrated CRM (HubSpot), rolled-out in 2024. This tells us where we can offer opportunities to clients and how best we can use our resources to execute the work.
- **Natural capital. We acknowledge and take responsibility for our negative environmental impact,** both directly and in our supply chain.
- **Financial capital. Our model is relatively capital-light.** Capital is provided by our shareholders and bank lenders as well as the cash we generate in our business, which we are focused on improving. We allocate capital responsibly and efficiently to ensure investments are disciplined and deliver value.

Operating model



Our new operating model reduces the complexity for clients and, internally, for us, thereby ensuring that our teams can focus on client solutions and delivery.

- Creativity and innovation is the spearhead of everything we do, focusing on where we have the right to win.
- Our agile, regional-first go-to-market approach, powered by specialist expertise and global networks, opens cross-sell opportunities, and enables us to partner regional local heroes and challenger brands as they need wider capabilities and broader reach.
- The future transformation of the middle office of shared capabilities is designed to facilitate cost-effective, high-quality solutions based on Group-wide expertise.
- Underpinning this is our established back office of Group-wide services provided efficiently and systemically by the SSC. These services include finance, IT, HR and procurement.

Stakeholder value outputs

- **We exist to help our clients realise their brands’ full potential** through access to our creativity, capabilities, Specialisms and products. We strive to be indispensable to them, thus allowing us to maintain our leadership as their creative solutions partner. Our 140 awards, c.92% retention of 2023 clients spend in 2024, and 141 new business wins across a broad range of geographies in diverse sectors, speaks to our success.
- **We employ 2003 people in 22 countries,** who are committed to our success as demonstrated by our engagement score of 71. Our churn rate is in line with industry average, and we are retaining great people in whom we invest.
- **Sustainability is important to us,** and we take responsibility for our impact on the environment.
- **We delivered Total Shareholder Returns of 8.8%** in 2024 while substantially transforming the business to ensure a clearer future path to delivering shareholder value.

The Goldilocks Zone "just-right" choice for clients

In choosing a partner, our clients are faced with a spectrum of options, spanning from giant HoldCos, whose creativity is often outweighed by their bureaucracy, to niche players whose exciting offering lacks reach and breadth of capability. And then there is M+C Saatchi.

We are "just-right", in The Goldilocks Zone with the creative flair and agility clients desire, a trusted brand, the insight of our regional perspective, combined with our integrated global capabilities and reach. We are the creatively exciting and reliable partner to deliver breakthrough work.

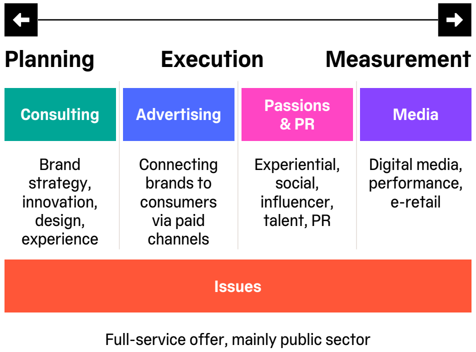
We offer high-quality creative output across a breadth of marketing services.

Our work with clients spans the strategic planning stage, through the creation and execution of their marketing plans, to measurement and evaluation. Consultancy, Advertising, Passions & PR, and Media reflect this breadth of capabilities and broadly fit these different stages of the client's journey. Issues offers this full span of services, but focuses on the specific demands of its largely public sector clients.

Our newly integrated operating model will allow the Group to engage more than ever before with clients across a range of Specialisms in the marketing chain, enabling cross-sell opportunities.

We discuss our Specialisms from page 26.

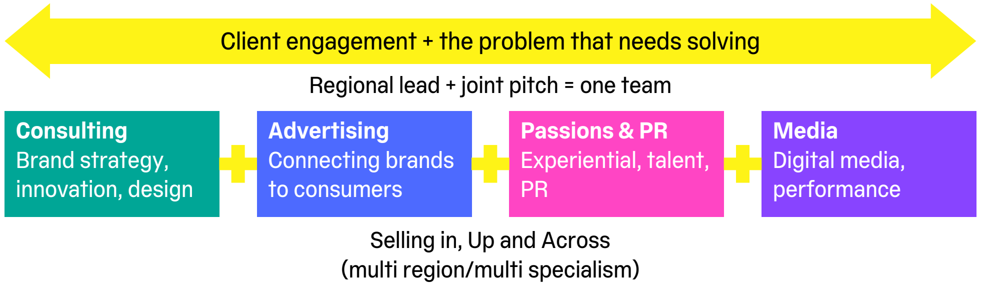
Breadth of marketing services



Revenue opportunities: selling in, up and across

With our revised and integrated global operating model in place, we are now in a position to promote cross-sell and joint pitches. This is a significant shift from the old fragmented and federated model where the client engaged separately with a specific agency within M+C Saatchi. All client service creative solutions and production and billing was then managed by that agency.

The new integrated model allows a client to engage with M+C Saatchi as a whole, accessing us from whichever agency they know, or through our Advertising "front door" with its world-famous brand. We can then offer a more holistic solution, bringing in the benefits of all our Specialisms supported by other capabilities, such as data and intelligence, and across all regions.



A client-centric approach

Our integrated model allows us to take a more client-centric approach, responding to briefs with a flexible solution and an agile team of experts needed to deliver on the clients specific needs.

Our operating model facilitates cross-sell

Our new operating model enables our clients to access all our Specialisms and capabilities throughout all our regions, meeting client needs and giving us the potential to pitch more effectively and cross-sell with holistic solutions.

Internally, we no longer bear the complexities and cost of separate administrative processes as it can now be consolidated by the SSC, which is better for our clients and lowers the burden and overhead for us.

In addition, our leadership incentivisation is now focused on Group-wide as well as local/regional performance.

Selling In, Up and Across

Selling In: New business wins through extraordinary creative thinking and solutions, supported by AI-powered customer platform, HubSpot.

Selling Up: Serving clients brilliantly, enabling longstanding and expanded relationships with support from new product development and innovation.

Selling Across: Full integration across one team to offer a wider range of services across Specialisms and regions.

STRATEGIC TRANSFORMATION TO UNDERPIN GROWTH

The transformation has been far-reaching, and we are proud of our achievements, summarised below. By replacing our previous federated operating model with a new integrated one, we have created a strong platform for what is still to come.

Our vision is to create a sustainable advantage for our clients and to be indispensable to them. To realise this, we are delivering our strategy, focused on:

- Our transformation to a simpler, leaner, more agile business, delivering growth in revenue, increased profitability and improved cash generation.
- Unlocking our full potential with clients through our regional-first, integrated operating model, which makes us simpler to work with and takes full advantage of our regional know-how, specialist expertise and global reach.
- A disciplined capital allocation policy, which prioritises organic reinvestment and selective, strategic bolt-on M&A to deliver sustainable growth and to support shareholder returns.

Strategic goal	Transformation objectives and achievements
Retain clients, generate leads and cross-sell (Selling In, Up and Across) by creating an integrated, agile, regional-first go-to-market approach	– Putting in place the new operating model and Cultural Power proposition. – Recognising the value of our Advertising brand as an entry-point for clients. – Enabling global elevation for regional clients. – Easing access to our full range of Specialisms in each region.
Grow revenue and profitability through new Group-focused incentives and culture	– Replacing the federated approach to growth with the Group-wide integrated model. – Removing the structural and cultural restrictions on cross-sell. – LTIP programme with Group-focused targets for both long-term and short-term incentives.
Free up creativity and focus on client service through providing shared admin services	– Unleashing creativity, the core to our success, by reducing the administrative burden on creative leaders through the SSC in Cape Town for support in finance, HR, property, IT and procurement. – Moving to a single system for people management (Workday) and communications (MS 365) to facilitate creative operations and increased use of AI tools.
Ensure greater understanding and controls through better operational information systems	– Putting in place NetSuite, the finance information system to enable unified reporting protocols. – Initiating our CRM tool, HubSpot, to facilitate cross-Specialism and cross-regional work.
Leverage our internal capabilities, such as data	– Created an Intelligence Insight central centre of excellence to democratise our data capabilities. – Cross-regional use of creative resources.
Improve governance efficiency by simplifying and rationalising the Group structure	– Exited marginal and loss-making businesses. – Our simplified structure has 22 in-market operations including licensees. – Executive Leadership Team is built around five regions and five Specialisms.
Improve margins through cost efficiency	– Executed our global back-office efficiency programme focusing on finance, HR, property, IT and procurement during 2023 and 2024 and delivered annualised cost savings of £10 million from the end of 2024. – Phase two is expected to deliver an additional £3m annualised savings and shifts focus to the middle office.
Achieve an overall high-margin, relatively lower cyclical profile by continued diversification of the portfolio	– Non-Advertising Specialisms are now 67% (2023: 58%) of LFL net revenue with Advertising now accounting for 33% (2023: 42%). – Advertising, with its greater cyclicality and structurally lower margins, retains its marketing power for our world-famous brand. – Maintaining strong growth in low and anti-cyclical Issues Specialism by investing in data secure solutions.
Strengthen cash delivery with target of at least 80% operating cash conversion	– Refocusing the Group on cash through working capital through optimisation and improved global cost management. – £8.6 million put options cash settled during 2024, with only £3.7 million remaining. – Operating cash conversion was strong at 85%, due in part to capital-light model.
Provide returns for shareholders	– Achieved strong relative share price performance in view of the challenging equity market conditions. – Continue to focus on returning cash income to shareholders with a growing dividend.

Strategic transformation Phase Two – enhancing production capabilities for clients and data

We have achieved a huge amount in 2023 and 2024, but there is always more to do.

Our 2025 transformation goals focus on fully embedding the work done in 2024, particularly in the back office, continuing our cost efficiency journey, further strengthening the global operating model, and uniting behind our Cultural Power proposition to deliver profitable growth.

2025 objectives

1 Align behind Cultural Power proposition

M+C SAATCHI

Cultural Power proposition

1 Unite behind our Cultural Power proposition to capitalise on our unique understanding of the forces which drive purchase behaviour and brand growth.

2 Embed operating model

Regional-first, integrated go-to-market approach

2 Bring the integrated, regional-first model to life, completing the transition to the integrated suite of systems and digital tools in early 2025, and evolving the organisational design and incentives for greater simplicity and accountability.

3 Restructure middle office

Production | Data and Intelligence (incl. AI) | Products

3 Restructure the middle-office capabilities with systems and services for shared production, data and products, unlocking further efficiencies and annualised cost savings of c £3 million in 2025.

4 Complete and improve back-office shared services

Finance processes and systems | Procurement | People (Workday phase 2 and payroll) | IT | Property

4 Complete and improve our shared services in finance, people, property, IT and procurement to simplify and improve revenue and profitability.

DATA AND INTELLIGENCE INSIGHT

"We are increasingly injecting data to power creativity, using our new internal insight centre of excellence, and our existing capabilities, particularly in our data consultancy M+C Saatchi Fluency."

Zaid Al-Qassab
Chief Executive
Officer

M+C Saatchi Intelligence – a new centre of excellence

The newly created Intelligence Insight team gives the Group a centre of excellence to raise the quality, visibility and application of data and insight throughout the work we do. We are now doing for ourselves what we always did brilliantly for clients. This helps ensure that the best insight is available to everyone internally, and we believe this capability will bolster and differentiate the Group's pitches and ongoing client work. The Intelligence Insight team delivered over 400 briefs to support our global teams in 2024.

The Intelligence Insight team's objectives are to:

- **Democratise highest-quality data** by sourcing and providing data and insights throughout the Group.
- **Upskill our internal teams on data**, taking advantage of our Intelligence Insight team's expertise in diverse data sources.
- **Provide relevant, tailored and timely insights** to our agencies in a client-friendly format to enable award-winning creativity and seize revenue-generating opportunities.

AI as a valuable tool

We see AI as a tool to enhance our core offering of creative solutions, through better, faster intelligence and through more efficient and effective execution. In 2024, we ran over 20 AI pilots across the Group to assess and develop the best AI tools in order to expand them more widely in a rapid but appropriately-controlled way.

CLARITY IN COMPLEXITY

M+C SAATCHI FLUENCY

Our data consultancy, M+C Saatchi Fluency, operates at the sweet spot of data, insight and strategy. Leveraging diverse data sets and advanced analytics technologies, M+ C Saatchi Fluency distils complex data into clear, actionable insights that help clients make confident, growth-oriented decisions.

M+C Saatchi Fluency's cutting-edge data tools are:

Brand Desire
Brand Desire is a revolution in brand strategy. Using vast ecosystems of data to pinpoint true perception, it uses cutting-edge comprehension AI to reveal the specific brand equities that drive return on investment.

Living Segmentation
Fluency's Living Segmentation is the refreshable, fully integrated, data-diverse solution that delivers new and sustained value to the business – keeping pace even as consumers and challenges change.

Influencer Cube
Fluency's Influencer Cube is a sophisticated audience-first data tool that focuses on the influencers a brand's target consumers are listening to, and who they are talking about, shortlisting the partners big and small that are truly capable of delivering impact.

Core
With cutting edge synthetic KPIs including trust and contextual performance, Core is the versatile measurement framework platform closing the gap between planning, evaluation and optimisation in earned/owned channels.

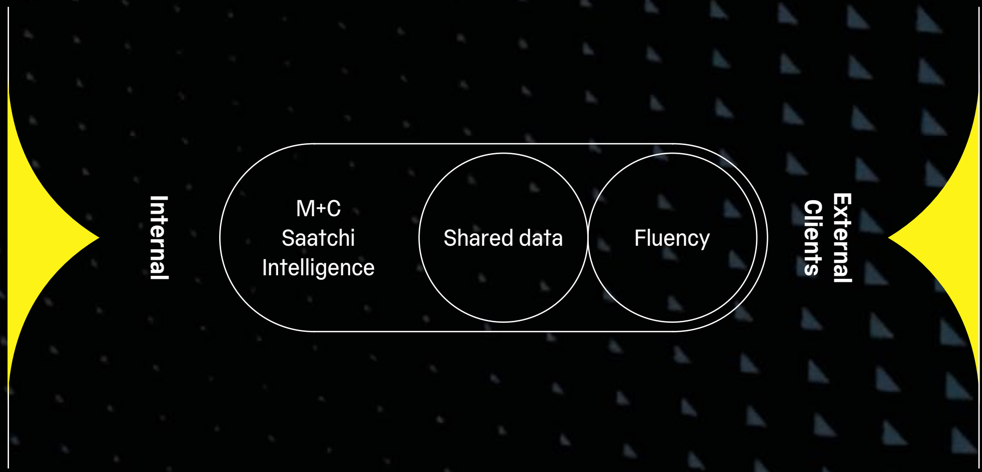
TXi
Total Experience Intelligence uses advanced diagnostics and diverse data from across the journey to pinpoint exactly where to invest to drive business outcomes. Goodbye guesswork, hello results.

Cultural Power Index (CPI)
Launching in 2025, the CPI is our AI-powered, diagnostic tool that helps brands drive growth by harnessing the power of culture. The tool will analyse billions of data signals to measure how Cultural Power is built and the actions brands should take to build their own Cultural Power and deliver growth.

How M+C Saatchi Fluency fits in
The Intelligence Insight team aligns with Fluency, the Group's fast-growing data consultancy. Sitting within the Consultancy Specialism, its team of data scientists, engineers, analysts, and data consultants service a diverse portfolio of blue-chip clients with insight and foresight services.

Its client-facing services include consumer and market segmentation, customer data modelling, tracking and listening, measurement and attribution, data systems transformation, experience and journey mapping, and sports rights commercial innovation.

M+C Saatchi Fluency leverages the Group's centralised data stack, in unison with the Group's internal data servicing team M+C Saatchi Intelligence.



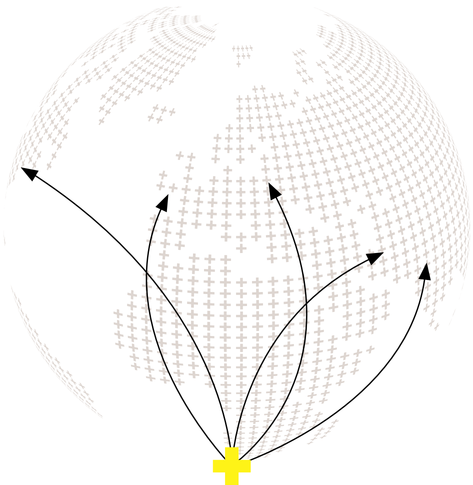
Additional tools in live development:

Pulse
At the cutting edge of social analytics, Pulse is the LLM-powered insight solution that reads ambient datasets at scale and delivers true actionability direct into the hands of diverse teams from marketing to customers experience, product and innovation.

XGC Lens
With brands increasingly looking to audiences to tell their brand story from the ground up, XGC Lens places brand content generation in the hands of users by quickly scanning the social web for user-generated content that impacts audiences – without all the legwork.

OUR FIRST-EVER GLOBAL SHARED SERVICE CENTRE

The SSC in Cape Town, South Africa, was established in May 2024. By December, we had about 60 employees across three departments, already delivering high-quality support for the Group.



The teams provide transactional processing and specialist support, to the global finance, HR and IT functions. They provide a balanced and consistent approach to end-to-end delivery.

Transactional processing includes services to support queries, billing, payments, financial reporting and reconciliations.

Specialist support includes IT infrastructure, project management, talent acquisition, treasury management and commercial support.

The SSC reports functionally through to the CFO and Chief People & Operations Officer.

The SSC is delivering its objectives, which are:

Cost savings: The savings achieved form part of the £10 million annualised cost savings, delivered by our global efficiency programme as part of our operating model transformation.

Freeing up creativity: An important benefit is that, by centralising these functions (previously managed by each agency), local teams are freed-up from managing these processes and are able to focus their talents on what they do best – creativity and client service.

Operational effectiveness: The management information provided by the centralised systems and processes, also ensures that every business is operating on the same basis and results are better understood and acted upon.

The priorities for the SSC going forward are to:

- Continue to standardise global business processes.
- Improve both efficiency and the underlying control environment.
- Extend service provision: deliver the consistent HR systems, support the remaining geographies and on-board the remaining agency's finance processes.
- Extend to new areas such as treasury and ESG.

OUR CULTURE – THE CREATIVE POWER WITHIN THE GROUP

Creativity is critical to our success, and our culture reflects that creativity and innovation really are core to the Group. Our culture is built to attract the right people, support them in their work, nurture their creativity, celebrate their success and reward them commensurately.

The Loop 2024, our employee sentiment survey
We are delighted that people are feeling positive about working at the Group and that engagement has been consistent, given the macro-volatility and disruption of transformation.

Engagement: 71 (2023: 72)
Response rate: 80% (2023: 76%)

We continue to prioritise growth through creativity and welcomed Rob Doubal and Laurence (Lolly) Thomson as Global Chief Creative Officers in September 2024, a critical joint role for our new operating model, which provides a central focal point for our creative ambition and solutions. Over the last two decades, Rob and Lolly have delivered award-winning creative, strategic and innovative work with over 100 Cannes Lions and more than 800 awards from major international shows.

One of their first initiatives was to set up an internal Creative Leadership Council, comprising senior creative management from across the Company – reinforcing that creativity remains at the heart of what we do.

Our people and what they think about the Company

We are only as good as our people, and it matters to us what they think. Our Loop survey is critical but so is the collaborating exchange of information and news both formally and informally though our intranet, Huddle.

We attract and retain the best talent

Our brand and our creative legacy are a powerful draw, but we do not rest on our laurels.

Our in-house talent acquisition team is built to identify, attract and support the inclusive selection of top talent. We also acknowledge that our clients demand a broad and representative understanding of society. M+C Saatchi Open House is designed to break down barriers for anyone starting, shifting or returning to a career in creative communications who does not have the support, connections or access to do so, with a free, eight-week online programme of weekly one-hour seminars.

How we develop our people

We are committed to developing exciting and fulfilling careers. Our connected careers initiative promotes internal mobility and career development by encouraging internal talent to apply for jobs with the Group. We also provide structured skills development with a global people management and mentoring programme and global training courses. We are continuously updating and improving our learning and career development support.

Creative leadership and incentives

The leadership of our creative talent is critical to our success. We harness the enormous power of our people with strong and focused leaders.

We have evolved our incentivisation programme to ensure we create a Group-focus, rather than the more siloed local incentives and put option arrangements that we are replacing.

The incentivisation programme is designed to drive Group growth, not just local growth, while still recognising regional success. Our plan is aligned with the market standard to attract and retain talent while driving culturally aligned behaviours.

IN CONVERSATION

CEO Zaid Al-Qassab and CFO, Simon Fuller discuss the key topics that have been asked by investors this year, including what attracted them to M+C Saatchi, their ambitions for the Company, the strategic vision for long-term growth as well as our commitments to the environment as a socially responsible business

What strengths attracted you to M+C Saatchi?

Zaid: Three things: the most famous brand in marketing services, the most brilliant people, and a market ripe for change. Our powerful brand name opens doors. The talent in our business is second to none at creative solutions for clients. And they are willing, able and excited to lead the vision which responds to fast-changing client requirements.

Simon: Like Zaid, I saw a big brand eager to go to the next level. As a business, the core fundamentals are here: strong cash generation, opportunities to expand margin, very low capex requirements and a healthy balance sheet. And with that, there will be a big opportunity for a rerating as we execute the strategy and bring our stakeholders, particularly our shareholders, with us.

What drives M+C Saatchi to succeed?
Zaid: I often say that our business is very simple. Only three things matter: our brilliant people, our extraordinary creative solutions, and our amazing client service. But of those three our people come first. The creativity and innovation, and our commitment to clients is down to them.

Simon: Yes, talent and creativity is at the heart of the business, but there is another key driver to consider: the responsiveness to change. The analytical ability to see what is needed, the drive to pursue it and the quality of the execution.

What is the Company's greatest achievement in 2024?
Zaid: The transformation of the Group from a federation of separately run businesses into a truly global, agile, fully integrated business in such a short period of time is astounding. I would also add that the retention and motivation of key talent through this period, as well as the attraction of new talent, have set us up brilliantly for growth.

Simon: Indeed, the transformation is a really great achievement – we have done so much to break down barriers and silos and the past entrenched ways of working. For me, the establishment of the SSC in South Africa, which was part of the £10m cost-saving programme, is a great achievement. Not only has it rendered the business to be leaner, but, critically, it has freed up so much time for our leaders by taking the more administrative tasks away, meaning that they can focus on what they do best: serving our clients!

What is your ambition for 2025 – and the biggest challenge you face?
Zaid: My focus is on driving revenue growth. The cross-sell opportunity is enormous and facilitated by the reset of the operating model. We want to respond to clients' biggest business challenges with flexible teams who deliver tailored solutions which drive business results, and clients will reward us for that.

Simon: We are proud of the self-help benefits delivered to date, but there is more to do. My focus will be on delivering sustainable and profitable growth for the business, while there are still opportunities to further optimise our ways of working, particularly regarding cash management. There are certainly opportunities to find efficiencies in our middle offices, which we have not yet touched as the new operational model and SSC were our first steps. It is challenging, but there is huge potential.

Where do you see M+C Saatchi in 5 years?
Zaid: I see a company with a clear strategy, motivated employees who deliver extraordinary creative solutions, loved by clients, resulting in strong top-line growth, and improved margins – which investors appreciate.

Simon: With an increasing portion of our revenue coming from higher-margin Non-Advertising Specialisms, I can envisage a business with sustainably higher margins and with greater cash generation. Through reinvestment back into the business with a focus on key territories and keeping an eye on external opportunities at the same time, we would hope to be rerated and delivering excellent returns for shareholders.

What does the path to profitable growth look like and what are the drivers?
Simon: I'll kick this one off if that's ok. Thinking about where the business has come from over the last 18 months is an important first consideration in understanding how we get to sustainable profit growth. We can break down the main drivers into two separate segments: the transformation programme and the strategic vision, the latter of which I will let Zaid take the lead on.

Looking at the transformation, we have made structural business improvements via disposals of loss-making and non-core businesses while simultaneously engaging in cost management programmes to harmonise and boost efficiency across the back office as well as the middle office, the latter of which has begun this year. With the new agile, integrated model in place, the efficiencies generated from these elements are setting the foundations in place for sustainable margin and profit improvement.

Zaid: Thanks, Simon. The strategic vision is the next driver of profitable growth, which we have aptly named the "Golden Staircase". Essentially, the opportunity lies first in our revenue growth, enabled by our new integrated model; and secondly in the diverse portfolio of services that we offer our clients; and finally our investment choices – whether organic investment or M&A.

We believe that all of these elements together will drive sustainable operating margin improvement and lead to profitable growth in the long term.

How does M+C Saatchi approach topics like environmental sustainability, climate change and corporate social responsibility?
Zaid: We take such responsibilities seriously, and operate committees that shape our response to ESG topics. We update the Board twice yearly on plans, as well as risks and opportunities. The Remuneration Committee monitors progress against our targets, which are part of the bonus metrics for executives.

Simon: Aside from these internal measures that we have taken on climate change and ensuring a sustainable way of working, I would add that we have a strong focus on ESG, working with businesses and Governments on tackling these very complex topics, such as helping the UK Government to deliver COP26. We believe that doing good for the world is beneficial to all, a sentiment our employees share.

OUR INVESTMENT CASE

Our model unleashes the creativity that is at the core of the Company and desired by clients. Our aim is to deliver shareholder value through organic growth, alongside potential selective M&A, sustainable margin accretion, cash generation, and growing dividends.

M+C Saatchi offering	Benefit for clients	Benefit for investors
Operating model: global reach with agility from regional-first integrated approach (see Operating Model page 12).	Just right positioning in the "Goldilocks Zone" Easy access to integrated capabilities.	Driving growth through cross-sell and operational leverage Opportunity to acquire and integrate bolt-on businesses.
Brand and portfolio: World-famous brand combined with a well-balanced portfolio (see Operating Review page 24).	Our creativity gives clients an advantage via a range of relevant Specialisms and capabilities.	Long legacy, strong client base with high retention with a predominantly higher-margin Non-Advertising business, which ensures we are more resilient and margin-accretive.
Leadership and culture: Strong new leadership team nurturing creative talent (see Our Culture page 19).	The right team with credibility and creativity delivering the best solutions.	Revenue growth through ambitious teams within creative culture and financial disciplines supported by attracting and retaining leading creative talent.
Innovation and investment: Organic reinvestment and application of data products (see Data and Intelligence Insight page 16).	Improved capabilities, platforms, tools and processes.	Higher returns from organic investment such as data applications.
Robust balance sheet with strict capital allocation: Our model is capital light and cash generative, which supports our focus for shareholder value (covered below) (see page 40 for cash).	Capacity to grow with clients, expanding capabilities and regional coverage while broadening options via internal investment or external acquisitions.	Cash generation enables reinvestment. Strong focus on organic growth, capital-light business model offering a growing annual dividend.
Sustainability: Key for employees and at the core of all we do (see page 51 onwards).	Supporting our clients' sustainability criteria.	Sustainability investment credentials and getting the right people.

Capital allocation

M+C Saatchi is a capital-light business which, over the medium term, is capable of converting at least 80% of its operating profits into cash, subject to some degree of variability of the cycle. Our streamlined portfolio of businesses, our new operating model and our go-to-market strategy give us a high degree of confidence in the potential for sustainable and growing free cash generation.

- The organic growth and evolution of the Company will require investment. Our policy is to reinvest to drive long-term growth and to add capability, capacity and scale where we can generate the greatest return. This lower-risk strategy ensures that we invest to drive revenue growth in priority geographies and in capabilities where we have the right to win.
- We are open to accelerate this progress through strategic and selective M&A to address gaps in our capabilities or regional coverage. Whilst our near-term focus is likely to be more bolt-on type opportunities, we are comfortable operating with a net debt to EBITDA ratio of up to 1.5 times in the event of M&A, which is well within our financial covenants within the Facility.
- Our overall goal is to deliver a compelling combination of a robust, optimal balance sheet and returns to shareholders including a growing dividend.
- Alongside dividends, the Board will also consider share buyback relative to other uses of cash as a means of creating shareholder value.

MARKET BACKGROUND

Macro trends

The macro outlook for 2025 remains uncertain, with geopolitical risk. We are exposed to both stronger US growth indicators and weaker non-US trends. Overall, we are well-placed with our self-help opportunities and resilient portfolio mix – more information on our portfolio on page 24.

Global advertising spend

Average growth for 2024 was 6.8%, fuelled by the return to double-digit growth in digital advertising spend of 10.7%. Retail media, integrating performance marketing and e-commerce, is a key disruptor and projected to grow at 15%. Social media follows at 13%.

2025 forecasts anticipate the fastest-growing industry sectors to be finance, pharmaceuticals, and travel and transport.

Our portfolio

The diversity of our portfolio provides both resilience and strength; we are relatively well insulated from specific industry or geographic downturns by not being over-exposed to any one geography, market or industry, while also providing counter-cyclical opportunities. The dominance of the UK is skewed by the fact that global Issues is run from the UK. Issues, our biggest Non-Advertising Specialism, focuses on public sector projects including work with the UK, US and Australian governments and other Western democracies. Retail is our second-largest industry with financial services a close third. Our top five industries comprise about 60% of our revenue.

Top geographic markets	Growth 2022 – 2026*	Our positioning
US and Canada	18%	Strong US exposure (some revenue consolidation within the UK) and new regional management.
APAC	17%	Australia exposure being managed to ensure greater focus on profitability.
Western Europe	15%	Small exposure but performing well.
Latin America	33%	Strong capabilities in Brazil with some cross-integration of creative solutions.
Central and Eastern Europe	19%	Small exposure.
Middle East and Africa	9%	Strong growth and increasing exposure in the Middle East.

* Dentsu, & Statista. (18 November, 2024). Year-on-year Advertising spending worldwide from 2022 to 2026, by region (in billion U.S. dollars). In Statista. Retrieved 10 December, 2024, from https://www.statista.com/statistics/273644/global-ad-spending-trend-by-region/

Complex and rapid change

Clients need agencies that can help navigate the complexities of the digital landscape in a market defined by greater fragmentation and new opportunities. The biggest drivers of change, in areas in where we are well able to support our customers, are set out below:

Driver of change	How we are responding
Social and influencer channels shaping behaviour.	We are building on our long-standing success in Sport & Entertainment, which is now under new leadership within our Passions & PR Specialism and is expanding to serve more sectors.
Convergence of culture and entertainment – large audiences.	Our operating model now capitalises on our leadership in new opportunities, self-grown innovation and analysis of trends.
Data – requiring more insights from data.	We are enhancing our analytical and data capabilities through our Intelligence Insight team to ensure our clients get the full benefit.
The adoption and potentially far-reaching effects of AI.	We ran 20 AI pilots in 2024 and have launched several AI-driven products.
Evolution of media channels – new ways to reach audiences.	We are innovative and creative, and our integrated operating model allows us to benefit from potential upside.
Geopolitical events.	Our Issues Specialism has a long-standing reputation in this area of work, barriers to entry are high and we are expanding our capabilities.

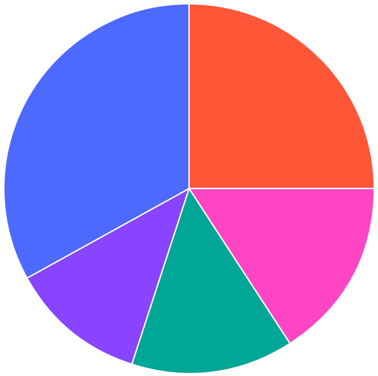
OPERATING REVIEW

Financial performance

	Net revenue			Operating profit		
£m	2024	2023	Change %	2024	2023	Change %
Non-Advertising Specialisms	**153.6**	143.9	6.7%	**38.8**	33.6	15.4%
Advertising	**77.4**	78.9	(1.9)%	**8.7**	7.5	15.4%
Group central costs	**–**	–	–	**(12.3)**	(7.7)	–
Total LFL	**231.0**	222.8	3.7%	**35.2**	33.4	5.2%
Constant currency adjustment		4.7			0.3	
Discontinued	**0.4**	9.1			(2.9)	
Company adjustments[1]				**(12.7)**	(25.1)	
Total Statutory	**231.4**	236.7	(2.2)%	**22.5**	5.7	294.7%

1. Company adjustments are defined on page 38.

By Specialism



Net revenue mix

- Issues 25%
- Passions & PR 16%
- Consulting 14%
- Media....12%
- Advertising....33%

	Like-for-like	
Net revenue by specialism	2024 £m	% change vs 2023
Advertising	**77.4**	(1.9)%
Issues	**57.9**	27.6%
Passions & PR	**36.4**	(6.5)%
Consulting	**32.5**	(6.7)%
Media	**26.8**	8.2%
Group	**231.0**	3.7%

Non-Advertising Specialisms delivered a 6.7% increase in LFL net revenue to £153.6 million and contributed 67% of Group net revenue, while Advertising delivered £77.4 million, down 1.9%.

The overall performance of our Non-Advertising Specialisms was fuelled by continued strong growth of 27.6% in Issues, underlining our leading market position working with the governments of Western democracies alongside charity foundations and NGOs, and highlighting the specific expertise that we have developed in this highly specialised field. Media built on its first half recovery after the more difficult 2023, ending the year +8.2%. Advertising declined 1.9% largely due to tougher second half environments particularly Australia and the UK.

Specialisms LFL performance

Advertising

- 33% of LFL Group net revenue (2023: 40%)
- LFL net revenue £77.4m (2023: £78.9m)

The more muted 2024 performance reflected improved momentum in the first half across multiple markets and continued efforts to improve profit through margin and cost discipline. A weaker second half was largely driven by the UK and Australian markets where macro conditions remain challenging, but was significantly offset by continued growth in the UAE, Europe and the US (through a combination of new client wins and repeat business). The reduction in Advertising Group net revenue share versus 2023 was largely driven by the disposal of the South African businesses, which were largely Advertising. The outlook for 2025 reflects a consistent pattern, with subdued market conditions in Australia, stabilisation in the UK, and stronger demand in Europe, the US and the UAE.

Issues

- 25% of LFL Group net revenue (2023: 20%)
- LFL net revenue £57.9m (2023: £45.4m)

A continued strong performance was driven by a combination of existing client work and new wins with multi-year framework agreements. We have made significant investment into this Specialism, enhancing our non-UK footprint, our data security capabilities and talent. We continue to develop our expertise in this unique and highly specialised field, with strong barriers to entry, a broadened client list and good momentum continuing into 2025.

Passions & PR

- 16% of LFL Group net revenue (2023: 16%)
- LFL net revenue £36.4m (2023: £38.9m)

This was a year of change with the inclusion of our PR business into this Specialism and the full reshaping of its client base for improved profitability. The award-winning Sport & Entertainment businesses, under their new leadership of CEO Robin Clarke, continued to reshape their client roster for improved profitability, focusing on higher quality mandates across multi-year engagements and to improve service output. The 2025 outlook is more encouraging, although PR continues to be affected by our exposure to the relatively weaker UK market.

Consulting

- 14% of Group net revenue (2023: 14%)
- LFL net revenue £32.5m (2023: £34.9m)

Our M+C Saatchi Consulting branded proposition launched in 2024 as our complete end-to-end offering. Our digital and data solutions expertise in Fluency will maximise opportunities and play a crucial role in the Group's Cultural Power proposition, alongside our new Intelligence Insight centre of excellence.

We remain somewhat cautious on the market backdrop, as sector challenges continue, due to economic pressures resulting in delays to project start dates and deferral of client spend; however, we are seeing an improving pipeline.

Media

- 12% of LFL Group net revenue (2023: 10%)
- LFL net revenue of £26.8m (2023: £24.8m)

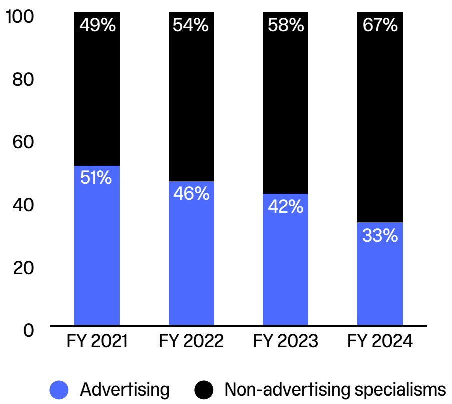
Media grew revenue through client wins and retained work in APAC, a core region, and the US. Following the negative impact of the macroeconomic slowdown in 2023, affecting technology spend in particular, we are encouraged by recent momentum and continued development of our digital expertise, including in e-retail. While cautious about the market backdrop for 2025, we are encouraged by recent wins, our healthy pipeline and improving momentum on the back of our strong client offer.

Improved LFL margins

Non-Advertising Specialisms delivered a 15.2% increase in operating profit and operating margin of 25.2% (+1.9ppts) reflecting strong revenue growth, continued mix improvements and proactive cost management. Advertising's 15.2% growth in operating profit, with operating margin at 11.2% (+1.7ppts), was driven by management of the cost base as well as the exit from loss-making businesses.

Group central costs increased, largely due to the creation of the SSC with back-office costs now centrally held and managed, versus locally by each agency (with a net reduction for the Group). In addition senior leadership appointments and management incentives contributed to increased central costs. As a result, total Group central costs increased to £12.3 million (2023: £7.7 million).

LFL net revenue share



Good momentum in the UK, Europe and Middle East

UK: +9% with positive momentum in Issues and Media while Advertising was down reflecting market dynamics.

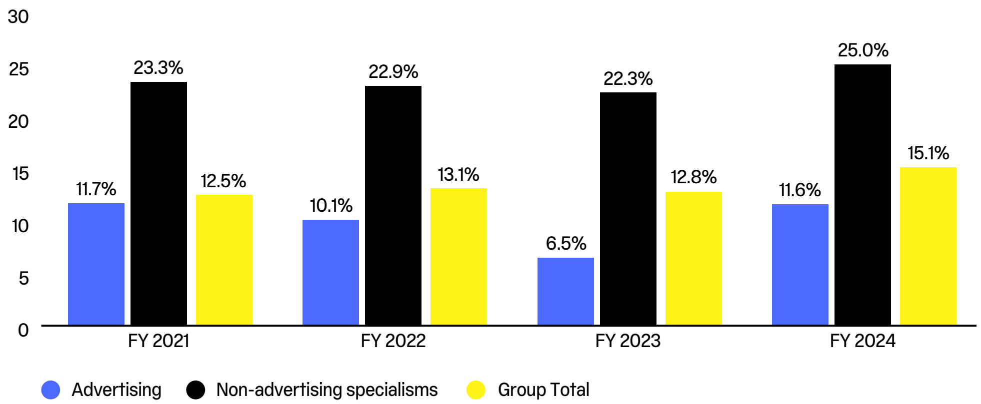
APAC: -9% in a weak Australian environment, notably in Advertising, as the cost of living and high interest rates discouraged spending.

Americas: -3% decline largely due to client delays in Consulting, offsetting growth in US Advertising.

Europe: +14% good growth across the region, particularly Advertising and Passions & PR through retained work and new business wins.

Middle East: +59% thanks to strong Advertising growth in the UAE and significant strength in construction and real estate sectors as well as the launch of our Sport & Entertainment offering.

Headline operating margin



Regional LFL performance

The breadth of our geographic mix is a strength, and under our new regional-first approach will, in the future, more simply reflect the way we manage the Group. The UK remains our biggest region, driven by the growth of Issues. APAC is predominantly Australia, while Americas is dominated by the US market. In Europe, the two largest markets are Italy and Germany. Since the sale of the South Africa businesses, we no longer have an owned business in Africa.

	Like-for-like	
Net revenue by region	**2024 £m**	% change vs 2023
UK	**109.1**	8.7%
APAC	**53.9**	(8.7)%
Americas	**44.2**	(2.9)%
Europe	**12.2**	14.0%
Middle East	**11.6**	58.8%
Group	**231.0**	3.7%

Licensees and associates

Europe (Spain and Sweden), APAC (Japan, Thailand), Middle East (Lebanon), Africa (South Africa).

Shared Service Centres

South Africa (Global) and India (Media).

Discontinued businesses in 2024

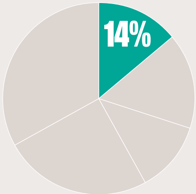
South Africa, Switzerland, Indonesia, French associate investments.

Operating Review continued

CONSULTING

M+C Saatchi Consulting delivers transformative growth for clients at the intersection of brand, experience and innovation through research and insight, strategic consultancy, brand strategy, customer experience, design, technology solutions, AI and products.

Group net revenue



LFL net revenue

£32.5M

(6.7)%

Global employees

227

(2023: 284)

Operating regions

- Americas
- APAC
- Europe
- Middle East
- UK

Highlights

- Launched and integrated the M+C Saatchi Consulting brand in 2024 offering transformative growth with digital and data support.
- Complete end-to-end offering including all our brands: Clear, Re, MCD Partners, Fluency, Precision and the Source.
- Plays a crucial role in the Group's Cultural Power proposition, alongside our new Intelligence Insight centre of excellence.
- New interim leadership in Rhonda Hiatt.
- Somewhat cautious on the market backdrop for 2025 as sector challenges continue, largely due to economic pressures impacting client budgets; however, we are seeing an improving pipeline.

Position in our marketing services model

Planning → Execution → Measurement

Consulting	Advertising	Passions & PR	Media
Brand strategy, innovation, design, experience	Connecting brands to consumers via paid channels	Experiential, social, influencer, talent, PR	Digital media, performance, e-retail
Issues			
Full-service offer, mainly public sector			

The Department of Health Abu Dhabi – Sahatna – UAE

The Department of Health Abu Dhabi in partnership with Abu Dhabi Health Data Services approached us for support in creating a modern healthcare experience.

The Sahatna brand ("Our Health" in Arabic) was developed to bring a more holistic and community-focused approach to healthcare in the UAE. The bold messaging, confident typography and vibrant colours create a distinct brand identity.

Sahatna not only meets the needs of a diverse user base but is also a government app that is modern, approachable and user-friendly.

Greene King – Farmhouse Kitchen – UK

We partnered with Greene King to transform their Farmhouse Inns brand into the next big restaurant chain.

The carvery category was seen as tired and old-fashioned, with a perception that it was only appropriate for certain events and that the restaurants' offer wouldn't please everyone in their party.

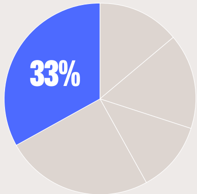
So, we identified an opportunity to bring more choice into the experience with a new brand name, Farmhouse Kitchen, a fresher take on the carvery experience and format, the introduction of a new in-house bakery, a lighter, more contemporary environment and layout and a choice between tech and people-led service.

Operating Review continued

ADVERTISING

Advertising is the cornerstone and key entry point to the Group's expertise and overall offering. Our world-famous brand is renowned for boldness and creativity. Our advertising services are increasingly digitally led and data enabled. Our work is highly visible and award-winning.

Group net revenue



LFL net revenue

£77.4M

(1.9)%

Global employees

568

(2023: 1178)

LFL operation margin

11.2%

(2023: 9.5%)

Operating regions

- Americas
- APAC
- Europe
- Middle East
- UK

Highlights

- New integrated operating model to enable significant growth opportunity through selling in, up and across.
- Profitability improved thanks to effective management of the cost base.
- Leadership strengthened in the UK and the US with Jo Bacon and Nadja Bellan-White, respectively.
- The outlook reflects subdued market conditions in the UK and Australia, stabilisation in the UK and stronger demand in Europe, the US and the UAE.

Position within our marketing services model

Planning — Execution — Measurement

Consulting	Advertising	Passions & PR	Media
Brand strategy, innovation, design, experience	Connecting brands to consumers via paid channels	Experiential, social, influencer, talent, PR	Digital media, performance, e-retail
Issues			
Full-service offer, mainly public sector			

Acquaventure – Where Legendary Lives – UAE

Despite being Dubai's #1 most-visited destination, Aquaventure World had a problem. For all its record-breaking water park credentials, it wasn't seen as a 'cool' place to visit any more.

So, we relaunched this famous Dubai institution by assembling a host of modern-day legends. From viral social media stars to the world's most legendary lifeguard, David Hasselhoff. Emphatically re-introducing Aquaventure and turning the park into an epic playground.

And we didn't stop there. We modernised Aquaventure's entire design language, crafting a far more cohesive, eye-catching visual identity, which used its key asset, the trident as its inspiration. Finally, came an overhaul of the brand's outdoor and social approach. Stripping away the previous image for a far more immersive and authentic style, punchier headlines and tone of voice with attitude.

Woolworths – Fresh fuels the best in us – Australia

Through an integrated campaign, Woolworths showed Australia and the world how fresh is fuelling Australia's Olympic and Paralympic athletes. Woolworths utilised its role as the proud fresh food partner of the 2024 Australian Olympic and Paralympic teams for Paris 2024 to show the crucial role fresh food plays in achieving greatness, be it for everyday Australians, or elite athletes.

Featuring seven athletes from the Australian Olympic and Paralympic teams, our integrated campaign ran across TV, online film, cinema, social, OOH, digital media and in store.

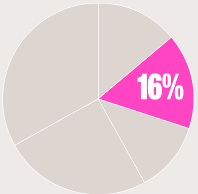
The campaign was named most effective Olympic/Paralympic in Australia, and third most effective globally, ranked by creative effectiveness research agency System 1.

Operating Review continued

PASSIONS & PR

Passions & PR showcases our significant expertise and market leadership across sport, music, film, fashion and culture. Our digitally focused social media expertise with experiential capabilities is highly visible and relevant to an increasingly digital audience. We have strong relationships with streaming and social media platforms, talent and influencers.

Group net revenue



LFL net revenue

£36.4M

(6.5)%

Global employees

245

(2023: 296)

Operating regions

- Americas
- APAC
- Europe
- Middle East
- UK

Highlights

- Now includes PR – a better fit with the "owned-and-earned" model (not paid).
- Won "Sports Agency of the Year" in 2024, for the seventh time.
- Responding to increasing demand for integrated social elements in marketing.
- Managing the client base for sustainable profitability.
- New CEO, Robin Clarke, with sport and entertainment experience and talent leadership in Richard Thompson.
- Launched a Sport & Entertainment operation in the UAE, taking advantage of strong existing regional presence and demand for our capabilities.
- The outlook is more encouraging, although PR continues to be affected by our exposure to the relatively weaker UK market.

Position within our marketing services model

Planning | Execution | Measurement

Consulting	Advertising	Passions & PR	Media
Brand strategy, innovation, design, experience	Connecting brands to consumers via paid channels	Experiential, social, influencer, talent, PR	Digital media, performance, e-retail

Issues

Full-service offer, mainly public sector

Ballantine's – True Music Icons – UK

We partnered an iconic whisky with iconic music artists, Elton John and John Lennon.

For True Music Icons Vol II, we created visually striking bottles that stood out on shelves by licensing the intellectual property of two icons who both embody Ballantine's brand purpose of "Stay True". Promoted via thumb-stopping content.

adidas – UEFA 2024 – “It’s Only a Tackle” – UK

For the adidas Euro 2024 “You Got This” campaign, we focused on those in-game pressure moments through the eyes of three players who achieve on the biggest stage, time and time again.

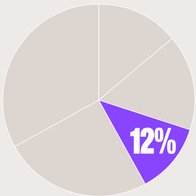
The vital tackle from Declan Rice, the perfect cross from Trent Alexander-Arnold, the pivotal header from Scott McTominay.

Operating Review continued

MEDIA

Media is our mobile-first digital marketing capability driving growth primarily in mobile ecosystems. We offer strategy, advisory and activation capabilities to drive growth through the full marketing funnel. Our digital marketing services include paid social, paid search, programmatic advertising, affiliate marketing, app store optimisation, retail media and data analytics.

Group net revenue



LFL net revenue

£26.8M

+8.2%

Global employees

399

(2023: 352)

Operating regions

- Americas
- APAC
- Middle East
- UK

Highlights

- Won "Global Performance Marketing Agency of the Year" (Campaign).
- Strong recovery in 2024 (following macro slowdown in 2023).
- Increased focus by clients on measurable performance in the marketing funnel.
- Growth of e-Retail is fuelling opportunities.
- Built on strengths in app optimisation.
- Operating under the M+C Saatchi Performance brand.
- Whilst we remain cautious on the market backdrop, we are encouraged by recent wins and improving momentum on the back of our strong client offer.

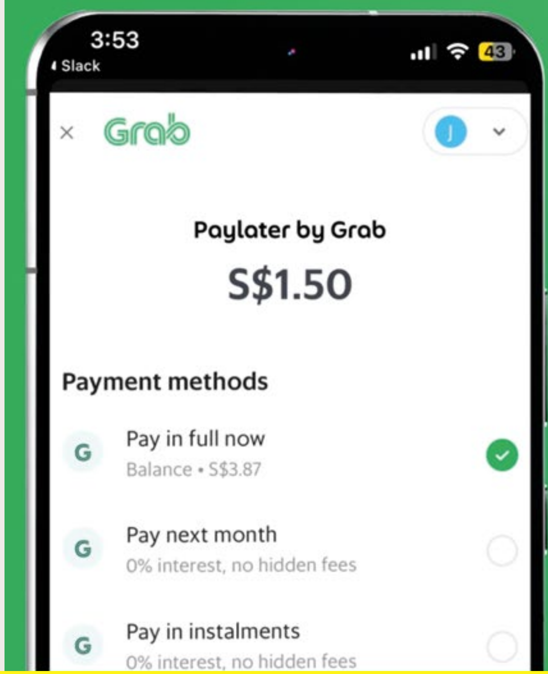
Position within our marketing services model

Planning — Execution — Measurement

Consulting	Advertising	Passions & PR	Media
Brand strategy, innovation, design, experience	Connecting brands to consumers via paid channels	Experiential, social, influencer, talent, PR	Digital media, performance, e-retail
Issues			
Full-service offer, mainly public sector			

Grab – Buy Now, Pay Later – Southeast Asia

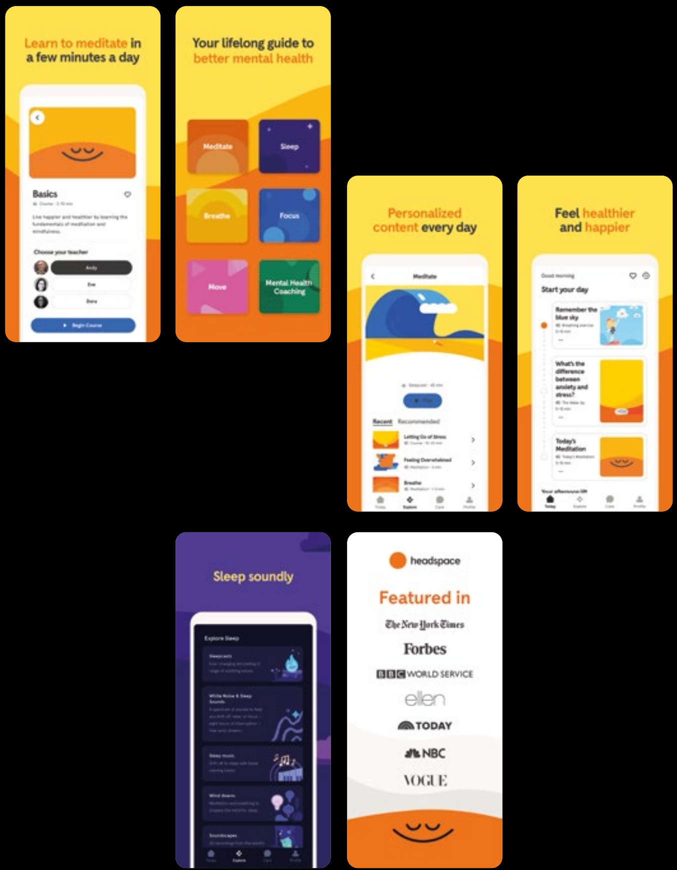
Grab, Southeast Asia's leading Superapp, aimed to boost awareness and adoption of its Buy Now, Pay Later (BNPL) service, GrabPayLater. Facing market competition and scepticism, they transformed BNPL education into an engaging experience through gamification. We created an interactive ad where users played a shopping game and saw how BNPL made big-ticket purchases more affordable. The campaign, running from April to June 2024, leveraged TikTok, Meta, influencers and paid media. We delivered a 48% lower cost per click and 49% better click through rate than non-game ads.

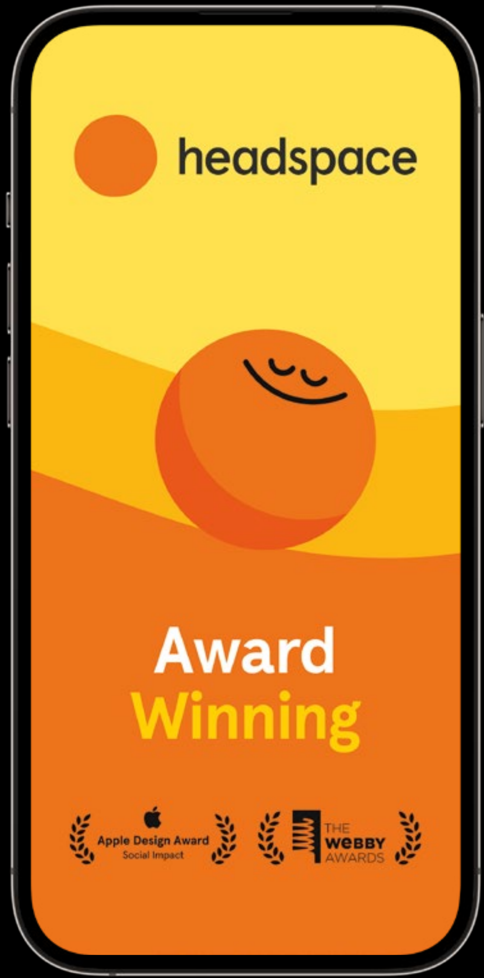


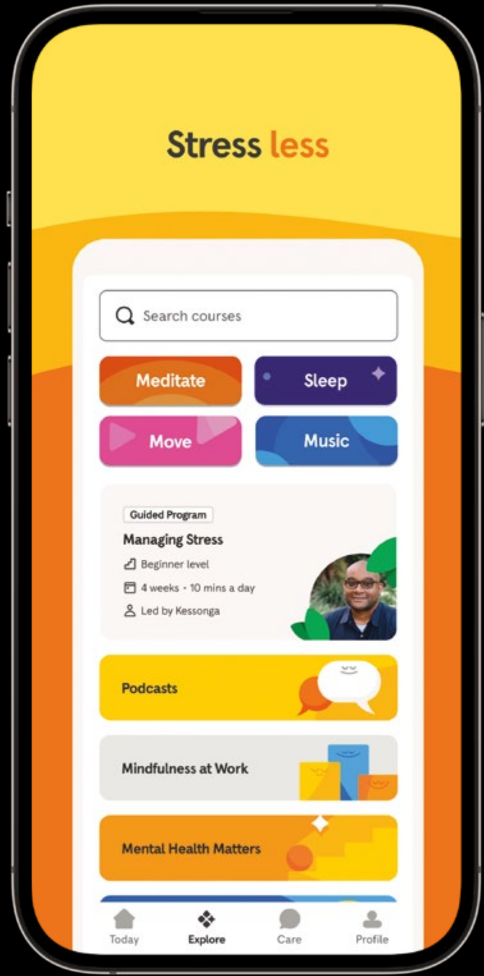
GRAB PAYLATER ENABLES SHOPPERS TO PURCHASE BIG-TICKET ITEMS

Headspace – Stressless – Global

M+C Saatchi Performance partnered with Headspace, the mental wellness app, to enhance organic conversion rates through app store optimisation. The goal was to improve conversions, identify effective creative elements via A/B testing and enhance user engagement with optimised visuals. We tested multiple variations across Apple and Google, analysing which drove the most downloads. Headspace achieved a 34% increase in conversion rates.





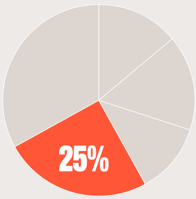


Operating Review continued

ISSUES

Issues offers highly differentiated sector expertise for non-commercial clients by providing a fully integrated end-to-end service across multi-disciplines. This capability benefits from long-term framework contracts with governments (allowing access to multiple departments and decision-makers) which increases our resilience to macro volatility. This segment, including defence, security, climate, health, human rights, social justice and conflict prevention has high barriers to entry and requires highly securitised systems and processes.

Group net revenue



LFL net revenue

£57.9M

+27.6%

Global employees

356

(2023: 271)

Operating regions

- Americas
- APAC
- Europe
- UK

Highlights

- Experienced and specialist management team.
- Building on market leadership with clients and high barriers to entry.
- Long-term framework agreements for the public sector.
- Investment into capabilities e.g. securitised systems to enable a broadened client list.
- We expect continued good momentum in 2025.

Position within our marketing services model

Planning	Execution		Measurement
Consulting	Advertising	Passions & PR	Media
Brand strategy, innovation, design, experience	Connecting brands to consumers via paid channels	Experiential, social, influencer, talent, PR	Digital media, performance, e-retail

Issues

Full-service offer, mainly public sector

The National Cyber Security Centre – Tackling Fraud – UK

The cost of fraud against individuals is estimated at £6.8bn a year - 89% of that is cyber-enabled. This multi-channel campaign uses a humorous and visually striking approach to bring the benefits of two step verification (2SV) to life. In our hero TV and social film, we follow a small business owner who encounters a cyber-criminal while on her evening commute. With a simple tap on her phone to activate 2SV, she transforms into a fully-kitted-out knight. As the other passengers look on in shock, her clothing is replaced with full medieval armour. She bops the criminal on the nose and he flees. This simple yet powerful metaphor reinforces how 2SV instantly strengthens online security, turning an ordinary login into a far tougher defence against cyber threats.

Australian Red Cross – Life Is The Reason – Australia

The Australian Red Cross Lifeblood reignited donor engagement with Life Is The Reason, a campaign that reframed blood donation as a deeply personal yet collective act of life-saving. By spotlighting the real heartfelt reasons Aussies donate, the campaign turned individual motivations into a powerful call to action. A digital Reasons Hub invited personal stories, featured them across OOH, TV and social platforms like TikTok and Instagram, amplified by influencers and sporting events like the Australia Football League Finals. In just three weeks, the campaign inspired 6,606 new donors and reactivated 7,899 lapsed donors, with the power to save up to 40,000 lives. By connecting personal stories to national impact, Lifeblood exceeded all expectations.

FINANCIAL REVIEW

Simon Fuller
Chief Financial Officer

"I am delighted to see the positive impact of the transformation, improving revenue growth, strengthening margin accretion and enhancing cash generation. The global efficiency programme has delivered the £10 million annualised savings, as anticipated, and the new Group-wide SSC in South Africa is proving to be a real success, providing efficiencies across back-office functions and freeing up resources for creativity. Best of all, there is potential for so much more as we bed in the new operating model and take it to the next level."

"Our focus now is on the planned middle office restructuring, where our data and production capabilities can become shared resources, creating operational leverage, and, more importantly, even better solutions for our clients. I am confident that our brilliant people will enable this and will respond positively to our focus on efficiency and cash generation, which will provide compelling returns for our shareholders."

Group results headlines

	LFL results			Statutory results		
£m	**2024**	2023	Movement	**2024**	2023	Movement
Revenue	**392.5**	391.1	0.4%	**395.4**	420.0	(5.8)%
Net revenue*	**231.0**	222.8	3.7%	**231.4**	236.7	(2.2)%
EBITDA*	**42.0**	41.0	2.3%	**29.7**	14.6	n.m.
Operating profit	**35.2**	33.4	5.2%	**22.5**	5.7	n.m.
Operating margin	**15.2%**	15.0%	0.2pps	**9.7%**	2.4%	7.3pps
Profit before taxation	**30.5**	29.3	4.2%	**18.1**	(0.8)	n.m.
Profit/(loss) for the year	**22.1**	22.3	(0.9)%	**11.7**	(3.9)	n.m.
Non-controlling interests	**0.7**	2.0	(65.0)%	**0.0**	0.6	n.m.
Profit attributable to equity holders	**21.4**	20.3	5.4%	**11.7**	(4.5)	n.m.
Earnings/(loss) per share (basic)	**17.6p**	16.6p	6.1%	**9.6p**	(3.7)p	n.m.
Dividends per share				**1.95p**	1.6p	21.9%

Note: Like-for-Like (LFL) results adjust statutory results to reflect the directors' view of underlying profitability of the business units, by excluding a number of items that are not part of routine expenses including one-off and exceptional items (Headline results), excluding subsidiaries discontinued in 2023 and in 2024, and retranslating 2023 figures to 2024 FX rates. These adjustments are set out below. We provide commentary on LFL figures, where applicable, to provide a more comparable and better basis for understanding our current and future performance. LFL adjustments are summarised below in this section, in the Financial Review and at Note 1 of the financial statements. Statutory profit for the year excludes results from discontinued South Africa business.

LFL performance

The Group generated £231.0 million of LFL net revenue in 2023, up 3.7% on last year, driven by 6.7% growth in Non-Advertising Specialisms, offsetting Advertising decline of 1.9%.

Like-for-like EBITDA grew by 2.3% to £42.0 million (2023: £41.0 million) and LFL operating profit was £35.2 million, up 5.2%. Our profitability benefited from the new operating model which allowed the partial reinvestment of the £10 million annualised savings generated by our global efficiency programme. LFL operating profit margin was 15.2% (2023: 15.0%), driven by the strong performance of the higher-margin Non-Advertising Specialisms and their increasing weight in the portfolio. LFL profit before tax was £30.5 million, up 4.2%.

Separately disclosed one-off items, mainly relating to our global efficiency programme, were £7.2 million (largely people restructuring) as we continue to implement the SSC transformation plan and rationalise our footprint to maximise efficiency.

LFL profit after tax attributable to shareholders was £21.4 million (2023: £20.3 million), reflecting the cash settlement of put options. LFL basic earnings per share were up 6.1% to 17.6p (2023: 16.6p).

The Group delivered adjusted net cash of £15.3 million (2023: £8.3 million) after £8.6 million of put option payments (2023: £15.4 million). Working capital registered an absorption of £6.4 million (2023: £14.5 million absorption) an improvement over last year driven by better payment terms and improved cash management.

Statutory results

The Group generated £231.4 million of net revenue, a decline of 2.2%, largely due to discontinued businesses, particularly the South Africa businesses. Statutory operating profit grew to £22.5million, due to significantly lower staff costs and the portfolio shift to higher-margin Non-Advertising Specialisms. This led to an increased statutory operating margin of 9.7% (2023: 2.4%). Profit before tax grew to £18.1 million (2023: £(0.8) million), due to lower staff costs, the reversal of an impairment and a decrease in finance expense (given reduced average borrowings).

LFL Specialisms and regional review

The Group's segmental and regional performance is reviewed on a LFL basis to provide a more comparable and better basis for understanding our current and future performance.

The strength derived from the Group's diverse portfolio of Specialisms and regions is key to our stability and resilience as well as our future growth. We believe that our new regional-first approach will be better able to realise the value of the breadth and quality of our capabilities within our regions and globally. We are therefore now managing our business by regions, but continue to report across these by Specialism. In future, we will primarily provide reporting on a regional basis.

	Like-for-like		
Net revenue by specialism (£m)	**2024**	2023	Change
Advertising	**77.4**	78.9	(1.9)%
Issues	**57.9**	45.4	27.6%
Passions	**36.4**	38.9	(6.5)%
Consulting	**32.5**	34.9	(6.7)%
Media	**26.8**	24.8	8.2%
Group	**231.0**	222.8	3.7%

	Like-for-like		
Net revenue by region £m	**2024**	2023	Change
UK	**109.1**	100.3	8.7%
APAC	**53.9**	59.0	(8.7)%
Americas	**44.2**	45.5	(2.9)%
Europe	**12.2**	10.7	14.0%
Middle East	**11.6**	7.3	58.8%
Group	**231.0**	222.8	3.7%

We reported strong regional performances by region, in the Middle East (+58.9%), Europe (+14.0%) and the UK (+8.7%) and by Specialism, Issues (+27.6%) and Media (+8.2%). Elsewhere the performance was impacted by continuing macroeconomic volatility. More detail is provided in the operating review.

Shifts in Specialism revenue share over time

LFL net revenue share by specialism	Advertising	Issues	Passions	Consulting	Media	**Total**
2024	**33%**	**25%**	**16%**	**14%**	**12%**	**100%**
2023	42%	20%	14%	14%	10%	100%
2022	46%	15%	12%	14%	13%	100%
2021	51%	14%	10%	12%	13%	100%
2020	61%	13%	8%	8%	10%	100%

LFL net revenue share by region	UK	APAC	Americas	Africa[1]	Europe	Middle East	Total
2024	**47%**	**23%**	**19%**	**1%**	**5%**	**5%**	**100%**
2023	40%	26%	19%	6%	6%	3%	100%
2022	36%	29%	20%	6%	6%	2%	100%
2021	39%	30%	17%	6%	6%	2%	100%
2020	39%	26%	15%	5%	13%	2%	100%

1. The Group disposed of the South Africa businesses on 30 September 2024, going forward there will be no segmental reporting for this region.

Central costs

The Group LFL operating margin of 15.2% (2023: 15.0%) reflects a continued shift towards the higher-margin, Non-Advertising Specialisms and the success of the global efficiency programme which has enabled further investment in creativity and future growth.

Group central operating costs increased from £7.7 million in 2023 to £12.3 million in 2024, reflecting investment into centralised services for the Group, including the SSC which has reallocated costs from the individual agencies to the centre (saving on a combined basis). Our global efficiency programme achieved annualised savings of a total of £10 million at the end of 2024, including annualised savings of £6.1 million in 2024 and £3.9 million in 2023.

2024 £m	**Advertising**	**Non-advertising**	**Group central costs**	**Total**
Net revenue	**77.4**	**153.6**	**–**	**231.0**
Operating profit / (loss)	**8.7**	**38.8**	**(12.3)**	**35.2**
Operating profit margin	**11.2%**	**25.2%**	**–**	**15.2%**
Profit / (loss) before tax	**8.2**	**36.8**	**(14.4)**	**30.5**

LFL 2023 £m	Advertising	Non-advertising	Group central costs	Total
Net revenue	78.9	143.9	–	222.8
Operating profit / (loss)	7.5	33.6	(7.7)	33.4
Operating profit margin	9.5%	23.3%	–	15.0%
Profit / (loss) before tax	7.6	29.9	(8.2)	29.3

Like-for-like reporting

LFL results adjust statutory results to reflect the underlying profitability of the business units by excluding a number of items that are not part of routine expenses including one-off and exceptional items (defined as Headline adjustments) excluding subsidiaries discontinued in 2023 and in 2024, and retranslating 2023 figures to 2024 FX rates. These adjustments are set out below. We provide commentary on LFL figures, where applicable, to provide a more comparable and better basis for understanding our current and future performance. LFL adjustments are summarised below and at Note 1 of the financial statements.

Management considers LFL figures are a better way to measure and manage the business, and they are used for internal performance management and reward. LFL results is not a defined IFRS term and is not intended to be a substitute for, or be superior to, any IFRS measures of performance.

Reconciliation of LFL to statutory results

The table below summarises the reconciliation from LFL to statutory results for 2024 and 2023, excluding Company-specific adjustments which are set out below.

2024 £m	**LFL**	**Exiting agencies**	**Company adjustments**	**Statutory**
Revenue	**392.5**	**2.9**	**–**	**395.4**
Net revenue	**231.0**	**0.4**	**–**	**231.4**
Operating profit	**35.2**	**–**	**(12.7)**	**22.5**
Operating margin	**15%**	**(1)%**	**–**	**10%**
PBT	**30.5**	**–**	**(12.4)**	**18.1**

2023 £m	LFL	Exiting agencies	Company adjustments	Constant currency adjustment	Statutory
Revenue	391.1	20.2	–	8.8	420.0
Net revenue	222.8	9.1	–	4.7	236.7
Operating profit	33.4	(2.9)	(25.1)	0.3	5.7
Operating margin	15%	–	–	–	2%
PBT	29.3	(3.1)	(27.2)	0.2	(0.8)

1. Company adjustments (Headline adjustments)

These comprise:

- Separately disclosed items that are one-off in nature and are not part of running the business impairment of non-current assets.
- Amortisation of acquired intangibles.
- Gains or losses generated by disposals of subsidiaries and associates.
- Fair value adjustments to unlisted equity investments, acquisition-related contingent consideration, investment properties and put options.
- Dividends paid to IFRS 2 put option holders.

	2024 £000	2023 £000
Statutory profit before taxation	**18,131**	(777)
Separately disclosed items	**7,248**	7,652
Put option accounting – IFRS 9 and IFRS 2	**(1,006)**	6,316
Dividends paid to IFRS 2 put option holders	**866**	2,499
FVTPL investments under IFRS 9	**3,813**	4,254
Impairment of intangible assets	**1,634**	4,794
Impairment of non-current assets	**(658)**	2,004
Amortisation of acquired intangibles	**335**	537
Revaluation of associates on disposal	**–**	(133)
Gain on disposal of subsidiaries and associates	**230**	(782)
Discontinued agencies	**(11)**	3,116
FX difference	**–**	(207)
LFL profit before taxation	**30,496**	29,273

2. Foreign exchange adjustments

The Group is exposed to movements in foreign currency exchange rates on the translation of the results of its overseas businesses. The LFL basis applies the constant foreign exchange applicable for the current period to the comparative period in order to present the results on a comparable basis. Key Group currency movements reflected weakness in all key Group international currencies, particularly the Australian dollar and euro versus sterling.

Key 2024 currencies and average FX rates used to re-translate FY 2023:

Currency	Dec-24	Dec-23	Sterling stronger/ (weaker)
United Arab Emirates dirham (AED)	**4.5984**	4.5685	Weaker
Australian $ (AUD)	**2.0228**	1.8736	Weaker
Euro € (EUR)	**1.2087**	1.1501	Weaker
US $ (USD)	**1.2516**	1.2438	Weaker
South African R (ZAR)	**23.5705**	22.9623	Weaker

3. Discontinued businesses

During 2024, we disposed of the agencies comprising the South Africa businesses, which was treated as a discontinued operation and excluded from the statutory results of the Group. Up to the date of the disposal these businesses contributed net revenue of £11.9 million (2023: £16.1 million), operating profit of £3.5 million (2023: £1.6 million) and profit before tax of £3.5 million (2023: £1.5 million). These 2024 results include the relevant gain on disposal of £2.1 million within operating profit.

During 2023 and 2024, we also exited from other marginal or loss-making businesses. In 2024, these businesses contributed net revenue of £0.4 million (2023: £9.1 million), negligible operating profit (2023: £(2.9) million), and negligible profit before tax (2023: £(3.1) million).

In 2024, disposals comprised shares in the agencies comprising the South Africa businesses, the Company's creative agencies in Indonesia and Switzerland, and certain French associate investments.

In some cases, these businesses continue to operate under licence, providing a fee for the use of our brand. Licensees as at the end of 2024 comprise: Japan, Lebanon, Spain, South Africa, Sweden and Thailand (also an Associate).

Impact of discontinued businesses [1]

£m	2024	2023
Net revenue	**12.3**	25.2
Operating profit	**1.6**	(1.3)
Profit before tax	**1.6**	(1.6)

1. Excluding gain on sale.

Financial income and expense

The Group's financial income and expense includes bank interest, lease interest and fair value adjustments to minority shareholder put option liabilities (IFRS 9). Bank interest payable for the year was £2.2 million (2023: £2.3 million). The interest on leases increased to £3.4 million (2023: £2.9 million). The fair value adjustment of put option liabilities created a debit of £0.2 million (2023: £2.1 million).

Tax

LFL tax

Our LFL tax rate was 27.4% (2023: 23.7%). The increase in the LFL tax rate is due to less current year benefit from our historic tax provisioning, reduction in partnership minorities and an increase in UK tax rates. The variation to Statutory tax is due to significant items that LFL excludes such as share-based payments, disposals and put options being non-deductible against corporation tax.

Statutory tax

The Statutory tax rate was 21.5% (2023: 493.3%). We have experienced large variations in Statutory tax rates, because items such as goodwill impairments and put options arising from investments in subsidiaries are non-deductible against corporation tax due to their being capital in nature.

Non-controlling interests (minority interests)

LFL non-controlling interest share of the Group's profit represents the minority shareholders' share of each of the Group's subsidiaries' profit or loss for the year. The share of profits attributable to non-controlling interests reduced to £0.7 million (2023: £2.0 million) reflecting a reduction in minority interests to 3.2% (2023: 9.1%) of profit after tax. This reflects a reduction during the year in the minority interest shareholdings in several Group entities, as a result of the cash settlement of put options.

Statutory non-controlling interests excludes any minority interests which relate to IFRS 2 put option holders (holders of put options that are contingent on being employed by the relevant company). Their share of the entity's Statutory profit is paid as dividends each year, which are reported as staff costs in the Statutory results.

Dividends

The Company paid dividends in 2024 of £1.9 million (1.6p per share). We are committed to returning capital to shareholders and, given the progressive earnings performance during the year, the Board is recommending the payment of an increased final dividend of 1.95p per share.

Subject to shareholder approval at the Annual General Meeting, to be held on 15 May 2025, the dividend will be paid on 11 June 2025 to shareholders on the register at 9 May 2025. The shares will go ex-dividend on 8 May 2025.

Movement in cash flow

Total gross cash (excluding bank overdrafts) at 31 December 2024 was £25.9 million (2023: £24.3 million), excluding restricted cash of £3.5 million. Cash net of bank borrowings (net cash excluding restricted cash) was £11.8 million (2023: £8.3 million).

The Group generated operating cash from trading (before working capital) of £29.3 million (2023: £15.1 million) before dividends to IFRS 2 put option holders of £5.8 million (2023: £14.6 million) and £2.8 million of payments to acquire non-controlling interests (2023: £0.8 million). There was a £3.6 million net outflow from working capital excluding transfers to restricted cash (2023: outflow of £14.5 million). Lease payments were £8.5 million (2023: £9.1 million).

Net operating cash flow (operating cash generated from operations (excluding put option payments and non-adjusted cash costs) net of purchases of intangible / tangible fixed assets and the principal payment on leases) for the year was £25.6 million (2023: £15.6 million), which represents a cash conversion from LFL operating profit of 83%. This is in-line with our target of 80%.

The following table sets out the key movements in net cash during 2024:

Movement in net cash	**2024 £m**	2023 £m
Net cash at the beginning of the year	**8.3**	30.0
Increase in cash from trading	**35.1**	29.8
Dividends paid to IFRS2 put option holders	**(5.8)**	(14.6)
Operating cash from trading	**29.3**	15.1
Decrease in cash from working capital movements	**(3.6)**	(14.5)
Movement to restricted cash	**(3.5)**	–
Tax paid	**(3.0)**	(4.2)
Net cash inflow from disposal of subsidiaries and associates	**2.7**	(0.2)
Purchases of intangible / tangible fixed assets	**(2.9)**	(1.8)
Payment of lease liabilities and interest	**(8.5)**	(9.1)
Dividends paid to Company shareholders	**(1.9)**	(1.8)
Cash consideration for non-controlling interest acquired	**(2.8)**	(0.8)
Net interest paid	**(2.0)**	(1.5)
(Repayment of) / proceeds from bank loans	**(2.0)**	9.0
FX movement on cash held	**(0.3)**	(2.2)
Other movements	**2.0**	18.7
Net cash at the end of the year	**11.8**	8.3
Restricted cash	**(3.5)**	–
Adjusted net cash held in bank	**15.3**	8.3

Banking arrangements

On 7 March 2024, the Company refinanced its previous facility by entering into a new revolving multi-currency facility agreement with National Westminster Bank Plc, HSBC UK Bank plc and Barclays Bank PLC for up to £50 million (the "**Facility**"), with a further £50 million extension if required for strategic acquisitions. The Facility is provided on a three-year term with two one-year extensions, the first of which was granted on 20 March 2025 extending the Facility until 7 March 2028. The primary purpose of the Facility is to provide the Group with additional liquidity headroom to support any variations in working capital and provide funding for selective bolt-on acquisitions. At 31 December 2024, £14.0 million was drawn on the Facility compared to £16.0m drawn on the previous facility at 31 December 2023.

Capital expenditure

Total capital expenditure including software acquired increased to £2.9 million (£1.8 million). This included £0.3 million on furniture, fittings and other equipment, £1.0 million on computer equipment, £0.4 million on leasehold improvements, and £1.2 million on software and film rights (2023: £0.7 million, £0.6 million, £0.5 million, and £0.0 million respectively).

Our focus for 2025 is the continuing operating model transformation and generating growth, margin accretion through cost savings and improved operational leverage, as well as cash.

Simon Fuller
Chief Financial Officer

PRINCIPAL RISKS AND UNCERTAINTIES

The Board has overall responsibility for internal controls and for reviewing their effectiveness. The Group operates a policy of continuous identification and review of business risks. This includes the monitoring of key risks, identification of emerging risks and consideration of risk mitigation after taking into account risk appetite and the impact of how those risks may affect the achievement of business objectives and the future success of the Group.

The risks and uncertainties that the business faces evolve over time, and the Executive Directors and senior management are delegated the task of implementing and maintaining controls to ensure that risks are managed appropriately. The Group's risk management framework is designed to identify and manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss.

Future threats that cannot be accurately assessed at the current time but could have a material impact on the business in the future are considered alongside existing risks, with a view to improving our response plans and exploiting potential opportunities.

As an international group we are reliant on a number of key global markets, including the US. Emerging changes in US policy and tariffs, may influence government client spend. The longer term implications remain uncertain, as such, our individual business leadership continue to monitor this evolving situation.

We take a proactive approach to the changing market conditions and trends in the sectors within which we operate to ensure we continue to meet the expectations of our clients.

The rapid proliferation of AI and advancing technologies is an emerging area of exposure for the business as well as an opportunity. We recognise the significant opportunities and threats presented by the use of AI for us and the global economy. Our focus is on further understanding this evolution and ensuring we have strong risk management and governance processes to support its use in a way that furthers the success of the business.

Climate change and the transition to a low-carbon economy could present some of our most significant challenges and opportunities in the future. Government commitments to reduce carbon emissions are expected to lead to further developments and changes in regulation across the supply chain and property management. There is significant opportunity in addressing climate-related matters to secure the reputation of our brands in respect of their sustainability credentials and to meet client expectations and attract new clients as a result. We also recognise diverging approaches to this issue in the different regions in which we operate, which will require us to demonstrate flexibility and responsiveness in our approach.

During the year, the Board carried out a robust assessment of the Company's emerging and principal risks, together with the actions taken to mitigate these risks. Virtual risk workshops were held with agencies to ensure that all key risks and mitigations had been identified.

The following pages detail our principal risks and uncertainties for the year ahead. These are considered to be the most significant but are not an exhaustive list of all risks identified and monitored through our risk management process.

Two additional risks have been added to the risk register as part of the 2024 process:

1. A heightened risk concerning geopolitics and macroeconomics.
2. A risk concerning ESG compliance.

These two risks were identified during the risk assessment carried out during the year.

Risks are ranked in descending order of risk score. Their ranking is based on assessments from Group companies weighted by their 2024 revenue. We have also provided an explanation of the movement in our risk assessment against the previous year's risk register to provide the reader with a better insight into the Board's risk assessments.

Principal risk	Mitigating actions	Explanation of risk movement and alignment to strategy
Loss of key clients and reliance on key clients		
A significant reduction in spend by, or the loss of, one or more of the Group's largest clients, if not replaced by new client accounts or an increase in business from existing clients, could have a significant impact on the business, revenues and results of the Group.	– New business activity driven both by dedicated new business specialists but also agency management. – Exploiting client leads from within the Group or from networks outside the Group. – Development and expansion of service offerings in high-growth areas: e.g. the UAE and M+C Saatchi Fluency. – Proactively nurture key client relationships. – Maintaining close contact with important stakeholders at key clients so that we are seen as valuable partners. – Focusing on high quality and value-added deliverables for key clients. – Actively seeking cross-selling opportunities with clients. – Increased focus on the delivery of our planet and people commitments in order to meet client ESG requirements.	Risk and mitigation largely in line with prior year, however, customer concentration in some key markets has led to an increase in the risk compared to 2023.
People and talent – retention and recruitment		
Employees remain our greatest asset and high levels of employee turnover are a principal risk, particularly given the high levels of change in our operating model. Highly skilled employees are vital to building and maintaining client relationships and winning new work. Failures in leadership succession can pose a significant risk.	– New executive leadership in place and ELT succession planning undertaken by the Nomination Committee. – Launched robust, regular talent-planning process to identify succession risks and development and retention actions to mitigate identified risks. – Benchmarking salaries against industry standards. – Ongoing regional harmonisation and enhancement of employee benefits. – Supporting flexible working for our employees including embedding ongoing hybrid working arrangements. – Our comprehensive development programmes include mentoring, people management training, and "skillshot" training. – Developing a leadership programme focused on integrated growth strategies and leadership retention. – Supporting employee mental well-being through regional workshops and confidential one-on-one therapy with external counselors. – Our incentivisation structure continues to evolve to improve transparency and consistency and to help retain talent and motivate employees to drive integrated growth. An aligned global Group variable pay approach for senior leaders was launched in 2024. – Continued focus on diversity and inclusion initiatives, which create a positive work environment and provide opportunities for all to reach their potential.	Risk has remained flat with the successful recruitment of new staff in growth areas during 2024.

Risk movement

- Risk increase
- Risk decrease
- No change
- New

Alignment to our strategic transformation

- Create an agile, go-to-market approach, leveraging our right-to-win
- Grow revenue through a new Group culture and integrated model
- Free up and strengthen creativity
- Improve margins
- Simplify and rationalise structure
- Strengthen cash profile

Principal risk	Mitigating actions	Explanation of risk movement and alignment to strategy
Failure to evolve service offering for clients		
The market in which the Group operates is highly competitive and subject to rapid change as audiences move online and fragment. Agencies must reorient their models to target audiences and reflect client demands for more integrated (and often social first) solutions in this increasingly complicated marketing environment and look for sustainable solutions to respond to the climate emergency. Delayed implementation and insufficient leverage of AI, data and technology could hinder our ability to innovate client services, develop new revenue streams, and improve operational efficiency.	– Agile regional first-integrated model with global reach. – Focus on investing in new skill sets (particularly creative, strategic and digital) to provide integrated offerings to clients. – Integration of high-growth offerings across other Group companies. – Establishing partnerships with disruptive market leaders establishing best-in-class solutions for customers – Consistently evolving how we sell and deliver the core brand strategy, brand design and digital product design output. Our capabilities always evolve as we embrace new methods/discipline of design and technologies, most recently leaning into AI and Web3. – Targeted M&A will help add new capabilities to our service offering. – Establishment of M+C Saatchi Intelligence, providing all employees with access to data and insight, driven by our extensive data stack. – Early adoption of third party AI applications across the Group particularly in creative and production use cases. Establishing Group governance and policy to guide responsible use.	Rapid AI, data, and technology advancements, alongside geopolitical uncertainty and intense industry competition, pose a significant risk to our business's evolving proposition.
System access and security		
As our product range expands and becomes more data and technology dependent, so too does the risk of cyberattacks that may cause the Group to suffer data corruption or lose operational capacity. Information security incidents may cause significant disruption and may materially impact business operations.	– Employment of staff with relevant expertise, e.g. a manager dedicated to Group information security, security for cloud environments and IT governance. – The Group has established an Information Security Steering Committee which meets quarterly. – Continuous monitoring, updating and standardisation of computer systems. – Use of training programmes covering data protection and awareness of information security risks for new joiners and existing employees on an ongoing basis. – Use of external security consultants (business compliance and risk management) to advise on ISO accreditation and risk management. – Expanding the scope of ISO 27001 regime coverage for the critical areas of our technology infrastructure. – Implementation of information security features such as mobile device management, identity management system, email security and protection. – Use of a third-party security operations centre to monitor and identify network security breaches and scheduled penetration tests to check for any vulnerabilities or misconfigurations. – Insuring against cyber risk for offices where minimum-security requirements are in place. – Initiating the development of a risk maturity framework using recognised industry models (e.g., NIST) to enhance the mitigation of information security risks.	The persistent rise in both the frequency and sophistication of cyberattacks continues to pose a threat to information security. While no specific threats to the Group are currently identified, customer scrutiny regarding supplier information security practices has intensified. This heightened awareness underscores the critical importance of robust information security measures for all businesses.

Principal risk	Mitigating actions	Explanation of risk movement and alignment to strategy
Physical security		
The risk arising from security challenges such as theft, bribery and corruption, terrorism, employees working in higher-risk locations and political activism due to our geographic spread.	– Risk assessments carried out as appropriate and dependent on location to understand business exposure and to mitigate accordingly, e.g. Issues works closely with international security advisers for regional input, such as on travel risk and/or civil unrest and uses Global Rescue to inform associated risk and mitigations. – Making use of appropriate advisers for higher-risk areas of the Group. – Use of specialist security operations teams in higher-risk locations. – Vetting employees, suppliers or partners (and obtaining security clearance where appropriate). – Business continuity plan developed and communicated to all UK employees. Wider rollout planned in 2025. – Access control and or CCTV systems in operation in offices in multiple regions.	Risk has remained flat due to mitigation actions taken.
Reputation		
The Group's brand and name have value and recognition and help win clients. The brand name is well known and our actions may be subject to public scrutiny that is disproportionate to the size of the Group.	– Protocol in place for responding to media enquiries, reflecting the need for client confidentiality. – Director of Sustainability providing expert advice and training employees on the risks of greenwashing and other hot topics. – Use of a third-party whistleblowing tool to allow employees to report any form of misconduct in the workplace. – Mandatory training for all UK employees on data protection, security and compliance which will be rolled out to overseas offices. – In-house legal team focused on proactive reputation management. – Support on PR provided by third-party specialists e.g. in relation to financial PR.	Risk and mitigation largely in line with prior year.
Compliance with laws and regulation		
The Group is exposed to multiple regulators in various countries in which it operates. If the Group fails to comply with applicable laws and regulations, the Group may have to pay penalties or damages. The Group needs to be aware of the evolving intellectual property legislation and copyright infringement risks related to generative AI.	– Standardising HR and finance policies and procedures within the Group. – Where possible, active and positive engagement with regulators and trade bodies, e.g. discussions with the Institute of Practitioners in Advertising and the Financial Reporting Council. – We ensure business-wide legal compliance through proactive monitoring of legislative changes and clear, timely communication. – The use of external legal counsel to advise on local legal and regulatory requirements, as necessary. – We stay ahead of sustainability reporting requirements through continuous learning, utilising webinars, email updates and industry insights. – The Group is establishing appropriate governance and policies in relation to the use of generative AI.	Risk has remained flat.

Principal risk	Mitigating actions	Explanation of risk movement and alignment to strategy
Global footprint		
Risks arising from operating in certain geographic regions that potentially endanger our employees or restrict our ability to trade. Security challenges such as bribery, corruption, terrorism and political activism are risks due to our size and geographic spread.	– Investing in technology to allow us to work remotely from higher-risk regions. – Constant planning and review of project security, information and cyber risk management protocols. – Continuing to review and update our business contingency plans. – Use of tax and legal advice in advance of entering new territories. – Using external security consultants to advise on higher-risk areas of the Group. – Avoiding certain higher-risk markets.	Risk has remained flat although careful monitoring throughout 2025 will be maintained due to the increased number of regions with geopolitical tensions.
Geopolitical and macroeconomic		
Political, economic and security changes in the countries in which we operate may impact on the Group. The rise in geopolitical activity continues to have an adverse effect upon the economic outlook, business optimism and an increasing divergence away from global cooperation and integration. Such factors and economic conditions may be reflected in our clients' confidence, thereby affecting the longer-term investment with our agencies.	– The ELT collaborates with in-country teams and clients to monitor geopolitical risks across the Group and its regions. The Group's priority is the safety and security of our personnel. We maintain defined response protocols and escalation pathways to the ELT. – See also other risk items and specific responses e.g. relating to people, clients and IT.	Geopolitical tension and conflicts continue to have an effect in some of the markets we operate in.
ESG compliance		
Client RFP requirements are becoming increasingly stringent, demanding strong performance across a range of key areas, including environmental sustainability, D&I, social value, health and safety and cybersecurity. Demonstrating performance, not just reporting it, now essential for eligibility to compete for client work.	– The people and operations team is continually improving our ability to report and show progress in many of these areas, as well as reviewing client requirements on an ongoing basis. – There has been increased focus on leadership oversight of our ESG performance in 2024 via our Sustainability Leadership Group. – A global diversity and inclusion strategy was developed in 2024 and a global ESG strategy is in development. – The continued delivery, measurement and reporting of our planet and people commitments helps drive increased compliance in these areas.	The growing importance of ESG to clients, fuelled by legislative changes and voluntary activities, has heightened the associated risks. Some ESG indicators can be improved quickly, while others require years of effort.

STAKEHOLDER ENGAGEMENT AND SECTION 172

Engagement with stakeholders

The Board's decisions are guided by what is most likely to promote the success of the Company in the long term through creating sustainable value for shareholders and contributing to wider society.

Effective communication is paramount for business success. We prioritise open dialogue with all stakeholders, including employees, clients, investors and suppliers. By actively engaging with their perspectives and actively listening to their feedback, we ensure our decisions are informed and aligned with their needs. This collaborative approach fosters trust, strengthens relationships and drives continuous improvement within our organisation.

Why they are important	How we engage	Outcomes
Our employees		
People are the cornerstone of our success and essential to achieving our strategic goals. In 2024, we revitalised our people strategy with a focus on three key areas: – Fuelling our global efficiency programme: Supporting the transformation programme that is setting the Company up for its next chapter. – Turbo-charging talent: Evolving our talent attraction, movement and growth, interventions to support our business strategy. – Ensuring fairness and respect for all. **What matters to them?** Employees value creating solutions for clients. Alongside this they value a company culture that fosters growth, inclusion, well-being, empowerment and competitive remuneration. They want to work for a company that supports career development through training and opportunities and one that demonstrates a commitment to both business success and positive societal impact.	**Board** – Louise Jackson appointed Non-Executive Director responsible for workforce engagement up until 30 September 2024 and Georgina Harvey appointed thereafter. – Relevant people data including the output of staff surveys is shared with the Board. – During the year, the CEO and CFO travelled to the US, Europe (Italy and Germany), Australia, Singapore and the UAE to engage with the Group's global operation and to South Africa to visit the SSC. **Group** – We have continued to utilise our Group-wide intranet platform, providing a single place for colleagues to access information and collaborate with one another. – We launched new communications channels, including a monthly senior leadership update call, all-employee blog and quarterly all-employee video update series. – We continued our global mentoring programme. The scheme matches employees who are keen to progress with mentors in other parts of our global business who have relevant experience or skills to share. – We connected our global community of people managers at greater scale by opening up our monthly manager development sessions to all managers from across the global business. – Our confidential whistleblowing tool is available to all employees globally, with the aim of embedding a culture where concerns can be raised freely. – The global people strategy is complemented by local strategies that are specific to each region or company in the Group. These local strategies vary but typically have a focus on topics such as talent attraction, employee well-being and training and include important initiatives such as the creation and operation of employee-led networks. These networks are a critical part of shaping our culture, driving changes to policies and ways of working and curating learning events.	**Annual Global Employee Survey completed by 80% of the Group's workforce (an increase from 76% in 2023).** **EMPOWERMENT is an area in where we score higher than external benchmark numbers.** **51 partnerships created as a result of the mentoring programme.**

Why they are important	How we engage	Outcomes

Our clients

Why they are important

The longevity of our business and the returns we deliver to shareholders rely on our effective growth and management of our client base. Our client base is diverse, encompassing leading global brands, regional and local brands, emerging challenger brands, innovative startups, government departments, NGOs and charities across a wide variety of sectors. We serve them with diverse capabilities across the full range of marketing services, drawn from all the Specialisms.

Our client teams actively engage with clients on a daily basis to deliver services and ensure we are able to meet future client needs. They also engage with industry stakeholders continuously to enhance our product and service offerings and ensure we remain relevant and innovative.

What matters to them?

Clients require a full range of marketing services, from upstream strategic advice on brand, innovation, growth and marketing approaches, through day-to-day development and management of marketing and communication, creative execution to measurement and evaluation of effectiveness of marketing spending.

Clients are increasingly faced with a fast-changing world, driven by digitisation, which results in a constant need for innovation in how marketing and communication services are delivered to their customers.

How we engage

Board

- The Board is kept abreast of key developments across the Group, including the client pipeline, new business wins and the ongoing cultivation of client relationships.
- During the year, the CEO met with an extensive range of clients and potential clients on a weekly basis, prioritising such conversations when on international visits to ensure a global perspective. He also met with intermediaries, analysts and other industry experts to maintain a broad understanding of the client landscape and developing needs.
- The CEO was present at industry events (e.g. Cannes Lions, and Adverting Association events) to ensure deep understanding of client requirements and opportunities.
- The CFO also met with clients and external industry experts to better understand the wider industry context as well as our client service.
- Non-Executive Directors enhance their understanding through both management presentations in Board meetings and through their direct contact with stakeholders and clients in the industry.

Group

- Operationally, we implemented a customer relationship management tool (HubSpot) to monitor and consolidate client engagement globally.
- Individual business units use periodic client satisfaction surveys to ensure we continue to meet client needs and identify new requirements.
- Client networking events and outreach is led by regional and Specialism growth leaders where we share thought leadership and best practice.
- By sharing new client wins and industry awards, we drive engagement with clients and enhance the understanding of our breadth of services.

Outcomes

Existing clients

During 2024, we retained clients who accounted for 92% of 2023 revenue.

We continued to serve some of the world's most famous global brands, as well as regional and local brands including: Toyota, Google, Disney, Diageo, Lego, Reckitt, The North Face, Unilever, Pernod Ricard and Porsche.

New clients

During 2024, we won work with a wide array of new clients including ATP Tour, Carlsberg Group, AC Milan, Shipt, Danone, Ford and Sony Pictures.

Why they are important	How we engage	Outcomes

Our investors

Why they are important	How we engage	Outcomes
We acknowledge the paramount significance of fostering open dialogue, transparency and equitable consideration for the Company's shareholders. Shareholders benefit from the Board acting in the best interests of the Company through long-term sustainable value generation. **What matters to the them** Investors focus on consistent financial performance, such as steady returns and dependable dividend payments. A strong balance sheet, reflecting financial stability and the ability to withstand economic challenges, is essential. Investors consider effective financial risk management and a prudent capital allocation strategy that ensures investments yield sustainable returns and enhance shareholder value when making investment decisions.	**Board** – The CEO and CFO hosted full-year and interim financial results presentations and took questions from investors and analysts. A presentation was also made to smaller retail investors. – The Chair, CEO and CFO engaged with major shareholders through in-person and virtual meetings following the release of both interim and full-year financial results. – The CEO and CFO met regularly with institutional investors to discuss the business and respond to any concerns. – As part of the CEO and CFO's onboarding, in May and July, respectively both Directors met and engaged with shareholders to gather their feedback around priorities. Key topics discussed in these meetings included reasons for joining, business performance and outlook, the Company's capital allocation strategy, management capability and succession planning. – Analyst notes, broker briefings and feedback reports of meetings with shareholders, including key investor relations activities and themes of interest from investors, are shared with the Board. – The Board welcomes the opportunity to engage with key shareholders on an ad hoc basis to discuss matters of significance to the Company. – The Directors attended the Annual General Meeting, providing shareholders with the opportunity to engage with the Board. **Group** – Our Annual Report and Accounts provides shareholders with comprehensive information on the Company's strategic direction and financial performance. – The Company appointed a Head of Investor Relations, set up an investor relations function and a new investor website, to effectively communicate with investors and analysts, ensuring that financial information is accurate, timely and fully transparent. The investor relations programme will allow for further engagement with shareholders and prospective shareholders through investor and analyst meetings, results presentations, the Annual General Meeting, investor days, conference attendance and ongoing email exchanges. – Key shareholders and prospective shareholders have access to ad hoc meetings with Executive Directors and other members of the senior leadership team.	**88% of the shareholder register met.** **21 new shareholders on the register.** **130+ shareholder meetings.**

Why they are important	How we engage	Outcomes

Our suppliers

Following last year's global efficiency programme, our supplier base has received considerable additional focus. We have enhanced partnerships with existing suppliers and strategically engaged new ones to meet the Group's evolving and centralised needs. Key third-party relationships are now stronger, delivering greater value in goods and services for both us and our clients, ensuring we get more value for money.

What matters to them

Suppliers value long-term, collaborative and trusted relationships with fair commercial and payment terms, aligned objectives and values and the potential for mutually beneficial new business opportunities.

Board

- The Company's Schedule of Matters Reserved for the Board ensures that any key high-value supplier contracts are brought to the attention of and approved by the Board.

Group

- Improved onboarding process for a streamlined and enhanced supplier experience.
- Vendor management databases for visibility of services, key contract dates and commercial terms.
- Direct outreach to new and existing suppliers to ensure compliance with our Supplier Code of Conduct. This document sets out what we stand for, how we work and the commitments we expect our suppliers to share in relation to compliance with our ESG policies.
- Formal templates and processes to support reaching out to the market with RFP opportunities while minimising risk.
- Category taxonomy and category plans being initiated to reduce duplicate spend and set clear guidance on how to procure and pay for products and services.
- We enter into contracts with suppliers to ensure their engagement on suitable terms, with additional due diligence steps for information security and ESG compliance.
- Following the appointment of a professional procurement manager, the procurement team is now better positioned to manage supplier relationships. Two new support roles are being created to further enhance this capability.
- Executive delegation of authority in place to ensure appropriate sign off levels for more material contracts, including at a regional and Group level.
- Legal function to oversee procurement as necessary.

Consolidated global service provider contracts.

Eliminated duplicate supplier contracts, prioritising IT providers with overlapping services or those misaligned with the 2024 IT strategy.

10% reduction in the supplier base through rationalisation and centralised functions.

ESG HIGHLIGHTS

2024
NET ZERO
target verified by SBTi.

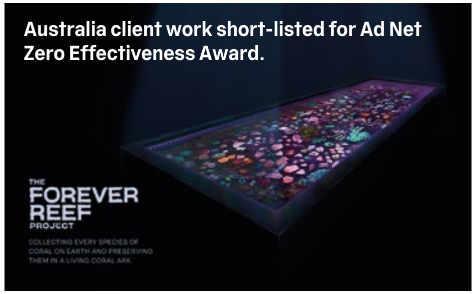
AGREEMENT
to embed ESG into relevant ELT bonus structures for 2025.

ESG
embedded into strategic procurement.

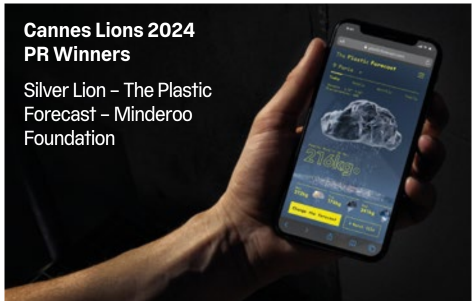
ESG
risk register launched.

Planet

The Group played a key role in Purpose Disruptors' report on "Serviced and Advertised Emissions" for the UNFCCC working group.



Australia client work short-listed for Ad Net Zero Effectiveness Award.

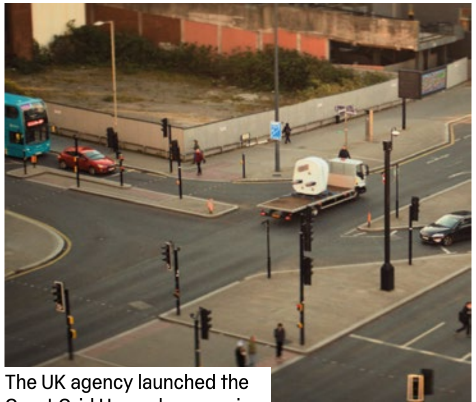


Cannes Lions 2024 PR Winners

Silver Lion – The Plastic Forecast – Minderoo Foundation

ADGREEN

We were part of the Australian launch of the AdGreen Calculator for emissions reductions.



The UK agency launched the Great Grid Upgrade campaign for the UK National Grid.

Successful anti-greenwashing training held with ELT via third party provider.

Tom Firth (UK Agency) chairs the Institute of Practitioners in Advertising (**IPA**) Sustainability Committee: and created industry playbook for implementing sustainability.

People

A APOLOGISE C CONSIDER T TURN

Launch of guidance on inclusive language. This has been used in manager training and the launch of Workday.

Winners at the Mayors Design Lab for Conscious Creativity: how we do work responsibly across Planet and People.

Agreement on an internal socio-political and disaster response framework.

Open House 2024 (our training to provide open opportunities to all individuals seeking a career in the industry) saw the highest number of registrations ever.

M+C SAATCHI OPEN HOUSE

OUR ESG COMMITMENTS

Strategic Drivers

Maintain eligibility for RFPs

1. Clarify accountability for all ESG areas.
2. Deliver key goals and commitments.
3. Tricky sectors and emerging issues.

Highlights
- 100% response rate to ESG sections of RFPs.
- No concerns raised by clients/prospective clients.
- Over £21 million of client revenue received in 2024 was linked to ESG performance.[1]

Brilliant client work

1. Training and development.
2. Planet and People positive campaigns.
3. Championing and incentivising good work.

Highlights
- ESG being rolled out in training and development.
- The Plastic Forecast was our most-awarded campaign in 2024.
- Launch of FanCom – understanding communities, passions and behaviours.

Future Fit

1. Enhancing our offering for growth.
2. New and emerging sectors.
3. Industry leadership and making a splash.

Highlights
- Launched new D&I strategy.
- 3x industry leading activities (Mayor's Design Lab: Workforce Integration, IPA: Sustainability Committee and Purpose Disruptors: Serviced Emissions).
- Open House and Art For Change Prize – highest participation figures to date.

1. This figure excludes ESG performance requests that were not answered by the central team, and excludes any associated revenue from our Media businesses.

We deliver our strategy through our 11 Commitments

Planet

The way we work

1. Set a net-zero target, in line with the SBTi Net-Zero Standard.
2. Reduce our Scope 1, 2 and 3 emissions by 50% by 2030.
3. Set an internal price on carbon and offset remaining emissions from our own operations by 2025 and across our value chain by 2030.

People

The way we work

4. Evolve how we recruit, develop and reward our people to encourage broad representation.
5. Create an inclusive experience where all can flourish, perform and belong.
6. Inspire and support people from all backgrounds to start careers in the industry.

Planet and people

The work we do

7. Build climate and D&I-literate teams.
8. Drive alignment with our planet and people goals across our supply chains.
9. Grow the percentage of overall revenue from planet and people positive campaigns year on year.
10. Review potential new clients based on their impact on planet and people.
11. Offer time and funding to organisations that have a positive impact on planet and people.

HOW WE DELIVERED AGAINST OUR COMMITMENTS IN 2024

Commitment 1

Setting a net-zero target with the Science Based Targets initiative (SBTi)

Our first commitment recognises that we are already feeling the impacts of the growing climate crisis on our economy, the cost of living and the direct effects for people experiencing extreme weather events. We recognise the importance of rapid and deep GHG emission cuts in our own business and among our supply chains in order to maintain a healthy business environment.

In December 2024, our net zero science-based target was validated by the SBTi.

Our target wording:

The Company commits to reduce absolute Scope 1 and 2 GHG emissions by 90% by 2040 from a 2019 base year. The Company also commits to reduce absolute Scope 3 GHG emissions by 90% within the same time frame.

Our near-term target is a commitment to reduce both our absolute Scope 1 and 2 greenhouse gas (GHG) emissions by 50% by 2030 from a 2019 base year, and absolute Scope 3 GHG emissions from purchased goods and services and business travel by 50% within the same timeframe.

Commitment 2

Reduce our Scope 1, 2 and 3 emissions by 50% by 2030 (compared to 2019 baseline)

Our second commitment is to deliver the requirements of our near-term science-based target. Reducing our emissions across all scopes by 50% between 2019 and 2030. This year we have re-baselined all our data, including historic data, to account for disposals and the movement of some businesses from Scope 1 and 2 to Scope 3 Category 14 (Franchises).

Scope 1, 2 and 3 – Global data summary (see page 66 for full Scope 1, 2 and 3 data)

Environmental KPIs	Units	2019	2020	2021	2022	2023	2024
Energy consumption (MWh)	MWh	4,055	2,750	2,554	2,650	2,447	**2,029**
Natural gas	MWh	667	399	402	525	383	**336**
Other fuels	MWh	212	102	130	103	158	**148**
Purchased electricity	MWh	3,176	2,249	2,022	2,022	1,906	**1,545**
Of which renewables	%	38%	39%	48%	45%	51%	**66%**
GHG emissions (location based)	tCO2e	1,460.1	1,022.3	800.8	823.7	811.2	**619.0**
Scope 1	tCO2e	139.4	100.3	103.6	124.7	105.8	**68.4**
Scope 2	tCO2e	1,320.7	922.0	697.2	699.0	705.4	**550.6**
GHG emissions (market based)	tCO2e	1,214.5	864.3	655.8	648.7	586.8	**344.7**
Scope 1	tCO2e	139.4	100.3	103.6	124.7	105.8	**68.4**
Scope 2	tCO2e	1,075.1	764.0	552.2	524.0	481.0	**276.3**
Scope 1 and 2 tracking against SBTi target (% reduction from base year)	%	0%	-29%	-46%	-47%	-52%	**-72%**
Total Scope 3 emissions	tCO2e	34,202.7	–	–	–	32,327.0	**26,760.3**
Scope 3 tracking against SBTi target (% reduction from base year)	%	0%	–	–	–	-5%	**-22%**

Scope 1 and 2 emissions

In 2024, our Scope 1 emissions were 68.4 tCO_2e, and market-based Scope 2 emissions were 276.3 tCO_2e. This is in line with our science-based target.

Scope 3 emissions

Major Scope 3 emissions sources

- Purchased goods and services (media spend) 10,601.9 tCO_2e
- Purchased goods and services (regular spend) 9,432.6 tCO_2e
- Business travel 3,818.0 tCO_2e

Methodology: The GHG Protocol Corporate Accounting and Reporting Standard was used to calculate our emissions. Consumption data was converted to GHG emissions using 2024 BEIS emissions factors and 2024 IEA emissions factors for non-UK grid electricity. Where primary consumption data could not be retrieved from certain entities, we chose to either input last year's data where applicable or make estimates based on headcount and floor space data. Emissions reported above are calculated using both the location-based and market-based methods, using an operational control boundary. The method for calculating our Scope 3 emissions aligned with the GHG Protocol Scope 3 Standard. For category 1: purchased goods and services, a spend-based approach was used. For air travel, DEFRA emissions factors were used against individual flight data.

Commitment 3

Set an internal price on carbon and offset remaining emissions from our own operations by 2025 and across our value chain by 2030

Commitment number three uses a price on carbon as an internal tool to help us deliver our GHG emissions reductions. As our emissions reduce, so do our costs in this area.

In 2024, our internal price on carbon took the form of a central charge based on our Group-wide Scope 1 and 2 emissions. As in 2023, we based our approach on the cost of purchasing Gold Standard removals offsets ($52 per tCO_2e and exchange rates of 31 March 2024).

We use these funds to help address the area where we currently face the largest carbon-reduction challenge: air travel emissions. This is to send a market signal for the decarbonisation of long-haul travel through commercialisation of alternative aviation fuels (commonly known as SAFs). We purchased SAF credits for 15,469 gallons of SAF. These are certificates for lower-carbon fuels.

The SAF certificates relate to auditable Scope 3 emissions reductions claims. However, SAF cannot currently be used to account for reductions in corporate Scope 3 category 6 emissions, as no clear methodology exists under the Greenhouse Gas Protocol. While the SAF these reductions relate to will not be used in the exact aircraft we fly in, it has displaced the same volume of fossil fuel that an aircraft would normally run on. SAF reduces emissions on a lifecycle basis compared to fossil fuel, using waste or renewable feedstocks.

The SAF that is currently available on the market is a "transition fuel". We look forward to more scalable feedstocks becoming available in the coming years. Our suppliers guarantee that the feedstock does not include palm oil or other edible feedstock sources or feedstocks that compete with food source (e.g. soybean oil), and they provide written evidence that the feedstock is certified against either ISCC or RSB Certification criteria and meets all specifications and requirements set in EU RED II Annex IX.

The SAF certificates we have purchased are equivalent to an estimated 130.03 metric tonnes CO_2e emissions reductions claims for the reporting year.

At the same time, we continue to play a role in the decarbonisation of this hard-to-abate sector, by sharing our knowledge of the SAF sector with our peers.

In 2023, we became a member of a cooperative that part-owns a solar power project at Derril Water for the lifetime of the solar farm. This solar farm is now under construction and our contract ensures that once the farm is operational, any credits associated with the electricity produced by our share are retired separately and not available for purchase on the REGO market (to ensure that they provide a degree of additionality to the grid).

Commitment 4

Evolve how we recruit, develop and reward our people to encourage broad representation

To be truly creative, advertising and communications agencies require diverse teams. Our clients have a diverse range of customers and diverse teams are better placed to solve problems for our clients and their customers. This is reflected in the SASB international reporting framework which states that "Employee Engagement, Diversity & Inclusion" is a material issue for the advertising and marketing industry.

Our Goal

Build an equitable, representative organisation.

Action Plan

Leverage resources and implement innovative approaches.

Key Measure

Global data collection through our Human Resources Information System.

Our commitments are not only for our Group companies, but also, extend to those companies that hold a brand licence with us. They are governed by our Code of Conduct for Licensees. In this report, we celebrate best practice from across the Group – including our regions and our key licensees.

Key initiatives in 2024:

Group initiatives:

- Launch of new Global Diversity & Inclusion (D&I) policy.
- Launch of guidance on inclusive language.

Regional Initiatives:

Australia
- Gender-neutral family leave policy.
- Work-life balance initiatives.
- Inclusive hiring training.

South Africa
- Ille Potgieter: judge at Top Women Awards.
- Two young talent members featured at the LIA 2024 Creative LIAisons Academy.
- Achieved BEE Level 1 position for ninth year.
- Paid maternity leave and work-life integration programmes for new families.

UK
Gender pay gap analysis

- Mean Hourly Pay Gap: 26.1% (men earn 26.1% more than women).
- Median Hourly Pay Gap: 15.9% (midpoint for men's pay higher than women's).

Commitment 5

Create an inclusive experience where all can flourish, perform and belong

Our Employee Lead Networks have become a driving force in shaping our policies and fostering an inclusive culture. Established across our major business locations, these networks host regular, well-attended events and programmes that inspire connection, teamwork and collaboration. Anyone can join.

We have different Employee Lead Networks globally but the key themes across them are similar:

- Gender.
- Sexual orientation.
- Race and religion.
- Neurodiversity and disability.
- Mental health.
- New starters in the industry.

Employee-Led Networks in action

Shared Services Centre, Cape Town

The Culture Squad: Fostering inclusion

In 2024, the SSC embarked on a journey to enhance its organisational culture by launching the Culture Squad.

The Culture Squad focuses on three key objectives:

1. **Culture:** To celebrate and educate about South Africa's rich cultural heritage.
2. **Community:** To foster stronger bonds among staff members while giving back to disadvantaged communities.
3. **Allyship:** To actively promote inclusivity for all.

Inaugural event
Heritage Day celebration 2024: A showcase of South African diversity:

- Traditional attire and potluck lunch: An opportunity for everyone to share traditional meals and snacks through the country's culinary landscape.
- Cookies and language cards featuring greetings and wishes in multiple South African languages.

Outcomes:

- Enthusiastically enjoyed by employees.
- Laid a strong foundation for fostering inclusivity and community.
- Future activities will continue to emphasise themes of respect, understanding and inclusion.

UK – Empowering parents and carers of neurodivergent children

Virtual workshop with neurodiversity charity, Autistica

The objectives of the workshop:
- Empower parents, carers, and family members of neurodivergent individuals with knowledge, practical strategies and resources.
- Connect attendees with relevant support services and resources.

Key topics covered included:
- Introduction to neurodiversity: Defining neurodiversity, exploring different neurotypes and emphasising the importance of viewing neurodiversity as a natural variation in human cognition.
- Myths, misconceptions and stigma.
- Barriers and opportunities to participation in education, employment and social settings.
- Legal rights and advocacy.
- Supporting wellbeing and transitions from school to university and/or work.
- Resources and support networks.

Key outcome
The workshop provided a supportive environment for parents and carers, reducing feelings of isolation and increasing their confidence in supporting their loved ones.

Guidance on inclusive language
- Provides essential guidance.
- Fostering inclusion using inclusive language.
- Complements our global D&I policy.

The Loop: employee engagement platform
We survey our global employees annually to understand employee sentiment on a range of issues and develop action plans to address any issues.

2024 survey Insights
- Participation rate: 80% (based on 1915 employees receiving the questionnaire).
- Feedback contributions: 5274 comments collected.
- Engagement score: 71.

The Loop action plan initiatives 2024-5

Global cohesion
- CEO and ELT-led webcast updates.
- In-person updates at key locations.
- Regular ELT-hosted lunches for employee engagement.
- Launch of a Non-Executive Director workforce engagement plan.

Manager capability enhancement
- Increase participation in manager training programme.
- Target managers with significant number of direct reports for maximum impact.
- Refine management development strategy.

Commitment 6

Inspire and support people from all backgrounds to start careers in the industry

Believing that diverse minds drive great ideas, we are deeply committed to supporting people from underrepresented groups and ensuring they thrive in our industry.

JRs! NETWORK — 15 interns in Dubai

M+C SAATCHI OPEN HOUSE — 69% increase in participation

Open House initiative

A free eight-week online training programme designed to provide open opportunities to all individuals starting, shifting or returning to a career in the industry.

Participants
- Attend weekly seminars led by industry experts.
- Work on live briefs and earn a CPD-accredited certificate.
- Qualify for potential roles within the Group.

Global

Open House had broad representation

Metric	Percentage
Female	78%
Transgender	1%
Underrepresented ethnicities	50%
LGBQ+	20%
Persons with disabilities	10%
State-educated (UK)	61%
Eligible for free school meals (UK)	23%

- Open House has now reached 10,691 individuals aged 16 to 60 years across 101 countries.
- 26 permanent hires: Including four UK levy-funded apprenticeships and ten internships.

Conscious inclusion training
- Being consciously supportive of each other
- Building a fair and open environment.

Training overview
- **Participants:** Over 50% of staff trained by end of 2024.
- **Managers:** 2-hour e-learning + two 2-hour workshops.
- **Employees:** 2-hour e-learning + one 2-hour workshop

Total attendance
- **Employees:** 122 participants.
- **Managers:** 161 participants.
- **Female attendees:** 65%.
- **Male attendees:** 35%.

Regional highlights

Australia

Internship programme: Eight interns selected anonymously through judging of creative briefs for six-week paid internships starting January 2025.

UK

Development initiatives
University of Greenwich partnership
- Co-designed Creative Advertising and Art Direction BA (Hons) degree.

Dubai

Internship programmes
- Welcomed 15 interns from 10 nationalities.
- One junior producer hired, one client servicing role offered.

Commitment 7

Building climate and D&I literate teams

As we transition towards a planet-and-people-positive future, we are equipping employees with the necessary skills and tools to navigate the evolving industry and regional demands.

UK Initiatives

CONSCIOUS INCLUSION — 50% UK staff trained

Sustainability and anti-greenwashing guidelines
- Covered in our onboarding process.
- Our UK joiners attended an “Introduction to Sustainability and Anti-Greenwashing Guidelines” in-person training session.

AdGreen training
- The UK Agency Production Team received training on the new AdGreen Calculator.
- All UK group staff, especially those involved in production, are encouraged to attend AdGreen’s Sustainability Production Workshops.

Ad Net Zero Certificate
- Several team members across the Group completed the IPA Ad Net Zero training – a 10-hour accredited sustainability qualification.

Mayor of London’s Design Lab programme
- Addressing underrepresentation in London workplaces.
- Promoting inclusive communities.

Commitment 8

Drive alignment with our planet and people goals across our supply chains

Like many businesses, we know that many of our impacts are in our supply chain. This commitment, therefore, plays a key role in our ESG strategy.

Supplier Code of Conduct

Current monitoring practices

- Suppliers must sign our Supplier Code of Conduct to be included in our central finance system.
- UK operations: environmental compliance is monitored within specific categories, including travel and courier services.
- A formalised monitoring system is not yet in place; however, we support suppliers through the process on an ad hoc basis to ensure mutually agreeable solutions.
- Plans are underway to expand monitoring and tracking across all aspects of the Supplier Code of Conduct.

Supporting supplier compliance

- Support for suppliers is available upon request.

Planned actions

- Recruit additional resources in the first quarter of 2025 to enhance supplier support and ensure compliance with the Supplier Code of Conduct.

High-risk suppliers

Identification and action

High-risk suppliers are identified using a spend-based approach, prioritising GHG emissions.

Next Steps

- Support suppliers to decarbonise and track alignment.
- Transition away from high-risk suppliers where necessary.
- Conduct further investigations into identified risks.

ESG-led procurement strategy

For new UK operations suppliers, key evaluation factors include:

- Compliance with the London Living Wage.
- ESG commitments.
- Modern slavery risks.
- Health and safety standards.

Global evaluation factors include:

- Mandatory addressing of ESG issues in supplier onboarding and procurement-led RFPs.
- The Supplier Code of Conduct is a prerequisite for all RFPs.
- Compliance with the code is required from the outset of supplier engagement.

Commitment 9

Grow the percentage of overall revenue from planet and people positive campaigns

We seek to be part of growing a future we all want to live in, not just for moral and ethical reasons, but also because history tells us that businesses that drop behind the curve will struggle the most to catch up. By far the biggest impact we have as an industry is in the work we do for our clients and the impact of our work in driving sales of the goods and services they produce.

Our 2023 Annual Report and Accounts included our definitions of planet and people positive campaigns. We have created a number of high profile award-winning campaigns for clients in this area.

Regional highlights: Australia

Planet positive campaigns:

- Woolworths: Sustainable Packaging
- Great Barrier Reef Legacy: Forever Reef Project

People positive Campaigns:

- Woolworths: Food Hunger Relief
- Victoria Government: Health and WorkSafe Campaigns
- McGrath Foundation: Breast Cancer Support

Australia: Plastic Forecast Campaign (Minderoo Foundation)

Objective: Raise awareness of plastic production and its environmental impact.

Execution:

- Integrated plastic forecasts into major French TV weather reports.
- Gained global coverage: 2,350 media mentions, 1.3 billion audience reach, including the UN.

Impact:

- Contributed to the drafting of the world's first plastic treaty (Paris Agreement).
- Scalable tool for holding world leaders accountable.

Recognition: Yellow Pencil Award

Australia: Planet and people positive campaigns revenue breakdown (Jan–Sep 2024)

Category	Total Revenue	Contribution (%)
People positive	$3,059,898	5.5%
Planet positive	$794,551	1.4%
Other	$51,800,801	93%

Awards and recognition: UK, US and Australia

Award	Campaign	Category
Yellow Pencil Award	Plastic Forecast	Environmental Awareness
Silver Anthem Award	SS+K Initiatives	Corporate Social Responsibility
UK Sponsorship Award	Barclays Community Football	Diversity, Equality & Inclusion
ESA Award	O2 Women's Rugby	Best Use of Content
Highly Recommended (ESA)	O2 Sponsorships	Social Purpose Sponsorship

Commitment 10

Review potential new clients based on their impact on planet and people

We continue to improve the way that we review potential new clients based on their impact on planet and people. This is an essential part of our ability to manage ESG risk and identify where ESG can open up additional cross-sell and upsell opportunities with clients.

Highlights

- Central mandate for teams to engage with Group Sustainability Director on high-impact clients reaffirmed.
- Four in-depth reviews of planet and people impacts undertaken.
- Sensitive sectors is a major agenda item at Sustainability Leadership Group meetings.

UN Race to Zero's "Serviced Emissions"

In 2024, we worked with Purpose Disruptors to assess the alignment between our activities in this area and the new framework released by UN Race to Zero's "Professional Service Providers Working Group on 'Serviced Emissions'". We were one of two case studies featured in their report.

The framework reviews activities in the following categories: strategy, due diligence and risk, governance, ongoing engagement, measuring impacts and reporting on progress and systems change.

As well as helping us understand how our planet and people values are demonstrated in our client portfolio, we anticipate that developing our analysis in this area will help future measurement of advertised and serviced emissions as and when an industry-wide approach is agreed.

Our overall client portfolio

We have again reviewed the following broad impacts related to our largest clients: their emissions reductions performance, their approach to climate-related target setting and reporting and D&I commitments, reporting and diversity statistics. The findings include:

Climate commitments (largest clients)

- Clients working towards science-based targets:
  - 34% had targets approved by SBTi.
  - 6% had a commitment to set a target made with the SBTi and 20% had science-aligned targets but not verified by the SBTi.
  - 40% of clients had no net-zero targets, Scope 1 and 2 targets only, or targets that are reliant on offsetting.

Climate risk exposure (this is our subjective view and is subject to caveats expressed in our TCFD Report):

- 31% facing a high degree of physical risk.
- 40% facing elevated transition risk.

People D&I commitments

- 57% have public commitments to D&I.
- 15% report D&I progress in a public-facing report, based on a singular demographic, company-wide and leadership-level statistic.
- 12% report D&I progress in a public-facing report, against multiple demographics.

We understand that some companies will also be undertaking additional D&I activities and reporting internally.

Commitment 11

Offer time and funding to organisations that positively impact the planet and people

In 2024, we proudly continued to dedicate our time, resources, expertise and funding to a diverse range of initiatives designed to create a lasting positive impact on both the planet and its people. Building on the strong foundations of our 2023 partnerships, in 2024 we successfully executed key projects, expanding our global reach and achieving some remarkable milestones. 2024 was a testament to the power of collaboration and our commitment to driving meaningful change on a global scale.

Australia

The Forever Reef Project

Highlights

Community engagement

- Staff volunteer with the Australian Resilience Corps, cleanup.org.au and ReLove.org.au
- Fundraising lunch raised $2,488 for Great Barrier Reef Legacy coral conservation efforts

Pro bono contribution

$100,000

invested in branding, design, activation and campaign development

$2,488

additional fundraising contribution

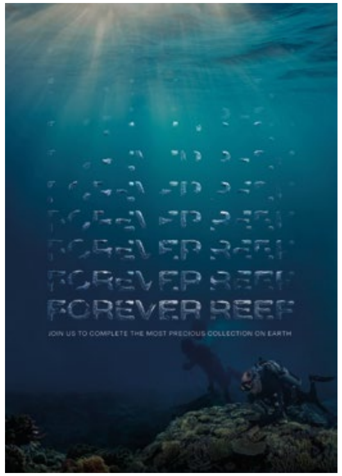
5:1

return on investment: secured for Forever Reef Project

Helped raise

$500,000

for coral biodiversity preservation



Global

Supports creative industries through the Art for Change Prize

Theme
"Tomorrow'ing: Visions of a Better Future"

Prize
£20,000 total, including £10,000 for the grand winner.

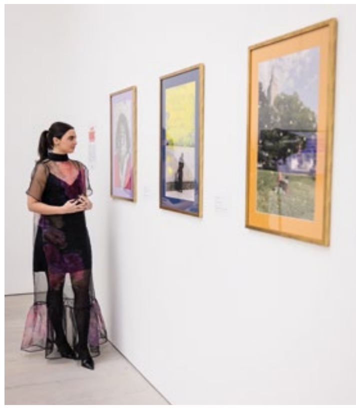
Participation
4,667
entries across 140 countries

Judged by
TOP
creative and business leaders alongside guest art industry professionals

6
regional winners of
£2,000
each

£10,000
grand winner (overall)

ART FOR CHANGE PRIZE
M&C SAATCHI · SAATCHI GALLERY



South Africa

Community upliftment

The Street Store

- Celebrated 10th anniversary in 2024.
- Clothed approximately one million homeless people worldwide to date.

Other initiatives
Ongoing support for Baphumelele Children's Home and Bethany House.

Contributions to education and training

R141,000
for disabled students' learnerships

R210,000
in scholarships for aligned with BEE frameworks

R120,000
donation to the ORT SA Foundation for early learners' science education

1 MILLION
people clothed worldwide through
THE STREET STORE

UK

Black Business Residency Programme
Since 2021, the programme, in partnership with Somerset House, has supported 116 founders over five cohorts of Black creative entrepreneurs, broadening the creative talent pool.

70%
of participants increased grants and partnerships

72%
of participants gained skills that benefited their business

72%
of creative entrepreneurs are more aware of the opportunities in the creative sector

Support package:
Masterclasses, free use of the Exchange co-working space, mentorship and the opportunity to receive a grant at the end of the programme through the Growth Fund

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

This is our third report in line with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), identifying climate change risks to and opportunities for the business.

Reporting in line with the recommendations of the TCFD

Board oversight

Board
- Twice-yearly ESG update includes climate-related risks and opportunities.

Sustainability Leadership Group
- Meets every two months. Regular agenda includes climate-related risks and opportunities. Governs the ESG risk register.
- Includes the CEO, the CFO, Chief People & Operations Officer as well as the CEO for APAC and our UK Chair.

Remuneration Committee
- Monitors progress against the environmental goals that are included in the bonus metrics for executives.

Management's role in assessing and managing climate-related risks and opportunities

Chief People & Operations Officer
- Overall management responsibility for assessing and managing climate-related risks and opportunities.

Group Sustainability Director
- Strategy development, implementation and monitoring.

Sustainability Leadership Group (see page 83)
- Membership includes senior decision-makers and is designed to influence decisions in the business.

ELT
- 2024: Each of the bonuses of the CFO, CEO, Chief People & Operations Officer and General Counsel & Company Secretary are tied to the delivery of our ESG goals (see page 92).
- 2025: All ELT bonuses tied to relevant and material ESG targets (including targets linked to climate-related risks and opportunities).

Climate risks

Time horizons used in this report

2024

Risk of extreme climate events occurring in individual locations of operation.

2025 – 2028

Risk of extreme climate events grow and are likely to affect some locations of operation concurrently. Individual extreme climate events continue.

Short term

2029 – 2035

Risk that extreme climate events become chronic in some locations of operation.

Individual and concurrent climate events continue.

Medium term

2035 – 2050

Climate issues will amplify over time, disrupting businesses and operations. The degree of amplification is likely to depend on the degree to which global emissions reductions align with the scientific consensus.

Long term

Description of risks

Physical risks

As an office-based group of companies, our environmental physical risks are limited to where our people work and live. These general risks are already present in the short term (2024) and will increase in the medium term (2025–2028) and long term (2029–2050) and are likely to continue to amplify over time. At the moment, there are no chronic physical risks to our business locations. However, on current global emissions trajectories, these risks will become more regular and acute.

Physical risks to our locations	Financial impacts of these risks	Impacts to our people and consumers
– Flooding, hurricanes and wildfires affecting our leased buildings, infrastructure and data storage. – Increased costs of cooling buildings during heatwaves. – Health impacts on our people from extreme weather including heat, rain and increased prevalence of disease. – Loss of local transportation and other infrastructure due to extreme weather. – General societal impacts from climate change. – Stress and well-being issues for our people.	– Costs of cooling during heatwaves. – Service disruption (physical, digital). – Interruptions to data storage. – Building repairs. – Increased cost of talent recruitment and retention (affected communities will have higher living costs). – Health and well-being costs for our people. – Client insolvency and/or reduction in advertising spend.	– Lower productivity. – Poor mental health. – Poor physical health. – Water shortages. – Reduced discretionary spending as a result on increased costs. – Reduced access to and increased cost of food. – Inability of local power grid to cope with demand. – Melting airport runways, roads and rail infrastructure. – Wildfires. – The inability to travel even locally. – Political instability. – Migration from affected areas to less-affected areas and resulting civil unrest.

Health impacts of climate change are likely to vary by jurisdiction, depending on social welfare investment and access to food and water.

Given that we do not have material investments in fixed assets such as properties and given that we are able to deliver most of our clients work remotely across our global footprint, we have not yet attempted to quantify the associated financial impact, because it is not sufficiently material.

However, severe climate change will be catastrophic to most businesses, including ours.

High-risk cities in our operations:

- London*, New York*, Sydney, Melbourne, Cape Town, Dubai*, Abu Dhabi*, Kuala Lumpur*, Jakarta* and Singapore.

* Most at risk, even at the most optimistic temperature rise scenarios according to the "Climate Central Coastal Risk Screening Tool – 1.5°C warming scenario".

Climate risk to employees by headcount:

- 28% in regions at extreme risk of wildfire.
- 35% in regions at increased risk of hurricanes, typhoons and cyclones.
- 39% in regions at extreme risk of prolonged extreme heat.
- 98% in regions at extreme risk of flooding.
- 86% in cities with significant areas that are predicted to be below the high-water tide level by 2035.

Transition risks

Our biggest short-term climate risk:

- Loss of clients due to not meeting GHG emissions targets.

Other transition risks:

- Risk of greenwashing – either in our client work or of our own reputation.
- Loss of clients because they do not want to work with agencies that have fossil fuel clients.
- Loss of talent because they do not want to work with agencies that have fossil fuel clients.
- Loss of talent due to employees' preference for working with companies with apparently greener credentials.
- Reputational risk during political volatility and polarisation that arises from a "disorderly transition".
- Increased operating costs due to increasing utility prices.

Our exposure to fossil fuel clients without a viable transition plan to renewable energy has reduced since 2023 and remains low at ~2% of our client revenue (~£5.2million). This excludes revenue generated by one of the South Africa businesses disposed of in the year and which is now operating as a licensee.

Risk to our client portfolio

Physical and transition risks to our client portfolio

Our business is dependent on the success of our clients' businesses. In 2024, we analysed the physical climate risk exposure of our major clients (over £1 million in revenue to us) and their progress in mitigating those risks. As in 2023, results were mixed, ranging from high exposure that is well mitigated, through high exposure that could be better mitigated, to clients that have medium exposure to climate risk. Some of our clients (e.g. telco clients) provide vital climate risk mitigation services to others. Climate risk to clients is a sector-wide issue, and we believe that full analysis should be undertaken for the sector. We have requested that the Advertising Association undertake this analysis in 2025 to help understand risks to the advertising sector and the role of agencies in helping their clients mitigate their risks.

Transition risks to our client portfolio:

Our exposure to clients at higher risk of advertising regulation:

In 2024, our percentage of revenue from:

- Fossil fuel companies that do not have credible transition plans to shift to renewables was ~2%.
- Automotive companies that do not have a near-term science-based target set with the SBTi was less than 1%.
- Travel and tourism sector companies that are reliant on flying was less than 1%.

How our core strategy mitigates transition risks (see review of our Commitments on pages 52 to 58):

- SBTi net-zero target verification.
- Increasing the percentage of revenue we generate from planet-positive campaigns.
- Building sustainability into marketing, talent onboarding and also learning and development.
- Our three-step check process to scrutinise new business opportunities for climate risks.
- Training our people on how to avoid greenwashing in creative work.
- Developing a more thorough understanding of the value of different sectors in our client portfolio (this will help us ensure that our portfolio is diversified against key physical and transition risks).
- Reducing operating costs by generating operational efficiencies (see pages 64 and 67).

Challenges we have faced

- We have not yet been able to dedicate resources to review our client portfolio for climate risk and impacts. We aim to do this in 2025.

Type	Description	Business impact	Mitigation actions	Impact after mitigation actions		
				Short term	Medium term	Long term
Direct, Physical acute.	Impact of extreme weather events on office operations.	Disruption of business activities.	Ability to work remotely. Ability to spread client work geographically due to increased global integration. Leasing policy for office locations.			
Direct, Physical acute.	Impact of extreme weather events on data centres.	Disruption of business activities.	Ensuring distance between physical data centres and their back-up centres. Use of virtual data centres allowing us to deploy IT services across different continents while maintaining service availability.			

Not yet mitigated

Partially mitigated

Successfully mitigated

Type	Description	Business impact	Mitigation actions	Impact after mitigation actions Short term	Medium term	Long term
Direct, Physical chronic.	Impact of chronic weather conditions in office operations.	Increased costs, decreased productivity.	Ability to work remotely. Ability to spread client work geographically due to increased global integration. Leasing policy for office locations. Upgrading air conditioning where appropriate (e.g. New Delhi upgraded in 2024). Employee well-being initiatives.			
Direct, Physical chronic.	Impact of chronic weather conditions on heating and cooling costs.	Increased costs.	Ensuring new office spaces have maximised energy efficiency. Undertaking regular maintenance of our London office.			
Indirect, Physical chronic.	Impact of climate change on cost of living for our people.	Increased costs.	Not specifically built into business planning.			
Physical risks to clients (acute and chronic).	Acute and chronic weather events affect our clients' businesses, reducing their revenue and advertising spent.	Decreased revenue.	We have undertaken climate risk profiling of our major clients and undertaken sector-level analysis, but have not yet built the results into business planning.			
Physical and transition risks to global financial system.	Threat to global financial stability from climate impacts affects our clients and our own access to capital.	Decreased revenue, increased financial volatility.	Not specifically built into business planning.			
Transition risk.	Loss of clients due to inability to meet emissions targets.	Decreased revenue, reputation impacts.	Inclusion of GHG emissions targets for key areas in ELT bonus plans. See page 66 for more details on emissions.			
Transition risk.	Use of AI significantly increases exposure to emissions and threatens targets.	Decreased revenue, reputation impacts.	This risk is not yet mitigated, particularly as data service and cloud computing providers have experienced a major increase in their own emissions due to development of AI.			
Transition risk.	Greenwashing (in client work or in our own reputation).	Cost and reputation from fines and litigation.	Our entire ELT undertook anti-greenwashing training in 2024. New UK employees are trained during their induction. We will be including greenwashing in Group-wide compliance training in 2025, as well as undertaking direct training of higher-risk teams.			

Type	Description	Business impact	Mitigation actions	Impact after mitigation actions		
				Short term	Medium term	Long term
Transition risk.	Changing consumer demands.	Loss of revenue.	We have undertaken climate risk profiling of our major clients and undertaken sector-level analysis, but have not yet built the results into business planning.			
Transition risk.	Loss of clients who do not want to work with agencies with fossil fuel clients.	Loss of revenue.	We have undertaken climate risk profiling of sectors most likely to move in this direction and closely monitor developments in this space. Results not yet built into business planning.			
Transition risk.	Loss of talent because they do not want to work for agencies with high-impact clients.	Increased costs, decreased capabilities.	Although not directly measured, employee engagement suggests this is not yet a major issue for our people. However, this could change with increased scrutiny of agencies and their clients, particularly if we faced similar levels of external activism as other advertising and communications agencies.			

Our climate opportunities

Type	Description	Business impact	Actions in 2024
Our operations (the way we work).	Energy efficiency.	Lower running costs and better employee well-being.	Upgrade to our air conditioning systems in New Delhi – resulted in better employee well-being and lower running costs during 2024 heatwave.
Our operations (the way we work).	Business travel policy.	Lower costs and increased employee availability (reduction in time spent travelling).	Reduced business travel and increased use of economy class in flights booked through our central booking system.
Our client work (the work we do).	Client work for low-carbon solutions/ NGOs.	Increased revenue and reputation in this space.	There is scope to consider this work as a component of our overall business strategy in 2025.

Challenges

Initiative reported in 2023	Reason for non-delivery
Install rooftop solar panels in one of our South African offices.	The offices are occupied by the South Africa business which was disposed of during the year and who now operates under a licence.
Reduce the cost of debt through sustainability-linked revolving credit facility.	The potential financial saving did not warrant the additional reporting time required.

Impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning

The Directors have considered that the current impacts of climate change on the Group are manageable under the existing strategy. Specific financial cost provisions have not yet been allocated to climate-related risks. We have made financial investment in energy-saving measures around the Group which may offset increasing operating costs due to increased utility prices and include ESG as a metric in bonus calculations, see page 92 for further details.

Resilience of our strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Physical and transition risks associated with climate change are constantly developing. Given the nature of our business, including our limited fixed asset exposure, and our ability to pivot the provision of our services remotely and across our global locations, we have not modelled specific scenarios at this stage.

2024 saw average temperatures increase above 1.5°C and the promised withdrawal of the US from the Paris Climate Agreement. We believe that an orderly transition to a world where temperatures have increased by less than 1.5°C is unlikely.

Activities under our resilience strategy

Existing activities (physical risks)	Potential future activities to remain resilient
Improving energy efficiency to reduce the cost of energy and minimise the risk of supply disruption.	We may need to expand this approach to other utilities, such as water in areas with high likelihood of water shortages (e.g. Cape Town).
Reviewing data management and security solutions in the light of physical climate risk.	Stronger engagement on this issue to minimise risk.
Using our digital capabilities to collaborate and offer our services remotely.	Enhance digital capabilities to meet increased client and employee expectations.
Continuing to understand the needs of our people and invest in employee well-being.	We may need to expand and invest in our well-being and support offering, particularly for people directly impacted by extreme weather events and/or political instability.
Providing client services for clients with products and services that support the transition.	Continue to review and evolve our approach.
Membership of Ad Net Zero, the primary industry body for addressing the climate impacts of advertising and communications.	Stay ahead of eligibility requirements (see page 50 for how we are anticipating future evolutions in advertised/serviced emissions).
Training our people on anti-greenwashing and ESG issues (see pages 50 and 55).	Screening client work before it goes live.
Delivering our SBTi-verified net zero target.	See page 92 on ELT bonus goals and page 50 on advertised/serviced emissions.

Existing activities (transition risks)	Potential future activities to remain resilient
Changing reporting requirements.	Adopting new frameworks as they become mandatory.
Changes in client mix.	See page 56 on planet-positive campaigns and page 57 on reviewing the approach of potential new clients.
Supporting the decarbonisation of business travel through sending market signals by purchasing alternative aviation fuels (commonly known as SAFs).	Potential future increase in volumes if unable to directly reduce business travel in line with targets.
Loss of talent due to employee preferences to work with companies with apparently greener credentials.	See page 46 for monitoring employee engagement on these issues.

Description of the organisation’s processes for identifying and assessing climate related risks.

The Audit & Risk Committee assesses the completeness of the risk register, see page 41. Individual agencies can escalate specific climate related risks. There is currently no specific climate change risk terminology used, and we do not reference existing risk classification frameworks. The finance team and Sustainability Leadership Group are responsible for reviewing and assessing emerging regulatory requirements and any risks or risk mitigations.

Metrics and targets (TCFD)

There is currently no sector-specific metrics guidance for advertising and marketing companies in the TCFD annex or under the more recently published IFRS S2.

We have identified the following metrics as most appropriate for assessing climate risk and opportunities related to our business:

- Scope 1, 2 and 3 GHG emissions (full table).

Scope 1 and Scope 2 – Global data summary Environmental KPIs	Units	2019	2020	2021	2022	2023	2024
GHG emissions (location based)	tCO2e	**1,460.1**	**1,022.3**	**800.8**	**823.7**	**811.2**	**619.0**
Scope 1	tCO2e	139.4	100.3	103.6	124.7	105.8	**68.4**
Scope 2	tCO2e	1,320.7	922.0	697.2	699.0	705.4	**550.6**
GHG emissions (market based)	tCO2e	**1,214.5**	**864.3**	**655.8**	**648.7**	**586.8**	**344.7**
Scope 1	tCO2e	139.4	100.3	103.6	124.7	105.8	**68.4**
Scope 2	tCO2e	1,075.1	764.0	552.2	524.0	481.0	**276.3**
Scope 1 and 2 tracking against SBT (% reduction from base year)	%	**0%**	**-29%**	**-46%**	**-47%**	**-52%**	**-72%**
Scope 3 category							
Purchased goods and services	tCO2e	23,229	–	–	–	25,701	**20,034**
Capital goods	tCO2e	–	–	–	–	–	**–**
Fuel and other energy related activities	tCO2e	428	–	–	–	236	**150**
Upstream transport and distribution	tCO2e	1,494	–	–	–	28.3	**483**
Waste generated in operations	tCO2e	90.5	–	–	–	–	**8.2**
Business travel	tCO2e	7,376.6	–	–	–	4,517	**3,818**
Commuting and Teleworking	tCO2e	963	–	–	–	1,183	**928**
Upstream leased assets	tCO2e	–	–	–	–	–	**–**
Downstream transport and distribution	tCO2e	–	–	–	–	–	**–**
Processing of sold products	tCO2e	–	–	–	–	–	**–**
Use of sold products	tCO2e	–	–	–	–	–	**–**
End of life treatment of sold products	tCO2e	–	–	–	–	–	**–**
Downstream leased assets	tCO2e	–	–	–	–	–	**26**
Franchises	tCO2e	622	437	471	549	662	**1,310**
Investments	tCO2e	–	–	–	–	0.2	**2.7**
Total Scope 3 emissions	tCO2e	**34,202**	**–**	**–**	**–**	**32,327**	**26,760**
Scope 3 tracking against SBT (% reduction from base year)	%	**0%**	**–**	**–**	**–**	**-5%**	**-22%**

- Business travel emissions per business.
- Number of our businesses with high physical climate risks that have appropriate mitigation plans in place.
- Percentage of revenue at risk from climate transition.
- Percentage of overall revenue from planet-positive campaigns (see page 56 for details).
- Supply chain metrics (see page 56 for details of how we are developing supply chain metrics in 2025).

Please refer to pages 92 and 93 for details of how these metrics are included in remuneration policies.

A note on GHG emissions and re-baselining

In 2024, the agency in South Africa became a licensee. We have therefore re-baselined our emissions across all previous years, as per SBTi requirements. Emissions from the South African agency and other agencies that have similarly become licensees now sit in the Scope 3 Franchises category.

The primary factors behind our GHG emissions performance in 2024 are: subletting offices (Scope 1 and 2), moving our main offices in Australia onto renewable energy (Scope 2) and better enforcement of our Business Travel Policy (Scope 3). There has also been movement in emissions between Scope 3 categories due to improvements in data coverage for de-minimis categories (particularly upstream transport and distribution and waste generated in operations), and better categorisation of emissions under business travel (e.g. hotels and taxi emissions).

Scope 1, 2, and 3 GHG emissions, and the related risks

To understand our Scope 3 emissions, we calculate all categories of the GHG Protocol, including emissions from digital media buying. See page 52 for further details of our emissions and how we are performing against them. Media buying is currently a high emissions source for us. We are part of industry discussions related to measuring and reducing emissions from media buying. We are testing approaches and exploring how to operationalise them in 2025.

Targets and performance used to manage climate-related risks and opportunities

Target	Performance
Scope 1, 2 and 3 emissions	See page 66
Supply chain engagement targets	See page 56
% of revenue at risk from climate transition	See page 60
% of overall revenue from planet-positive campaigns	See page 56
Review the environmental approaches of high-risk new clients	See page 57
% of client requests for ESG information answered accurately and in a timely manner	See page 51
Continuing to bid for client work as a result of meeting their sustainability performance requirements	100%
Number of our locations with high physical climate risks that have appropriate mitigation plans in place	Not yet measured
Moving our offices in Australia (2024) and Italy (2025) onto renewable energy contracts	On track

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

The information signposted in the table below is intended to help our stakeholders understand the Company's position on key non-financial matters.

It is produced in accordance with section 414CB of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

Non-financial matter	Relevant policies/documents that govern our approach*	Where to find risk management, impact, KPIs and additional information
Employees	Our Planet and People Commitments and Stakeholder Engagement and Section 172 (employees).	– ESG section (Planet and People Commitments), pages 51 to 58. – Stakeholder Engagement and Section 172 (Employees), page 46. – Nomination Committee Report (Culture and diversity and inclusion), page 82.
Human rights	Supplier Code of Conduct, Child Labour Policy, Modern Slavery Statement and our Planet and People Commitments.	– Planet and People Commitment 8, page 56. – Stakeholder Engagement and Section 172 (Suppliers), page 49. – Our Modern Slavery Statement on our website.
Social matters	Our Planet and People Commitments.	– ESG section Planet and People Commitments, pages 51 to 58. – TCFD Report on physical effects of climate change to our people page 59. – For anti-greenwashing training, see ESG section page 50 and 55. – For AI risks see Principal Risks and Uncertainties, page 41.
Environmental matters	Environmental Policy, Waste Policy and our Planet and People commitments.	– ESG section (Planet + People Commitments) pages 51 to 58. – TCFD Report, page 59. – SECR (Streamlined Energy and Carbon Reporting), pages 98 and 99. – Planet and People section of our website.
Anti-corruption and bribery	Anti-Fraud Policy, Anti-Corruption and Bribery Policy and Whistleblowing Policy.	– Principal Risks and Uncertainties, page 41. – Stakeholder Engagement and Section 172 (employees), page 46. – Planet and People section of our website.

* All policies mentioned here are held on our global intranet.

GOVERNANCE REPORT

CHAIR'S INTRODUCTION TO GOVERNANCE

"I am pleased to present the Corporate Governance Report for the year ended 31 December 2024.

The Board's core objective is to drive long-term success for the Company and maximise shareholder returns. This involves setting the Company's strategic direction, ensuring robust financial and organisational frameworks, overseeing management's execution of the strategy, and establishing the Company's risk tolerance."

Zillah Byng-Thorne
Non-Executive Chair

Board changes

In 2024, the Board underwent significant changes with the appointment of Zaid Al-Qassab as the new CEO, and Simon Fuller as the new CFO. Upon Zaid's appointment, I resumed my role as Non-Executive Chair.

These appointments, made in close collaboration with the Nomination Committee, were designed to further strengthen the Board's existing skill set and ensure a seamless leadership transition.

Further appointments included Dame Heather Rabbatts on 22 January 2024 as Senior Independent Director, and Georgina Harvey as Non-Executive Director on 1 October 2024. Georgina assumed the role of Remuneration Committee Chair on 1 January 2025, taking over from Louise Jackson, who after serving five years on the Board, will step down from her role as Non-Executive Director at the Company's Annual General Meeting on 15 May 2025.

We are delighted to welcome Zaid, Simon, Dame Heather and Georgina to the Board. Each brings a wealth of diverse experience, which will be invaluable as we continue to execute our strategy.

I'd like to thank Louise and Bruce Marson, who stepped down as CFO in June of this year, for their significant contributions and wish them well in their future endeavours. You can read more about our Board members on pages 72 and 73.

Board role and effectiveness

The Board's core objective is to drive long-term success for the Company and maximise shareholder returns. This involves setting the Company's strategic direction, ensuring robust financial and organisational frameworks, overseeing management's execution of the strategy, and establishing the Company's risk tolerance. My role as Chair is to lead the Board and to ensure that the Company has a Board that works effectively in all aspects of its role.

Prior to each Board meeting, Non-Executive Directors convene for a separate meeting. This allows for independent discussion of key matters, enabling them to align their perspectives and identify areas for further exploration with the Executive Directors. Furthermore, this dedicated time facilitates a review of Executive Director performance.

The Board is committed to continuous improvement, and our annual performance evaluation is a crucial part of this process. Lintstock Limited conducted the Board evaluation for the past three years. This year, we conducted an internal evaluation of the performance of the Board and its committees. The results of this year's evaluation concluded that the Board and its committees continue to operate effectively. As Chair, I remain confident that we have a diverse Board with the right balance of capabilities, skills and experience to continue to do so.

Further detail regarding the outcomes of the evaluation can be found on pages 80 and 81.

The responsibilities of the Board and its committees and the way in which they uphold high standards of corporate governance are set out on page 74.

Shareholder engagement

The Board and executive management are committed to maximising shareholder engagement activities, particularly in light of the recently appointed executive management team.

Our successful investor engagement programme, led by our CEO and CFO, continued throughout the year. Feedback received during roadshows and other introductions is reported by the CFO to the Board for discussion at Board meetings, following which, where appropriate, I reach out to shareholders to continue the dialogue.

Remuneration

The Board considers that policies on executive remuneration should be transparent. They should be implemented in a manner which supports strategy and promotes long-term sustainable growth. In addition, remuneration should reflect both the performance of the Company as well as individuals. The Board has delegated to the Remuneration Committee responsibility for complying with these aspects of the UK Corporate Governance Code 2018 (the "**Code**") and the work of the Committee is reported in full, starting on page 84.

The Group's remuneration policies are fully in compliance with the principles and provisions of the Code save for some reporting elements of provision 41 of the Code as further disclosed on page 75.

Statement of compliance

While as an AIM-listed entity the Company is not required to comply with the Code, the Board believes that it represents best practice.

The Board confirms that throughout the year ended 31 December 2024, the Company applied the main principles and complied with the relevant provisions of the Code save for those exceptions set out on page 75.

The Code can be found on the FRC website **www.frc.org.uk**

In January 2024, the FRC published the UK Corporate Governance Code 2024 (the "**2024 Code**"). A primary focus of the 2024 Code is enhanced internal control oversight, requiring boards to monitor and review all material controls and provide a declaration on their effectiveness within the annual report.

The 2024 Code will be applicable to the Company's financial year commencing 1 January 2025. However, the implementation of provision 29 of the 2024 Code, specifically concerning risk management and internal controls, will take effect as of 1 January 2026. We will ensure we are in compliance with the updated provisions of the 2024 Code as they come into effect.

Committees of the Board

The Board is supported by three key committees: Audit & Risk, Nomination, and Remuneration. The Board appoints members to each of these committees.

The Audit & Risk Committee Report can be found on **page 76**

The Remuneration Committee Report can be found on **page 84**

The Nomination Committee Report can be found on **page 80**

Each committee has the authority to seek independent external advice as necessary. The Company Secretary serves as Secretary to all committees. The terms of reference for each committee are reviewed regularly and updated as required to maintain alignment with best practices. All committee terms of reference are approved by the Board.

Copies of the committees' terms of reference are available from the website at **www.mcsaatchiplc.com/about-us/governance/corporate-governance**

Notices and Directors' conflicts of interest

Board meeting notices, agendas, and supporting documents are formally distributed to all Directors in advance as part of the Board papers. Directors are encouraged to propose any additional agenda items they deem relevant for discussion.

Directors have a statutory duty to avoid conflicts of interest with the Company. The Company's articles of association allow the Directors to authorise conflicts of interest, and the Board has adopted a policy for reviewing and managing conflicts of interest as they arise. Each Director must disclose the nature and extent of any conflict of interest arising generally or in relation to any matter to be discussed as soon as the Director becomes aware of its existence. Directors must also disclose their shareholdings and any changes to those that have occurred from time to time. The Board is aware of the other commitments and interests of its Directors, and changes to these commitments and interests are reported by the Directors. While the Board recognises that Chris Sweetland could be regarded as being interested in any agreement or arrangement to be entered into in the future with Vinodka Murria, AdvancedAdvT Limited or their associates by virtue of being an appointee recommended by both Vinodka Murria and AdvancedAdvT Limited, the Board does not believe there to be conflicts of interest for Chris Sweetland as a result of being such an appointee in all circumstances. A review of Directors' conflicts of interest is conducted at least annually.

Executive Leadership Team

The ELT, led by the CEO, comprises 17 members. These individuals head key business lines driving the Group's revenue or lead critical functions within the Group's central organisation.

The ELT meets monthly to ensure cohesive leadership, collaboration and effective execution of the Company's strategic objectives. These meetings focus on key areas including financial performance and strategic priorities, fostering collaboration and contributing to the achievement of our business goals.

During the course of the year, considerable time was spent discussing the Group's strategy and financial performance, the regional first integrated operational model, the organisational design of the Group, the Group's culture and values, Cultural Power and the global efficiency programme.

Looking ahead

We will enhance our governance processes this year to ensure full compliance with the 2024 Code, align with best practices, and maintain clear, transparent disclosures.

Finally, I look forward to meeting shareholders at our upcoming Annual General Meeting which will take place on Thursday 15 May 2025 at the Company's registered office at 36 Golden Square, London W1F 9EE.

Zillah Byng-Thorne
Non-Executive Chair

1 April 2025

BOARD OF DIRECTORS

The Code requires the Board and its committees to have an appropriate balance of skills, experience, independence and knowledge of the Company, to enable them to discharge their duties and responsibilities effectively and in line with the corporate strategy. Members of the Board bring a wealth of knowledge and experience to the discussions, maintain memberships of a number of professional bodies and ensure their skill sets are constantly developed.

The Directors of the Company who were in office during the year, and up to the date of signing the financial statements, are as set out below.

Zillah Byng-Thorne, 50
Independent Non-Executive Chair

Zillah brings extensive experience in the media and technology sectors, including online gaming, digital media, and e-commerce. She served as Chief Executive Officer of Future plc, having previously held the role of Chief Financial Officer. Her prior experience includes Chief Financial Officer roles at Trade Media Group (now Auto Trader Group plc) and Fitness First Limited, as well as Interim Chief Executive Officer of Trade Media Group. Zillah is a chartered management accountant (CIMA) and a qualified treasurer (ACT).

External Appointments

- Chief Executive Officer of Dignity.
- Board Chair, Chair of the Nomination Committee and member of the Trust & Transparency and Disclosure Committees of Trustpilot Group plc.
- Non-Executive Director and member of the Audit, Compensation, and Nominating and Governance Committees of Norwegian Cruise Line Holdings Ltd.

Board Committees
Nomination Committee (Chair) and Remuneration Committee.

Independent
Yes. Zillah was considered to be independent upon her appointment as Non-Executive Chair. The Board is satisfied that despite her prior tenure as Executive Chair for nine months, she remains independent in character and judgement and is free from any relationship or circumstance which is likely to affect or could appear to affect her judgement.

Year of first appointment
2023.

Zaid Al-Qassab, 52
Executive Director

Zaid has an extensive track record of advertising and marketing leadership, managing global teams and brand-building expertise. He was Chief Marketing Officer at Channel 4 from 2019 to March 2024. Prior to that he was Chief Brand & Marketing Officer of BT plc, where he led the BT, EE, Plusnet and Openreach brands. He also spent 20 years at Procter & Gamble, in marketing and commercial roles, including as Managing Director of the Health and Beauty division for the UK and Ireland.

External Appointments
None.

Board Committees
N/A

Year of first appointment
2024.

Simon Fuller, 47
Executive Director

Simon is an experienced listed Chief Financial Officer, having held several executive and senior management roles across a range of UK listed companies. His former positions include Chief Financial Officer of Reach plc and McColl's Retail Group plc. He has also held senior managerial roles in the finance functions of Tesco plc, BT Group plc and COLT Telecom plc. He qualified as a chartered accountant with PricewaterhouseCoopers in 2001. Simon is a fellow chartered accountant.

External Appointments
None.

Board Committees
N/A

Year of first appointment
2024.

Dame Heather Rabbatts, 69
Independent Non-Executive Director

Dame Heather Rabbatts is the Board's Senior Independent Director. Dame Heather has extensive experience as a board member having held a number of executive and non-executive roles including in local government, infrastructure, media and sports. She has previously been a Non-Executive Director of Kier Group plc and Grosvenor Britain & Ireland. She was the first woman on the Board of the Football Association in over 150 years.

External Appointments

- Senior Independent Director and member of the Audit, Nomination and Remuneration Committees of Associated British Foods plc.
- Non-Executive Director and member of the Audit, Remuneration and Nomination Committees of Bloomsbury Publishing plc (effective 14 April 2025).
- Chair of Soho Theatre.
- Chair of UK Time's UP.
- Founder and Director of The Women's Sports Group Limited.

Board Committees
Audit & Risk Committee, Nomination Committee and Remuneration Committee.

Independent
Yes.

Year of first appointment
2024.

Colin Jones, 64
Independent Non-Executive Director

Colin Jones has had a highly successful executive career in the technology, media and telecommunications sector and is an experienced FTSE-250 Chief Financial Officer. Colin served as Chief Operating Officer and Chief Financial Officer at Euromoney Institutional Investor Plc until 2018. Prior to this, Colin was a Director at PwC, working across strategy, remuneration, financing, technology and M&A in the UK and Europe.
Colin is a chartered accountant.

External Appointments

- Non-Executive Director and Chair of the Audit & Risk Committee of STV Group plc.
- Non-Executive Director and Chair of the Remuneration Committee of Gateley (Holdings) Plc.
- Non-Executive Director of Datatec Limited (JSE listed).
- Governor and Trustee of London's City Literary Institute and Chair of its Financial and Commercial Committee.

Board Committees
Audit & Risk Committee (Chair), Nomination Committee and Remuneration Committee.

Independent
Yes.

Year of first appointment
2020.

Louise Jackson, 57
Independent Non-Executive Director

Louise has extensive experience in organisational design, restructuring, cost reduction, and talent and culture transformation, gained at numerous leading organisations, including many in media. She is SVP, People and Talent, at the Tony Blair Institute. Her previous roles include Group People Director at Selfridges and Mothercare, HR Director at Kyowa Hakko Kirin, Senior Partner at Korn Ferry, and CEO of HR consultancy firm 7days Limited.

External Appointments

- Senior Vice President of People and Talent for the Tony Blair Institute for Global Change.
- Non-Executive Director, Chair of the Remuneration Committee and member of the Audit Committee at FRP Advisory.

Board Committees
Audit & Risk Committee, Nomination Committee and Remuneration Committee (Chair during 2024).

Independent
Yes.

Year of first appointment
2020.

Georgina Harvey, 60
Independent Non-Executive Director

Georgina brings significant experience leading transformational change in highly competitive consumer markets. From 2005 to 2012, she served as Managing Director of Regionals and a member of the Executive Committee at Trinity Mirror plc. Georgina has a strong track record on public company boards. Her Non-Executive Director experience includes chairing the Remuneration Committees of Britvic plc, Superdry plc, McColl's Retail Group plc, Big Yellow Group plc, and William Hill.

External Appointments

- Senior Independent Director, Chair of the Remuneration Committee and member of the Nomination, and Responsible Business Committees at Capita plc.

Board Committees
Audit & Risk Committee, Nomination Committee and Remuneration Committee (Chair as of 1 January 2025).

Independent
Yes.

Year of first appointment
2024.

Chris Sweetland, 68
Non-Independent Non-Executive Director

Chris is a chartered accountant who began his career with KPMG before spending nine years in various finance roles with PepsiCo Inc., lastly as Chief Financial Officer of its Central Europe Beverages division. In 1989, he joined WPP plc's central team, where he played a key role in the company's growth through acquisitions and oversaw operations and investor relations. He retired as WPP's Deputy Group Finance Director in 2016, having represented the company on numerous boards in the UK and internationally.

External Appointments

- Non-Executive Director and Chair of the Audit, Risk and AIM Rules and Compliance Committee at TPX Holdings plc.

Board Committees
Remuneration Committee.

Independent
No. Chris serves as a representative of AdvancedAdvT Limited and Vin Murria who hold in aggregate 26,437,452 ordinary shares in the Company, representing 21.6% of the Company's issued share capital (excluding treasury shares). Chris is entitled to remain on the Board provided AdvancedAdvT Limited and Vin Murria retain an aggregate interest of at least 11.5% of the Company's issued share capital.

Year of first appointment
2023.

Board tenure

- 0 – 3 years
- 3 – 6 years

Board skills

- Advertising and media
- Finance and audit
- Management and strategy
- People and HR
- ESG and sustainability

Board composition

Read more:
See page 74

Evaluation of the Board and its committees

Read more:
See pages 80 and 81

GOVERNANCE REVIEW

Division of responsibilities

Board

Chaired by Zillah Byng-Thorne (appointed as Non-Executive Chair on 15 June 2023; subsequently appointed Executive Chair on 1 September 2023; resumed her original role as Non-Executive Chair on 16 May 2024).

Responsible for:
- Promoting the Group's long-term success through effective governance and prioritising the interests of stakeholders.
- Overseeing the Group's governance and internal controls.

The Board currently consists of eight members: the Chair, the CEO, the CFO and five Non-Executive Directors (one of whom is not considered to be independent and is a shareholder appointee). Details of the members of the Board can be found on pages 72 and 73. The Directors' Report can be found on page 97.

Audit & Risk Committee

Chaired by Colin Jones (appointed 3 February 2020).

Responsible for:
- Monitoring the integrity of the financial statements.
- Reviewing the Group's internal financial controls and risk management systems.
- The Group's relationship with the external auditor.

The Audit & Risk Committee consists of the four independent Non-Executive Directors. The Chair, the CEO, the CFO, the General Counsel & Company Secretary and any other Directors or representatives and external advisers attend meetings by standing invitation to make proposals and provide such information as the Audit & Risk Committee requires. The Audit & Risk Committee Report can be found on page 76.

Remuneration Committee

Chaired by:

Louise Jackson throughout 2024 (appointed 6 May 2020).

Georgina Harvey from 1 January 2025 (appointed 1 October 2024)

Responsible for:
- Determining the policy for Executive Director remuneration.
- Reviewing current remuneration practices and ensuring that remuneration, strategy and culture are fully aligned.

The Remuneration Committee consists of the four independent Non-Executive Directors: the non-independent Non-Executive Director and the Chair. The CEO, the CFO, the Chief People & Operations Officer, the General Counsel & Company Secretary and any other Directors or representatives and external advisers attend meetings by standing invitation to make proposals and provide such information as the Remuneration Committee requires. The Directors' Remuneration Report can be found on page 84.

Nomination Committee

Chaired by Zillah Byng-Thorne (appointed 15 June 2023).

Responsible for:
- All Executive and Non-Executive Director appointments.
- Overseeing the ELT.
- Making use of independent search consultancies for all of its appointments.

The Nomination Committee consists of the Chair and the four Non-Executive Directors. The CEO, the CFO, Chief People & Operations Officer, the General Counsel & Company Secretary and any other Directors or representatives and external advisers attend meetings by standing invitation to make proposals and provide such information as the Nomination Committee requires. The Nomination Committee Report can be found on page 80.

Company's purpose

Our purpose is to deliver creative solutions which drive growth for clients, tackling the most complex business and societal challenges. Our vision is brilliant people, extraordinary creativity and amazing client service to create a sustainable advantage for clients. To realise this vision, we are delivering our strategy which focuses on:

- The transformation to a simpler, leaner, more agile business delivering growth in revenue, increased profitability and improved cash generation.
- Unlocking our clients' Cultural Power by aligning with them through our regional-first, agile and integrated operating model, which makes us simpler to work with and takes full advantage of our regional know-how, specialist expertise and global reach.
- Our disciplined capital allocation policy which prioritises organic reinvestment and selective bolt-on expansion to deliver sustainable growth and to support shareholder returns.
- Our beliefs are core to our creativity, which unlocks Cultural Power and is at the heart of all we do:
  - Brutal simplicity of thought – we apply this founding philosophy to cut through complexity.
  - Connective creativity – we deliver integrated solutions through our Specialisms globally.
  - Future fearlessness – we embrace innovation and constantly evolve.
  - Environmental responsibility – we recognise our responsibility.

Attendance at Board and committee meetings during the year

Seven scheduled meetings of the Board were held during the year. The attendance record of the Directors at the meetings of the Board and of the Board's committees is shown below.

	Board	Audit & Risk Committee	Remuneration Committee	Nomination Committee
Non-Executive Chair				
Zillah Byng-Thorne	5/5	–	3/3	2/2
Executive Directors				
Zillah Byng-Thorne[1]	2/2	–	–	2/2
Bruce Marson[2]	3/3	–	–	–
Zaid Al-Qassab[3]	5/5	–	–	–
Simon Fuller[4]	4/4	–	–	–
Non-Executive Directors				
Louise Jackson	7/7	4/4	6/6	4/5
Colin Jones	7/7	4/4	5/6	5/5
Chris Sweetland	7/7	–	6/6	–
Dame Heather Rabbatts	7/7	4/4	6/6	5/5
Georgina Harvey[5]	2/2	1/1	2/2	0/1

1. As Executive Chair.
2. Departed the Board on 30 June 2024.
3. Joined the Board on 16 May 2024.
4. Joined the Board on 1 July 2024.
5. Joined the Board on 1 October 2024.

Compliance with the Code

As an AIM-listed entity, the Company is not required to comply with the Code, but the Board believes that it represents best practice and has moved significantly towards full compliance with the Code. The Board continues to work to implement the provisions of the Code and supports the focus that it places on relationships with stakeholders. Other than as detailed below, the Company complied with the provisions of the Code for the whole of 2024.

Provision 9

The Company's Non-Executive Chair, Zillah Byng-Thorne, served as Executive Chair during 2024 while the Company conducted a search for a new CEO. In May 2024, with the appointment of Zaid Al-Qassab as CEO, Zillah reverted to Non-Executive Chair. The Board considered that Zillah was independent on appointment and that, as her role as Executive Chair was temporary to cover the period when the Company did not have a CEO, Zillah continued to be independent on the resumption of her non-executive role.

Provisions 11 and 12

Following Zillah's appointment as Executive Chair in September 2023 and Lisa Gordan's resignation on 14 June 2023, the Board temporarily fell below the required number of independent Directors and was without a Senior Independent Director. Dame Heather's appointment as Senior Independent Director on 22 January 2024 restored compliance.

Provision 26

The Audit & Risk Committee believes strongly that an internal audit function should be a key element of the Group's internal control framework, particularly given the complex structure of the Group, the significant number of small, de-centralised operations, and an incentive-based culture. Implementation of an internal audit function was deferred in 2024, as it was considered appropriate to wait until the SSC had been established and the revised internal control environment had been embedded in the Group's operations. This matter will be further considered and assessed in 2025, including the different possible models for such a function.

Provision 32

While Chris Sweetland, a non-independent Non-Executive Director, serves on the Remuneration Committee, the Company acknowledges this does not comply with the Code. However, the Company maintains strong governance by ensuring the committee comprises at least three independent Non-Executive Directors in addition to Chris. Furthermore, a quorum of two independent Non-Executive Directors is required for committee meetings.

Provision 41

Our remuneration practices continue to evolve, these are still not as mature as many FTSE main market companies listed in the Equity Securities (Commercial Companies) segment. There therefore continue to be some elements with which we do not currently comply such as the reporting of CEO pay ratios, employee engagement to explain executive remuneration and how the factors within this provision of the Code have been addressed. The Company has recently made good progress in its executive remuneration engagement agenda and the implementation of a new global HR information system during 2024, which takes us closer towards enabling the analysis of pay ratio data in the future.

The Code can be found on the FRC website **www.frc.org.uk**

AUDIT & RISK COMMITTEE REPORT

"I am pleased to present the Audit & Risk Committee's Report for the year ended 31 December 2024. This year has seen tremendous progress in the evolution of the transformation strategy, alongside improving internal financial controls and reporting, which the committee has overseen. We have established a strong foundation for our newly integrated and fully harmonised operating model. This included the creation of the SSC, which has had a significant benefit in cost efficiency, which will continue into 2025."

Colin Jones
Chair of the Audit & Risk Committee

The Audit & Risk Committee, on behalf of the Board, is responsible for reviewing the adequacy and effectiveness of the Group's internal financial controls and its internal control and risk management systems.

The committee's mandate is to provide effective governance over the appropriateness of the Group's financial reporting and the effectiveness of the external audit.

The committee also reviews and monitors the Group's internal financial control and risk management processes and related compliance activities.

Throughout the period, the members of the committee were myself as Chair, and each of the independent Non-Executive Directors, Louise Jackson and Dame Heather Rabbatts. Upon her appointment on 1 October 2024, Georgina Harvey joined the committee.

Committee meetings are also attended by the Chair of the Board, Chief Financial Officer, other Directors, the General Counsel & Company Secretary, and by the external auditor, all as required. The committee meets with the external auditor without the Executive Directors present at least annually.

As set out in the Strategic review, during 2024 the Group has undertaken a far-reaching transformation of its operating model. This has resulted in the disposal of a number of businesses and significant restructuring costs which are reflected in the results for the year. In addition, the Group has set up a new Shared Service Centre (SSC) in Cape Town, South Africa, to handle Group-wide finance, HR and IT functions which has been closely monitored by the committee for control and risk purposes.

Principal responsibilities

The principal responsibilities of the Audit & Risk Committee are:

Financial reporting: a) monitor the integrity of the Company's and the Group's financial statements and any formal announcement relating to the Group's financial performance; b) review significant financial reporting judgements, issues and estimates; and c) confirm whether, taken as a whole, the Annual Report and Accounts are fair, balanced and understandable.

Risk management and internal controls: On behalf of the Board, to review and monitor the effectiveness of the Group's internal financial controls and risk management systems and procedures.

External audit: a) assess the effectiveness of the external audit process; b) review and monitor the external auditor's independence and objectivity; c) review and approve the provision of non-audit services by the external auditor; and d) make recommendations to the Board about the appointment, reappointment and removal of the external auditor and their remuneration and terms of engagement.

Internal audit: Consider annually the justification for introducing an internal audit function.

The committee's full terms of reference, which are reviewed annually, are available at: **www.mcsaatchiplc.com/about-us/governance/corporate-governance** and reflect the requirements of the UK Corporate Governance Code 2018

The Audit & Risk Committee works to a programme aligned to key events in the financial reporting cycle. Meeting agendas include key audit, accounting and reporting issues as well as standing items required by the committee's terms of reference. In addition, one-off deep dives into specific risk areas may be requested by the committee at any time.

Activities of the Audit & Risk Committee

Since reporting on the 2023 Annual Report and Accounts in April 2024, and up until the date of this report, the Audit & Risk Committee has undertaken the following activities:

Area of focus	Matters considered
Financial reporting	– Review of significant accounting judgements, estimates and assumptions including: going concern and viability, revenue recognition, share-based payments and put option accounting, the valuation and impairment of goodwill, the valuation of unlisted equity investments, the accounting for business disposals, the use of alternative performance measures and assessment of one off matters such as litigation. – Review of the Annual Report and Accounts and confirmation to the Board that they are fair, balanced and reasonable. – Review of other financial announcements made during the period.
External audit	– Review and approval of the audit plan including key audit matters and approval of the audit fee. In 2024 this also included the implementation of the new group audit standard ISA (UK) 600 and its impacts on audit scope. – Monitoring implementation of the external auditor's recommendations for improving financial controls. – Regular updates on audit progress. – Review of external auditor's reports to the committee.
Internal controls	– Annual assessment of the effectiveness of the Group's internal financial controls. – Assessment and monitoring of the internal control implications of transferring transaction processing to the new SSC. – Consideration of any key matters raised in the end of year check list sign off process. – Consideration of the need for an internal audit function. – Assessment of the impacts of system implementations.
Risk management	– Reviewing management's risk management processes and the Group's risk register. – Deep dives into specific risk areas, this year including the World Services governance framework. – Annual assessment of the Group's emerging and principal risks, including the impacts of internal and external changes and this year in particular, the implementation of the Group's new integrated operating model. – Consideration of the disclosures in the Annual Report and Accounts.
Corporate governance	– Confirming compliance with the Code. – Consideration of the evolving regulatory landscape in order to anticipate and adapt to expected future changes. – Annual review of the effectiveness of the external audit. – Annual review of the committee's terms of reference.

The most significant accounting issues and judgements considered by the Audit & Risk Committee, and discussed with the external auditor, are set out below.

Significant accounting issues and judgements

Going concern and viability

As explained on page 97, the financial statements have been prepared on the going concern basis. In this context, the Board and the Audit & Risk Committee considered the Group's ability to meet its obligations as they fall due for the foreseeable future, with particular reference to the general economic environment (including geopolitical changes), the strategic initiatives to simplify the business and improve profitability, and the support of the Group's lenders. For the purposes of assessing going concern, management prepared a set of cash flow forecasts, evaluating four different severe but plausible downside scenarios, covering the period to the end of 2027. The Board and the Audit & Risk Committee reviewed these forecasts under each scenario, and the key assumptions on which they are based, and are satisfied that they are appropriate. Further details of these forecasts and assumptions are set out in the going concern statement on page 97.

Based on these forecasts and assumptions, the Board and the Audit & Risk Committee believe that it remains appropriate to prepare the financial statements on a going concern basis.

The Board and the Audit & Risk Committee have also assessed the viability statement in the Directors' Report in relation to the longer-term viability of the Group, including reviewing the forecasts used in the going concern models (referred to above) extended to the end of 2027, considering the appropriateness of this viability period and challenging the factors, assumptions and risks which are critical to the Group's viability over this period. The Board and the Audit & Risk Committee have concluded that the statement made by the Directors on page 97 in relation to the longer-term viability of the Group is appropriate.

Revenue recognition

Revenue recognition is a critical accounting policy and key audit matter for the Group. The Audit & Risk Committee has devoted considerable time to reviewing the many different aspects of revenue accounting (see Note 4 of the financial statements) and has noted the significant amount of training, oversight and guidance that continues to be provided to local entities by the Group finance team, including detailed reviews of all contracts and projects that spanned the year end date. It is satisfied that the Group's revenue accounting policy has been consistently applied and that revenue is not materially misstated.

Goodwill carrying value and impairment

The carrying value of goodwill as at 31 December 2024 was £29.9 million (2023: £32.5 million), full details of which are set out in Note 15 of the financial statements. The recoverable amount of goodwill is determined by management by reference to a value-in-use calculation for each cash generating unit ("**CGU**"), based on the Board approved three-year plans to December 2027 and a residual growth rate of 1.5%. Management also prepared sensitivity analyses for each CGU, for which the key variables are the forecast profits and cash flows and the discount rate used to measure the present value of these cash flows.

The Audit & Risk Committee has reviewed management's assessment of the recoverability of this goodwill and the impairment recognised in 2024, taking into account the key judgements around cash flows and the discount rate and sensitivity analyses. The committee has also reviewed the disclosures relating to goodwill carrying values and impairment in Note 15 of the financial statements. The committee is satisfied with the conclusion that, other than the provision for impairment against the goodwill in Bohemia Group Pty Ltd (Australia), no further impairment is required and is satisfied with the presentation of goodwill in the financial statements.

Put option accounting

The Company's strategy has been to grow organically rather than by acquisition. This has historically been achieved by launching new businesses in partnership with a local management team. The local management team received an equity interest in the start-up company at launch with the option to sell such equity to the Company at a future date based on certain performance and valuation criteria of the start-up company as set out in its governing documents.

The accounting for these put option schemes is a critical accounting policy. It is a complex area requiring a number of judgements around the employment nature of the arrangement (IFRS 2 or IFRS 9), the future performance of each business and the expected date of exercise and depends on the substance and detailed terms of the underlying arrangement.

The Audit & Risk Committee has considered the key judgements and estimates made by management in respect of these put option schemes, the assessment of non-market performance conditions, and the appropriateness of the forecasts used for valuation purposes. The committee has concluded that the judgements and estimates applied by management to the accounting for these put option arrangements are reasonable, and that the related disclosures in the Notes to the financial statements are appropriate.

Following exercises in the year, the put option liability at 31 December 2024 fell to £3.8 million (2023: £13.4 million) and this is unlikely to be a significant issue in the future.

Unlisted equity investments (financial assets at fair value through profit and loss)

The Group has historically invested in early-stage, unlisted businesses for the purposes of gaining access to new technologies and digital media trends. The valuation of these businesses was inherently subjective and required significant judgements.

The majority of these investments were held via Saatchinvest Limited, which was sold on 26 February 2025 for cash consideration of £2 million with an additional deferred consideration of £0.7 million (see Note 12 of the financial statements). As this sale was well progressed at the balance sheet date, the investment was reclassified to assets held for sale and no judgements were required.

Alternative performance measures

The Group uses "Headline" and "Like for Like" numbers to report its underlying results, as well as for internal reporting purposes (see Note 1 of the financial statements). The numbers strip out the impact of separately disclosed items, including one-off non-recurring revenues and expenses (see Note 2 of the financial statements), and the accounting impact of acquisitions, disposals, fair value adjustments and put options. The amount of separately disclosed items in 2024 was a post tax cost of £5.4 million (2023: £5.8 million), reflecting the costs associated with the strategy to simplify the Group's operating structure and improve efficiency, including the establishment of the SSC.

The committee has reviewed the Group's policy for the exclusion of certain items, when presenting Headline results, and confirmed the consistent application and appropriateness of this policy from year to year. It has also challenged management on the nature and amount of each separately disclosed item to ensure that it was appropriate and treated in accordance with the Group's accounting policy.

Internal audit

The Audit & Risk Committee believes strongly that an internal audit function should be a key element of the Group's internal control framework, particularly given the complex structure of the Group, the significant number of small, de-centralised operations, and an incentive-based culture. Implementation of an internal audit function was deferred in 2024, as it was considered appropriate to wait until the new SSC had been established and the revised internal control environment had been embedded in the Group's operations. This matter will be further considered and assessed in 2025, including the different possible models for such a function.

External auditor and audit effectiveness

This is BDO LLP's (BDO) fourth year as the Company's external auditor. The BDO partner responsible for the audit is Matthew Haverson (Senior Statutory Auditor).

The Audit & Risk Committee is responsible for monitoring the external audit process to ensure high standards of quality and effectiveness. The committee has satisfied this objective through a number of measures including:

- Reviewing the audit plan, scope, materiality and resources.
- Challenging the auditor on the findings of the Financial Reporting Council's Audit Quality Review, and the steps taken by BDO to improve their audit quality.
- Monitoring the independence and transparency of the auditor (see below).
- Regular meetings between the Audit & Risk Committee Chair and the audit partner without management present.
- Obtaining feedback from the CFO and his team on the quality of the audit team, their understanding of the business and its risks, and the quality of their judgements and communications.

These steps have enabled the committee to be satisfied with the effectiveness of the external audit. As a result, the committee has recommended to the Board that a resolution for the reappointment of BDO will be proposed at the Company's Annual General Meeting to be held on 15 May 2025.

The External Auditor's Report to the Directors and to the Audit & Risk Committee has confirmed that BDO remained independent throughout the 2024 audit, and the committee concurs with this view.

To help safeguard the external auditor's objectivity and independence, BDO is excluded from providing any non-audit services that individually, or in aggregate, could impair its independence. Prior approval from the Audit & Risk Committee is required for any provision of non-audit or other services, taking into account the relevant professional and regulatory requirements. The fees paid to BDO in respect of non-audit services are shown in Note 6 of the financial statements.

The Company became an Other Entity of Public Interest in 2024, which further limited the external auditor's ability to provide any non-audit services

During the year, BDO identified that BDO Pakistan had provided corporate secretarial and tax compliance services to M&C Saatchi World Services Pakistan (Pvt) Ltd and that BDO Netherlands had provided tax compliance services to a subsidiary of the Company based in the Netherlands. In aggregate these services had fees of less than £4,100. These services are not permitted to be provided under the FRC Ethical Standard (2019). The committee has assessed the impact on the independence of BDO arising from the provision of these non-audit services and concluded that they are not material to the financial statements and thus do not pose any risk. BDO's disclosures in respect of this breach of the regulations are set out in BDO's Report on page 163.

Effectiveness of the Group's system of internal controls and risk management

The Audit & Risk Committee, on behalf of the Board, is responsible for reviewing the adequacy and effectiveness of the Group's internal financial controls and its internal control and risk management systems. These controls and systems are reviewed on a regular basis with a view to driving continuous improvement.

In recent years, there has been a continuing focus on improving the Group's internal financial controls and processes including the roll-out of standard finance systems across all Group entities, investment in resources and skills within the Group finance function and a shift from a de-centralised operating culture to one with more robust central control, oversight and accountability.

These improvements were an essential foundation for the Group to set up a Shared Service Centre in Cape Town. The SSC already employs 60 people and provides high quality services for the Group across its finance, HR and IT functions, including transaction processing and specialist support across the Group's many businesses and geographies. The transfer of services to the SSC was closely monitored by the Audit & Risk Committee and was also a focus of the external auditor's work. The benefits of the SSC in terms of efficiency of transaction processing and consistency of financial reporting are already being seen.

The Audit & Risk Committee also continues to review and update the Group's principal risks. These are shown on pages 41 to 45 and in 2025, the committee will undertake further deep dives into principal risks, particularly in the area of cybersecurity.

2024 committee evaluation

An external evaluation of the effectiveness of the Audit & Risk Committee was undertaken in 2023. For 2024, an internal evaluation was conducted as part of the broader Board and committee review (see pages 80 and 81) and confirmed the committee's continued effective operation. In the coming year, the committee will prioritise:

- Preparation for the reforms under the 2024 Code, in particular the application of new provision 29.
- Cybersecurity risk management.
- Ongoing risk oversight.

These priorities, alongside regular duties, will shape the committee's agenda for 2025.

Annual Report and Accounts

At the request of the Board, the Audit & Risk Committee has considered whether the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the necessary information for shareholders to assess the Group's position, performance, business model and strategy, and confirms that this is the case.

Colin Jones
Chair of the Audit & Risk Committee

1 April 2025

NOMINATION COMMITTEE REPORT

In 2024, our Board has undergone significant leadership transitions, with the appointments of a new Chief Executive Officer, Chief Financial Officer, Senior Independent Director, and a Non-Executive Director. As a result, the Nomination Committee has been actively engaged in its duties.

Dear Shareholders

I am pleased to present the Nomination Committee Report for the year ended 31 December 2024. This report provides a summary of the key activities and areas of focus of the committee during the year.

Zillah Byng-Thorne
Chair of the Nomination Committee

I hope that you find this report useful in understanding the work of the Nomination Committee, and I welcome any feedback from shareholders in relation to the committee and its activities.

The committee met formally five times during 2024. Committee members' attendance at meetings is indicated on page 75.

The CEO, the CFO, the Chief People & Operations Officer, the General Counsel & Company Secretary and any other Directors or representatives and external advisers attend meetings by standing invitation to make proposals and provide such information as the committee requires.

Board composition

As at 31 December 2024, the Nomination Committee was composed of four independent Non-Executive Directors and me as Chair. Dame Heather Rabbatts and Georgina Harvey joined during the year. The committee members' qualifications and experience are available on pages 72 and 73.

Our Non-Executive Directors are independent from the business, and are regularly refreshed to ensure diversity and independent challenge to management. Our Executive Directors are responsible for the day-to-day running of the business.

The Company's articles of association require a director appointed by the Board to retire at the Company's next Annual General Meeting. In addition, the articles of association require directors to retire at each Annual General Meeting on the basis recommended by the corporate governance code adopted from time to time by the Company and, in any event, require that any director who was not appointed or reappointed as a director at either of the last two Annual General Meetings must retire and (if relevant) stand for reappointment.

As the Company has adopted the Code, all of the Directors currently must offer themselves for re-election at each Annual General Meeting.

The committee also reviewed the composition of the Board during the year and, more recently, the recommendations of the Board evaluation.

Board and committees' evaluation

Questionnaires were prepared and distributed by the General Counsel & Company Secretary and focused on the effectiveness of the Board and its committees. The questionnaires, which considered a wide range of topics including strategic oversight, risk oversight, stakeholder oversight, Board composition and dynamics, management and focus of meetings, and the identification of priorities for the coming year, were completed by Board members.

Following the evaluation process, the findings were communicated to the Chairs of the Board and the committees and subsequently to the full Board and committees.

No material areas of concern were identified by the review, which concluded that the Board and each of its committees are operating effectively.

A number or priorities were identified for the year ahead:

Strategy: Regularly evaluate Board oversight of the Company strategy, sector developments, and the competitive landscape.

Succession: Prioritise succession planning and talent management as a key strategic initiative.

Insights: Enhance stakeholder engagement to generate valuable insights.

Risk: Establish regular deep-dive sessions for comprehensive risk assessment and action planning.

Together with the regular work of the Board, these topics will inform the Board's agenda for the coming year.

Looking ahead

The culture and values of the Group depend on the right individuals occupying key positions and delivering long-term sustainable value to stakeholders.

The Nomination Committee's task is to ensure that the best possible leadership is in place to manage the business and meet challenges on the horizon.

I am confident that the changes we have made in 2024 deliver strong, confidence-inspiring leadership, and I am very happy to present this Nomination Committee Report.

Nomination Committee's activities and focus in 2024

Committee Function	Actions
Board and committee composition	– Reviewed the composition of the Board to support the strategy, values and culture of the business. – Conducted an internal Board evaluation of 2024 using the outputs of the previous external evaluation conducted by Lintstock. – Considered the committee's own performance and constitution to ensure that it is operating at maximum effectiveness. – Completed the Director onboarding programme for Dame Heather Rabbatts, Georgina Harvey, Zaid Al-Qassab and Simon Fuller, the most recently appointed Non-Executive and Executive Directors respectively.
Board nominations	– Zaid Al-Qassab the new Chief Executive Officer, appointed to the Board in May 2024. – Simon Fuller, the new Chief Financial Officer, appointed to the Board in July 2024. – Dame Heather Rabbatts, the new Senior Independent Director, appointed to the Board in January 2024. – Georgina Harvey, a new Non-Executive Director, appointed to the Board in October 2024.
Succession planning for Board and ELT	– Reviewed and updated performance, potential and succession planning data for ELT, assessing the current and future skills and attributes required by the Company.
Diversity and talent management	– Focused on existing and future diversity in both the Board and ELT succession planning. – Reviewed and approved organisation wide approach to diversity and inclusion. – The Company's dedication to diversity and inclusion is detailed within our planet and people commitments, specifically outlined in commitments 4, 5, and 6 on pages 53 to 55.
Workforce engagement	– Implemented a workforce engagement schedule to allow the Non-Executive Directors to interact directly with colleagues in the business on a quarterly basis to further equip Directors in the performance of their roles.

Responsibilities and activities

The committee's role and responsibilities are governed by its terms of reference, which are reviewed and approved annually by the committee and, as required, by the Board.

The committee is satisfied that it has fulfilled its responsibilities in accordance with its terms of reference, a copy of which can be found on the Company's website at **www.mcsaatchiplc.com/about-us/governance/corporate-governance**

The committee's key activities for the year ended 31 December 2024 are summarised below.

Committee evaluation

An internal evaluation of the effectiveness of the committee was conducted as part of the wider evaluation of the Board and its committees for 2024.

The evaluation concluded that the committee continued to operate effectively. With new leadership in place, the committee will focus on executive succession, including for leaders below the ELT. This along with the committee's regular work will inform the committee's agenda for the coming year.

New Chief Executive Officer

The search for the new CEO was led by me, as then Executive Chair of the Board. Following a review of executive search firms by the Chief People & Operations Officer, Odgers Berndtson ("**Odgers**") was approved by the committee as the preferred search firm; it was best placed to identify the key skills and attributes required in a CEO. Odgers had no links to the Company nor to any of the Directors on appointment. Odgers was appointed in late 2023 and a detailed search process was undertaken.

Following a comprehensive search process, Zaid Al-Qassab joined the Company as CEO on 13 May 2024 and the Board on 16 May 2024.

I returned to my role as Non-Executive Chair of the Company following the conclusion of the Annual General Meeting of the Company on 16 May 2024.

New Chief Financial Officer

As part of a managed succession process, Simon Fuller joined the Company as the new CFO and as a member of the Board on 1 July 2024.

Simon replaced Bruce Marson who stepped down from the Board on 30 June 2024 and reverted to the position of Deputy CFO until the end of the year. The committee re-engaged Odgers to assist in the search for a new CFO and the search was led by me and the Chief People & Operations Officer, with full input from Zaid Al-Qassab, as the incoming CEO.

Non-Executive Director changes

Following thorough search processes, the Company strengthened its Board with the appointment of Dame Heather Rabbatts as Senior Independent Director in January 2024 and Georgina Harvey as a Non-Executive Director in October 2024. Georgina was also appointed Chair of the Remuneration Committee on 1 January 2025.

Induction process

New Non-Executive Directors receive a personalised and comprehensive induction, tailored to their individual needs and role. This program includes meetings with senior management, the external auditor, and advisers, ensuring a swift and effective integration into the Group's business and culture. Dame Heather Rabbatts and Georgina Harvey have both completed bespoke inductions, equipping them with the necessary understanding of the Group's operations to excel in their roles.

ELT talent and succession planning

At its meeting in December 2024, the committee discussed talent and succession planning for the ELT, including the diversity of the talent pipeline and the current and future skills and attributes required by the Company.

A number of actions are now being progressed as a result of the review, that strengthen leadership and succession.

Culture and diversity and inclusion

We annually consider the gender balance of those in senior management and their direct reports. Our Board and ELT consist of both men and women and include talented and committed individuals whose business experience, age, gender and ethnicity are varied.

The benefits of diversity are that the Board is able to provide the ELT with a wide range of experiences and perspectives.

The more diverse the background of Board members, the broader the range of ideas that can bring innovation to our Company's strategy.

It is our aim to ensure that all recruitment processes at all levels are inclusive and have a diverse pool of candidates. The Board and senior management are a unified voice for the Company's strategic growth and are responsible for building a sense of belonging and a diverse workforce, each with their own experience, skill set, expertise and background.

In accordance with the Code, the work of the Nomination Committee includes giving consideration to issues of diversity and inclusion, including the mix of gender and ethnicity of those in senior management and their direct reports.

We have rolled out a global diversity and inclusion policy, marking the initial steps to driving consistency in diversity and inclusion practices.

During the year, our ELT had a gender distribution of 18% female and 82% male. While among the business leaders reporting to that team, there existed a split of 42% female and 58% male.

Diversity disclosures

	No. of Board members	Percentage of the Board	No. of senior positions on the Board (CEO, CFO, SID & Chair)	No. in executive management	Percentage of executive
Reporting on gender					
Men	4	50%	2	2	100%
Women	4	50%	2	0	0%
Reporting on ethnic background					
White British or other white (including minority white groups)	6	75%	50%	1	50%
Underrepresented ethnicities	2	25%	50%	1	50%

SUSTAINABILITY LEADERSHIP GROUP

The relaunched Sustainability Leadership Group met bimonthly since June 2024.

Committee objectives

- Understand key issues and opportunities, and make strategic decisions on behalf of the business, relating to the people and planet agenda.
- Support and influence the leadership team to ensure accountability is maintained appropriately, in order to drive progress.
- Govern the sustainability risk log. This may require Sustainability Leadership Group members taking action to address issues and improve risk management.
- Ensure the Board and ELT receive a formal update on sustainability at least twice a year, and are consulted and informed appropriately.

Committee members

Members
- Chief People & Operations Officer (Chair)
- CEO
- CFO
- APAC CEO
- UK Chair

Attendees
- Group Sustainability Director
- Global Head of Diversity, Inclusion and Engagement
- People Consultant

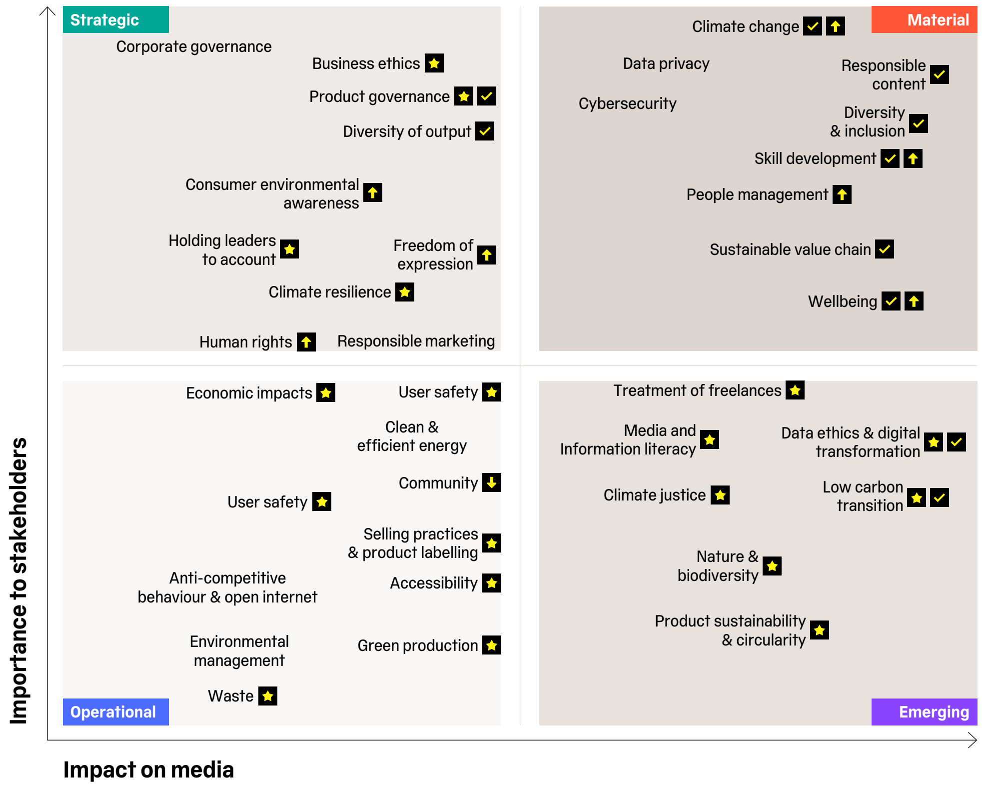
Alignment with international frameworks
- UNGC
- SBTi
- CDP
- UNFCCC Race to Zero

Alignment with UK frameworks
- Disability Confident Committed
- Modern slavery reporting

Industry groups
- Conscious Advertising Network
- Purpose Disruptors
- Ad Net Zero
- IPA Sustainability Committee
- Mayor's Design Lab

Materiality Analysis

In 2024, we continued to utilise the sector-wide Responsible Media Forum's 2022 Media Materiality Report in order to guide our areas of focus through the Sustainability Leadership Group.



Key
- Issues upgraded in importance
- Issues downgraded in importance
- Opportunities
- New issues

DIRECTORS' REMUNERATION REPORT

"The Remuneration Committee considers that the Directors' Remuneration Policy remains well aligned with the evolving strategic direction of the Company."

Georgina Harvey
Chair of the Remuneration Committee

Dear Shareholder

On behalf of the Board, I am delighted to present the Directors' Remuneration Report for the year ended 31 December 2024 following my appointment as committee Chair from 1 January 2025.

I would like to take the opportunity to thank Louise Jackson for her stewardship as committee Chair over the past five years, having stepped down from the position on 31 December 2024. Louise shepherded the committee through significant changes to the Company's remuneration processes and practices in that time, providing a strong foundation on which to build in the future.

Over the past 12 months, as well as supporting the then Executive Chair setting the remuneration package for a new CFO, key activities that the Remuneration Committee has been involved in have been:

- Agreeing annual bonus awards for the year ended 31 December 2024.
- Agreeing 2024 LTIP award levels.
- Determining the remuneration arrangements for new key hires within the ELT.
- Consideration of executive pay and alignment with that of the wider workforce.
- The ongoing review of incentivisation for our senior leadership teams below the ELT.
- The development of a new Board engagement plan with the wider workforce.

In addition to the above, with the support of our Chief People & Operations Officer and General Counsel & Company Secretary, we have continued with our extensive review of all equity-based incentive arrangements within the Group's subsidiaries. As these mature, we continue to replace them with the LTIP or cash-based plans that do not have the potentially high dilutive impact on our shareholders. The majority of the Company's senior leadership team are now aligned to the same principles and metrics, and minority interests have significantly reduced.

As the former committee Chair has highlighted in the past, although, as an AIM-listed business we are not required, we seek to implement the provisions of the UK Corporate Governance Code and ensure our remuneration arrangements are aligned with best practice. We will be seeking approval from shareholders once again this year for the Directors' Remuneration Report.

This report sets out the implementation of the Company's Directors' Remuneration Policy (the Remuneration Policy) and the remuneration paid to the Directors for the year in the context of the Remuneration Policy, which can be found on pages 87 to 90 of this report.

Committee composition

The Remuneration Committee currently consists of my fellow Non-Executive Directors, Dame Heather Rabbatts, Colin Jones, Chris Sweetland , Zillah Byng-Thorne, the Board Chair and myself. We are independently advised by Korn Ferry, who are members of the Remuneration Consultants Group and advise in accordance with their code of conduct.

Alignment with vision and strategy

Our ambition is to accelerate our client business growth through the creation of beautifully simple solutions in an increasingly complex world. Following a detailed review, our strategy is centred on accelerating our growth, strengthening our margins and improving and simplifying our corporate and balance sheet structure. Our strategy delivers our vision to create a sustainable advantage for our clients and to be indispensable to them and focuses on:

- Our transformation to a simpler, leaner, more agile business delivering growth in revenue, increased profitability and improved cash generation.
- The unlocking of our clients' Cultural Power by aligning with them through our regional-first, agile and integrated operating model which makes us simpler to work with and takes full advantage of our regional know-how, specialist expertise and global reach.
- A disciplined approach to capital allocation, which prioritises organic reinvestment and selective bolt-on expansion to deliver sustainable growth and to support shareholder returns.

The Remuneration Policy and framework support the strategy through the setting of our short-term and long-term incentive objectives.

Chief Financial Officer recruitment

The Company announced on 21 June 2024 that as part of a managed succession plan, Simon Fuller would be appointed as CFO from 1 July 2024 and Bruce Marson would, as a result, step down from the Board on 30 June 2024.

Executive Directors

As disclosed in last year's report, Zaid Al-Qassab was appointed to the Board as CEO on 16 May 2024. Zaid's base salary was set at £600,000 in line with disclosures made in last year's report and his annual bonus and LTIP opportunity of 100% and 200% (for the first year and 150% thereafter) of salary respectively were set in line with the Directors' Remuneration Policy. As part of his offer of employment, it was agreed that Zaid's annual bonus for 2024 would be paid out at no less than target level of performance, pro-rated from his date of appointment in completed months, resulting in a minimum bonus payment of £175,000.

On Zaid's appointment, Zillah Byng-Thorne returned to her role as Non-Executive Chair and her fee reduced accordingly to £257,500.

Simon Fuller was appointed to the Board as CFO on 1 July 2024 and his salary was set at £400,000 with his annual bonus and LTIP opportunity being set at 100% of base salary in line with the Directors' Remuneration Policy.

On Simon's appointment, Bruce Marson stepped down from the Board.

The Remuneration Committee has responsibility for Executive Directors' remuneration as well as the remuneration of Executives who form the Executive Leadership Team. Over the past 12 months we have continued to simplify and align our approach to reward for our senior leadership teams across the Group, with the majority of senior leaders now being subject to the same variable pay principles and metrics.

The threshold profit before tax hurdle to trigger any bonus payment was met for the year. Overall performance against financial metrics resulted in achievement between threshold and target performance and performance against the planet and people metrics achieved between target and stretch performance. This resulted in a formulaic outcome for the annual bonus of 21.34% of maximum for Executive Directors.

Having considered underlying business performance and being satisfied that management had not benefited from any windfall gains or adverse conditions in the year that would have impacted bonus performance, it was agreed that there should be no adjustment to the formulaic outcome.

Implementing the Remuneration Policy in 2025

This is summarised in the report below and contains the normal elements of fixed and variable pay. The bonus and long-term incentives are capped by reference to base salary, subject to malus and clawback and Executive Directors have shareholding guidelines.

Base salary for Executive Directors is reviewed annually, taking increases for the wider workforce into consideration. There is no base pay award proposed for either Zaid Al-Qassab or Simon Fuller for the year ending 31 December 2025 as they have only recently joined.

The annual bonus will continue to be a key driver in incentivising in-year performance in line with financial goals shared externally, with targets being set for operating profit (40%), revenue (20%), a new measure of Group cash conversion ratio (20%) and planet and people (20%).

We have included cash this year to facilitate our strategic objective of improving cash generation. A focus on cash conversion ensures a greater focus is placed on liquidity for day-to-day operations, the funding of future growth, and reducing interest costs through better debt management.

The LTIP will continue to focus on driving longer-term performance aligned to the financial goals shared externally, with targets being set for total shareholder return (50%) and Headline adjusted earnings per share (50%).

Colleague engagement

On joining the Board on 1 October 2024, I was appointed as the Board member responsible for engagement with the workforce.

Since the start of 2025, I have worked with the Chief People & Operations Officer to establish a new process which enables all members of the Board to engage with the workforce over the course of the year. Our first meeting took place in February 2025 and further information can be found on page 96 of the report.

I trust that you will find this report helpful and informative and agree that the determinations made by the committee are appropriate and in the long-term interests of both the Company and our shareholders.

I would also like to take this opportunity to thank our shareholders for your ongoing support and hope that you support the Directors' Remuneration Report for the year at the Company's Annual General Meeting to be held in May 2025. I will be available at that meeting to answer any questions that you may have regarding the work of the committee.

Committee effectiveness

An internal evaluation, conducted as part of the broader Board and committee review (see pages 80 and 81), confirmed the committee's continued effective operation. In the coming year, the committee will prioritise:

- Consideration of remuneration practices for the wider workforce.
- Shareholder engagement.

These priorities, alongside regular duties, will shape the committee's agenda for 2025.

Georgina Harvey
Chair of the Remuneration Committee

1 April 2025

Committee composition

This section details the Remuneration Committee's composition and activities undertaken over the past year.

Committee members

The committee members and the dates they joined the committee are:

- Georgina Harvey, 1 October 2024 (Chair from 1 January 2025).
- Louise Jackson, 17 March 2020 (Chair until 31 December 2024).
- Colin Jones, 17 March 2020.
- Chris Sweetland, 15 June 2023.
- Zillah Byng-Thorne, 15 June 2023.
- Dame Heather Rabbatts, 22 January 2024.

Louise Jackson stepped down from the role of committee Chair from the end of the year, at which time Georgina Harvey assumed the role.

No Directors are involved in determining their own remuneration. The committee may invite other individuals to attend all or part of any committee meeting, as and when appropriate and necessary, including members of management and external advisers.

Role

The Remuneration Committee is a committee of the Board. The committee has responsibility for determining the remuneration of the Company's Executive Directors, the Chair and members of the ELT, taking into account the need to ensure Executives are properly incentivised to perform in the interests of the Company, its people and its shareholders.

The Remuneration Committee's key responsibilities are:

- Shaping and agreeing with the Board the policy framework for the remuneration of Executive Directors, the ELT and certain aspects of the remuneration of the senior leadership team.
- Having oversight of certain aspects of the remuneration of the senior leadership team.
- Determining the total individual remuneration package (including short-term and long-term incentives) of each Executive Director with due regard to the performance of the individual, in line with the agreed Remuneration Policy and taking into consideration the pay and incentive arrangements of the wider workforce.
- Agreeing Executive Directors' contractual terms.
- Acting on behalf of the Board in connection with the establishment and administration of the Company's current and/or future share plans, including the selection of participants, determining the structure of awards and the setting of performance targets.
- Drafting and approving any remuneration-related resolutions to be put to the shareholders at the Company's Annual General Meeting.

The committee formally met six times during 2024. Over the course of the year, the main activities were to discuss and agree terms relating to the remuneration arrangements for the new Chief Executive Officer and new Chief Financial Officer as well as other key appointments to the ELT. In addition, the committee discussed and agreed the final vesting outcomes of the 2021 LTIP award as well as key design changes to variable pay arrangements for the wider senior leadership team of the Group.

Advisers

The committee retains Korn Ferry to provide independent remuneration consultancy services to the Group. Korn Ferry is a member of the Remuneration Consultants' Group and, as such, voluntarily operates under the code of conduct in relation to executive remuneration consulting in the UK. The code of conduct can be found at www.remunerationconsultantsgroup.com.

The total fee for advice provided to the committee during the year was £17,025 (2023: £21,515). The committee is satisfied that the advice it received has been objective and independent.

Shareholder considerations

The Company is committed to ongoing shareholder dialogue and takes an active interest in feedback we receive from our shareholders and voting outcomes. The voting result from the Annual General Meeting held in May 2024 on the resolution to approve the Remuneration Report, including the Remuneration Policy, is set out below.

2024 AGM	For	Against	Withheld	Total votes as % of issued share capital (excluding treasury shares)
Approval of the 2023 Directors' Remuneration Report (including the Remuneration Policy)	99.93% (101,695,385)	0.07% (74,654)	–	83.2%

* A vote withheld is not a vote in law and is not counted in the calculation of the votes for or against a resolution.

Directors' Remuneration Policy

This section sets out the Company's Directors' Remuneration Policy (the "**Remuneration Policy**"). We have made only minor changes since last year, to take into account the regulations applicable to main market companies in the Equity Securities (Commercial Companies) segment[1], the principles of the 2024 UK Corporate Governance Code and relevant UK institutional investor guidance.

While the Company is listed on AIM and is therefore not required to comply with the requirements for main market listed companies in the Equity Securities (Commercial Companies) segment, the Board and committee have chosen to follow these requirements insofar as is possible and practicable for the Company.

A summary of the changes from the previous policy are set out below:

- Enhancing disclosure under the policy table around malus and clawback provision in relation to annual bonus and LTIP plans.

Key principles of the Remuneration Policy

The Company is committed to ensuring that its remuneration practices enable it to appropriately compensate Executive Directors and the wider workforce for the services they provide to the Company, attract and retain employees with skills required to effectively manage the operations and growth of the business and motivate employees to perform in the best interests of the Company.

The Company's remuneration principles ensure that:

- It offers a suitable package to attract, retain and motivate people with the skills and attributes needed to deliver the Company's business goals.
- Its policy and practices aim to drive behaviours that support the Company strategy and business objectives.
- Incentive plans are linked to company and individual performance to encourage high performance from employees, both at an individual and collective level.

These policy objectives will be achieved by ensuring remuneration is reflective of applicable market conditions, statutory obligations and how Executive Directors and members of the ELT are incentivised by variable remuneration. Our aim is to deliver outstanding performance, while providing organisational flexibility and operational efficiency.

1. Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, as amended.

Summary of our Remuneration Policy

Purpose	Operation	Opportunity	Performance measures
Base salary			
Provide a base level of remuneration to support recruitment and retention of Executive Directors with the necessary experience and expertise to deliver the Company's strategy.	Salaries are normally reviewed annually with any changes typically effective from the beginning of the financial year. When determining an appropriate level of base salary, the committee considers: – Remuneration practices within the Company. – The performance of the individual Executive Director. – The experience and responsibilities of the Executive Director. – The general performance of the Company. – Base salary level prior to appointment. – Salaries paid by comparable companies. – The economic environment.	Increases will normally be in line with average percentage increases made to the wider employee workforce, although in exceptional circumstances larger increases may be provided, for example, to reflect a change in role/ responsibilities. Individuals who are recruited or promoted to the Board may, on occasion, have their salaries set at a lower level with larger increases provided as they gain experience.	None, although individual and corporate performance is considered during any annual base salary review.

Purpose	Operation	Opportunity	Performance measures
Benefits			
Provide a market-competitive level of benefits to support recruitment and retention of Executive Directors with the necessary experience and expertise to deliver the Company's strategy.	The Executive Directors may receive benefits which include, but are not limited to, car allowance and related benefits, family private health cover, critical illness cover, life assurance cover, income protection and accident /sickness/business travel insurance (including tax payable if any). Other benefits such as relocation allowances may be offered if considered appropriate and reasonable by the committee. Any reasonable business-related expenses can be reimbursed in accordance with the Company's expenses policy, including the tax thereon if determined to be a taxable benefit. The Executive Directors may participate in any all-employee share plans operated by the Company, on the same terms as other employees.	The maximum will be set at the cost of providing the benefits described.	None.
Pensions			
Provide appropriate levels of pension benefits to support recruitment and retention of Executive Directors with the necessary experience and expertise to deliver the Company's strategy.	The Company may provide pension contributions in the form of a base salary supplement and/or as an employer contribution to a defined contribution pension plan.	The maximum pension contribution as a percentage of base salary will be in line with the contribution level provided to most of the workforce (currently 6% of base salary in the UK).	None.
Group Annual Bonus			
The Group Annual Bonus Plan provides an incentive to the Executive Directors linked to achievement of delivering goals in a sustainable manner that are closely aligned with the Company's strategy and the creation of value for shareholders.	Performance measures, weightings and targets are reviewed and set annually by the committee, in line with the Company's strategic objectives at that time. Levels of award determined by the committee after the year end will be based on performance against the targets set, based on audited results, unless otherwise noted. The committee retains overriding discretion to adjust the outcome upwards or downwards, where the formulaic outcome is, in the view of the committee, not a fair and accurate reflection of business performance. The bonus may be paid wholly in cash, or the committee may determine that a portion of the bonus should be delivered in deferred shares. Malus and clawback provisions apply such that in certain circumstances the committee may withhold or recover bonus payments.	The maximum bonus opportunity is 100% of base salary. For 2025, the annual bonus opportunity for the Chief Executive Officer and Chief Financial Officer will be 100% of base salary. No more than 25% of the relevant portion of the bonus is payable for delivering a threshold level of performance rising to full payout of the relevant portion for delivering in line with the maximum target. No more than 50% of the relevant portion is payable for delivering a target level of performance.	Performance measures will be set to support the strategy based on a range of key financial and personal/strategic objectives. At least 50% of the bonus is based on Group financial metrics and no more than 25% of bonuses will be based on personal and or strategic objectives. For 2025, the bonus will be based on Group operating profit targets (40% weighting), revenue targets (20% weighting), cash conversion ratio (20% weighting) and planet and people targets (20% weighting) The targets and performance against them will be disclosed in the 2025 Annual Report and Accounts following the end of the performance period.

Purpose	Operation	Opportunity	Performance measures
LTIP			
Awards are designed to incentivise the Executive Directors to maximise returns to shareholders by successfully delivering the Company's objectives over the long term in a sustainable manner.	Awards may be granted annually to Executive Directors under the LTIP. The awards normally vest no earlier than the third anniversary of grant and only to the extent the performance conditions have been satisfied. The committee retains overriding discretion to adjust the outcome upwards or downwards, where the formulaic outcome is, in the view of the committee, not a fair and accurate reflection of business performance. A two-year holding period will normally apply to the vested shares such that the shares may not be sold by the Director during this period other than to settle tax liabilities in relation to those shares. Malus and clawback provisions apply such that in certain circumstances the committee may withhold or recover LTIP payments.	The maximum annual grant level is 200% of salary. The new CEO and new CFO were granted awards over shares to the value of 200% and 100% of salary respectively in 2024. The new CEO and new CFO will be granted awards equivalent to 150% and 100% of base salary respectively in 2025. No more than 25% of the relevant portion of an award will vest for delivering a threshold level of performance rising to full payout of the relevant portion for delivering in line with the maximum target.	Performance measures are set by the committee over a three-year period prior to the grant being made. At least 50% of the LTIP will be based on Group financial and/or total TSR metrics. 2025 awards will be assessed against TSR performance versus the FTSE SmallCap Index (50% weighting) and adjusted earnings per share (50% weighting).
Shareholding requirement			
To support long-term commitment to the Company and the alignment of Executive Director interests with those of shareholders.	The committee has adopted shareholding guidelines that encourage the Executive Directors to build up and then subsequently hold a shareholding equivalent to 100% of their base salary. The requirement for an Executive Director to maintain a holding of 100% of base salary for a year after leaving excludes any shares purchased by the Director. The committee retains discretion with respect to the operation of the shareholding requirement.	None.	None.

Purpose	Operation	Opportunity	Performance measures
Board Chair and Non-Executive Directors			
To provide a competitive fee for undertaking the role, which is sufficient to attract high calibre individuals.	Fees are structured as follows: – The Board Chair is paid an all-inclusive fee for all Board responsibilities. – Non-Executive Directors are paid a basic fee, plus additional fees for additional responsibilities such as chairing Board committees. – The Board Chair's fee is determined by the committee, with the Non-Executive Directors' fees being determined by the Board. – Additional fees may also be paid to the Board Chair and/or Non-Executive Directors on a per diem (or other) basis to reflect increased time commitment in certain limited circumstances. – Fees are normally paid in cash. – Any reasonable business-related expenses can be reimbursed, including the tax thereon if deemed to be a taxable benefit. – Non-Executive Directors are encouraged to build a shareholding equal to at least 1x their annual fees. – While there is no time limit for this, it is hoped that this will occur by the end of their second three-year term.	Overall fees will not exceed the maximum in the Company's articles of association.	None. The Non-Executive Directors are not entitled to receive any remuneration which is performance related.

Remuneration Committee discretion

The committee retains discretion to make any payments, notwithstanding that they are not in line with the policy set out above, where the terms of the payment were agreed (i) before the policy came into effect, or (ii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the committee, the payment was not in consideration of the individual becoming a Director of the Company.

The committee will operate the variable pay plans (i.e. Group Annual Bonus Plan, LTIP and other incentive plans) according to their respective rules. The committee retains certain discretion in respect of the operation and administration of these arrangements.

In addition, the committee retains the ability to adjust the targets and/or set different measures if events occur (e.g. a material acquisition and/or divestment of a Group business) that cause it to determine that the conditions are no longer appropriate, and the amendment is required so that the conditions achieve their original purpose and are not materially less difficult to satisfy.

Malus and clawback provisions

Annual bonus and LTIP payments remain subject to malus and clawback until two years after they have vested/been paid. Circumstances that may result in a clawback or malus for an individual include financial misstatement, erroneous calculations determining payments, corporate failure, serious misconduct or if material reputational damage is caused by the individual to the Group. A period of two years has been determined to be an appropriate period of operation for the Company in line with standard market practice.

Documentation for Executive Directors relating to annual bonus and awards made under the Company's LTIP sets out scenarios in which malus and clawback may apply.

Executive Directors and other members of the ELT are required to agree their adherence in writing to malus and clawback terms applicable to the annual bonus and awards made under the Company's LTIP on an annual basis.

Recruitment policy

The remuneration arrangements for a new Executive Director would normally be in line with the terms of the Remuneration Policy and would be set considering the specific circumstances of the individual. In addition, the committee may offer additional remuneration to replace remuneration forfeited on leaving a previous employer.

Where a position is filled internally, the committee may honour any pre-existing remuneration obligations or outstanding variable pay arrangements in relation to the individual's previous role, such that these shall be allowed to continue according to the original terms (adjusted as relevant to take account of the Board appointment).

For internal and external appointments, the committee may agree that the Company will meet certain relocation and/or incidental expenses as appropriate.

Service contracts and cessation of employment

Service contracts may be terminated by either the Company or an Executive Director with no more than 12 months' notice. The Company may determine to make a payment in lieu of notice in respect of base salary and contractual benefits only.

The treatment of outstanding variable pay schemes shall be determined by the committee considering the time employed during the respective performance periods and the circumstances of departure. The committee will fulfil its duty to seek to ensure that there is no reward for failure and, in doing so, not pay more than is necessary while acting fairly and reasonably to all parties.

ANNUAL REMUNERATION

This section summarises remuneration paid out to the Directors for the 2024 financial year and details of how the Remuneration Policy will be implemented in the 2025 financial year.

Directors' remuneration for the 2024 financial year (audited)

	Base salary/fees £000		Benefits £000		Pension £000		Annual bonus £000		Long-term incentives[1] £000		Total £000		Total fixed remuneration £000		Total variable remuneration £000	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Zaid Al-Qassab[2]	**385**	–	**–**	–	**15**	–	**175**	–	**–**	–	**575**	–	**400**	–	**175**	–
Bruce Marson[3]	**138**	206	**1**	2	**8**	12	**29**	–	**–**	–	**176**	220	**147**	20	**29**	–
Simon Fuller[4]	**200**	–	**–**	–	**12**	–	**44**	–	**–**	–	**256**	–	**212**	–	**44**	–
Zillah Byng-Thorne[5]	**434**	509	**2**	5	**22**	–	**–**	–	**–**	–	**458**	514	**458**	514	**–**	–
Chris Sweetland	**51**	27	**–**	–	**–**	–	**–**	–	**–**	–	**51**	27	**51**	–	**–**	–
Colin Jones	**77**	75	**–**	–	**–**	–	**–**	–	**–**	–	**77**	75	**77**	75	**–**	–
Louise Jackson	**77**	75	**–**	–	**–**	–	**–**	–	**–**	–	**77**	75	**77**	75	**–**	–
Heather Rabbatts[6]	**73**	–	**–**	–	**–**	–	**–**	–	**–**	–	**73**	–	**73**	–	**–**	–
Georgina Harvey[7]	**13**	–	**–**	–	**–**	–	**–**	–	**–**	–	**13**	–	**13**	–	**–**	–
Total	**1,448**	892	**3**	7	**57**	12	**248**	–	**–**	–	**1,756**	911	**1,508**	684	**248**	–

1. LTIP value is calculated using the share price on the day of vesting, being £1.78.
2. Zaid Al-Qassab joined the Company on 13 May 2024 and was appointed to the Board on 16 May 2024.
3. Bruce Marson stepped down from the Board on 30 June 2024.
4. Simon Fuller was appointed to the Board on 1 July 2024.
5. Zillah Byng-Thorne held the post of Executive Chair until 15 May 2024 and her fee was set at £670,000 per annum. Zillah received the associated contractual benefits and pension allowance for the period she held the role of Executive Chair. Zillah resumed the role of Non-Executive Chair on the appointment of Zaid Al-Qassab as CEO and her fee was reduced accordingly to £257,500 from 1 June 2024.
6. Dame Heather Rabbatts was appointed to the Board as Senior Independent Director on 22 January 2024. Her fee was set at £50,000 per annum plus an additional fee of £25,000 per annum for the role of Senior Independent Director. Fees increased by 3% in line with other Non-Executive Directors from 1 March 2024.
7. Georgina Harvey was appointed to the Board on 1 October 2024. Her fee was set at £51,500 on appointment.

Directors' remuneration for the 2024 and 2025 financial years

Base salary

As disclosed in last year's report, Zaid Al-Qassab's base salary was set at £600,000 on joining, which is 90% of the previous CEO's salary.

Bruce Marson held the role of CFO until 30 June 2024 (when he stepped down from the Board) and his base salary was £275,000, which was set at 73% of his predecessor's base salary. On his appointment as CFO on 1 July 2024, Simon Fuller's base salary was set at £400,000 to reflect his level of skill and experience.

As disclosed in last year's report, Moray MacLennan was on garden leave until 30 June 2024 and was paid his normal salary of £670,000 during this period.

Zillah Byng-Thorne held the position of Executive Chair until the appointment of Zaid Al-Qassab and as disclosed in last year's report, received a fee of £670,000, pro rated for the period. Her fee was reduced back to £257,500 from 1 June 2024 when she reverted back to her role as Non-Executive Chair.

There are no proposed base salary increases for either Zaid Al-Qassab or Simon Fuller in the year ending 31 December 2025.

Pension and benefits

Pension allowance for both Zaid Al-Qassab and Simon Fuller was set at 6% of base salary on appointment, which is in line with the rate of the wider workforce in the UK.

Bruce Marson's pension contribution was also 6% of base salary for the period of the year in which he was an Executive Director.

Benefits consisted principally of private healthcare, life assurance, income protection and permanent health insurance.

There are no proposed pension changes for either Zaid Al-Qassab or Simon Fuller in the year ending 31 December 2025.

Group Annual Bonus Plan

The Executive Directors are eligible for a performance-related bonus that is paid in cash following the year end.

2024 Group Annual Bonus

For 2024, the Group annual bonus was structured in line with the Remuneration Policy. The maximum opportunity for the CEO and the CFO was 100% of base salary.

As agreed as a key and necessary term of his appointment, the CEO's annual bonus was guaranteed at target performance (50% of base salary) on a pro rata basis, calculated in completed months, meaning that Zaid Al-Qassab will receive a guaranteed bonus payment of £175,000 for 2024. The CFO's annual bonus for 2024 was pro rated from his start date with the Company, calculated in completed months.

The performance measures, weightings, targets and achievements on which the bonus for both Executive Directors are based on, are set out in the table below.

Bonus for the financial elements is earned on a straight-line basis from 0% for meeting the "threshold", to 50% for meeting the "target" and 100% for meeting the "stretch" targets.

Following the divestment of the Group's South Africa business in September 2024, the committee determined that the original targets set and year end achievements should be adjusted from the date of divestment to reflect the impact of the divestment. This adjustment resulted in the profit before tax target reducing from £35.4 million to £34.8 million at target and the Group net revenue target reducing from £258.5 million to £254.1 million. The table below reflects formulaic performance against the adjusted targets.

Measure	Weighting (% of bonus)	Targets £m (threshold–target–stretch)	Performance achieved £m	% of bonus earned
Group adjusted profit before tax[1]	60%	31.3–34.8–38.3m	32.1m	6.46%
Group adjusted net revenue[2]	30%	228.7–254.1–279.5m	243.3m	8.63%
ESG (planet and people)	10%	See below	See below	6.25%
Total				21.34%

1. Group adjusted profit before tax achievement of £32.1 million is like-for-like profit before tax of £30.5 million with an add back of £1.6 million in respect of the South Africa businesses up to the date of divestment, as set out on page 39 of the report in the section detailing the impact of discontinued businesses.
2. Group adjusted net revenue achievement of £243.3 million is like-for-like net revenue of £231.0 million with an add back of £12.3 million in respect of the South Africa businesses up to the date of divestment, as set out on page 39 of the report in the section detailing the impact of discontinued businesses.

Planet and people measures

Measure	Weighting (% of bonus)	Targets	Performance achieved	% of bonus earned
Planet	5%	Meeting SBTi carbon reduction targets of 7% per year since 2019	Scope 1, Scope 2 & Scope 3 (business travel) emission reduction targets met. Scope 3 (purchased goods and services) reduction targets not met	3.75%
People	5%	Improved gender and ethnic diversity at leadership levels. Measured by data of ELT and UK top 2 levels	Improvement targets met for ELT, but not met for Senior Leadership Team	2.5%

At least the threshold Group adjusted profit before tax target had to be met in order for the 2024 bonus scheme to be triggered. With performance of £32.1 million against a threshold target of £31.3 million, this condition has been met, meaning that payment under the bonus scheme is triggered.

Based on the formulaic outcomes set out above, bonus performance for the CFO has resulted in a bonus payment of 21.34% of maximum.

The committee carefully considered the underlying performance of the business during the year and being satisfied that management had not benefited from any windfall gains or suffered from any adverse losses, they determined that the formulaic outcome was appropriate.

This resulted in a bonus payment of £42,673 for Simon Fuller and £29,337 for Bruce Marson.

2025 Group annual bonus

For 2025, the Group annual bonus is structured in line with the Remuneration Policy. The maximum opportunity for the CEO and CFO is 100% of base salary. The performance measures and weightings are set out in the next table. As the targets are forward-looking, these are considered commercially sensitive by the Board and will be disclosed next year.

Key changes for 2025, include the introduction of a new cash conversion ratio measure with a 20% weighting, to facilitate our strategic objective of improving cash generation. A focus on cash conversion ensures a greater focus is placed on liquidity for day-to-day operations, the funding of future growth, and reducing interest costs through better debt management.

The increased weighting on planet and people from 10% to 20% reflects our Group-wide focus on employee engagement. As we ask our leaders to drive success across regions to support Group-wide growth, we understand that the engagement of our people is key to our success.

Measures and weightings for 2025 are set out below:

Measure	Weighting (% of bonus)
Group operating profit	40%
Group net revenue	20%
Group cash conversion ratio	20%
People and planet	20%

For 2025, examples of measures falling under the planet and people metric are SBTi carbon reduction targets and improvements in the Group's employee engagement survey. Further information on each of these will be disclosed in next year's Annual Report and Accounts.

Group operating profit must reach at least the threshold performance target to trigger any payment under the annual bonus.

LTIP

2024 LTIP awards

Both the new CEO and the new CFO received awards under the LTIP in 2024, with them receiving awards equivalent to 200% and 100% of base salary respectively. Bruce Marson, the outgoing CFO, also received an award equivalent to 100% of base salary. The awards, which were made on 30 May 2024 and 1 July 2024 respectively, will deliver shares, following the end of the three-year performance period only to the extent that the performance targets are met and normally that the individuals remain employed at the time of vesting. Executive Directors are required to hold any shares that vest for an additional two-year period following the end of the performance period.

The performance metrics and weightings, which are measured over the period to 31 December 2026, are as summarised in the table below.

Performance measure	Weighting
Relative TSR vs FTSE Small Cap Index	50%
Earnings per share	50%

The targets attached to the TSR element require performance to match the index TSR for vesting to start to occur rising from 0% on a straight-line basis to full vesting for 10% per annum out performance of the index. TSR is the share price movement over the period of three years and the value of dividends for the Company's shareholders. The FTSE Small Cap Index TSR will be calculated by a financial information provider. The same vesting scale applies to the earnings per share targets. However, as the earnings per share targets are felt to be commercially sensitive at the current time, these will be disclosed in a future Remuneration Report.

Malus and clawback provisions apply in line with the Remuneration Policy and are detailed in award documentation for Executive Directors.

LTIP awards vesting in the year

LTIP awards granted to Executive Directors and other members of the ELT in September 2021 reached the end of their performance period on 31 December 2023 and vested on 28 September 2024. For Executive Directors, any vested awards were subject to a two-year post vesting hold period.

Awards were subject to two performance conditions between 1 January 2021 and 31 December 2023 as set out below:

Measure	Weighting (% of LTIP)	Targets (threshold–stretch)	Performance achieved	% of LTIP measure earned
Relative TSR (To FTSE Small Cap Index)	70%	In line with or below comparator group – 10% pa compound or more	FTSE Small Cap Index +16.5%pa	100%
Headline profit before tax	30%	£22.4m – £30.0m	£28.7m	82.4%

The above resulted in the 2021 LTIP award vesting at 94.7% of maximum. In addition, in line with the rules of the LTIP, dividend equivalent shares were applied, meaning that the award vested at 96.34% of maximum.

No current Executive Directors were recipients of awards under the 2021 LTIP. Details of the award vesting for the former CEO is as set out below.

LTIP awards granted in December 2022 reached the end of the performance period on 31 December 2024, but are not due to vest until 31 May 2025. The TSR metric, which was 50% of the award and outperformed the FTSE Small Cap Index by just over 5% p.a. will vest at c.26% of maximum. The minimum threshold for the Earnings Per Share (EPS) metric and making up the remaining 50% of the award was not met and as such, none of the EPS element will vest. No current Executive Directors had awards under the 2022 LTIP.

2025 LTIP awards

LTIP awards granted in 2025 will vest to the extent performance targets are met over the period to 31 December 2027 against equally weighted TSR and EPS measures.

Awards made to Executive Directors will be in line with the Remuneration Policy.

The table below details all awards held by Executive Directors under the LTIP at 31 December 2024:

Executive Director	Grant Date	Number of Shares	Percentage vesting at Threshold Performance	Performance Period	Vesting Date	Holding Period
Zaid Al-Qassab	30 May 2024	586,510	0%	FY24 to FY26	30 May 2027	100% of any vested shares will be released on the second anniversary of the vesting date.
Simon Fuller	1 July 2024	201,409	0%	FY24 to FY26	1 July 2027	100% of any vested shares will be released on the second anniversary of the vesting date.

Payments to past Directors

As disclosed in last year's report, Moray MacLennan was treated as a "good leaver" in respect of his 2021 LTIP award, in line with the rules of the LTIP, which vested on 28 September 2024.

96.34% of the total award vested, resulting in Moray MacLennan receiving 578,029 nil priced options. Using the share price on the date of vesting of £1.78, these had a face value of £1,028,891. A two-year post-vesting hold period applies to the vested award.

Moray MacLennan was also treated as a "good leaver" in respect of his 2022 LTIP award, which will vest on 31 May 2025. It is expected that 26.5% of the total award will vest (once divided equivalent shares are applied), resulting in Moray MacLennan receiving 232,676 nil priced options.

Bruce Marson stepped down from the Board on 30 June 2024 and left the Company on 31 December 2024. Bruce was paid £61,613 in lieu of the remainder of his notice period and £15,202 for accrued but untaken holiday. In addition, he received a payment for loss of office of £21,035 which was calculated in line with the Company's approach to exit payments.

Bruce Marson received a bonus payment of £29,337 which was paid against the outcome of the Executive bonus scheme as set out on page 92.

In line with the LTIP Scheme Rules, the committee determined that Bruce Marson should be treated as a "good leaver" in respect of his 2022 LTIP award and, as such, his awards will vest subject to performance, in line with other participants of the scheme. It is anticipated that this will result in 24,610 nil priced options vesting on 31 May 2025. The awards made to Bruce Marson on 2 August 2023 and 30 May 2024 lapsed on termination of his employment.

Policy on external appointments (unaudited)

The committee believes that the Group can benefit from Executive Directors holding approved Non-Executive Directorships in other companies, offering Executive Directors the opportunity to broaden their experience and knowledge. Our policy is to allow Executive Directors to retain fees paid from one external appointment.

None of the Executive Directors hold any external appointments.

Chair and Non-Executive Directors' remuneration (unaudited)

The fee structure for the Non-Executive Directors in respect of 2024 is set out in the table below.

Fees for Non-Executive Directors increased on 1 March 2024 by 3% in line with average UK base salary increases for colleagues across the Group. During her appointment to the role of Executive Chair, Zillah Byng-Thorne received no additional fee increase.

The fee structure for the Non-Executive Directors in respect of 2024 is set out in the table below:

	2024 fees	% Increase
Base fee		
Chair	**£257,500**	3%
Non-Executive Directors	**£51,500**	3%
Additional fees		
Senior Independent Director	**£25,750**	3%
Audit & Risk Committee Chair	**£25,750**	3%
Remuneration Committee Chair	**£25,750**	3%

Georgina Harvey joined the Board on 1 October 2024 and her fee was set at £51,500. From 1 January 2025, her fee increased to £77,250 (as a result of her appointment as Remuneration Committee Chair).

Fees for 2025

In line with the approach disclosed in last year's report, fees for Non-Executive Directors, with the exception of the Chair, increased from 1 March 2025 in line with average UK base salary increases for colleagues across the Group.

Details are set out below:

	2025 fees	% Increase
Base fee		
Chair	£257,500	0%
Non-Executive Directors	£53,045	3%
Additional fees		
Senior Independent Director	£26,523	3%
Audit & Risk Committee Chair	£26,523	3%
Remuneration Committee Chair	£26,523	3%

Shareholdings and share interests (audited)

Under the Remuneration Policy, Executive Directors are required to build and maintain a shareholding equivalent to 200% of their base salary.

The table below summarises the Executive Directors' and Non-Executive Directors' shareholdings at 31 December 2023 and 31 December 2024 (or the date they ceased to be a Director, including shares subject to deferral or a holding period and performance conditions).

Director	Beneficially owned shares on 31 December 2023	**Beneficially owned shares on 31 December 2024**	Shares subject to deferral/holding period (but not performance)	Unvested shares subject to performance conditions	% of base salary held counting towards shareholding requirement[1]
Zaid Al-Qassab[2]	–	**53,541**		586,510	15%
Simon Fuller[3]	–	**36,043**	–	201,409	15%
Bruce Marson[4]	33,741	**33,741**	–	430,077	38%
Zillah Byng-Thorne	213,536	**213,536**	–	–	n/a
Colin Jones	37,758	**37,758**	–	–	n/a
Louise Jackson	–	**–**	–	–	n/a
Chris Sweetland	25,000	**45,000**	–	–	n/a
Dame Heather Rabbatts[5]	–	**–**	–	–	n/a
Georgina Harvey[6]	–	**–**	–	–	n/a

1. 31 December 2024 share price of £1.70 used for calculation.
2. Zaid Al-Qassab was appointed to the Board on 16 May 2024.
3. Simon Fuller was appointed to the Board on 1 July 2024.
4. Bruce Marson stepped down from the Board on 30 June 2024. The figure stated reflects his shareholding on this date.
5. Dame Heather Rabbatts was appointed to the Board on 22 January 2024.
6. Georgina Harvey was appointed to the Board on 1 October 2024.

Engagement with the workforce (unaudited)

The Company is committed to regularly engaging with its workforce and realises the value in listening to and acting on employee views across the organisation.

Multiple mechanisms already exist across both the Group and its individual companies in order to facilitate this, including participative "all hands" style meetings , regular all-company video updates led by the CEO and our digital communications portal to aid collaboration.

The Company's global employee engagement survey, which was launched in 2022, plays a key part in informing the Board's understanding of employee sentiment, as outlined on page 19.

On joining the Board on 1 October 2024, the committee Chair was appointed as the Board member responsible for engagement with the workforce.

Since the start of 2025, the committee Chair has worked with the Chief People & Operations Officer to establish a new process that enables all members of the Board to engage with the workforce over the course of the year. In particular, the sessions that the committee Chair leads, will focus on how executive remuneration aligns with the wider approach to pay, in compliance with the Code.

The first session, held in February 2025, covered an introduction on workforce Board engagement, an overview of the roles and responsibilities of the Remuneration Committee, how executive pay at the Company is linked to Company performance and strategy as well as the approach to pay for the wider workforce and key focuses for the year ahead.

These engagement sessions provide an opportunity for employees to both ask questions and provide feedback to the Board. Further engagement sessions are scheduled throughout the year and will be reported in next year's report.

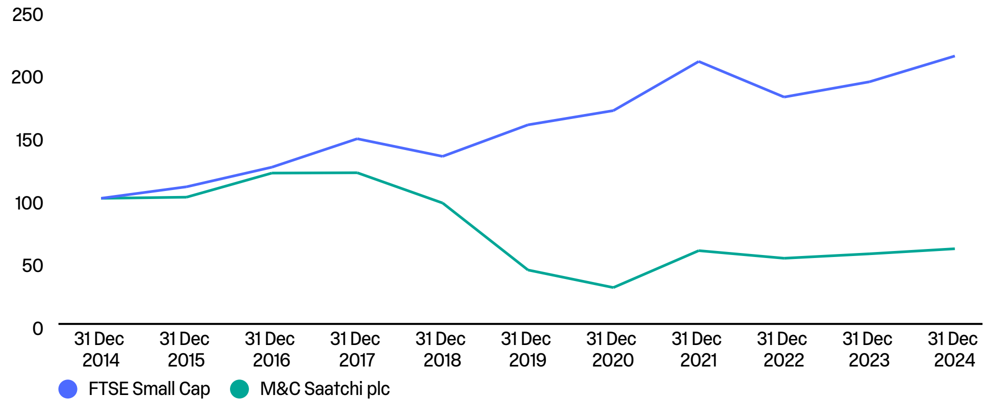
Performance graph (unaudited)

The following chart illustrates the Company's total shareholder return performance compared with the performance of the FTSE Small Cap Index, over the last ten years. The FTSE Small Cap Index has been selected as an appropriate benchmark, as this index is being used in the targets for long-term incentives.

Georgina Harvey
Chair of the Remuneration Committee

1 April 2025

TSR performance



DIRECTORS' REPORT

The Directors present their report for the year ended 31 December 2024, which has been prepared in accordance with the Companies Act 2006.

Strategic Report

The Company's Strategic Report is set out on pages 1 to 68 and includes the Section 172 statement on pages 46 to 49. The Strategic Report contains an indication of likely future developments in the business of the Company and the Group.

Principal activity, trading activity and future developments

The principal activity of the Company during the year was the provision of marketing services. The review of trading, future developments and key performance indicators can be found in the Strategic Report.

Legal form

The Company is a public limited company listed on the AIM sub-market of the London Stock Exchange.

Dividends

The Company paid a final dividend of 1.6p per share to its shareholders in 2024 (2023: 1.5p). The Company understands the importance of returning capital to shareholders. Given the progressive earnings performance during the year, the Board is recommending the payment of a final dividend of 1.95p per share. Subject to shareholder approval at the Annual General Meeting, to be held on 15 May 2025, the dividend will be paid on 11 June 2025 to shareholders on the register of members as at 9 May 2025. The shares will go ex-dividend on 8 May 2025.

Going concern

These financial statements have been prepared on the going concern basis, as detailed below and as set out in the Audit & Risk Committee Report.

The Board has concluded that under the most likely going concern scenarios, the Group will have sufficient liquidity and headroom under the financial covenants in the Facility (the "**Covenants**") to continue to operate for a period of not less than a year from approving the financial statements.

The Board has formed its opinion after evaluating four different severe but plausible forecast scenarios and a reverse stress test, extending to 31 December 2027 ("**Going Concern Review Period**"). The four scenarios comprise:

1. A significant reduction in new business wins.
2. A significant increase in wage inflation.
3. A significant number of top clients are lost.
4. A significant economic downturn.

These severe but plausible scenarios are assumed to materialise from the first quarter of 2025 onwards. The estimated decline in EBITDA ranges from £10 million to £26 million compared to the base case plan for the cumulative period ending 31 December 2027, including a £5 million to £13 million decline in EBITDA in 2025.

The reverse stress test case evaluates how extreme conditions would need to be for the Group to break the Covenants within the Going Concern Review Period. The conditions go significantly further than the severe but plausible scenarios and reflect a scenario that the Directors consider to be highly unlikely.

The Directors have also considered the impact of climate change on going concern, taking into account the Company's support for Ad Net Zero (the industry initiative to tackle climate change led by the Advertising Association and its members), and do not believe that there is a significant financial impact.

The Board has concluded that, under all scenarios modelled by management, the Company will have sufficient liquidity to operate and will not breach the Covenants.

In their review of the severe but plausible scenarios, the Directors have also considered several mitigations that would help maintain headroom on the Covenants, and are at their discretion, including but not limited to:

- Reduction or postponement of dividend payments.
- Reduction of bonus payments.
- Reduction of overheads and operating expenses.
- Renegotiate terms of the Facility including Covenant relaxation.
- Closure of loss making entities.
- Reduction of staff levels in line with revenue reduction.

The Board is satisfied that the Group's forecasts, which take into account reasonably possible changes in trading performance, show that there are no material uncertainties over going concern, and that, even under the severe but plausible scenarios, the Group will continue to have sufficient liquidity and headroom to operate within the Covenants. The Board, therefore, has concluded the going concern basis of preparation continues to be appropriate.

Viability statement

The Directors assess the prospects of the Group and appropriateness of the period used for the viability assessment by taking into account various factors, including the Group's current position, the nature of its business, risks to the future success of the Group's business model and strategy, its principal risks, its liquidity and its expected performance, all of which have also been considered in the going concern review.

The Directors have determined that a three-year time horizon (from 31 December 2024) is the maximum length of time the Directors can reasonably be expected to assess the Group's viability at the present time. This period has been chosen as it reflects the Directors' best estimate of the future viability of the Company and encompasses three years of detailed forecasts.

In testing the viability of the Group, management have undertaken a robust scenario assessment of the principal risks which could threaten the viability or existence of the Group. As per the going concern statement set out above, management evaluated four different severe but plausible forecast scenarios. Management also built a reverse stress test model which involves building further downside on top of the downsides built into the severe but plausible model.

Based on the assessment explained above, the Directors confirm that they have a reasonable expectation that the Group will continue to operate and meet its liabilities, as they fall due, until at least 31 December 2027. However, the impacts of a series of additional unforeseen risks, such as policies on data handling or employee welfare not being followed or the occurrence of a banking crisis, could result in additional financial burdens on the Group and may change the Board's expectation of the Group's viability.

Principal risks and uncertainties

The Group's principal risks and uncertainties are detailed on pages 41 to 45, including information on the nature of the risk, the actions being taken to mitigate risk exposure, the change in exposure compared to last year and an indication of the significance of the risk by reference to its potential impact on the Group's business and financial condition. Not all potential risks are listed, and some risks are excluded because the Board considers them not to be material to the Group as a whole. In addition, there may be risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial that may also have an adverse effect on the Group.

Directors' insurance and indemnity

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by s236 of the Companies Act 2006. The indemnity was in force throughout the financial period and at the date of approval of the financial statements. The Group purchased and maintained throughout the financial period Directors' and Officers' liability insurance in respect of itself and its Directors.

Section 172, employee and other stakeholder engagement

When making decisions and setting the Company's strategy, the Directors consider the long-term interests of the Company. In doing so, the Directors weigh the competing interests of the Company's stakeholders and the effect their decisions may have on the Company's reputation. Further information on how the Company considers the interests of its stakeholders can be found on pages 46 to 49 and more details of how the Company seeks to limit its impact on the environment are provided in the ESG section starting on page 50.

Financial instruments

The financial risk management objectives of the Group, including credit risk, interest rate risk and foreign exchange risk, are provided in Note 31 of the financial statements on pages 148 to 151.

Political and charitable donations

During the year, the Group made no political donations (2023: £nil). During the year, the Group made £50,075 charitable contributions (2023 £86,787).

Streamlined energy and carbon reporting ("SECR")

The UK Government's SECR Policy was implemented on 1 April 2019. This is the fifth year that the Group has adopted disclosures on energy and carbon, therefore comparative figures for 2019 onwards are also included. The tables represent the Group's energy use and associated GHG emissions from electricity and fuel for its UK-based companies for the year ended 31 December 2024.

In the tables that follow:

- Scope 1 emissions cover direct GHG emissions from fuel combustion.
- Scope 2 emissions cover emissions from purchased electricity.

Scope 3 emissions cover all other indirect emissions that occur in a company's value chain. They are not included in the reporting shown below, but are covered in the ESG section on page 66.

	2024	2023	2022	2021	2020	2019	
Scope 1							
Natural gas utilised	**322.454**	369,636	424,097	402,037	398,862	653,930	kWh
Vehicle operations (below materiality threshold)	**–**	–	–	–	–	–	km
Fugitive emissions (HVAC refrigeration gas top up)	**1.6**	–	0.28	–	–	–	kg
Scope 2							
Electricity (supplied from National Grid with REGO certs)	**844,614**	892,109	1,006,537	819,498	793,057	1,204,341	kWh
Electricity (supplied from National Grid without REGO certs)	**–**	42,165	89,404	119,179	126,562	186,317	kWh
Total electricity (supplied from National Grid)	**844,614**	934,274	1,095,941	938,677	919,619	1,390,658	kWh

Corresponding emissions from activities for which the Company is responsible:	2024	2023	2022	2021	2020	2019	
Scope 1							
Natural gas utilised	**58.98**	67.62	78.02	73.74	73.43	120.27	tCO2e
Vehicle operations	**–**	–	–	–	–		tCO2e
Fugitive emissions (HVAC refrigeration gas top up)	**1.08**	–	0.59	–	–	–	tCO2e
Total Scope 1 emissions	**60.06**	67.62	78.61	73.74	73.43	120.27	tCO2e
Scope 2 (dual reporting)							
Market-based emissions							
Electricity (supplied from National Grid with REGO certs)	**–**	–	–	–	–	–	tCO2e
Electricity (supplied from National Grid without REGO certs)	**–**	8.73	17.28	25.84	31.41	48.92	tCO2e
Total electricity (market-based emissions determination)	**–**	8.73	17.28	25.84	31.41	48.92	tCO2e
Total gross Scope 1 and Scope 2 emissions (market-based included)	**60.06**	**76.35**	**95.89**	**99.58**	**104.84**	**169.19**	**tCO2e**

Total Scope 2 location-based emissions	2024	2023	2022	2021	2020	2019	
Total electricity (supplied from National Grid, UK Grid mix factors)	**174.88**	193.46	211.93	203.73	226.35	365.92	tCO2e
Total Scope 1 emissions (as above)	**60.06**	67.62	78.61	73.74	73.43	120.27	tCO2e
Total gross Scope 1 and Scope 2 emissions (all location-based included)	**234.94**	261.08	290.54	277.47	299.78	486.19	tCO2e

The UK group's Scope 1 and Scope 2 location-based emissions decreased by 10.01% vs 2023 and market-based emissions reduced by 21% over the same period, continuing the downward trend from all five reported years. There was a 11.5% decrease in UK group turnover compared to 2023. This year's location-based intensity ratio is consequently 1.65% higher than the previous reporting year emissions, while the market-based intensity ratio is 11.14% lower.

Energy efficiency action taken in the financial year

In 2024, several key energy-saving initiatives were undertaken to enhance operational efficiency and reduce our carbon footprint. These included:

- Space optimisation: A strategic space reduction initiative implemented through a combination of "going dark" (decommissioning unused space) and subletting available spaces, reducing energy consumption and overall carbon impact.
- AHU maintenance and efficiency improvements: Significant investment was made in AHU (air handling unit) maintenance, ensuring better system performance and energy efficiency. Replacement of four sump pumps (improving operational reliability and efficiency), three AHU fan motors with high-efficiency IE3 motors, alongside the installation of new belts and pulleys to enhance energy savings.
- ESOS action plan: We have developed an Energy Savings Opportunity Scheme (ESOS) action plan covering the period 2024/25 to 2027, outlining key strategic measures to further improve energy efficiency and reduce emissions in line with regulatory and sustainability commitments.

Energy intensity ratio

The energy intensity ratio used has been based upon the standard measure of tCO_2e (gross Scope 1 + 2) per £100,000 revenue. The intensity ratios from 2019–2024 are as follows:

	2024	2023	2022	2021	2020	2019	
Turnover of UK Group companies	**£135,924,000**	£153,538,000	£157,928,000	£145,803,000	£134,357,000	£163,297,000	
Market-based intensity ratio: tCO_2e (gross Scope 1 + 2)/£100,000 revenue	**0.044**	0.050	0.061	0.068	0.078	0.104	tCO_2e /£100,000
Location-based intensity ratio: tCO_2e (gross Scope 1 + 2)/£100,000 revenue	**0.173**	0.170	0.184	0.190	0.223	0.298	tCO_2e /£100,000

Anti-bribery and corruption

A zero-tolerance policy applies to practices at odds with our values and culture, such as bribery, corruption, and modern slavery. We are committed to acting ethically and with integrity in all business dealings and relationships. We are also committed to implementing and enforcing effective systems and controls to ensure such practices are not taking place anywhere in our businesses or supply chain. The Group has well-established anti-bribery and anti-corruption policies aimed at ensuring adherence to associated legal and regulatory requirements.

Modern slavery statement

The Group has a zero-tolerance policy to slavery and human trafficking both within its businesses and in its supply chains, as reflected in its Modern Slavery Statement (www.mcsaatchiplc.com/about-us/governance/corporate-governance). Please also see Commitment 8 of the ESG section, on page 56, for information on how we are strengthening our approach to addressing modern slavery in our supply chain.

Whistleblowing

Employees are encouraged to report any potential, or apparent, malpractice or misconduct in confidence, in accordance with the Group's internal whistleblowing policy. We continue to look at innovative ways to allow our employees to report any potential, or apparent, malpractice or misconduct in confidence. The Company uses a third-party mobile app, Vault, which gives employees a safe space to report any form of misconduct in the workplace, including but not limited to harassment, bullying, discrimination, and racism, through to fraud and corruption. The Board approved a Group-wide whistleblowing policy in 2021, which is routinely reviewed for efficacy.

Governance

AIM-listed companies are required to adopt a recognised corporate governance code. The Board has selected the UK Corporate Governance Code 2018. We believe that it demonstrates our commitment to enhancing the Group's governance arrangements as it contains principles that are appropriate for our needs and circumstances, and it aligns with our values as a company. Exceptions to compliance with the provisions of the Code can be found on page 75. The Company's Governance Report is provided on page 69 of this report.

Fraud

The Board approved a Group-wide anti-fraud policy in 2021. The Group reported no frauds during 2024.

Research and development

The Group carries out such research and development as it deems necessary to support its principal activities.

Subsidiaries

A complete list of the Company's subsidiaries is provided at Note 32 of the financial statements starting on pages 152.

Share capital

At the date of the Annual Report and Accounts, the Company had 122,743,435 (£0.01) ordinary shares in issue. Of this total, 485,970 ordinary shares are held in treasury. Therefore, the total number of ordinary shares in issue with voting rights is 122,257,465. The Company did not purchase any of its own shares during the year.

Treasury shares

At the Company's Annual General Meeting held in 2024, the Directors were given the authority to purchase up to 12,225,746 of the Company's ordinary shares. The total number of shares held in treasury on 31 December 2024 was 485,970 (2023: 485,970). The Company's employee benefit trust holds shares to facilitate the settlement of awards under the Company's long-term incentive plan and these are not considered treasury shares under company law. For information on the employee benefit trust, see below.

Employment benefit trust

In 2024, the Group established the M&C Saatchi plc Employee Benefit Trust ("**EBT**") to acquire shares in the Company to satisfy awards made under the Company's long-term incentive plan. FCM Trust Limited acts as the trustee of the EBT. As at 31 December 2024, the EBT held 1,047,913 ordinary shares in the Company.

Directors' power to issue shares

At the Company's Annual General Meeting held in 2024, the Directors were given the authority to issue shares in the capital of the Company up to a maximum nominal amount of £407,524, which was equivalent to approximately one third of the total issued ordinary share capital of the Company, of which up to a maximum nominal amount of £122,256 (which is equivalent to 10% of the total issued ordinary share capital of the Company) was approved to be issued for cash on a non-preemptive basis. During the year, the Company did not issue any shares for cash.

Events since the end of the year

On 26 February 2025, the Group sold its shares in Saatchinvest Limited to a venture capital fund for £2.0 million plus £0.7m of deferred consideration.

The Board is recommending the payment of a final dividend of 1.95p per share.

The Directors are not aware of any other events since the end of the financial year that have had, or may have, a significant impact on the Group's operations, the results of those operations, or the state of affairs of the Group in future years.

Directors' conflicts of interest

Under the UK Companies Act 2006, directors are subject to a statutory duty to avoid a situation where they have, or can have, a direct or indirect interest that conflicts, or may conflict, with the interests of the Company. The Directors are required to notify the Company of any conflict or potential conflict of interest under an established procedure and any conflicts or potential conflicts are noted and managed accordingly at each Board and committee meeting.

Reappointment of directors

The Company's articles of association require a director appointed by the Board to retire at the Company's next Annual General Meeting. In addition, the articles of association require directors to retire at each Annual General Meeting on the basis recommended by the corporate governance code adopted from time to time by the Company and, in any event require that any director who was not appointed or reappointed as a director at either of the last two Annual General Meetings must retire and (if relevant) stand for reappointment. As the Company has adopted the UK Corporate Governance Code, all of the Directors currently must offer themselves for re-election at each Annual General Meeting.

Directors

The names of the Directors and details of their careers and skills are set out on pages 72 and 73. Details relating to Board meeting attendance and the composition of the committees of the Board are shown in the Governance review on pages 74 and 75. The Directors of the Company who were in office during 2024 and up to the date of signing the financial statements are detailed in the table below:

	Joined Board	Departed Board
Executive Directors		
Zaid Al-Qassab	16 May 2024	–
Simon Fuller	1 July 2024	–
Bruce Marson	14 April 2023	30 June 2024
Non-Executive Directors		
Zillah Byng-Thorne	15 June 2023*	–
Colin Jones	3 February 2020	–
Louise Jackson	17 March 2020	–
Chris Sweetland	15 June 2023	–
Dame Heather Rabbatts	22 January 2024	–
Georgina Harvey	1 October 2024	

* Joined the Board on 15 June 2023 as Non-Executive Chair. On 1 September 2023 was appointed to Executive Chair and on 16 May 2024 resumed the position of Non-Executive Chair.

Significant shareholdings

Shareholders holding 3% or more of the Company's issued share capital (excluding treasury shares) at 11 March 2025:

Shareholders	Number of ordinary shares	Percentage of the Company's issued share capital
Octopus Investments	20,600,332	16.85
Vinodka Murria	14,437,452	11.81
Artisan Partners	13,210,744	10.81
AdvancedAdvT Limited	12,000,000	9.82
Paradice Investment Management	8,050,694	6.59
Fidelity International	7,903,658	6.46
M&G Investments	5,014,799	4.10
Lord Maurice Saatchi	4,124,882	3.37

Regularly updated details of the Directors' shareholdings and substantial shareholdings can be found on the Company's investor website, www.mcsaatchiplc.com.

External auditor

The Company appointed BDO LLP as its external auditor for the financial year ending 31 December 2024. BDO LLP has indicated its willingness to continue to act as external auditor to the Company and a resolution for its reappointment, and to authorise the Board to fix its remuneration, will be proposed at the forthcoming Annual General Meeting.

Fair, balanced and understandable statement

The Directors consider that the Annual Report and Accounts taken as a whole, are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Group and Company's position and performance, business model and strategy.

Disclaimer

The purpose of the Annual Report and Accounts are to provide information to shareholders of the Company, and they have been prepared for, and only for, the shareholders of the Company as a body, and no other persons. The Company, its Directors and employees, agents and advisers do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come, and any such responsibility or liability is expressly disclaimed.

The Directors' Report has been signed by order of the Board by:

Victoria Clarke
General Counsel & Company Secretary

M&C Saatchi plc
Company Number 05114893

1 April 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the Group financial statements in accordance with UK adopted international accounting standards, in conformity with the requirements of the Companies Act 2006 and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law, 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 Group and the Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- State whether applicable UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the Company financial statements, in each case, 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 Group and the Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and the Company and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with the applicable law and regulations.

Website publication

The Directors are responsible for the maintenance and integrity of the Company's website (www.mcsaatchiplc.com). Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The Directors consider the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's and the Company's position, performance, business model and strategy.

Each of the Directors, whose names and functions are listed on pages 72 and 73 confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with UK adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Company; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and the Company taken as a whole, together with a description of the principal risks and uncertainties that they face.

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group's and the Company's auditor is aware of that information.

This responsibility statement was approved by the Board on 1 April 2025 and signed on its behalf by:

Zaid Al-Qassab
Chief Executive Officer

1 April 2025

FINANCIAL STATEMENTS

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PREPARATION

Basis of preparation

The financial statements have been prepared in accordance with UK adopted international accounting standards, in conformity with the requirements of the Companies Act 2006.

The financial statements are presented in pounds sterling and, unless stated otherwise, rounded to the nearest thousand. They have been prepared under the historical cost convention, except for the revaluation of certain financial instruments.

Going concern

These financial statements have been prepared on the going concern basis, as set out in the Directors' Report and the report of the Audit and Risk Committee.

The Board has concluded that under the most likely going concern scenarios, the Group will have sufficient liquidity and headroom under the financial covenants in the Facility (the "**Covenants**") to continue to operate for a period of not less than a year from approving the financial statements.

The Board has formed its opinion after evaluating four different severe but plausible forecast scenarios and a reverse stress test, extending to 31 December 2027 ("**Going Concern Review Period**"). The four scenarios comprise:

1. A significant reduction in new business wins.
2. A significant increase in wage inflation.
3. A significant number of top clients are lost.
4. A significant economic downturn.

These severe but plausible scenarios are assumed to materialise from the first quarter of 2025 onwards. The estimated decline in EBITDA ranges from £10 million to £26 million compared to the base case plan for the cumulative period ending 31 December 2027, including a £5 million to £13 million decline in EBITDA in 2025.

The reverse stress test case evaluates how extreme conditions would need to be for the Group to break the Covenants within the Going Concern Review Period. The conditions go significantly further than the severe but plausible scenarios and reflect a scenario that the Directors consider to be highly unlikely.

The Directors have also considered the impact of climate change on going concern, taking into account the Company's support for Ad Net Zero (the industry initiative to tackle climate change led by the Advertising Association and its members), and do not believe that there is a significant financial impact.

The Board has concluded that, under all scenarios modelled by management, the Company will have sufficient liquidity to operate and will not breach the Covenants.

In their review of the severe but plausible scenarios, the Directors have also considered several mitigations that would help maintain headroom on the Covenants under the Facility, and are at their discretion, including but not limited to:

- Reduction or postponement of dividend payments
- Reduction of bonus payments
- Reduction of overheads and operating expenses
- Renegotiate terms of the Facility including Covenant relaxation.
- Closure of now loss making entities
- Reduction of staff levels in line with revenue reduction.

The Board is satisfied that the Group's forecasts, which take into account reasonably possible changes in trading performance, show that there are no material uncertainties over going concern, and that, even under the severe but plausible scenarios, the Group will continue to have sufficient liquidity and headroom to operate within the Covenants. The Board, therefore, have concluded the going concern basis of preparation continues to be appropriate.

Like-for-like results

As stated in the Financial Review, the Directors believe that the Like-for-like results and Like-for-like earnings per share (see Note 1 of the financial statements) provide additional useful information on the underlying performance of the business. The Like-for-like (**LFL**) results reflect the underlying profitability of the business units, by excluding a number of items that are not part of routine business income and expenses.

In addition, the LFL results may be used for internal performance management and reward. The term 'Like-for-like' is not a defined term in IFRS. Note 1 reconciles Statutory results to LFL results and the segmental reporting (Note 3 of the financial statements) reflects LFL results, in accordance with IFRS 8.

The items that are excluded from LFL results are:

- Separately disclosed items that are one-off in nature and are not part of running the business.
- Revaluation of associates on transition to assets held for sale.
- Impairment of assets held for sale, right-of-use assets, leasehold improvements, acquired intangibles and goodwill.
- Gains or losses generated by disposals of subsidiaries.
- Fair value adjustments to unlisted equity investments, acquisition-related deferred consideration and put options.
- Dividends paid to IFRS 2 put option holders. However, in non-controlling interest, we deduct profit share attributable to IFRS 2 put option holders.

- Results of subsidiaries which management has or intends to exit in the current and prior year.
- Effects of foreign exchange movements on the underlying results, by retranslating prior year figures using current year foreign exchange rates.

Consolidation

Where a consolidated company is less than 100% owned by the Group, the treatment of the non-controlling interest share of the results and net assets is dependent on how the non-controlling interests' equity is accounted for. Where the equity is accounted for as a share-based payment award under IFRS 2, all dividend outflow is taken to staff costs, and there is no non-controlling interest. In all other cases, the non-controlling interest share of the results and net assets is recognised at each reporting date in equity, separately from the equity attributable to the shareholders of the Company.

Material accounting policies

Certain of the Group's accounting policies are considered by the Directors to be material due to the level of complexity, judgement or estimation involved in their application and their potential impact on the financial statements. The critical accounting policies are listed below and explained in more detail in the relevant notes to the financial statements.

Revenue recognition

The Group's revenue is earned from the provision of advertising and marketing services, together with commission-based income in relation to media spend and to talent performance. Revenue from contracts with customers is recognised as, or when, the performance obligations present within the contractual agreements are satisfied. Depending on the arrangement with the client, the Group may act as principal or as agent in the provision of these services.

See Note 4 of the financial statements for a full listing of the Group's revenue accounting policies.

Put option accounting (IFRS 2 and IFRS 9)

Some of our equity partners in the Group's subsidiaries hold put options over their equity, such that they can require the Group to purchase their non-controlling interest for either a variable number of the Company shares or cash. Dependent on the terms and substance of the underlying agreement, these options are either recognised as a put option liability under IFRS 9 (Note 27 of the financial statements) or as a put option under IFRS 2 (Note 28 of the financial statements) – see significant judgements below.

An IFRS 9 scheme should be considered as reward for future business performance and is not conditional on the holder being an employee of the business. These instruments are recognised in full at the amortised cost of the underlying award on the date of inception, with both a liability on the balance sheet and a corresponding amount within the minority interest put option reserve being recognised. At each period end, the amortised cost of the put option liability is calculated in accordance with the put option agreement, to determine a best estimate of the future value of the expected award. Resultant movements in the amortised cost of these instruments are charged to the income statement within finance income/expense. The put option liability will vary with both the Group's share price and the subsidiary's financial performance. Upon exercise of an award by a holder, the liability is extinguished and the associated minority interest put option reserve is transferred to the non-controlling interest acquired reserve.

An IFRS 2 scheme should be considered as reward for future business performance and is conditional on the holder being an employee of the business. These schemes are recognised as staff costs over the vesting period (if equity settled) or until the option is exercised (if cash settled). In September 2021, the Board made the decision to move to cash settlement of these put options going forward. This required a fair value assessment on the day of the modification and a movement between reserves and liabilities.

See Note 28 of the financial statements for a full description of the Group's accounting policy for IFRS 2 put options.

Unlisted investments

The Group holds certain unlisted equity investments which are classified as financial assets at fair value through profit and loss (**FVTPL**) (see Note 20 of the financial statements). These investments are initially recognised at their fair value. At the end of each reporting period, the fair value is reassessed, with gains or losses being recognised in the income statement.

Assets held for sale

The Group classifies assets as held for sale (see Note 12 of the financial statements) where it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Significant accounting judgements and key sources of estimation uncertainty

In the course of preparing financial statements, management necessarily makes judgements and estimates that can have a significant impact on the financial statements. The estimates and judgements that are made are continually evaluated, based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that have a significant risk of causing a material adjustment to the financial statements within the next financial year are outlined below:

Significant accounting judgements

Management has made the following judgements, which have the most significant effect in terms of the amounts recognised, and their presentation, in the financial statements.

Impairment – assessment of CGUs and assessment of indicators of impairment

Impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. Assets with finite lives are reviewed for indicators of impairment (an impairment "trigger") and judgement is applied in determining whether such a trigger has occurred. External and internal factors are monitored by management, including: a) adverse changes in the economic or political situation of the geographic locale in which the underlying entity operates; b) heightened risk of client loss or chance of client gain; and c) internal reporting suggesting that an entity's future economic performance is better or worse than previously expected. Where management has concluded that such an indication of impairment exists, then the recoverable amount of the asset is assessed.

The Group assesses whether an impairment is required by comparing the carrying value of the CGU assets (including the right-of-use assets under IFRS 16) to their value-in-use. Discounted cash flow models, based on the Group's latest budget and three year financial plan, and a long-term growth rate, are used to determine the recoverable amount for the CGUs. The appropriate estimates and assumptions used require judgement and there is significant estimation uncertainty. The results of impairment reviews conducted at the end of the year are reported in Note 12 (Assets held for sale), Note 13 (Investment properties), Note 15 (Intangible Assets), Note 16 (Investments in associates), and Note 18 (Leases) of the financial statements.

The Group has recognised a total impairment charge of £890k in the year (2023: £6,798k), of which £361k relates to impairment reversal of investment property (2023: nil) and £297k relates to the impairment reversal of right-of-use assets (2023: impairment of £1,872k). There was an impairment of £1,634k in the year of intangibles (2023: £4,794k) and nil in plant and equipment (2023: £132k). There was an impairment reversal of £86k in the year of associate investments held in assets held for sale (2023: nil).

Non-controlling interest put option accounting – IFRS 2 or IFRS 9

The key judgement is whether the awards are given beneficially as a result of employment, which can be determined where there is an explicit service condition, where the award is given to an existing employee, where the employee is being paid below market value or where there are other indicators that the award is a reward for employment. In such cases, the awards are accounted for as a share-based payment in exchange for employment services under IFRS 2.

Otherwise, where the holder held shares prior to the Group acquiring the subsidiary, or gained the equity to start a subsidiary using their unique skills, and there are no indicators it should be accounted for under IFRS 2, then the award is accounted for under IFRS 9.

Significant estimates and assumptions

Some areas of the Group's financial statements are subject to key assumptions and other significant sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Group has based its assumptions and estimates on parameters available when the financial statements were prepared.

Deferred tax assets

The Group assesses the future availability of carried forward losses and other tax attributes, by reference to jurisdiction-specific rules around carry forward and utilisation, and whether it is probable that future taxable profits will be available against which the attribute can be utilised. Changes in such assessments would allow unrecognised deferred tax to be recognised and vice versa. Analysis of deferred tax can be seen in Note 9 of the financial statements.

Leasing estimates

IFRS 16 defines the lease term as the non-cancellable period of a lease, together with the option to extend or terminate a lease if the lessee is reasonably certain to exercise that option. Where a lease includes the option for the Group to extend the lease term, the Group takes a view, at inception, as to whether it is reasonably certain that the option will be exercised. This will take into account the length of time remaining before the option is exercisable, current trading, future trading forecasts and the level and type of any planned capital investment. The assessment of whether the option will be exercised is reassessed in each reporting period. A reassessment of the remaining life of the lease could result in a recalculation of the lease liability and a material adjustment to the associated balances.

CONSOLIDATED INCOME STATEMENT

Year ended 31 December	Note	2024 Total £000	2023 Total £000
Billings (unaudited)		**610,084**	526,013
Revenue	4	**395,418**	**420,046**
Project cost / direct cost		**(164,008)**	(183,361)
Net revenue	3	**231,410**	**236,685**
Staff costs	5	**(163,791)**	(176,402)
Depreciation	17,18	**(6,535)**	(8,018)
Amortisation	15	**(600)**	(830)
Impairment charges	12, 13, 15, 18	**(890)**	(6,798)
Other operating charges		**(32,864)**	(34,506)
Other gains /(losses)	20	**(3,813)**	(4,898)
Loss allowance	21	**(192)**	(348)
Gain / (loss) on disposal of subsidiaries	11	**(230)**	782
Operating profit		**22,495**	**5,667**
Share of results of associates	16	**–**	121
Other non-operating income		**60**	–
Finance income	7	**878**	648
Finance expense	7	**(5,302)**	(7,213)
Profit before taxation		**18,131**	**(777)**
Taxation	8	**(6,394)**	(3,100)
Profit/(loss) for the year from continuing operations		**11,737**	**(3,877)**
Profit for the year from discontinued operations, net of tax	11	**3,068**	1,075
Total profit for the year		**14,805**	(2,802)
Total profit from continuing operations		**11,737**	**(3,877)**
Attributable to:			
Equity shareholders of the Group		**11,717**	(4,497)
Non-controlling interests		**20**	620
Profit/(loss) for the year		**11,737**	(3,877)
Earnings per share			
Basic (pence)	1	**9.63**	(3.68)
Diluted (pence)	1	**9.42**	(3.68)

Year ended 31 December	Note	2024 Total £000	2023 Total £000
Total profit from discontinued operations		**3,068**	1,075
Attributable to:			
Equity shareholders of the Group		**3,011**	968
Non-controlling interests		**57**	107
Profit/(loss) for the year		**3,068**	1,075
Earnings per share			
Basic (pence)	1	**2.48**	0.79
Diluted (pence)	1	**2.42**	0.79
Total profit for the year		**14,805**	(2,802)
Attributable to:			
Equity shareholders of the Group		**14,728**	(3,529)
Non-controlling interests		**77**	727
Profit/(loss) for the year		**14,805**	(2,802)
Earnings per share			
Basic (pence)	1	**12.11**	(2.89)
Diluted (pence)	1	**11.84**	(2.89)
Like-for-like results	1		
Operating profit	1	**35,170**	33,434
Profit before taxation	1	**30,496**	29,273
Profit after tax attributable to equity shareholders of the Group	1	**21,443**	20,312
Basic earnings per share (pence)	1	**17.63p**	16.61p
Diluted earnings per share (pence)	1	**17.24p**	15.75p
EBITDA	1	**42,013**	41,026

The notes on pages 104 to 106 and 112 to 157 form part of these financial statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Year ended 31 December	2024 £000	2023 £000
Profit/(loss) for the year	**14,805**	**(2,802)**
Other comprehensive profit/(loss)*		
Exchange differences on translating foreign operations	**527**	(4,287)
Historic translation reserve on disposal of subsidiaries	**(1,464)**	–
Other comprehensive profit/(loss) for the year net of tax	**(937)**	(4,287)
Total comprehensive profit/(loss) for the year	**13,868**	**(7,089)**
Total comprehensive profit/(loss) attributable to:		
Equity shareholders of the Group	**13,790**	(7,816)
Non-controlling interests	**77**	727
Total comprehensive profit/(loss) for the year	**13,867**	**(7,089)**

* All items in the consolidated statement of comprehensive income may be reclassified to the income statement.

The notes on pages 104 to 106 and 112 to 157 form part of these financial statements.

CONSOLIDATED BALANCE SHEET

At 31 December	Note	2024 £000	2023 £000
Non-current assets			
Intangible assets	15	**32,318**	34,593
Investments in associates	16	**138**	138
Plant and equipment	17	**6,002**	7,007
Right-of-use assets	18	**25,544**	33,772
Investment properties	13	**1,244**	2,369
Other non-current assets	19	**5,282**	2,302
Deferred tax assets	9	**4,840**	6,036
Financial assets at fair value through profit or loss	20	**668**	7,227
Deferred consideration	14	**–**	738
		76,036	**94,182**
Current assets			
Trade and other receivables	21	**126,298**	123,686
Current tax assets		**1,390**	4,321
Restricted cash		**3,462**	–
Cash and cash equivalents		**25,855**	24,326
		157,005	**152,333**
Assets held for sale	12	**2,717**	**780**
		159,722	**153,113**
Current liabilities			
Trade and other payables	22	**(131,536)**	(133,850)
Provisions	23	**(90)**	(1,050)
Current tax liabilities		**(1,626)**	(743)
Borrowings	24	**(43)**	(15,943)
Lease liabilities	18	**(5,014)**	(5,751)
Minority shareholder put option liabilities	27, 28	**(525)**	(9,891)
		(138,834)	**(167,228)**
Net current liabilities		**20,888**	**(14,115)**
Total assets less current liabilities		**96,924**	**80,067**

At 31 December	Note	2024 £000	2023 £000
Non-current liabilities			
Deferred tax liabilities	9	**(1,032)**	(1,235)
Corporation tax liabilities	9	**–**	–
Borrowings	24	**(13,399)**	–
Lease liabilities	18	**(37,230)**	(43,692)
Minority shareholder put option liabilities	27, 28	**(3,132)**	(3,525)
Other non-current liabilities	25	**(2,020)**	(2,079)
		(56,813)	**(50,531)**
Total net assets		**40,111**	**29,536**
Equity			
Share capital	29	**1,227**	1,227
Share premium		**50,327**	50,327
Merger reserve		**37,554**	37,554
Treasury reserve		**(2,698)**	(550)
Minority interest put option reserve		**(1,175)**	(2,506)
Non-controlling interest acquired		**(34,428)**	(33,168)
Foreign exchange reserve		**1,414**	2,351
Accumulated losses		**(12,198)**	(26,232)
Equity attributable to shareholders of the Group		**40,023**	**29,003**
Non-controlling interest		88	533
Total equity		**40,111**	**29,536**

Reserves are defined in Note 36 of the financial statements.

These financial statements pages 104 to 157 were approved and authorised for issue by the Board of Directors on 1 April 2025 and signed on its behalf by:

Simon Fuller
Chief Financial Officer

M&C Saatchi plc
Company number 05114893
The notes on pages 104 to 106 and 112 to 157 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital £000	Share premium £000	Merger reserve £000	Treasury reserve £000	MI put option reserve £000	Non-controlling interest acquired £000	Foreign exchange reserves £000	Retained earnings / (accumulated losses) £000	Sub total £000	Non-controlling interest in equity £000	Total £000
At 31 December 2022		**1,227**	**50,327**	**37,554**	**(550)**	**(2,896)**	**(32,984)**	**6,638**	**(21,303)**	**38,013**	**173**	**38,186**
Share option charge	28	–	–	–	–	–	–	–	434	434	–	434
Exercise of put options	27	–	–	–	–	390	(184)	–	–	206	(206)	–
Dividends	10	–	–	–	–	–	–	–	(1,834)	(1,834)	(161)	(1,995)
Total transactions with owners		–	–	–	–	390	(184)	–	(1,400)	(1,194)	(367)	(1,561)
Total profit for the year		–	–	–	–	–	–	–	(3,529)	(3,529)	727	(2,802)
Total other comprehensive income for the year		–	–	–	–	–	–	(4,287)	–	(4,287)	–	(4,287)
At 31 December 2023		**1,227**	**50,327**	**37,554**	**(550)**	**(2,506)**	**(33,168)**	**2,351**	**(26,232)**	**29,003**	**533**	**29,536**
Share option charge	28	–	–	–	–	–	–	–	1,030	1,030	–	1,030
Share option exercise		–	–	–	342	–	–	–	(342)	–	–	–
Tax on share options		–	–	–	–	–	–	–	35	35	–	35
Exercise of put options	27	–	–	–	–	1,000	(1,000)	–	–	–	–	–
Purchase of own shares		–	–	–	(2,490)	–	–	–	–	(2,490)	–	(2,490)
Disposal of subsidiaries		–	–	–	–	331	(260)	–	209	280	(522)	(242)
Revaluations		–	–	–	–	–	–	–	415	415	–	415
Tax on revaluations		–	–	–	–	–	–	–	(93)	(93)	–	(93)
Dividends	10	–	–	–	–	–	–	–	(1,948)	(1,948)	–	(1,948)
Total transactions with owners		**–**	**–**	**–**	**(2,148)**	**1,331**	**(1,260)**	**–**	**(694)**	**(2,771)**	**(522)**	**(3,293)**
Total profit for the year		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**14,728**	**14,728**	**77**	**14,805**
Historic translation reserve on disposal of subsidiaries		**–**	**–**	**–**	**–**	**–**	**–**	**(1,464)**	**–**	**(1,464)**	**–**	**(1,464)**
Total other comprehensive income for the year		**–**	**–**	**–**	**–**	**–**	**–**	**527**	**–**	**527**	**–**	**527**
At 31 December 2024		**1,227**	**50,327**	**37,554**	**(2,698)**	**(1,175)**	**(34,428)**	**1,414**	**(12,198)**	**40,023**	**88**	**40,111**

The notes on pages 104 to 106 and 112 to 157 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December	Note	2024 £000	2023 £000
Operating profit from continuing operations		22,495	5,667
Operating profit from discontinued operations	11	3,526	1,608
Total operating profit		**26,021**	**7,275**
Adjustments for:			
Depreciation of plant and equipment	17	**2,107**	2,573
Depreciation of right-of-use assets	18	**4,995**	6,243
Impairment (reversal) of right-of-use assets	18	**(297)**	1,884
Loss on sale of plant and equipment		**–**	271
Impairment of plant and equipment	17	**–**	132
Impairment reversal of assets held for sale	12	**(86)**	–
Impairment reversal of investment properties	13	**(361)**	–
Revaluation of financial assets at FVTPL	20	**4,277**	4,722
Revaluation of deferred consideration	14	**(464)**	176
Amortisation of acquired intangible assets	15	**336**	1,764
Impairment of goodwill and other intangibles	15	**1,634**	3,733
Impairment and amortisation of capitalised software intangible assets	15	**278**	138
Exercise of put options	28	**(5,780)**	(14,637)
Purchase of own shares		**(2,490)**	–
Gain on disposal of discontinued operation	11	**(2,084)**	–
Equity settled share-based payment expenses	28	**1,195**	841
Operating cash before movements in working capital		**29,281**	**15,115**
Decrease/(increase) in trade and other receivables		**(5,589)**	9,924
Increase/(decrease) in trade and other payables		**2,961**	(24,437)
Transfer to restricted cash**		**(3,462)**	–
(Decrease) / increase in provisions		**(960)**	(6)
Cash (consumed by)/generated from operations		**22,231**	**596**
Tax paid		**(3,019)**	(4,156)
Net cash from operating activities		**19,212**	**(3,560)**
Investing activities			
Disposal of subsidiary (net of cash disposed of)	11	**1,926**	(209)
Disposal of associate (net of cash disposed of)		**856**	
Investment loans	20	**148**	(608)
Proceeds from sale of unlisted investments	20	**642**	49
Proceeds from sale of plant and equipment		**31**	–
Proceeds from sale of software intangibles		**52**	–
Purchase of plant and equipment	17	**(1,718)**	(1,827)
Purchase of capitalised software	15	**(1,214)**	(19)
Interest received	7, 11	**106**	831
Net cash consumed by investing activities		**829**	(1,783)
Net cash from operating and investing activities		**20,041**	(5,343)
Financing activities			
Dividends paid to equity holders of the Company		**(1,948)**	(1,834)
Dividends paid to non-controlling interest		**–**	(161)
Cash consideration for non-controlling interest acquired and other options	27	**(2,811)**	(785)
Payment of lease liabilities	18	**(5,167)**	(6,228)
Proceeds from bank loans	24	**–**	9,000
Repayment of bank loans	24	**(2,000)**	(164)
Borrowing costs		**(795)**	–
Interest paid	7, 11	**(2,140)**	(2,318)
Interest paid on leases	18	**(3,351)**	(2,876)
Net cash consumed by financing activities		**(18,212)**	(5,366)
Net decrease in cash and cash equivalents		**1,829**	(10,709)
Effect of exchange rate fluctuations on cash held		**(300)**	(2,186)
Cash and cash equivalents at the beginning of the year		**24,326**	37,221
Total cash and cash equivalents at the end of the year		**25,855**	24,326

Net debt reconciliation	Note	2024 £000	2023 £000
Cash and cash equivalents		**25,855**	24,326
Bank overdrafts	24	**–**	–
Total cash and cash equivalents at the end of the year		**25,855**	24,326
Bank loans and borrowings*	24	**(14,043)**	(16,043)
Net cash		**11,812**	8,283

* Bank loans and borrowings are defined in Note 24 of the financial statements; they exclude the lease liability of £42,244k (2023: £49,443k) (Note 18 of the financial statements).

** Cash and cash equivalents at the balance sheet date excludes £3,462k held in Chinese Yuan, which has been classified as restricted cash after the funds were frozen by the Chinese Government due to ongoing litigations. The balance has been classified as a current asset on the face of the balance sheet.

The notes on pages 104 to 106 and 112 to 157 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Like-for-like results, earnings per share and EBITDA

The analysis below provides a reconciliation between the Group's Statutory results and the LFL results (as defined in the glossary on page 171) for the current year.

Year ended 31 December 2024	Note	Statutory 2024 £000	Separately disclosed items (Note 2) £000	Exiting agencies £000	Gain/loss on disposal of subsidiaries £000	Amortisation of acquired intangibles (Note 15) £000	Impairment of assets held for sale (Note 12) £000	Impairment of goodwill (Note 15) £000	Impairment of non-current assets (Note 13, 18) £000	FVTPL investments under IFRS 9 (Note 20)*** £000	Dividends paid to IFRS 2 put holders (Note 5)* £000	Put option accounting (Note 27 & 28) £000	Like-for-like results £000
Revenue		**395,418**	–	(2,869)	–	–	–	–	–	–	–	–	**392,549**
Cost of sales		**(164,008)**	–	2,464	–	–	–	–	–	–	–	–	**(161,544)**
Net revenue		**231,410**	–	(405)	–	–	–	–	–	–	–	–	**231,005**
Staff costs	5	**(163,791)**	5,776	444	–	–	–	–	–	–	866	(712)	**(157,417)**
Depreciation	17,18	**(6,535)**	–	2	–	–	–	–	–	–	–	–	**(6,533)**
Amortisation	15	**(600)**	–	–	–	335	–	–	–	–	–	–	**(265)**
Impairments	12, 13, 15,18	**(890)**	–	–	–	–	(86)	1,634	(658)	–	–	–	**–**
Other operating charges		**(32,864)**	1,472	(237)	–	–	–	–	–	–	–	–	**(31,629)**
Other gains/losses	20	**(3,813)**	–	–	–	–	–	–	–	3,813	–	–	**–**
Loss allowance		**(192)**	–	201	–	–	–	–	–	–	–	–	**9**
Gain on disposal of subsidiaries		**(230)**	–	–	230	–	–	–	–	–	–	–	**–**
Operating profit		**22,495**	7,248	5	230	335	(86)	1,634	(658)	3,813	866	(712)	**35,170**
Share of results of associates	16	**–**	–	–	–	–	–	–	–	–	–	–	**–**
Other non-operating income		**60**	–	(15)	–	–	–	–	–	–	–	–	**45**
Finance income	7	**878**	–	(6)	–	–	–	–	–	(872)	–	–	–
Finance expense	7	**(5,302)**	–	5	–	–	–	–	–	872	–	(294)	**(4,719)**
Profit before taxation	8	**18,131**	7,248	(11)	230	335	(86)	1,634	(658)	3,813	866	(1,006)	**30,496**
Taxation	8	**(6,394)**	(1,824)	(242)	–	(107)	–	–	219	–	–	–	**(8,348)**
Profit for the year		**11,737**	5,424	(253)	230	228	(86)	1,634	(439)	3,813	866	(1,006)	**22,148**
Non-controlling interests		**20**	–	–	–	–	–	–	–	–	685	–	**705**
Profit attributable to equity holders of the Group**		**11,717**	5,424	(253)	230	228	(86)	1,634	(439)	3,813	181	(1,006)	**21,443**

* The non-controlling interest charge is moved to operating profit due to underlying equity being defined as an IFRS 2 put option.
** Like-for-like earnings are profit attributable to equity holders of the Group after adding back the adjustments noted above.
*** Included in this adjustment is £872k of group interest in Saatchinvest, which is treated as non-like-for-like given the nature of the entity's activities and the existing intention to sell the subsidiary at 31 December 2024.

The analysis below provides a reconciliation between the Group's Statutory results and the LFL results for the prior year.

Year ended 31 December 2023	Note	Statutory 2023 £000	Separately disclosed items (Note 2) £000	Gain/loss on disposal of subsidiaries £000	Revaluation of associates on transition to assets held for sale £000	Amortisation of acquired intangibles (Note 15) £000	Impairment of intangible assets (Note 15) £000	Impairment of non-current assets (Note 17, 18) £000	FVTPL investments under IFRS 9 (Note 20) £000	Dividends paid to IFRS 2 put holders (Note 5)* £000	Put option accounting (Note 27, 28) £000	Exiting agencies £000	Constant currency adjustment £000	Like-for-like results £000
Revenue		**420,046**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(20,159)**	**(8,808)**	**391,079**
Cost of sales		(183,361)	–	–	–	–	–	–	–	–	–	11,034	4,098	(168,229)
Net revenue		**236,685**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(9,125)**	**(4,710)**	**222,850**
Staff costs	5	(176,402)	6,908	–	–	–	–	–	–	2,499	4,203	9,250	2,913	(150,629)
Depreciation	17,18	(8,018)	–	–	–	–	–	–	–	–	–	538	166	(7,314)
Amortisation	15	(830)	–	–	–	537	–	–	–	–	–	–	3	(290)
Impairments	15,18	(6,798)	–	–	–	–	4,794	2,004	–	–	–	–	–	–
Other operating charges		(34,506)	744	–	–	–	–	–	(644)	–	–	2,239	1,332	(30,835)
Other losses	20	(4,898)	–	–	–	–	–	–	4,898	–	–	–	–	–
Loss allowance		(348)	–	–	–	–	–	–	–	–	–	–	–	(348)
Gain on disposal of subsidiaries		782	–	(782)	–	–	–	–	–	–	–	–	–	–
Operating profit		**5,667**	**7,652**	**(782)**	**–**	**537**	**4,794**	**2,004**	**4,254**	**2,499**	**4,203**	**2,902**	**(296)**	**33,434**
Share of results of associates	16	121	–	–	(133)	–	–	–	–	–	–	–	–	(12)
Other non-operating income		–	–	–	–	–	–	–	–	–	–	–	–	–
Finance income	7	648	–	–	–	–	–	–	(813)	–	–	(55)	220	–
Finance expense	7	(7,213)	–	–	–	–	–	–	813	–	2,113	269	(131)	(4,149)
Profit before taxation	8	**(777)**	**7,652**	**(782)**	**(133)**	**537**	**4,794**	**2,004**	**4,254**	**2,499**	**6,316**	**3,116**	**(207)**	**29,273**
Taxation	8	(3,100)	(1,821)	–	–	(198)	(28)	(536)	(987)	–	(65)	(407)	209	(6,933)
Profit for the year		**(3,877)**	**5,831**	**(782)**	**(133)**	**339**	**4,766**	**1,468**	**3,267**	**2,499**	**6,251**	**2,709**	**2**	**22,340**
Non-controlling interests		620	–	–	–	–	–	–	–	2,054	–	(420)	(226)	2,028
Profit attributable to equity holders of the Group**		**(4,497)**	**5,831**	**(782)**	**(133)**	**339**	**4,766**	**1,468**	**3,267**	**445**	**6,251**	**3,129**	**228**	**20,312**

* The non-controlling interest charge is moved to operating profit due to underlying equity being defined as an IFRS 2 put option.
** Like-for-like earnings are profit attributable to equity holders of the Group after adding back the adjustments noted above.

1. Like-for-like results, earnings per share and EBITDA continued

Earnings per share

Basic and diluted earnings per share are calculated by dividing the appropriate earnings metrics by the weighted average number of ordinary shares of the Company in issue during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of the Company's ordinary shares in issue on the assumption of conversion of all potentially dilutive ordinary shares. Anti-dilutive potential ordinary shares are excluded. The dilutive effect of unvested outstanding options is calculated based on the number that would vest had the balance sheet date been the vesting date. Where schemes have moved from equity to cash payment and vice versa, the potential dilution is calculated as though they had been in their year-end position for the whole year.

Year ended 31 December 2024	Continuing operations 2024	Discontinued operations 2024	Total 2024	Like-for-like 2024
Profit attributable to equity shareholders of the Group (£000)	**11,717**	**3,011**	**14,728**	**21,443**
Basic earnings per share				
Weighted average number of shares (thousands)	**121,616**	**121,616**	**121,616**	**121,616**
Basic EPS	**9.63p**	**2.48p**	**12.11p**	**17.63p**
Diluted earnings per share				
Weighted average number of shares (thousands) as above	**121,616**	**121,616**	**121,616**	**121,616**
Add				
– LTIP	**2,042**	**2,042**	**2,042**	**2,042**
– Put options	**751**	**751**	**751**	**751**
Total	**124,409**	**124,409**	**124,409**	**124,409**
Diluted EPS	**9.42p**	**2.42p**	**11.84p**	**17.24p**
Excluding the put options (payable in cash)	**(751)**	**(751)**	**(751)**	**(751)**
Weighted average number of shares (thousands) including dilutive shares	**123,658**	**123,658**	**123,658**	**123,658**
Diluted EPS – excluding items the Group intends and is able to pay in cash	**9.48p**	**2.43p**	**11.91p**	**17.34p**

Year ended 31 December 2023	Continuing operations 2023	Discontinued operations 2023	Total 2023	Like-for-like* 2023
Profit attributable to equity shareholders of the Group (£000)	**(4,497)**	**968**	**(3,529)**	**20,312**
Basic earnings per share				
Weighted average number of shares (thousands)	122,257	122,257	122,257	122,257
Basic EPS	**(3.68)p**	**0.79p**	**(2.89)p**	**16.61p**
Diluted earnings per share				
Weighted average number of shares (thousands) as above				
Add				
– LTIP	–	–	–	1,500
– Put options	–	–	–	5,247
Total	122,257	122,257	122,257	129,004
Diluted EPS	**(3.68)p**	**0.79p**	**(2.89)p**	**15.75p**
Excluding the put options (payable in cash)	–	–	–	(5,247)
Weighted average number of shares (thousands) including dilutive shares	122,257	122,257	122,257	123,757
Diluted EPS – excluding items the Group intends and is able to pay in cash	**(3.68)p**	**0.79p**	**(2.89)p**	**16.41p**

* Restated to be Like-for-like

As 2023 basic EPS is negative, no adjustment has been made for LTIP and put options in the dilutive EPS calculation, as these would be anti-dilutive, i.e. would increase EPS had they been included.

Like-for-like earnings before interest, tax, depreciation and amortisation (EBITDA)

	2024 £000	2023 £000
Profit before tax (LFL)	**30,496**	29,273
Add Back:		
LFL Depreciation & amortisation (incl. IFRS 16)	**6,798**	7,604
LFL Finance expense (incl. IFRS 16)	**4,719**	4,149
LFL Finance income	**–**	–
EBITDA	**42,013**	41,026

2. Separately disclosed items

Policy

Separately disclosed items include one-off, non-recurring revenues or expenses. These are shown separately and are excluded from LFL profit to provide a better understanding of the underlying results of the Group.

Analysis

Separately disclosed items for the year ended 31 December 2024 comprise of the following:

2024	Staff costs £000	Operating costs £000	Taxation £000	After tax total £000
Restructuring – discontinued businesses	58	–	(17)	41
Restructuring – ongoing businesses	3,403	62	(841)	2,624
Restructuring – global efficiency programme	983	571	(295)	1,259
CEO/Executive Chair compensation	(158)	–	40	(118)
People costs – additional headcount	767	–	(192)	575
Transformation project costs	723	839	(519)	1,043
Total separately disclosed items	**5,776**	**1,472**	**(1,824)**	**5,424**

The Group has been pursuing a strategy to simplify its operating structure and improve efficiency across the Group. This programme continued into 2024:

Staff costs

- Local businesses within the Group have continued to review their own future, permanent operational structures, following market changes, which has resulted in staff redundancy costs in the period across nine ongoing businesses across the Group. The restructuring costs are treated as separately disclosed items only when a role has been permanently eliminated from the business (there should be no intention for the role to be replaced in the next 12 months). There are £3,403k of redundancy costs included within non-LFL restructuring for ongoing businesses, and £430k of redundancy costs are included within the LFL staff costs.
- The Group's global efficiency programme has continued to identify and reduce specific central HQ roles, which will be replaced overseas to save cost. The redundancy costs associated with this restructuring programme (£983k) have been treated as an exceptional non-LFL cost, as they are one-off exit costs relating to compensation to employees for periods not worked.
- Additional headcount costs (£767k) relate to Shared Service Centre salaries where there was non-productive duplication of roles during the transition. These costs are treated as separately disclosed items as they are one-off costs relating to the period of overlap of local with newly created central roles, in relation to those functions being moved to the Shared Service Centre.
- CEO compensation (credit of £158k) relates to the over accrual of three months of costs in 2023 relating to the gardening leave of the former CEO, which was not worked.
- In 2022, the Group commenced a global efficiency programme. The staff costs of the project team dedicated to this transformation project (£723k) have been classified as separately disclosed items in line with the treatment in 2022 and in 2023. The project team will continue to manage the project through to conclusion in 2025.

Operating costs

The operating cost mainly relate to recruitment costs for roles that are being moved to the Shared Service Centre and service charges and rates for the vacant 30 Great Pulteney Street office in London.

Separately disclosed items for the year ended 31 December 2023 comprise of the following:

2023	Staff costs £000	Operating costs £000	Taxation £000	After tax total £000
Restructuring – discontinued businesses	1,481	18	(340)	1,159
Restructuring – ongoing businesses	3,200	85	(810)	2,475
Restructuring – global efficiency programme	438	251	(160)	529
CEO/Executive Chair compensation	1,514	–	(355)	1,159
Transformation project costs	275	390	(156)	509
Total separately disclosed items	**6,908**	**744**	**(1,821)**	**5,831**

The Group has been pursuing a strategy to simplify its operating structure and improve efficiency across the group. In 2023, three programmes of restructuring were undertaken:

- the Group shut down certain loss-making overseas and UK subsidiaries and incurred redundancy costs as part of the agreement with the disposed or closed businesses. This programme continued throughout 2024.
- the Group's global efficiency programme identified and reduce specific central HQ roles, which will no longer be required in the Group. This programme continued throughout 2024.
- local businesses within the Group reviewed their own future, permanent operational structures, following market changes, which resulted in staff redundancy costs in the period across 28 ongoing businesses across the Group. The restructuring costs were treated as separately disclosed items only when a role has been permanently eliminated from the business (there should be no intention for the role to be replaced in the next 12 months). These local programmes have been completed, but new programmes may be undertaken in future, depending on local market conditions.

2. Separately disclosed items continued

The staff costs associated with these restructuring programmes were treated as an exceptional non-Like-for-like cost, as they were one-off exit costs relating to compensation to employees for periods not worked.

CEO compensation related to the 12 months of staff costs relating to the gardening leave of the former CEO, which was not worked. These were been treated as an exceptional non-like-for-like cost, as these costs were legally committed by the business, but with no benefit to the business.

The Executive Chair fulfilled the CEO role, which triggered the repayment of compensation from their previous employment, which the Company agreed to bear. These were treated as an exceptional non-like-for-like cost, as these costs related the Executive Chair's performance in another business.

In H2 2022, the Group commenced a global efficiency programme, with the assistance of PricewaterhouseCoopers LLP. PWC's professional fees (£390k) and the staff costs of the project team dedicated to this transformation project (£275k) were classified as separately disclosed items in line with the treatment in 2022, as this is a strategic, one-off project with a finite end that is not part of the underlying operations of the business. PWC have completed their work, but the project team will continue to manage the project through to conclusion in 2025.

Other separately disclosed items included the future rates and service charges for the 30 Great Pulteney Street office in London, which was vacant at the balance sheet date (£233k) and legal fees (£18k) incurred in relation to a put option dispute.

3. Segmental information

Like-for-like segmental income statement

Segmental results are reconciled to the income statement in Note 1 of the financial statements. The Board reviews LFL results.

The Group's operating segments are aligned to those business units that are evaluated regularly by the chief operating decision maker (CODM), namely the Board, in making strategic decisions, assessing performance and allocating resources.

Liabilities are not regularly reported to the Board and so are not presented here by operating segment.

The operating segments have historically comprised of individual country entities, the financial information of which is provided to the CODM and is aggregated into specific geographic regions on a LFL basis, with each geographic region considered a reportable segment. Each country included in that region has similar economic and operating characteristics. The products and services provided by entities in a geographic region are all related to marketing communications services and generally offer complementary products and services to their customers.

The Group's performance is also assessed under a structure of specialisms, and this is reported under two segments: Advertising and Non-Advertising Specialisms, excluding Group central costs.

Segmental information by geography

Year ended 31 December 2024	UK £000	Americas £000	APAC £000	Middle East £000	Europe £000	Group Central Costs £000	LFL Total £000
Net revenue	109,113	44,177	53,912	11,606	12,197	–	**231,005**
Operating profit / (loss)	27,243	6,228	9,529	2,255	2,180	(12,265)	**35,170**
Operating profit margin	25%	14%	18%	19%	18%	–	**15%**
Profit / (loss) before tax	26,072	5,877	8,616	2,198	2,174	(14,441)	**30,496**

Year ended 31 December 2023	UK £000	Americas £000	APAC £000	Middle East £000	Europe £000	Group Central Costs £000	LFL total £000
Net revenue	100,275	45,518	59,046	7,309	10,702	–	222,850
Operating profit / (loss)	22,098	6,690	9,317	1,318	1,670	(7,659)	33,434
Operating profit margin	22%	15%	16%	18%	16%	–	15%
Profit / (loss) before tax	20,517	5,642	8,450	1,270	1,631	(8,237)	29,273

Included within the Group's revenues is a customer that makes up more than 10% of total net revenue, contributing £36.8m (2023: £28.5m). This is included within the UK and within the Non-Advertising Specialisms.

Segmental information by specialism

Year Ended 31 December 2024	Advertising £000	Non- Advertising Specialisms	Group Central Costs £000	LFL Total £000
Net revenue	77,342	153,663	–	**231,005**
Operating profit / (loss)	8,678	38,757	(12,265)	**35,170**
Operating profit margin	11%	25%	–	**15%**
Profit / (loss) before tax	8,164	36,773	(14,441)	**30,496**

Year Ended 31 December 2023	Advertising £000	Non- Advertising Specialisms	Group Central Costs £000	LFL Total £000
Net revenue	78,848	144,002	–	222,850
Operating profit / (loss)	7,519	33,574	(7,659)	33,434
Operating profit margin	10%	23%	–	15%
Profit / (loss) before tax	7,595	29,915	(8,237)	29,273

3. Segmental information continued

Non-current assets other than excluded items:

As at 31 December	2024 £000	2023 £000
UK	**35,195**	40,386
APAC	**11,891**	16,127
Americas	**17,680**	15,315
Europe	**4,239**	4,735
Africa	**–**	2,696
Middle East	**1,523**	1,660
Total non-current assets other than excluded items	**70,528**	**80,919**
Non-current assets excluded from analysis above:		
Deferred tax assets	**4,840**	6,036
Other financial assets	**668**	7,227
Total non-current assets per balance sheet	**76,036**	**94,182**

Allocation of non-current assets by country is based on the location of the business units. Items included comprise fixed assets, intangible assets, IFRS 16 assets and equity accounted investments.

4. Revenue from contracts with customers

Billings comprise all gross amounts billed, or billable, to clients and is stated exclusive of VAT and sales taxes. Billings is a non-GAAP measure and is included as it influences the quantum of trade and other receivables recognised at a given date. The difference between billings and revenue is represented by costs incurred on behalf of clients with whom entities within the Group operate as an agent and timing differences, where invoicing occurs in advance or in arrears of the related revenue being recognised.

Net revenue (as defined in the glossary on page 171) is a non-GAAP measure and is reviewed by the CODM and other stakeholders as a key metric of business performance (Note 3 of the financial statements).

Revenue recognition policies

Revenue is stated exclusive of VAT and sales taxes. Net revenue is exclusive of third-party costs recharged to clients, where entities within the Group are acting as principal.

Performance obligations

At the inception of a new contractual arrangement with a customer, the Group identifies the performance obligations inherent in the agreement. Typically, the terms of the contracts are such that the services to be rendered are considered to be either integrated or to represent a series of services that are substantially the same, with the same pattern of transfer to the customer. Accordingly, this amalgam of services is accounted for as a single performance obligation.

Where there are contracts with services that are distinct within the contract, then they are accounted for as separate obligations. In these instances, the consideration due to be earned from the contract is allocated to each of the performance obligations, in proportion to their standalone selling price.

Further discussion of performance obligations arising in terms of the main types of services provided by the Group, in addition to their typical pattern of satisfaction, is provided below.

Measurement of revenue

Based on the terms of the contractual arrangements entered into with customers, revenue is typically recognised over time. This is based on either the fact that (i) the assets generated under the terms of the contracts have no alternative use to the Group and there is an enforceable right to payment, or (ii) the client exerts editorial oversight during the course of the assignment such that they control the service as it is provided.

Principal vs agent

When a third-party supplier is involved in fulfilling the terms of a contract, then, for each performance obligation identified, the Group assesses whether the Group is acting as principal or agent. The primary indicator used in this assessment is whether the Group is judged to control the specified services prior to the transfer of those services to the customer. In this instance, it is typically concluded that the Group is acting as principal.

When entities within the Group act as an agent, the revenue recorded is the net amount retained. Costs incurred with external suppliers are excluded from revenue. When the Group acts as principal the revenue recorded is the gross amount billed, and when allowable by the terms of the contract, out-of-pocket costs, such as travel, are also recognised as the gross amount billed with a corresponding amount recorded as an expense.

Treatment of costs

Costs incurred in relation to the fulfilment of a contract are generally expensed as incurred if revenue is recognised over time.

Disaggregation of revenue
The Group monitors the composition of revenue earned on a geographic basis and by specialism.

Revenue	2024 £m	LFL 2023 £m	LFL 2024 vs 2023 Movement
Specialism			
Advertising	**154.5**	146.9	5%
Issues	**109.5**	98.3	11%
Passions & PR	**62.5**	78.9	-21%
Consulting	**40.3**	41.1	-2%
Media	**25.7**	25.9	1%
Group	**392.5**	391.1	1%

Revenue	2024 £m	LFL 2023 £m	LFL 2024 vs 2023 Movement
Region			
UK	**191.4**	199.2	-4%
APAC	**77.7**	83.4	-7%
Americas	**73.3**	68.6	7%
Middle East	**25.9**	16.3	59%
Europe	**24.2**	23.6	3%
Group	**392.5**	391.1	1%

Assets and liabilities related to contracts with customers
Contract assets and liabilities arise when there is a difference (generally due to timing) in the amount of revenue that can be recognised and the amount that can be invoiced under the terms of the contractual arrangement.

Where revenue earned from customers is recognised over time, many of the Group's contractual arrangements have terms that permit the Group to remit invoices for the amount of work performed to date on a specific contract (described in the accounting policies as "right-to-invoice"). Where the terms of a contractual arrangement do not carry such right to invoice, then a contract asset is recognised over time, as work is performed until such point that an invoice can be remitted.

Where revenue earned from customers is recognised at a point in time, then this will be dependent on satisfaction of a specific performance obligation. At such point, it is usual that there are no other conditions required to be met for receipt of consideration and, as such, a trade receivable should be recognised at the point the entity's right to consideration is unconditional, which normally will be at the time the purchase order is satisfied (which may not be the same as when an invoice is raised).

Contract liabilities arise where a customer has made payments relating to services prior to their provision. Where payments are received in advance, IFRS 15 requires assessment of whether these cash transfers contain any financing component. Under the terms of the contractual arrangements entered into by entities within the Group, there are no instances where such financing elements arise. This is the case even for those arrangements where the Group receives monies more than a year in advance by virtue of the terms of the contractual agreement so entered into.

The Group operates a standard 30-day credit terms policy. All contract liabilities and contract assets (other than receivables per Note 21 of the financial statements) brought forward from the previous year have been realised in the current period.

Revenue recognition policies and performance obligation satisfaction by category of services performed
Further details regarding revenue recognition and performance obligations of the Group's main service offerings are summarised below.

Provision of advertising and marketing services
The provision of advertising and marketing services to clients typically meets the criteria identified above for revenue to be recognised over time. The quantum of revenue to be recognised over the period of the assignments is either based on the "right-to-invoice" expedient or as the services are provided, depending on the contractual terms. In measuring the progress of services provided in an assignment, the Group uses an appropriate measure depending on the circumstances, which may include inputs (such as internal labour costs incurred) or outputs (such as media posts). Where projects are carried out under contracts, the terms of which entitle an entity within the Group to payment for its performance only when a discrete point is reached (such as an event has occurred or a milestone has been reached), then revenue is recognised at the time that payment entitlement occurs, i.e. at a point in time.

The provision of advertising and marketing services can encompass provision of a range of media deliverables in addition to development and deployment of a media strategy. Often the range of services provided within these arrangements is considered to be integrated to an extent that no separable performance obligations can be identified other than a single over-arching combined performance obligation relating to the delivery of the project. In these instances, revenue is recognised over time as the performance obligation is being satisfied depending on the circumstances, which may include inputs (such as internal labour costs incurred) or outputs (such as media posts).

4. Revenue from contracts with customers continued

When services provided are considered separable, and not integrated, then multiple performance obligations are recognised. In these scenarios the conceptual preparation element and the deliverable are concluded as forming separate performance obligations with the revenue and corresponding cost of sales (typically third-party pass-through costs) assigned to the obligation to which they relate.

In instances where revenue cannot be recognised over time, the element of the transaction price assigned to each performance obligation (in proportion to stand-alone selling prices) is recognised as revenue once an obligation has been fully satisfied, for example an event has occurred or a milestone has been reached.

Some entities within the Group enter into retainer fees that relate to arrangements whereby the nature of the entity's contractual promise is to agree to 'stand-ready' to deliver services to the customer for a period of time rather than to deliver the goods or services underlying that promise. Revenue relating to retainer fees is recognised over the period of the relevant assignments or arrangements, typically in line with the "stand-ready" incurred costs.

Where fees are remunerated to the agency in excess of the services rendered, then a contract liability is recognised. Conversely, where the services rendered are in excess of the actual fees paid, then a contract asset is recognised when there is a right to consideration.

Certain of these arrangements have contractual terms relating to the agency meeting specific customer identified KPIs. As a result, the overall level of consideration can vary by increasing or decreasing as a result of performance against these KPI metrics. To reflect this variability in the overall level of consideration, the most likely outcome is estimated by management and then that outcome is reflected in the revenue recognised as the performance obligation(s) of the contract are satisfied. When determining the likely outturn position, the estimated consideration is such that it is highly probable there will not be significant reversal of the revenue in the future. The estimated portion of the variable element is recalculated at the earlier of the completion of the contract or the next reporting period and revenue is adjusted accordingly. These estimates are based on historical award experience, anticipated performance and best judgement at the time.

Commission based income in relation to media spend

The Group arranges for third parties to provide the related goods and services to its customers in the capacity of an agent. Revenue is recognised in relation to the amount of commission the Group is entitled to. Often additional integrated services are provided at the same time with regard to the development and deployment of an overarching media strategy. Due to the integration of the services provided under the terms of the contract, management judgement is applied to assess whether there is a single combined performance obligation.

The performance obligation for media purchases is considered to have been satisfied when the associated advertisement has been purchased. In the majority of instances where the Group purchases media for clients, the Group is acting as agent.

Commission based income in relation to talent performance

Revenue in relation to talent performance involves the Group acting as agent. Typically, such arrangements have a single, or a sequence, of specific performance obligations relating to the talent (or other third party) providing services. The performance obligations are generally satisfied at a point in time once the service has been provided, at which point, revenue is recognised. The consideration for the services is normally for a fixed amount (as a percentage of the talent's fee) with no degree of variability.

Recognition of supplier discounts and rebates as revenue from contracts with customers

The Group receives discounts and rebates from certain suppliers for transactions entered into on behalf of clients, which the clients have agreed the Group can retain. When the contractual terms of the agreements entered into are such that the Group acts as agent in these instances, then such rebates are recognised as revenue from contracts with customers. By contrast, when the contractual terms of the agreements are such that the Group is acting as principal, then such rebates are recognised as a reduction in direct costs. Certain of the Group's clients, however, have contractual terms such that the pricing of their contracts is structured with the rebate being passed through to them.

5. Staff costs

Policy

The Group does not operate any defined benefit pension schemes. The Group makes payments, on behalf of certain individuals, to personal pension schemes which are charged to the income statement in the period in which they are due. Bonuses are given on an ad hoc basis, or as otherwise agreed, and are accrued in the year to which the services performed relate.

Staff costs (including Directors)

Year ended 31 December		2024 £000	2023 £000
Wages, salaries and bonuses		**136,264**	141,837
Social security costs		**13,678**	14,600
Pension costs		**7,572**	8,393
Other staff costs*		**4,928**	3,796
Total		**162,442**	168,626
Allocations and dividends paid to holders of IFRS 2 put options	1	**866**	2,499
Share based incentive plans:			
Cash settled	28	**(547)**	4,843
Equity settled	28	**1,030**	434
Total share based incentive plans		**483**	5,277
Total staff costs		**163,791**	176,402

* Other staff costs include profit share, LTIP charges and other staff benefits.

Staff numbers	2024	2023
UK	**639**	769
Europe	**213**	182
Middle East	**95**	76
Africa	**28**	–
APAC	**716**	969
Americas	**292**	342
Total	**1,983**	**2,338**

These staff numbers are based on the average number of staff throughout the year in 2024, excluding staff in discontinued operations.

Compensation for key management personnel and Directors

Key management remuneration	2024 £000	2023 £000
Wages and salaries	**1,451**	1,750
Pension costs	**57**	53
Annual bonus	**275**	–
Total	**1,783**	1,803

Key management personnel include the Directors and employees responsible for planning, directing and controlling the activities of the Group. Refer to Directors' remuneration for the 2024 financial year (audited) on page 91 of the Directors' Remuneration Report for details of the Directors' remuneration, including the highest paid Director.

6. External auditor's remuneration

The Company paid the following amounts to its external auditor in respect of the audit of the financial statements and for other services provided to the Group:

Year ended 31 December	2024 £000	2023 £000
Audit services		
Fees payable to the Company's external auditor for the audit of the Company's annual accounts	**1,257**	1,450
Fees payable to associates of the Company's external auditor for the audit of the accounts of subsidiaries	**141**	205
Audit fees relating to the prior period	**–**	154
	1,398	1,809
Other services provided by the external auditor:		
Other assurance services – interim agreed upon procedures	**–**	8
Corporate finance services	**–**	3
Taxation compliance services	**–**	149
Taxation advisory services	**4**	73
	4	233
Total	**1,402**	2,042

7. Net finance expense

Policy

Interest income and expense, including fair value adjustments to IFRS 9 put options, are recognised in the income statement in the period in which they are incurred, except for the amortisation of loan costs, which are recognised over the life of the loan.

Analysis

Year ended 31 December	2024 £000	2023 £000
Bank interest receivable	**70**	229
Other interest receivable*	**772**	414
Sublease finance income	**36**	5
Financial income	**878**	**648**
Bank interest payable	**(1,973)**	(2,284)
Amortisation of loan costs	**(268)**	(190)
Other interest payable*	**(156)**	(14)
Interest on lease liabilities	**(3,199)**	(2,611)
Valuation adjustment to IFRS 9 put option liabilities (Note 27)	**294**	(2,114)
Financial expense	**(5,302)**	**(7,213)**
Net finance expense	**(4,424)**	**(6,565)**

* Includes Saatchinvest interest and foreign exchange on financing activities

8. Current taxation

Policy

Current tax, including UK and foreign tax, is provided for using the tax rates and laws that have been substantively enacted at the balance sheet date.

Analysis

Income statement charge for year ended 31 December	2024 £000	2023 £000
Taxation in the year		
UK	**2,323**	1,955
Overseas	**3,911**	3,832
Withholding taxes payable	**79**	54
Adjustment for (over) / under provision in prior periods	**124**	(606)
Total	**6,437**	**5,235**
Deferred taxation		
Recognition of temporary differences	**995**	(1,320)
Adjustment for under / (over) provision in prior periods	**(344)**	253
Recognition of previously unrecognised deferred tax	**(265)**	(548)
Effect of changes in tax rates	**(14)**	(103)
Total	**372**	**(1,718)**
Total taxation	**6,809**	**3,517**
Continuing and discontinued operations:		
Income tax expense from continuing operations	6,394	3,100
Income tax expense from discontinued operation (Note 11)	415	417
Total	**6,809**	**3,517**

The differences between the actual tax and the standard rate of corporation tax in the UK applied to the Group's Statutory profit for the year are as follows:

Year ended 31 December	2024 £000	2024 %	2023 £000	2023 %
Profit before tax from continuing operations	**18,131**		(777)	
Profit before tax from discontinued operations (Note 11)	**3,483**		1,492	
Total profit / (loss) before taxation	**21,614**		**715**	
Taxation at UK corporation tax rate of 25.00% (2023: 23.50%)	**5,404**	**25.0%**	168	23.5%
Option charges not deductible for tax	**23**	**0.1%**	1,724	241.8%
Goodwill impairment with no tax credit	**408**	**1.9%**	1,099	154.2%
Tax losses for which no deferred tax asset was recognised	**1,476**	**6.8%**	962	134.9%
Expenses not deductible for tax	**606**	**2.8%**	627	88.0%
Different tax rates applicable in overseas jurisdictions	**(228)**	**(1.1%)**	140	19.6%
Withholding taxes payable	**79**	**0.4%**	54	7.6%
Tax effect of associates	**3**	**0.0%**	3	0.4%
Disposal of associate on which no tax is charged	**–**	**–**	(72)	(10.1%)
Effect of changes in tax rates	**(14)**	**(0.1%)**	(103)	(14.4%)
Disposal of subsidiaries on which no tax is charged	**(463)**	**(2.1%)**	(184)	(25.8%)
Adjustment for tax over provision in prior periods	**(220)**	**(1.0%)**	(353)	(49.5%)
Recognition of previously unrecognised deferred tax	**(265)**	**(1.2%)**	(548)	(76.9%)
Total taxation	**6,809**	**31.5%**	3,517	493.3%
Effective tax rate	**31.5%**		493.3%	

Large variations in future tax rates of the statutory accounts are expected due to significant items such as share-based payments (option charges) and put options being non-deductible against corporation tax as a result of these items being capital in nature. Such items are excluded from our Like-for-like profits, allowing us to focus on the underlying business drivers of the tax rate .

The key differences between actual and standard tax rates are as follows:

- Option charges include dividends paid to those shareholders in the subsidiary companies that also have a put option arrangement in place within that entity, which are not deductible for tax: some of the Group's share-based payment schemes relate to equity held in subsidiary companies. The Group generally receives no tax benefit on the exercise of these put options nor on the payment of the dividends. In 2024, the reduction in future estimated liability of the put options, offset the dividends paid, reducing the tax effect this year to just 0.1% (2023: 242%).
- Goodwill impairment with no tax credit: on most of the acquisitions no tax benefit was received from the acquisition of goodwill. During 2024, £1.6m (2023 £4.7m) of the goodwill was impaired.
- The net effect of the adjustment for current and deferred tax in prior periods is a release of an over provision of £220k (2023: £354k) of total tax charge.
- In 2024, following a review and correction of historical tax returns we were able to recognise £265k (2023: £548k due to restructuring) of unrecognised deferred tax.
- In 2024 the UK tax rate increased from 23.5% to 25%, this is now higher than many countries the Group operates in. Between 2023 and 2024, there was an increase in the size of our businesses in countries with lower tax rates than the UK (e.g. UAE with 7% tax rate and US with a 21% federal tax rate) and decrease in the size of our business in countries that have higher tax (e.g. Australia with a 30% tax rate).

Tax on Like-for-like profits

Our Like-for-like tax rate has increased from 23.7% to 27.4%. The key movements in the Like-for-like tax rates are as follows:

- Reduction in releases from prior year provisions along with reduced recognition of unprovided for deferred tax and increased tax losses for which no deferred tax asset was recognised, increased our tax charge by 2.0%, leaving 2024 tax charge 0.6% higher than it normally would. We continue to look at ways to reorganise our selves so we can take advantage of our unrecognised deferred tax assets
- Our acquisition of minority partnership interest has increased tax by 1.0% although this is offset by reduced minority share (this is because partnership share of profits are received by minorities without tax deduction). The 2024 tax charge related to this is nil.
- The increase in the UK tax rates offset by a reduced difference to overseas tax rates increased our tax charge by 0.6% as compared to 2023.

8. Current taxation continued

Year ended 31 December	2024 £000	2024 %	2023 £000	2023 %
LFL profit before taxation (Note 1)	**30,496**		29,273	
Taxation at UK corporation tax rate of 25% (2023: 23.50%)	**7,624**	**25.0%**	6,879	23.5%
Tax losses for which no deferred tax asset was recognised	**510**	**1.7%**	404	1.4%
Expenses not deductible for tax	**544**	**1.8%**	508	1.7%
Different tax rates applicable in overseas jurisdictions	**(78)**	**-0.3%**	187	0.6%
Withholding taxes payable	**79**	**0.3%**	54	0.2%
Tax effect of associates	**–**	**–**	3	0.0%
Effect of changes in tax rates	**–**	**–**	(14)	0.0%
Non-controlling interest share of partnership income	**–**	**–**	(284)	-1.0%
Adjustment for tax over provision in prior periods	**(66)**	**-0.2%**	(234)	-0.8%
Recognition of unprovided for deferred tax	**(265)**	**-0.9%**	(570)	-2.0%
LFL taxation (Note 1)	**8,348**	**27.4%**	6,933	23.7%
LFL effective tax rate	**27.4%**		23.7%	

9. Deferred taxation

Policy

Deferred tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not, however, provided for temporary differences that arise from: (i) initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and at the time of the transaction does not give rise to equal taxable and deductible temporary differences; or (ii) the initial recognition of goodwill.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and the Group intends to settle its current tax assets and current tax liabilities on a net basis. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Analysis

At 31 December	2024 £000	2023 £000
Deferred tax assets	**4,840**	6,036
Deferred tax liabilities	**(1,032)**	(1,235)
Net deferred tax	**3,808**	4,801

The deferred tax asset is recoverable against future profits. The following table shows the deferred tax asset / (liability) recognised by the Group and movements in 2024 and 2023.

	Intangibles £000	Capital allowances £000	Tax losses £000	Purchased investments £000	LTIP schemes £000	Working capital differences £000	Total £000
At 31 December 2022	(369)	1,943	2,018	(994)	154	1,134	3,886
Exchange differences	154	207	(322)	–	–	(820)	(781)
Income statement (charge) / credit	(1,040)	243	51	994	277	1,193	1,718
Disposals	–	–	(23)	–	–	1	(22)
At 31 December 2023	**(1,255)**	**2,393**	**1,724**	**–**	**431**	**1,508**	**4,801**
Exchange differences	139	(79)	(104)	–	–	236	192
Income statement (charge) / credit	(377)	(54)	(932)	–	364	630	(369)
Taken to reserves	–	–	–	–	46	–	46
Disposals	–	(224)	–	–	–	(638)	(862)
At 31 December 2024	**(1,493)**	**2,036**	**688**	**–**	**841**	**1,736**	**3,808**

Based on the 2025 budget and three-year plans, approved by the Board, the Group has reviewed the deferred tax asset created by tax losses for their recoverability. Where the Group believes such losses may not be recoverable, they have not been recognised on the balance sheet.

Within the local entities £1,000k (2023: £711k) of deferred tax has been naturally offset. Disregarding this offset, the split of deferred tax is as follows:

	Intangibles £000	Capital allowances £000	Tax losses £000	LTIP schemes £000	Working capital differences £000	Total £000
At 31 December 2023						
Deferred tax assets	197	2,441	1,724		2,385	6,747
Deferred tax liabilities	(1,452)	(48)	–		(446)	(1,946)
Net deferred tax	(1,255)	2,393	1,724		1,939	4,801
At 31 December 2024						
Deferred tax assets	**181**	**2,059**	**688**	**841**	**2,071**	**5,840**
Deferred tax liabilities	**(1,674)**	**(23)**	**–**	**–**	**(335)**	**(2,032)**
Net deferred tax	**(1,493)**	**2,036**	**688**	**841**	**1,736**	**3,808**

The working capital differences mostly relate to the tax effects of working capital in Australia, which calculates tax on a cash basis rather than the accruals basis used in other countries, along with the continuing tax effects of the adoption of IFRS 16 (Leases) and tax provision on any long-term deferred bonuses.

Unrecognised deferred tax assets

The unrecognised deferred tax assets in respect of certain losses in overseas territories have not been recognised as there is insufficient certainty of future taxable profits against which these would reverse. The unrecognised deferred tax asset in respect of carried forward tax losses is shown below:

	Interest £000	Capital revaluation £000	Losses £000	Total £000	Deferred tax impact* £000
At 1 January 2024	**4,857**	**228**	**8,364**	**13,449**	**2,810**
Exchange differences	**83**	**–**	**(435)**	**(352)**	**(121)**
Changes in tax rates	**–**	**–**	**–**	**–**	**164**
Disposals	**–**	**–**	**(97)**	**(97)**	**(8)**
Written off in year	**(3,679)**	**–**	**–**	**(3,679)**	**(773)**
Recognised in year	**(1,261)**	**–**	**–**	**(1,261)**	**(265)**
Losses in year	**–**	**3,813**	**1,977**	**5,790**	**1,477**
At 31 December 2024	**–**	**4,041**	**9,809**	**13,850**	**3,284**

* At local tax rates.

Expiry date of unrecognised deferred tax assets:

	2024 £000	2023 £000
One to five years	**88**	89
Five to ten years	**–**	3
Ten years or more	**3,196**	2,718
Total	**3,284**	2,810

10. Dividends

Policy

Interim dividends are recognised when they have been approved by the Board and are legally payable. Final dividends are recognised when they have been approved by the shareholders at the Company's Annual General Meeting.

No interim dividends were declared in 2023 or 2024.

A final dividend for 2023 of 1.6 pence per share was approved at the Company's Annual General Meeting on 16 May 2024, which was a total amount of £1,956k. This was paid on 24 June 2024 to all shareholders on the Company's register of members as at 10 May 2024. The ex-dividend date for the shares was 9 May 2024.

The payment of this dividend did not have any tax consequences for the Group.

A final dividend of 1.95 pence per share has been recommended by the Board, which is a total amount of £2,384k. The final dividend if approved at the Company's Annual General Meeting on 15 May 2025, and will be paid on 11 June 2025 to all shareholders on the Company's register of members as at 9 May 2025. The ex-dividend date for the shares will be 8 May 2025.

	2024 £000	2023 £000
2023 final dividend paid 1.6p on 24 June 2024	**1,948**	–
2022 final dividend paid 1.5p on 12 July 2023	**–**	1,834
Total	**1,948**	1,834

11. Disposals

Policy

Disposals of entities in the Group are accounted for in accordance with IFRS 10:25. When the parent's ownership of a subsidiary company changes and results in the parent's loss of control of a subsidiary within the Group, the parent:

- Derecognises the assets and liabilities attributable to the former subsidiary from the consolidated balance sheet.
- Recognises any investment retained in the former subsidiary when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant IFRS standards.
- Recognises the gain or loss associated with the loss of control attributable to the former controlling interest.

Analysis

During 2024, the Group divested of certain overseas subsidiaries in line with its strategy to simplify its operating structure and improve efficiency across the Group. M&C Saatchi (Switzerland) SA and the M&C Saatchi South Africa agencies were part of the Advertising Specialism save for Levergy Agency Pty Limited (South Africa), which comprised part of the Passions & PR Specialism and all were acquired by local leadership teams.

The Group disposed of its entire shareholding in M&C Saatchi (Switzerland) SA for CHF 100 and of the entities forming the South Africa business for ZAR 96,362,732 (£5,556,848). Given the size and nature of the disposal of the South African business, this disposal has been treated as a discontinued operation on the Income Statement according to IFRS 5.

The Group disposed of its entire shareholdings in M&C Saatchi Holdings Asia Pte. Limited and its subsidiary, PT MCS Saatchi Indonesia, for £499,999 and £1 respectively in January 2024. Due to the timing of the disposal, which was ongoing in December 2023, the results of the entity were not included in the Group results for 2024.

The total cash inflow relating to the disposal of these subsidiaries was £1,926k.

The results of the entities disposed of in 2024, which have been included in the results for the year, were as follows:

Year ended 31 December 2024	Europe £000	APAC £000	Total £000
Revenue	183	–	183
Project cost / direct cost	–	–	–
Net revenue	183	–	183
Staff costs	(232)	–	(232)
Depreciation and amortisation	(2)	–	(2)
Other operating charges	(34)	–	(34)
Operating (loss) / gain	(85)	–	(85)
Net finance expense	–	–	–
(Loss) / profit before taxation	(85)	–	(85)

The results of the entities disposed of in 2024, which have been excluded from the results for the current and prior year as discontinued operations under IFRS5, were as follows:

Year ended 31 December 2024	**2024 £000**	2023 £000
Revenue	21,214	33,867
Project cost / direct cost	(9,311)	(17,787)
Net revenue	11,903	16,080
Staff costs	(8,193)	(11,219)
Depreciation and amortisation	(581)	(809)
Other operating charges	(1,687)	(2,444)
Gain on disposal	2,084	–
Operating profit	**3,526**	**1,608**
Finance expense	(163)	(299)
Finance income	120	183
Profit/(loss) before tax	**3,483**	**1,492**
Tax	(415)	(417)
Profit/(loss) for the year	**3,068**	**1,075**
EPS from discontinued operations (Note 1)		
Basic (pence)	2.48	0.79
Diluted (pence)	2.41	0.79

During 2023, M&C Saatchi AB and M&C Saatchi Spencer Hong Kong Limited formed part of the Advertising specialism and were acquired by the existing local leadership teams. Clear Deutschland GmbH formed part of the Consulting specialism and was acquired by the existing local leadership teams.

The Group disposed its entire shareholding in M&C Saatchi Spencer Hong Kong Limited for nil consideration and Clear Deutschland GmbH for a consideration of €102k.

The Group reduced its interest in M&C Saatchi AB from 70% to 30% with the management team and directors of M&C Saatchi AB, acquiring the Company's interest for nominal consideration. M&C Saatchi AB became an equity accounted investment.

The total cash outflow relating to the disposal of these subsidiaries was £209k.

The results of the entities disposed in 2023, which have been included in the results for the year, were as follows. None of these disposals were treated as discontinued operations:

Year ended 31 December 2023	Europe £000	APAC £000	Total £000
Revenue	3,502	2,059	5,561
Project cost / direct cost	(834)	(1,346)	(2,180)
Net revenue	2,668	713	3,381
Staff costs	(2,358)	(862)	(3,220)
Depreciation	(137)	(94)	(231)
Other operating charges	(442)	(230)	(672)
Operating (loss) / gain	(269)	(473)	(742)
Finance expense	(67)	(43)	(110)
(Loss) / profit before taxation	(336)	(516)	(852)

The gain on disposal of the subsidiaries is calculated as follows:

	2024 Discontinued operations £000	**2024 Other disposals £000**	**2024 Total £000**	2023 Total £000
Consideration received in cash and cash equivalents	**5,557**	**500**	**6,057**	88
Total consideration	**5,557**	**500**	**6,057**	**88**
Plant and equipment	**521**	**49**	**570**	6
Intangible assets	**47**	**–**	**47**	–
Right-of-use assets	**1,090**	**61**	**1,151**	321
Other non-current assets	**–**	**51**	**51**	22
Deferred tax assets	**411**	**37**	**448**	23
Trade and other receivables	**6,113**	**1,379**	**7,492**	2,370
Current tax assets	**–**	**128**	**128**	52
Cash and cash equivalents	**3,550**	**581**	**4,131**	297
Trade and other payables	**(5,495)**	**(1,202)**	**(6,697)**	(2,934)
Current tax liabilities	**(211)**	**–**	**(211)**	(52)
Lease liabilities	**(1,855)**	**(75)**	**(1,930)**	(327)
Other non-current liability	**–**	**(32)**	**(32)**	–
Foreign exchange reserve	**(1,464)**	**–**	**(1,464)**	–
Less net assets	**2,850**	**(477)**	**2,373**	**310**
Reversal of put option liability*	**–**	**334**	**334**	472
Reversal of goodwill	**(766)**	**–**	**(766)**	–
Write off Company loan receivable	**–**	**(87)**	**(87)**	–
Gain on disposal of subsidiaries	**2,084**	**(230)**	**1,854**	**782**

* As part of the disposals, all put option obligations have been rescinded.

The statement of cash flows includes the following amounts relating to discontinued operations:

Year ended 31 December 2024	**2024 £000**	2023 £000
Operating activities	(407)	1,325
Investing activities	1,825	172
Financing activities	(653)	(1,315)
Net cash from discontinued operations	**765**	182

12. Assets held for sale

Policy

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

The following conditions must be met for an asset to be classified as held for sale (IFRS 5.6-8):

- Management is committed to a plan to sell.
- The asset is available for immediate sale.
- An active programme to locate the buyer is initiated.
- The sale is highly probable, within 12 months of classification as held for sale.
- The asset is being actively marketed for sale at a sales price reasonable in relation to its fair value.
- Actions required to complete the plan indicate that it is unlikely that plan will be significantly changed or withdrawn.
- The assets need to be disposed of through sale.

Measurement

- At the time of classification as held for sale: immediately before the initial classification of the asset as held for sale, the carrying amount of the asset will be measured in accordance with applicable IFRSs. Resulting adjustments are also recognised in accordance with applicable IFRSs. (IFRS 5.18)
- After classification as held for sale: non-current assets that are classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. (IFRS 5.15-15A).

Analysis

Investments in subsidiaries

The Group sold its 55% shareholding in M&C Saatchi Holdings Asia Pte Ltd and its 1% shareholding in its subsidiary, PT MCS Saatchi Indonesia to the company's founder for a consideration of £499,999 and £1 respectively on 16 January 2024. The investment was held at nil value in December 2023.

Investments in associates and financial assets at fair value through profit or loss

The Group sold its 10% shareholding in Australie SAS (France) alongside its shareholdings of 49% in Cometis SARL and 25% in M&C Saatchi Little Stories SAS. The sale process of these investments commenced in the last quarter of 2023 and completed on 28 March 2024 for consideration of €1 million. There was a partial reversal of the impairment previously booked in relation to these assets when the disposal took place. There is no gain or loss on disposal.

SaatchInvest

On 26 February 2025, the Group sold its shares in Saatchinvest Limited to a venture capital fund for £2.0 million plus £0.7 million of deferred consideration.

In 2024, there were no additions or disposals to the Saatchinvest portfolio. In October 2024 the portfolio was revalued downwards (pro rata across all holdings) in order to align with the expected sales value of Saatchinvest Limited based on the heads of terms for sale. The deferred consideration balance related to the sale of the Dataseat asset (£717k) has also been classified as part of the assets held for sale.

	2024 £000	2023 £000
At 1 January	**780**	–
Reclassification from investment in associates (Note 16)	**–**	172
Reclassification from FVTPL (Note 20)	**2,000**	608
Reclassification from deferred consideration (Note 14)	**717**	–
Reversal of impairment	**86**	–
Disposals	**(856)**	–
Foreign exchange difference	**(10)**	–
At 31 December	**2,717**	780

13. Investment property

Policy

IAS 40 Investment property applies to the accounting for property held to earn rentals or for capital appreciation (or both).

Investment property is initially measured at cost and subsequently at fair value with any change recognised in profit or loss.

Up to the date when an owner-occupied property becomes an investment property carried at fair value, an entity depreciates the property (or the right-of-use asset) and recognises any impairment losses that have occurred. The entity treats any difference at that date between the carrying amount of the property in accordance with IAS 16 or IFRS 16 and its fair value in the same way as a revaluation in accordance with IAS 16.

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Analysis

At times, entities of the Group sublet certain of their properties when their underlying business requirements change.

Investment property compromises one floor in the Group's 549 Church Street (Sydney) office.

The investment property value represents the estimated rental income that the Group could get in the current market by renting out these spaces.

	2024 £000	2023 £000
At 1 January	**2,369**	–
Impairment reversal	**361**	2,369
Revaluation surplus through OCI	**415**	–
Reclassification from right-of-use assets (Note 18)**	**1,128**	–
Reclassification to right-of–use assets (Note 18)*	**(802)**	–
Subleasing (Note 19 & 21)	**(2,111)**	–
Foreign exchange	**(116)**	–
At 31 December	**1,244**	2,369

* This relates to 6th floor 36 Golden Square, which was held as an investment property before staff moved back into this floor and the 4th and 5th floors were sublet instead.
** This relates to 549 Church Street (Sydney) office.

14. Deferred and contingent consideration

Policy

Certain acquisitions made by the Group include contingent or deferred consideration, the quantum of which is dependent on the future performance of the acquired entity. Such consideration is recorded at fair value in line with IFRS 13 (Note 30 of the financial statements).

The balances are remeasured at the earlier of either the end of each reporting period or crystallisation of the consideration payment. The movements in the fair value are recognised in profit or loss.

Analysis

Assets	2024 £000	2023 £000
Non-current		
Contingent consideration		
Saatchinvest Ltd	**–**	738
Total non-current	**–**	738

* There is contingent consideration owed to shareholders of Scarecrow M&C Saatchi Limited, however, due to its present level of profitability it is valued at £nil (2023: £nil).

Movements in assets in the year	2024 £000	2023 £000
At 1 January	**738**	**914**
Cash receipts	**(485)**	–
Revaluation	**464**	(176)
Reclassification to assets held for sale (Note 12)	**(717)**	–
At 31 December	**–**	738

15. Intangible assets

Policy

Intangible assets are carried at cost less accumulated amortisation and impairment losses.

Goodwill
Under the acquisition method of accounting for business combinations, goodwill is the fair value of consideration transferred, less the net of the fair values of the identifiable assets acquired and the liabilities subsumed.

Other intangibles acquired as part of a business combination
Intangible assets acquired as part of a business combination (which includes brand names and customer relationships) are capitalised at fair value if they are either separable or arise from contractual or other legal rights and their fair value can be reliably measured.

Software and film
Purchased software and internally created software and film rights are recorded at cost. Internally created software and film rights are created so that they can be directly used to generate future client income.

Amortisation
Goodwill is not amortised. Amortisation of other classes of intangible assets is charged to the income statement on a straight-line basis over their estimated useful lives as follows:

Software and film rights:	3 years
Customer relationships:	1 to 8 years
Brand name:	1 to 10 years

The Group has no indefinite life intangibles other than goodwill.

Impairment
Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the assets may be impaired.

Impairment losses arise when the carrying amount of an asset or CGU is in excess of the recoverable amount, and these losses are recognised in the income statement. All recoverable amounts are from future trading (i.e. their value in use) and not from the sale of unrecognised assets or other intangibles.

The value in use calculations have been based on the forecast profitability of each CGU, using the 2025 budget and three-year plans approved by the Board, with a residual growth rate of 1.5% p.a. applied thereafter. This forecast data is based on past performance and current business and economic prospects. Revenue growth rates by year and geography were determined using PWC's 2023 Global Entertainment and Media Outlook report, and operating cost growth was limited to a percentage of revenue growth aligned with current margins and improvements driven by the Group's global efficiency programme.

A discount rate is then applied to create a discounted future cash flow forecast (DCF) for each CGU, which forms the basis for determining the recoverable amount of each CGU. If the DCF of a CGU is not in excess of its carrying amount (that includes the value of its fixed assets and right-of-use assets), then an impairment loss would be recognised.

In conducting the review, a residual growth rate of 1.5% has been used for all countries. Market betas of 1.1 have been used for UK, US, Europe, Australia, Malaysia, UAE, Brazil and South Africa, while 1.54 has been used for India and 1.3 has been used for rest of the world.

Pre-tax discount rates are based on the Group's nominal weighted average cost of capital adjusted for the specific risks relating to the country and market in which the CGU operates.

Key assumptions used for impairment review Market	**Residual growth rates 2024** **%**	Residual growth rates 2023 %	**Pre-tax discount rates 2024** **%**	Pre-tax discount rates 2023 %
UK	**1.5**	1.5	**14**	17
Asia and Australia	**1.5**	1.5	**12-16**	15-18
Middle East	**1.5**	1.5	**13**	15
South Africa	**–**	1.5	**–**	27
Americas	**1.5**	1.5	**12-15**	14-16

Analysis

Cost	Goodwill £000	Brand name £000	Customer relationships £000	Software and film rights £000	Total £000
At 31 December 2022	**60,694**	**8,363**	**14,606**	**3,691**	**87,354**
Exchange differences	(1,836)	(10)	25	(411)	(2,232)
Acquired	–	–	–	19	19
Reclassified*	–	–	–	(636)	(636)
Disposal	–	–	–	(120)	(120)
At 31 December 2023	**58,858**	**8,353**	**14,631**	**2,543**	**84,385**
Exchange differences	(359)	(112)	(405)	(308)	(1,184)
Acquired	–	–	–	1,214	1,214
Disposal	–	–	–	(172)	(172)
Disposal of subsidiaries (including no longer in use)	(735)	–	–	(101)	(836)
At 31 December 2024	**57,764**	**8,241**	**14,226**	**3,176**	**83,407**
Accumulated amortisation and impairment					
At 31 December 2022	**23,505**	**7,261**	**12,045**	**2,575**	**45,386**
Exchange differences	(855)	(33)	(28)	(193)	(1,109)
Amortisation charge – continuing operations	–	136	567	127	830
Amortisation charge – discontinued operations	–	–	–	11	11
Impairment	3,733	295	766	–	4,794
Disposal	–	–	–	(120)	(120)
At 31 December 2023	**26,383**	**7,659**	**13,350**	**2,400**	**49,792**
Exchange differences	(169)	(55)	(91)	(462)	(777)
Amortisation charge – continuing operations	–	70	266	264	600
Amortisation charge – discontinued operations	–	–	–	14	14
Impairment	1,634	–	–	–	1,634
Disposal	–	–	–	(120)	(120)
Disposal of subsidiaries	–	–	–	(54)	(54)
At 31 December 2024	**27,848**	**7,674**	**13,525**	**2,042**	**51,089**

Net book value	Goodwill £000	Brand name £000	Customer relationships £000	Software and film rights £000	Total £000
At 31 December 2022	37,189	1,102	2,561	1,116	41,968
At 31 December 2023	32,475	694	1,281	143	34,593
At 31 December 2024	**29,916**	**567**	**701**	**1,134**	**32,318**

* Relates to assets reclassified from intangible assets to assets held at fair value through profit and loss (Note 20 of the financial statements), following the spinoff of our investment to DragnDrop Limited.

15. Intangible assets continued

Goodwill Cash generating units (CGUs)	Balance held 31 December 2024 £000	Headroom 31 December 2024 %	Balance held 31 December 2023 £000	Headroom 31 December 2023 %	Region	Specialism
Shepardson Stern + Kaminsky LLP	**5,748**	**195%**	5,649	36%	Americas	Advertising
LIDA NY LLP (MCD)	**5,671**	**11%**	5,573	24%	Americas	Consulting
Clear Ideas Ltd	**5,031**	**224%**	5,031	266%	Europe	Consulting
M&C Saatchi Mobile Ltd	**4,283**	**866%**	4,283	618%	UK	Media
M&C Saatchi Agency Pty Ltd (Australia)	**2,663**	**349%**	2,790	249%	Australia	Various
M&C Saatchi Social Ltd**	**–**	**–**	2,612	41%	UK	Passions & PR
Bohemia Group Pty Ltd (Australia)	**–**	**–**	1,768	76%	Australia	Media
M&C Saatchi Sport & Entertainment Ltd	**1,184**	**2869%**	1,184	1351%	UK	Passions & PR
M&C Saatchi Merlin Ltd**	**3,377**	**223%**	765	701%	UK	Passions & PR
Levergy Marketing Agency (PTY) Limited (South Africa)*	**–**	**–**	743	65%	Middle East and Africa	Passions & PR
M&C Saatchi Middle East Fz LLC (Dubai)	**746**	**1851%**	734	332%	Middle East and Africa	Advertising
Santa Clara Participações Ltda	**522**	**80%**	649	45%	Americas	Advertising
M&C Saatchi Talk Ltd	**625**	**239%**	625	615%	UK	Advertising
M&C Saatchi (M) SDN BHD	**66**	**585%**	69	1987%	Asia	Advertising
Total	**29,916**	**437%**	**32,475**	**253%**		

* With exception of CGUs marked, all other movements in the table above are due to foreign exchange differences.
** M&C Saatchi Social and Merlin CGUs were merged as part of the 2024 assessment to reflect the sub group's change of strategic direction.

During 2024 the goodwill balance relating to Levergy Marketing Agency PTY Limited (South Africa) was disposed when the shares in the agency were sold on 30 September 2024.

The 2024 review of goodwill was undertaken as at 31 December and resulted in the impairments of Bohemia Group Pty Ltd (Australia) £1,634k.

A sensitivity analysis has been performed, showing the impact required if the profit forecasts reduced by 20% and the discount rates increase by 10% across the Group. This would give rise to an impairment in two CGUs (2023: six) and a total impairment of £3,028k (2023: £16,993k).

16. Investments in associates

Policy

The Group invests in associates, either to deliver its services to a strategic marketplace, or to gain strategic mass by being part of a larger local or functional entity.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but it is neither control nor joint control over those policies.

The carrying value of these investments comprise the Group's share of their net assets and any purchased goodwill. These carrying amounts are reviewed at each balance sheet date to determine whether there is any indication of impairment.

Analysis

Region & name	Nature of business	Country of incorporation or registration	Investment in associates 2024 £000	Investment in associates 2023 £000	Proportion of ownership interest held at 31 December 2024 %	Proportion of ownership interest held at 31 December 2023 %
Europe						
Cometis SARL	Advertising	France	**–**	–	**–**	49%
M&C Saatchi Little Stories SAS	PR	France	**–**	–	**–**	25%
M&C Saatchi SAL	Advertising	Lebanon	**–**	–	**10%**	10%
M&C Saatchi AB	Advertising	Sweden	**–**	–	**30%**	30%
APAC						
Love Frankie Ltd	Advertising	Thailand	**138**	138	**25%**	25%
February Communications Private Limited	Advertising	India	**–**	–	**20%**	20%
M&C Saatchi Limited	Advertising	Japan	**–**	–	**10%**	10%
Total			**138**	**138**		

M&C Saatchi SAL has two subsidiaries, Aldallah Doha Ltd and Tamaha Sulaymaniyah Ltd. M&C Saatchi AB has two subsidiaries M&C Saatchi PR AB and M&C Saatchi Go! AB.

All shares in associates are held by subsidiary companies in the Group. Where an associate has the right to use the brand name, the Group holds the right to withdraw such use to protect it from damage.

The sale of the French associates, 49% in Cometis SARL and 25% in M&C Saatchi Little Stories SAS, commenced in the last quarter of 2023 and completed on 28 March 2024. Therefore, these investments were reclassified to assets held for sale as of December 2023 according to IFRS 5 non-current assets held for sale and discontinued operations.

Balance sheet value as at 31 December	2024 £000	2023 £000
Investments intended to be held in the long term	**138**	138
Investments categorised as held for sale	**–**	133
Total associate investments	**138**	**271**

Balance sheet movements	2024 £000	2023 £000
At 1 January	**138**	191
Exchange movements	**–**	(1)
Revaluation of associates on transition to assets held for sale	**–**	133
Transferred to assets held for sale (Note 12)	**–**	(172)
Share of (loss) / profit after taxation	**–**	(13)
At 31 December	**138**	**138**

Income statement	2024 £000	2023 £000
Share of (loss) / profit after taxation	**–**	(13)
Revaluation of associates on transition to assets held for sale	**–**	133
Other movements	**–**	1
Share of result of associates	**–**	**121**
Impairment of associate investment	**–**	–
Year to 31 December	**–**	**121**

The results and net assets of the associate entities are set out below, along with the Group's share of these results and net assets:

	2024			2023		
Income statement	**APAC £000**	**Europe £000**	**Total £000**	APAC £000	Europe £000	Total £000
Revenue	**2,102**	**1,871**	**3,973**	3,181	1,201	4,382
Operating profit / (loss)	**30**	**9**	**39**	874	23	897
Profit / (loss) before taxation	**30**	**(19)**	**11**	(565)	29	(536)
Profit / (loss) after taxation	**(1)**	**(19)**	**(20)**	(547)	23	(524)
Group's share	**–**	**(6)**	**(6)**	**5**	**(18)**	**(13)**
Dividends received	**–**	**–**	**–**	–	–	–

	2024			2023		
Balance sheet	**APAC £000**	**Europe £000**	**Total £000**	APAC £000	Europe £000	Total £000
Total assets	**777**	**495**	**1,272**	932	2,762	3,694
Total liabilities	**(395)**	**(416)**	**(811)**	(987)	(2,683)	(3,670)
Net assets / (liabilities)	**382**	**79**	**461**	(55)	79	24
Our share	**96**	**24**	**120**	(14)	24	10
Losses not recognised	**–**	**(6)**	**(6)**	(142)	–	(142)
Goodwill	**42**	**(18)**	**24**	294	(24)	270
Total	**138**	**–**	**138**	**138**	**–**	**138**

17. Plant and equipment

Policy

Tangible fixed assets are stated at historical cost less accumulated depreciation. Depreciation is provided to write off the cost of all fixed assets, less estimated residual values, evenly over their expected useful lives.

Depreciation is calculated at the following annual rates:

Leasehold improvements	– Lower of useful life and over the period of the lease
Furniture and fittings	– 10% straight-line basis
Computer equipment	– 33% straight-line basis
Other equipment	– 25% straight-line basis
Motor vehicles	– 25% straight-line basis

The need for any fixed asset impairment write-down is assessed by a comparison of the carrying value of the asset against the higher of a) the fair value less costs to sell, or b) the value in use.

Analysis

Cost	Leasehold improvements £000	Furniture, fittings and other equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
At 31 December 2022	**7,169**	**4,647**	**7,238**	**95**	**19,149**
Exchange differences	(207)	126	(733)	5	(809)
Additions	515	666	637	9	1,827
Disposals	(429)	(155)	(501)	(28)	(1,113)
At 31 December 2023	**7,048**	**5,284**	**6,641**	**81**	**19,054**
Exchange differences	**(156)**	**(354)**	**(28)**	**10**	**(528)**
Additions	**434**	**252**	**1,022**	**10**	**1,718**
Disposal of subsidiaries	**(749)**	**(532)**	**(922)**	**(84)**	**(2,287)**
Disposals	**(1)**	**(521)**	**(247)**	**–**	**(769)**
At 31 December 2024	**6,576**	**4,129**	**6,466**	**17**	**17,188**

Cost	Leasehold improvements £000	Furniture, fittings and other equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
Accumulated depreciation and impairment					
At 31 December 2022	**3,671**	**2,163**	**4,964**	**41**	**10,839**
Exchange differences	(492)	643	(857)	51	(655)
Depreciation charge – continuing operations	880	225	1,203	2	2,310
Depreciation charge – discontinued operations	263	–	–	–	263
Impairment (Note 1)	101	31	–	–	132
Disposals	(358)	(127)	(334)	(23)	(842)
At 31 December 2023	**4,065**	**2,935**	**4,976**	**71**	**12,047**
Exchange differences	**(123)**	**(13)**	**(357)**	**(20)**	**(513)**
Depreciation charge – continuing operations	**526**	**244**	**1,158**	**1**	**1,929**
Depreciation charge – discontinued operations	**38**	**25**	**112**	**3**	**178**
Disposal of subsidiaries	**(696)**	**(371)**	**(607)**	**(43)**	**(1,717)**
Disposals	**–**	**(511)**	**(227)**	**–**	**(738)**
At 31 December 2024	**3,810**	**2,309**	**5,055**	**12**	**11,186**
Net book value					
At 31 December 2022	3,498	2,484	2,274	54	8,310
At 31 December 2023	2,983	2,349	1,665	10	7,007
At 31 December 2024	**2,766**	**1,820**	**1,411**	**5**	**6,002**

Total depreciation from continuing operations in the income statement is broken down as follows:

	Note	2024 £000	2023 £000
From plant and equipment	17	**1,929**	2,310
From right-of-use assets	18	**4,606**	5,708
		6,535	8,018

18. Leases

The Group leases various assets, comprising properties, equipment and motor vehicles. The determination whether an arrangement is, or contains, a lease is based on whether the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

Policy

The following sets out the Group's lease accounting policy:

Right-of-use assets and lease liabilities

At the inception of a lease, the Group recognises a right-of-use asset and a lease liability.

The value of the lease liability is determined by reference to the present value of the future lease payments, as determined at the inception of the lease. Lease liabilities are disclosed separately on the balance sheet. These are measured at amortised cost, using the effective interest rate (**EIR**) method. Lease payments are apportioned between a finance charge and a reduction of the lease liability, based on a constant interest rate applied to the remaining balance of the liability. Interest expense is included within net finance costs in the consolidated income statement. The interest rate applied to a lease is typically the incremental borrowing rate of the entity entering into the lease. This is as a result of the interest rates implicit in the leases not being readily determined. The incremental borrowing rate applied by each relevant entity is determined based on the interest rate adjudged to be required to be paid by that entity to borrow a similar amount over a similar term for a similar asset in a similar economic environment.

A corresponding right-of-use fixed asset is also recognised at an equivalent amount adjusted for a) any initial direct costs, b) payments made before the commencement date (net of lease incentives), and c) the estimated cost for any restoration costs the Group is obligated to at lease inception. Right-of-use assets are subsequently depreciated on a straight-line basis over the shorter of the lease term or the asset's estimated life. Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36 'Impairment of Assets', when there is an indication of impairment.

Lease term

The lease term comprises the non-cancellable period of the lease contract. Periods covered by an option to extend the lease are included, if the Group has reasonable certainty that the option will be exercised. Periods covered by an option to terminate are included, if it is reasonably certain that this option will not be exercised.

Lease payments

Lease payments comprise fixed payments and variable lease payments (that depend on an index or a rate, initially measured using the minimum index or rate at inception date). Payments include any lease incentives and any penalty payments for terminating the lease, if the lease term reflects the lessee exercising that option. The lease liability is subsequently remeasured (with a corresponding adjustment to the related right-of-use asset) when there is a change in future lease payments due to a) a renegotiation or market rent review, b) a change of an index or rate, or c) a reassessment of the lease term.

Lease modifications

Where there are significant changes in the scope of the lease, then the arrangement is reassessed to determine whether a lease modification has occurred and, if there is such a modification, what form it takes. This may result in a modification of the original lease or, alternatively, recognition of a separate new lease.

Subleases

At times, entities of the Group will sublet certain of their properties when their underlying business requirements change. Under IFRS 16, the Group assesses the classification of these subleases with reference to the right-of-use asset, not the underlying asset.

Up to the date when an owner-occupied property becomes an investment property carried at fair value, an entity depreciates the property (or the right-of-use asset) and recognises any impairment losses that have occurred. The entity treats any difference at that date between the carrying amount of the property in accordance with IAS 16 or IFRS 16 and its fair value in the same way as a revaluation in accordance with IAS 16.

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income over the term of the lease.

When the Group acts as an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. At lease commencement, a determination is made whether the lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership in relation to the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. The Group recognises lessor payments under operating leases as sublease income on a straight-line basis over the lease term. The Group accounts for finance leases as finance lease receivables, using the EIR method.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (defined by the Group as being below £3,000). Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Estimates relating to leases

The Group has made estimates in determining the interest rate used for discounting of future cash flows and the lease term. Details relating to these estimates can be found on page 106.

18. Leases continued

Analysis

Set out below are the carrying amounts of right-of-use assets and lease liabilities recognised and the movements during the year:

Right-of-use assets	Land & buildings £000	Computer equipment £000	Motor vehicles £000	Total £000
At 1 January 2023	**43,420**	**463**	**109**	**43,992**
Additions	1,761	12	–	1,773
Modifications	592	6	5	603
Disposals	(243)	(2)	(11)	(256)
Depreciation – continuing operations	(5,456)	(189)	(63)	(5,708)
Depreciation – discontinued operations	(535)	–	–	(535)
Impairment (Note 1)	(1,872)	–	–	(1,872)
Reclassification to investment property (Note 13)	(2,369)	–	–	(2,369)
Foreign exchange	(1,835)	(19)	(2)	(1,856)
At 1 January 2024	**33,463**	**271**	**38**	**33,772**
Additions	4,734	73	29	4,836
Modifications	(4,090)	–	–	(4,090)
Disposals	–	(3)	–	(3)
Disposal of subsidiaries	(1,151)	–	–	(1,151)
Depreciation – continuing operations	(4,459)	(119)	(28)	(4,606)
Depreciation – discontinued operations	(389)	–	–	(389)
Impairment reversal (Note 1)	297	–	–	297
Subleasing	(2,181)	–	–	(2,181)
Reclassification from investment property (Note 13)	802	–	–	802
Reclassification to investment property (Note 13)	(1,128)	–	–	(1,128)
Foreign exchange	(592)	(19)	(4)	(615)
At 31 December 2024	**25,306**	**203**	**35**	**25,544**

Lease liabilities	Land & buildings £000	Computer equipment £000	Motor vehicles £000	Total £000
At 1 January 2023	**54,990**	**479**	**101**	**55,570**
Additions	1,761	12	–	1,773
Modifications	–	6	5	11
Disposals	(254)	(2)	(9)	(265)
Accretion of interest	2,852	21	3	2,876
Payments	(8,831)	(213)	(60)	(9,104)
Foreign exchange	(1,396)	(19)	(3)	(1,418)
At 1 January 2024	**49,122**	**284**	**37**	**49,443**
Additions	4,734	73	29	4,836
Modifications	(4,012)	–	–	(4,012)
Disposals	(56)	(3)	–	(59)
Disposal of subsidiaries	(1,930)	–	–	(1,930)
Accretion of interest – continuing operations	3,180	17	2	3,199
Accretion of interest – discontinued operations	152	–	–	152
Payments	(8,353)	(133)	(32)	(8,518)
Foreign exchange	(845)	(21)	(1)	(867)
At 31 December 2024	**41,992**	**217**	**35**	**42,244**

The additions in 2024 predominately relate to the new offices in New York (the US), the Shared Service Centre in Cape Town (South Africa), a Shared Service Centre for our Media Specialism in Bengaluru (India) and Italy.

Of lease payments made in the year of £8,518k (2023: £9,104k), £5,167k (2023: £6,228k) related to payment of principal on the corresponding lease liabilities and the balance to payment of interest of £3,341k (2023: £2,876k) due on the lease liabilities.

Lease liabilities	Land & buildings £000	Computer equipment £000	Motor vehicles £000	Total £000
Amounts due within one year	4,869	122	23	5,014
Amounts due after one year	37,123	95	12	37,230
At 31 December 2024	**41,992**	**217**	**35**	**42,244**
Amounts due within one year	**5,620**	**108**	**23**	**5,751**
Amounts due after one year	**43,503**	**176**	**13**	**43,692**
At 31 December 2023	**49,123**	**284**	**36**	**49,443**

Income statement charge	2024 £000	2023 £000
Depreciation of right-of-use assets – continuing operations	(4,606)	(5,708)
Depreciation of right-of-use assets – discontinued operations	(389)	(535)
Short-term lease expense	104	31
Low-value lease expense	488	240
Short-term sublease income	–	–
Right-of-use asset impairment*	297	(1,872)
Charge to operating profit	**(4,106)**	(7,844)
Sublease finance income	36	5
Lease liability interest expense – continuing operations	(3,199)	(2,611)
Lease liability interest expense – discontinued operations	(152)	(286)
Lease charge to profit before tax	**(7,421)**	**(10,736)**

* In 2023 there was an impairment on one floor in UK office and one floor in Sydney office as these floors were reclassified to investment property not being used by us.

The Group does not face a significant liquidity risk with regard to its lease liabilities and manages them in line with its approach to other month-to-month liquidity matters, as described in Note 31 of the financial statements.

The cash payment maturity of the lease liabilities held as at 31 December 2024, net of sublease receipts, is as follows:

Future cash payments	2024 £000	2023 £000
Period ending 31 December:		
2025	7,884	8,742
2026	7,466	7,745
2027	7,081	7,271
2028	6,694	6,761
2029	6,536	6,131
Later years	21,674	22,317
Gross future liability before discounting	**57,335**	**58,967**

Of the future lease payments post-2029, £15.7 million relates to a single office lease that expires in 2034. This lease agreement was entered into in April 1997.

Subleases

	2024 £000	2023 £000
At 1 January:	–	–
Transfer from investment property (Note 13)	2,112	–
Transfer from right-of-use-assets (Note 18)	2,181	–
Sublease rent receipt	(232)	–
Finance income on sublease	10	–
At 31 December	4,071	–

	2024 £000	2023 £000
Current lease receivables	755	–
Non-current lease receivables	3,316	–
At 31 December	4,071	–

Finance sublease

The Group has sublet four office properties under finance subleases, including 99 Macquarie Street (Australia); 30 Great Pulteney Street; 5th and 6th floors Golden Square (UK); and Montenero (Italy).

During the year, a gain of £0.4m (2023: £nil) was recognised on derecognition of the relevant right-of-use assets. Interest income on lease receivables was recognised of £1m (2023: £nil).

The following sets out a maturing analysis of sublease receivables, showing the undiscounted lease payments to be received after the reporting date.

Future cash payments	2024 £000	2023 £000
Less than one year	1,165	–
One to two years	1,015	–
Two to three years	800	–
Three to four years	819	–
Four to five years	471	–
More than five years	466	–
Gross future liability before discounting	**4,736**	**–**
Unearned finance income	(665)	–
Net investment in the lease	**4,071**	**–**

18. Leases continued

Operating sublease

The Group has part sublet its investment property at 459 Church Street, Sydney (Australia). The Group has classified this year as an operating sublease, as there is no substantial transfer of the risks and rewards incidental to ownership of the asset.

Rental income recognised by the Group during 2024 was £0.6m (2023: £nil).

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

Future cash payments	2024 £000	2023 £000
Less than one year	295	–
One to two years	305	–
Two to three years	–	–
Three to four years	–	–
Four to five years	–	–
More than five years	–	–
Total	**600**	**–**

19. Other non-current assets

At 31 December	2024 £000	2023 £000
Other debtors including rent deposits	**526**	1,262
Long term loans receivable*	**1,440**	1,040
Sublease receivable**	**3,316**	–
Total other non-current assets	**5,282**	2,302

* This balance relates to £607k convertible loan to DragnDrop Limited, SEK7.5m to M&C Saatchi Sweden and €175k M&C Saatchi Madrid.
** This relates to the discounted rental income receivable on sublet properties in London and Sydney (see Note 18).

20. Financial assets at fair value through profit and loss (FVTPL)

Policy

The Group holds certain unlisted equity investments that are classified as financial assets at FVTPL. These investments are initially recognised at their fair value. At the end of each reporting period, the fair value is reassessed, with gains or losses being recognised in the income statement.

The valuations are based on several factors, including the share price from the latest funding round, recent financial performance (where available), discounting for liquidation preference shares held by other shareholders, discount based on time elapsed since last price-point and discounting for convertible loan notes.

Analysis

The Group's unlisted equity investments consist of:

- Investments held by Saatchinvest Limited, mainly relating to 18 (2023: 18) early-stage companies (which has been reclassified as an asset held for sale).
- A £636k convertible investment in DragNDrop Limited (which has built an end-to-end advertising design tool to help small businesses with their marketing), following its spinoff from the Group in 2023.
- A 10% shareholding of 59A Limited.
- A 0.76% shareholding in Sesión Tequila Holdings Pty Ltd (Australia).

The following investments were sold during the year:

- A 2.10% shareholding in Sesión Tequila Holdings Pty Ltd (Australia).
- A 10% shareholding in M&C Saatchi Madrid SL (Spain).

The closing balance of the equity investments held at FVTPL consists of: DragNDrop Limited (£636k) and 0.76% shareholding in Sesión Tequila Holdings Pty Ltd (Australia) (£32k). The Group's 10% shareholding in 59A Limited is valued at nil.

With regards to DragNDrop, the Group paid £636k in respect of the development of the DragNDrop intellectual property. The Group invested a further £607k in DragNDrop Limited in a form of a convertible loan, which is included in other non-current assets in the balance sheet.

The activity in the year relating to the equity investments held at FVTPL is presented below:

	2024 £000	2023 £000
At 1 January	**7,227**	**11,986**
Disposals	**(157)**	(49)
Revaluation upwards	**–**	176
Revaluation downwards	**(4,277)**	(4,898)
Reclassification from intangible assets (Note 15)	**–**	636
Reclassification to assets held for sale (Note 12)	**(2,000)**	(608)
Foreign exchange	**(125)**	(16)
At 31 December	**668**	**7,227**

Other gains/(losses) in income statement	2024 £000	2023 £000
Revaluation of equity investments held at FVTPL	**(4,277)**	(4,722)
Revaluation of deferred consideration (Note 14)	**464**	–
Total	**(3,813)**	**(4,722)**

21. Trade and other receivables

Policy

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. These financial assets give rise to cash flows that are 'solely payments of principal and interest' on the principal amount outstanding. They are generally due for settlement within 30 – 90 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional. The Group holds trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Impairment – Expected credit losses

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss (**ECL**) allowance for all trade receivables and contract assets. To calculate the lifetime ECL, the Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and economic environments in which the Group operates.

	2024 £000	2023 £000
Trade receivables	**83,101**	87,853
Loss allowance	**(1,544)**	(2,251)
Net trade receivables	**81,557**	85,602
Prepayments	4,465	6,226
Amounts due from associates	–	271
VAT and sales tax recoverable	114	160
Accrued income	13,153	12,238
Contract assets	2,553	2,845
Sublease receivables	755	–
Other receivables*	23,701	16,344
Total trade and other receivables	**126,298**	**123,686**

* Other receivables comprises unbilled media receivables balances of £20.3m (31 December 2023: £14.2m), which has increased due to improved trading performance in the media specialism, plus other amounts receivable of £3.6m (31 December 2023: £2.1m). There is no additional ECL recorded in relation to these amounts.

Set out below is the movement in the loss allowance (which includes provision for expected credit losses) of trade receivables and contract assets.

	2024 £000	2023 £000
At 1 January	(2,251)	(1,829)
Release / (increase) for expected losses during the year	9	115
Movement in forward looking provision for specific bad debts:		
– Charge during the year	–	(574)
– Released during the year	141	24
– Utilisation of provision	353	–
Disposals	31	–
Foreign exchange movement	173	13
At 31 December	**(1,544)**	**(2,251)**

The information about credit exposures is disclosed in Note 31 of the financial statements.

22. Trade and other payables

Policy

Trade and other liabilities are non-interest bearing and are stated at their amortised cost subsequent to initial recognition at their fair value, which is considered to be equivalent to their carrying amount due to their short-term nature.

	2024 £000	2023 £000
Trade creditors	40,140	35,176
Contract liabilities*	18,385	17,683
Sales taxation and social security payables	2,475	4,855
Accruals	61,584	63,336
Other payables	8,952	12,800
Total trade and other payables	**131,536**	133,850

* Contract liabilities relates to deferred income of £18.7m (2023:£17.6m). The amount of the 2023 balance was recognised within revenue in the current year.

Settlement of trade and other payables is in accordance with the terms of trade established with the Group's local suppliers.

23. Provisions

Policy

Provisions are recognised when the Group has a present legal or constructive obligation arising as a result of past events and where it is more likely than not an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the balance sheet date.

In February 2024, M&C Saatchi (UK) Limited entered into a client contract under which the Company provided an unlimited guarantee in respect of the contract. There is a maximum contract spend of £1 million in any one year and the contract is due to expire on 26 February 2026.

The year-end provision of £0.1m (2023: £1.1m) comprises of £nil (2023: £0.2m) in relation to property dilapidations; and £nil (2023: £0.8m) in relation to retrospective rent reviews.

Analysis

	2024 £000	2023 £000
At 1 January	**(1,050)**	(1,056)
Charged to the income statement:		
– Provision for retrospective rent reviews	**–**	(800)
Utilised or released in the year		
– Lease dilapidations	**160**	10
– Release income protection provision	**–**	402
– Release of overseas tax provision	**–**	327
– Release of other provisions	**–**	67
– Release provision for retrospective rent reviews	**800**	–
At 31 December	**(90)**	**(1,050)**

24. Borrowings

Policy

Loans and overdrafts are recognised initially at fair value, less attributable transaction costs. Subsequently, loans and overdrafts are recorded at amortised cost with interest charged to the income statement under the EIR method. Where there is a significant change to the future cash flows, the EIR is reassessed with a corresponding change in the carrying amount of the amortised cost. The change in the carrying amount is recognised in profit or loss as income or expense.

Interest payable is included within accruals as a current liability.

As at the end of 2024, all amounts recognised as provisions were expected to be utilised within 12 months and are held as current liabilities. The Directors do not anticipate that any of the above will have a material adverse effect on the Group's financial position or on the results of its operations.

Amounts due within one year

At 31 December	2024 £000	2023 £000
Secured* bank loans	**–**	(15,900)
Local bank loans	**(43)**	(43)
	(43)	(15,943)

* Bank loans are secured with share security over the companies acting as guarantors and an English law debenture.

24. Borrowings continued

Amounts due after one year

At 31 December	2024 £000	2023 £000
Secured bank loans	(13,399)	–
Local bank loans	–	–
	(13,399)	–

Secured bank loans

On 7 March 2024, the Company refinanced its previous facility and entered into a new revolving multicurrency facility agreement with National Westminster Bank Plc, HSBC UK Bank plc and Barclays Bank PLC for up to £50 million (the "Facility"), with a further £50 million extension if required for strategic acquisitions. The Facility is provided on a three-year term with two one-year extensions, the first of which was granted on 20 March 2025 extending the Facility until 7 March 2028. The primary purpose of the Facility is to provide the Group with additional liquidity headroom to support any variations in working capital and provide funding for selective bolt-on acquisitions. This was accounted for as an extinguishment of the previous loan.

At 31 December 2024, £14 million was drawn on the Facility compared to £16.0m drawn on the previous facility at 31 December 2023.

The Facility includes two financial covenants, which if either were to be breached would result in a default of the relevant facility agreement:

The Facility Covenants

1. Interest Cover – EBITDA for the previous 12 months must exceed 5 times the net finance charge (external debt interest, excluding IFRS16 finance lease interest payments) for the previous 12 months.
2. Leverage – total indebtedness at the period end must not exceed 2.75 times EBITDA for the previous 12 months (adjusted for acquisitions and disposals). This increases to 3.25 times for a 6-month period after an acquisition.

The Company has been compliant with the covenants in the Facility throughout the period. The actual calculation is based on like-for-like results, though with specific additional addbacks defined by the bank.

At 31 December	2024 £000	2023 £000
Gross secured bank loans	(14,000)	(16,000)
Capitalised finance costs	601	100
Total secured bank loans	**(13,399)**	**(15,900)**

Total secured bank loans are due as follows:

At 31 December	2024 £000	2023 £000
In one year or less, or on demand	–	(15,900)
In more than one year but not more than five years	(13,399)	–
	(13,399)	(15,900)

Total bank loans and borrowings used to calculate net cash are as follows. IFRS 16 Leases are excluded from the calculation of net cash in accordance with the Company's bank covenants:

	Gross secured bank loans £000	Local bank loans £000	Total bank loans £000
At 31 December 2022	**(7,000)**	**(212)**	**(7,212)**
Cash movements	(9,000)	164	(8,836)
Non-cash movements			
– Foreign exchange	–	5	5
At 31 December 2023	**(16,000)**	**(43)**	**(16,043)**
Cash movements	2,000	–	2,000
At 31 December 2024	**(14,000)**	**(43)**	**(14,043)**

25. Other non-current liabilities

31 December	2024 £000	2023 £000
Employment benefits*	1,458	1,289
Other**	562	790
	2,020	2,079

* This relates to long term service leave in some locations, deferred contributions to pension schemes and long-term bonus plans.
** The balance includes a contractual make good liability in relation to the Australia office lease of £297k (2023: £653k).

26. Equity related liabilities

This disclosure note summarises information relating to all share schemes disclosed in Notes 14, 27 and 28 of the financial statements.

In the case of contingent consideration (Note 14 of the financial statements), IFRS 9 minority shareholder put option liabilities (Note 27 of the financial statements), and IFRS 2 put option schemes (Note 28 of the financial statements), the Group has a choice to pay in cash or equity. The Board made the decision during 2021 that put options would, from then on, be settled in cash, where the Group has cash resources to do so. In the case of the Company's LTIP, an employee benefit trust (EBT) was established in order to purchase the shares required to fulfil the awards made under the LTIP.

In the table below, potential cash payments are presented, based on the 2024 year-end share price of the Company of 170.0p and the estimated future business performance for each business unit. The payments are stated in the year at which the put option schemes first become exercisable. The forecasts are based on the Group's three-year plans, developed as part of the budget cycle, and assume all unvested LTIP TSR targets are fulfilled, and that shares are purchased by the EBT in the year of vesting at a Company share price of 170.0p. The table also shows the amount of these potential cash payments recognised as a liability as at 31 December 2024, with the percentage of the related employment services not yet delivered to the Group at that date. The table excludes any awards issue in the future.

Total future expected liabilities as at 31 December 2024

	Potentially payable					
At Company share price of 170.0p	**2025 £000**	2026 £000	2027 £000	Total £000	Services not yet delivered as at 31 Dec 2024 %*	Balance sheet liability as at 31 Dec 2024 £000
IFRS 9 put option schemes	–	2,502	–	2,502	17%	2,071
IFRS 2 put option schemes	527	1,059	–	1,586	–	1,586
LTIPs	726	1,111	5,009	6,846	67%	–**
	1,253	4,672	5,009	10,934		

* Share based payments (Note 28) charge liability to income statement over period of vesting i.e., as the employee fulfils their time obligation to earn the put option.

** LTIPs are accounted for as equity-settled, and thus do not create a balance sheet liability. The Total value of £6,155k relates to the LTIPs issued and outstanding at 31 December 2024.

Put option holders are not required to exercise their options at the first opportunity. Many do not and prefer to remain shareholders in the subsidiary companies they manage. As a result, some put option holders may not exercise their options on the dates estimated in the table above.

If the Group in the future decides to settle in equity, then the amount of equity that will be provided is equal to the liability divided by the share price.

Effect of a change in share price

The same data from the table above is presented in the table below, but in this analysis the potential payments are based on a range of different potential future share prices.

	Potentially payable			
Future Company share price	2025 £000	2026 £000	2027 £000	**Total £000**
At 140p	1,067	4,297	4,125	**9,489**
At 160p	1,191	4,547	4,714	**10,452**
At 170p	1,253	4,672	5,009	**10,934**
At 200p	1,438	5,020	5,893	**12,351**
At 225p	1,593	5,357	6,629	**13,579**

Total put option liability

	2024 Company Total £000	**2024 Group Total £000**	2023 Company Total £000	2023 Group Total £000
Put options liability (IFRS 2)	**–**	**(1,586)**	(17)	(8,232)
Put options liability (IFRS 9)	**–**	**(2,071)**	–	(5,184)
Total	**–**	**(3,657)**	**(17)**	**(13,416)**
Current – minority shareholder put option liabilities	**–**	**(525)**	(17)	(9,891)
Non-current – minority shareholder put option liabilities	**–**	**(3,132)**	–	(3,525)
Total	**–**	**(3,657)**	**(17)**	**(13,416)**

27. Minority shareholder put option liabilities (IFRS 9)

Policy

See below but also Basis of Preparation note on page 105.

Some of the subsidiaries' local management have a put option arrangement in place. The put option arrangements give these employees a right to exchange their minority holdings in the subsidiary into shares in the Company or cash (at the Group's choice).

These schemes are considered as rewarding future business performance and, as they are not conditional on the holder being an employee of the business, they are accounted for in accordance with IFRS 9.

These instruments are recognised in full at the amortised cost of the underlying award on the date of inception, with both a liability on the balance sheet and a corresponding amount within the minority interest put option reserve being recognised. At each period end, the amortised cost of the put option liability is calculated in accordance with the put option agreement, to determine a best estimate of the future value of the expected award. Resultant movements in the fair value of these instruments are charged to the income statement within finance income/expense.

The put option liability will vary with both the Company's share price and the subsidiary's financial performance. Current liabilities are determined by the Company's year-end share price and the historical results of the companies where the option holders can exercise within the next 12 months. Non-current liabilities are determined by the Company's year-end share price and the projected results of the companies where the option holders cannot exercise their options within the next 12 months.

Upon exercise of an award by a holder, the liability is extinguished and the associated minority interest put option reserve is transferred to the non-controlling interest acquired reserve.

Analysis

IFRS 9 put options exercisable from year ended 31 December 2024:

Subsidiary	Year	% of subsidiaries' shares exercisable
Santa Clara Participações Ltda	2026	24.9
This Film Studio Pty Ltd	2023	30.0

It is the Group's option to fulfil these options in equity or cash and it is the Group's present intention to fulfil the options in cash (if available). However, if they are fulfilled in equity, the estimated number of the Company shares that will be issued to fulfil these options at 170.0p is 1,573,491 shares (2023: at 160.0p, 3,239,556 shares).

Liability as at 31 December	**2024 £000**	2023 £000
Amounts falling due within one year	**–**	(3,050)
Amounts falling due after one year, but less than three years	**(2,071)**	(2,134)
	(2,071)	**(5,184)**

Movement in liability during the year	**2024 £000**	2023 £000
At 1 January	**(5,184)**	**(3,855)**
Exchange difference	**–**	–
Exercises for cash*	**2,811**	785
Disposals	**8**	–
Income statement charge due to:		
– Change in profit estimates	**404**	(2,142)
– Change in Company share price	**–**	198
– Amortisation of discount	**(110)**	(170)
Total income statement charge (Note 7)	**294**	(2,114)
At 31 December	**(2,071)**	**(5,184)**

* During 2024, a put option arrangement for a 25% shareholding of Santa Clara Participações Ltda was exercised by the put option holders, and the equity was acquired by the Group.

28. Share-based payments (IFRS 2)

Policy

See below but also Basis of Preparation note on page 105.

Local management in some of the Group's subsidiaries (who are minority interests of the Group) have a put option over the equity they hold in the relevant subsidiary. Where this put option is dependent upon the holders' continued employment by the relevant subsidiary, or where the holder received the option as a result of employment with the relevant subsidiary, these options are accounted for under IFRS 2 as equity-settled share-based payments schemes or as cash-settled share-based payment schemes. These options are redeemable, at the choice of the Group, either in shares of the Company or by a cash payment to the holder. Such schemes should be considered as rewards for future business performance, which are conditional on the holder being an employee of the business.

Equity-settled share-based payment schemes

Where an award is intended to be settled in equity, then the fair value of the award is calculated at the grant date of each scheme based on the Company's share price and its relevant multiple. The fair value of the awards is calculated by means of a Monte Carlo model with inputs made in terms of the Company's share price at the date of grant, risk free rate, the historical volatility of the share price, the dividend yield and the time to vest. The Group estimates the number of shares that will ultimately vest, using assumptions over conditions, such as profitability of the subsidiary to which the awards relate. This value is recognised as an expense in the income statement over the shorter of the vesting period or the period of required employment on a straight-line basis, with a corresponding increase in reserves.

Upon exercise of the awards, the nominal value of the shares issued is credited to share capital with the balance to share premium.

Cash-settled share-based payment schemes

When an award is intended to be settled in cash, then a liability is recognised at inception of the award, based on the Company's share price and its relevant multiple. This liability is recognised as an expense in the income statement on a straight-line basis from the date of award to the date it is vests, then revalued annually till exercise.

Conversion from equity settled to cash settled

Up to 21 September 2021, the Group accounted for these put options as equity settled. From 21 September 2021, the Group accounted for these put options as cash settled.

If a put option existed at 21 September 2021 and is still unvested and the Company's share price multiple (the market condition) at the inception of the option is higher than the current Company's share price multiple, then the difference is charged to the income statement.

The following table sets out a comparison between equity settlement and cash settlement of IFRS 2 put options:

	Equity-settled IFRS 2 scheme	Cash-settled IFRS 2 scheme
Cost of the put option	Booked to staff costs	Booked to staff costs
Liability of the put option	Booked to equity (no impact on net assets)	Booked to liabilities (reduces net assets)
Recognition of the cost	Spread evenly between the date the put option is issued and the date the put option vests. No further costs after vesting date.	Spread evenly between the date the put option is issued and the date the put option vests. Further valuation adjustments are made to the income statement until the option is exercised.
Revaluation adjustments	Adjusted by changes in the profit of the subsidiary only.	Adjusted by changes in the profit of the subsidiary and the relevant share price multiple.
Exercise of put option	New Company shares issued to put option holders.	Cash issued to put option holders.

Income statement charge

Group

	2024 Equity £000	**2024 Cash £000**	**2024 Total £000**	2023 Equity £000	2023 Cash £000	2023 Total £000
Put options	**(165)**	**(547)**	**(712)**	(407)	4,349	**3,942**
South Africa non-recourse loan scheme	**–**	**–**	**–**	–	261	**261**
Total not affecting Like-for-like results (Note 1)	**(165)**	**(547)**	**(712)**	(407)	4,610	**4,203**
LTIPs	**1,195**	**–**	**1,195**	841	–	**841**
Cash awards	**–**	**–**	**–**	–	233	**233**
Total	**1,030**	**(547)**	**483**	**434**	**4,843**	**5,277**

Cash-settled liability

Group

The movement in the liability by scheme is detailed below:

	Put options £000	South Africa non-recourse loan scheme £000	Cash awards £000	Total £000
At 1 January 2023	**(18,992)**	**(598)**	**(1,165)**	**(20,755)**
(Charge) / credit to income statement				
– Straight-line recognition	(366)	(261)	(233)	(860)
– Change in subsidiary profit estimates	(203)	–	–	(203)
– Change in Company multiple	(3,780)	–	–	(3,780)
Total income statement (charge) / credit	(4,349)	(261)	(233)	(4,843)
Disposed	472	–	–	472
Settled*	14,637	–	1,398	16,035
Foreign exchange	–	65	–	65
At 31 December 2023	**(8,232)**	**(794)**	**–**	**(9,026)**
(Charge) / credit to income statement				
– Straight-line recognition	**(176)**	**–**	**–**	**(176)**
– Change in subsidiary profit estimates	**527**	**–**	**–**	**527**
– Change in Company multiple	**196**	**–**	**–**	**196**
Total income statement charge	**547**	**–**	**–**	**547**
Disposed	**319**	**794**	**–**	**1,113**
Settled	**5,780**	**–**	**–**	**5,780**
At 31 December 2024	**(1,586)**	**–**	**–**	**(1,586)**

Company

The movement in the liability by scheme is detailed below:

	Total £000
At 1 January 2023	**(7,002)**
Settled	**469**
Revaluation of investment	**6,516**
At 31 December 2023	**(17)**
Settled	**–**
Revaluation of investment	**17**
At 31 December 2024	**–**

Summary of old schemes

The Group has the following share-based payment schemes:

- Put options – from 21 September 2021 these put options have been accounted for as cash settled.
- South African equity purchased with non-recourse loans, these were disposed of with the sale of our South African business – some of the South African subsidiaries have sold equity to staff with non-recourse loans that are repaid out of dividends and from the proceeds of selling the equity to other employees, with the entity that has issued the equity acting as an intermediary. The equity does not have any put rights, so there is no obligation to acquire the equity, however the South African entities had at the end of 2023 lent ZAR 16,082k (2022 ZAR 14,009k) to acquire the liability (netted against the fair value of the award) is at risk.
- Cash awards – these are long term cash schemes that were historically treated as a share-based scheme. These awards were fulfilled in 2023.

Put options

	Vesting	% Entity subject to the put option
Clear LA LLC*	Vested	12.00%
LIDA NY LLP (MCD)	Vested	24.50%
M&C Saatchi (Hong Kong) Limited*	Vested	20.00%
M&C Saatchi Fluency Limited	Early vested	Remaining payment on 20% owed
M&C Saatchi, S.A. DE C.V.*	Vested	40.00%
Scarecrow M&C Saatchi Ltd*	Vested	49.00%
The Source (W1) LLP	Vested	10.00%
The Source Insight Australia Pty Ltd	2025	35.00%

* Put option with no value.

28. Share-based payments (IFRS 2) continued

Summary of LTIP

The awards are issued to equity-settled LTIPs to senior executive managers. These scheme grants a future award of the Company's shares, dependent on the achievement of certain future performance conditions.

The key component of the award is total shareholder return (TSR) versus the TSR of the FTSE Small Cap Index over the 3 years, and headline profit performance over a 3 year period. The awards are summarised as follows

LTIP scheme	% TSR	TSR 3 year Period, December to December	% Profit	Profit target
2024	0%	n/a	100%	2026 fulfilment of a specialism's operating profit target
2024	50%	2023 to 2026	50%	2026 headline EPS performance
2023	50%	2022 to 2025	50%	2025 headline profit after tax performance per share
2022	50%	2021 to 2024	50%	2024hedline profit after tax performance per share
2021	70%	2020 to 2023	30%	2023 headline profit before tax performance

For the Company's LTIP, an employee benefit trust was established to purchase the shares required to fulfil these schemes therefore the schemes are accounted for as equity settled. The inputs to Monte Carlo models used to calculate the fair value of these share awards as follows:

LTIP scheme	Issue date	Vesting date	Share price at grant	Expected volatility	Risk free rate	Dividend yield	Fair value of award per share	TSR element against FTSE Small Cap index: Expected volatility	Fair value of award per share
2024	15/10/2024	15/10/2027	£1.92	41%	4.17%	0%	£1.92	68%	£0.95
2024	01/07/2024	01/07/2027	£1.94	43%	4.19%	0%	£1.93	58%	£1.17
2024	01/07/2024	17/05/2027	£1.94	43%	4.19%	0%	£1.93	n/a	n/a
2024	17/05/2024	17/05/2027	£2.05	44%	4.15%	0%	£2.05	45%	£1.47
2023	02/08/2023	02/08/2026	£1.34	55%	5.15%	0%	£1.34	268%	£0.21
2022	12/12/2022	31/05/2025	£1.48	76%	3.32%	0%	£1.47	291%	£0.63
2021	28/09/2021	28/09/2024	£1.56	81%	0.51%	0%	£1.55	158%	£0.67

LTIP shares required

The table below shows the number of shares that the Company will need to fulfil the awards assuming all awards are held to their vesting date, fully vest and are fulfilled at the Company's share price at 31 December 2024 of 170.0p (2023: 160.0p). An employee benefit trust was established to purchase the shares, on the open market, required to fulfil the awards made under the Company's LTIP.

Number of shares	LTIP '000
At 1 January 2024	4,417
Vesting adjustment	(1,274)
Forfeited on departure	(573)
Additional granted on dividend payment	61
Exercised	(170)
Granted	3,506
At 31 December 2024	5,967

Shares issuable used in these accounts

	Note	**2024 Number of shares '000**	**2024 Share price used**	2023 Number of shares '000	2023 Share price used
Per EPS calculation	1	**2,042**	**195p**	1,500	155
Share based payments	28	**5,967**	**134p-205p**	4,417	134p-162p

The share-based payments calculation (Note 28 of the financial statements) uses the number of shares that could be issued at the first possible vesting date after the year end. The EPS calculation (Note 1 of the financial statements) uses the average share price for the year, calculating the number of shares to be issued using its formula value had it been possible to exercise on the year-end date, and takes a deduction for any remaining uncharged share option charge at start of year and the share of profits that is allocatable to the equity during the year. Where the scheme has been issued for part of the year (and is not converted from an existing cash-based scheme) the shares are reduced by the proportion of the year that they are in issue. The EPS calculation is thus attempting to show the dilutive effect rather than the likely shares that will be issued and is income statement focused rather than the true future position.

29. Issued share capital (allotted, called up and fully paid)

Policy

Ordinary shares are classified as equity. Incremental costs attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

Where the Company reacquires its own equity instruments (treasury shares), the consideration paid is deducted from equity attributable to the Company's shareholders and recognised within the treasury reserve.

Analysis

	Number of shares	1p ordinary shares £000
At 31 December 2022	**122,743,435**	**1,227**
At 31 December 2023	**122,743,435**	**1,227**
At 31 December 2024	**122,743,435**	**1,227**

The Company holds 485,970 (2023: 485,970) of its own shares in treasury. At the end of the year the Company's employment benefit trust held 1,047,913 (2023: nil) shares. Such shares are bought to fulfil the awards made under the Company's LTIP, and have been accounted for as treasury shares.

30. Fair value measurement

Policy

See also basis of preparation on page 105.

Some of the Group's financial assets and liabilities, in addition to certain non-financial assets and liabilities, are held at fair value.

The fair value of an asset or liability is the price that would be received from selling the asset or paid to transfer a liability in an orderly transaction between market participants at the balance sheet date.

Both financial and non-financial assets and liabilities measured at fair value in the balance sheet are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group holds both assets and liabilities that are measured at fair value on a recurring basis and those that are measured at fair value on a non-recurring basis. Items measured at fair value on a non-recurring basis typically relate to non-financial assets arising as a result of business combinations as accounted for under the acquisition method. In this regard, during the year, the Group did not recognise additions to intangible assets (brand names and customer lists) (2023: £nil).

In addition, the Group also calculates the fair value of certain non-financial assets when there is the need to conduct an impairment review. These calculations also fall within Level 3 of the IFRS 13 hierarchy and, where applicable, are described in Note 15 of the financial statements.

Assets and liabilities measured at fair value on a recurring basis.

The following table shows the levels within the hierarchy of assets and liabilities measured at fair value on a recurring basis at 31 December 2024 and 31 December 2023:

At 31 December 2024	**Level 1 £000**	**Level 2 £000**	**Level 3 £000**
Assets			
Equity investments at FVTPL	**–**	**–**	**668**
Investment property	**–**	**–**	**1,244**
Deferred consideration	**–**	**–**	**–**
Total	**–**	**–**	**1,912**

At 31 December 2023	Level 1 £000	Level 2 £000	Level 3 £000
Assets			
Equity investments at FVTPL	–	–	7,227
Investment property	–	–	2,369
Deferred consideration	–	–	738
Total	**–**	**–**	**10,334**

The level at which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

30. Fair value measurement continued

The movements in the fair value of the level 3 recurring financial assets and liabilities are shown as follows:

	Equity instruments at FVTPL £000	Investment property £000	Deferred consideration £000	Total £000
At 1 January 2024	7,227	2,369	738	**10,334**
Cash receipts	–	–	(485)	**(485)**
Disposals	(157)	–	–	**(157)**
Impairment reversal	–	361	–	**361**
Revaluation surplus through OCI	–	415	–	**415**
Revaluations	(4,277)	–	464	**(3,813)**
Reclassification to assets held for sale	(2,000)	–	(717)	**(2,717)**
Reclassification from right-of-use assets (Note 18)	–	1,128	–	**1,128**
Reclassification to right-of-use-assets (Note 18)	–	(802)	–	**(802)**
Subleased properties (Note 21)	–	(2,111)	–	**(2,111)**
Receipt on investment loan	(148)	–	–	**(148)**
Foreign exchange	23	(116)	–	**(93)**
At 31 December 2024	668	1,244	–	1,912

31. Financial risk management

Principal financial instruments

The principal financial instruments held by the Group, from which financial instrument risk arises, include contract assets, trade and other receivables, cash and cash equivalents, contract liabilities, trade and other payables, loans and borrowings, minority interest put options accounted under IFRS 9 as liabilities and equity instruments representing long-term investments in non-listed entities.

The Group does not typically use derivative financial instruments to hedge its exposure to foreign exchange or interest rate risks arising from operational, financing and investment activities.

Financial assets

At 31 December	Fair value through profit or loss 2024 £000	Fair value through profit or loss 2023 £000	Amortised cost 2024 £000	Amortised cost 2023 £000
Trade and other receivables	**–**	–	**123,745**	120,841
Contract assets	**–**	–	**2,553**	2,845
Cash and cash equivalents	**–**	–	**25,855**	24,326
Equity instruments	**668**	7,227	**–**	–
Total financial assets	**668**	**7,227**	**152,153**	**148,012**

31.1 – General objective, policies and processes

The Board has overall responsibility for the determination of the Group's and Company's risk management objectives and policies. Whilst retaining ultimate responsibility for them, the Board has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's senior management of each core business unit.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility of the global businesses of which it is comprised. Further details regarding these policies are set out below.

31.2 – Market risk

Market risk arises from the Group's use of interest-bearing financial instruments and foreign currency cash holdings. It is the risk that the fair value of future cash flows on its debt finance and cash investments will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) and other price risk such as equity price risk and share price risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt, equity investments and minority interest (MI) put options.

Exposure to market risk arises in the normal course of the Group's business.

31.3 – Foreign exchange risk

Foreign exchange risk arises from transactions and recognised assets and liabilities and net investments in foreign operations. The Group's general operating policy historically has been to conduct business in the currency of the local area in which businesses of the Group are geographically located, thereby naturally hedging the consideration resulting from client work. Businesses of the Group maintain bank accounts in the currency of these transactions solely for working capital purposes. As the Group has grown, there has been an increase in services rendered being exported from the UK businesses to clients who transact in non-GBP currencies. The transactional risk arising from such exports is mitigated in terms of the structuring of the billing arrangements and agreement to regular invoices being remitted and promptly paid (<30 days).

The Group is exposed to movements in foreign currency exchange rates in respect of the translation of net assets and income statements of foreign subsidiaries and equity accounted investments. The Group does not hedge the translation effect of exchange rate movements on the income statements or balance sheets of foreign subsidiaries and equity accounted investments, as it regards these as long-term investments.

The estimated impact on foreign exchange gains and losses of a +/-10% movement in the exchange rate of the Group's significant currencies is as follows:

Exchange rate	**Increase/ (decrease) in profit before tax 2024 £000**	**Increase/ (decrease) in profit after tax 2024 £000**	Increase/ (decrease) in profit before tax 2023 £000	Increase/ (decrease) in profit after tax 2023 £000
USD +10%	563	509	697	591
USD -10%	(512)	(463)	(634)	(537)
AUD +10%	442	178	378	212
AUD -10%	(402)	(162)	(344)	(193)

The year-end and average exchange rates to GBP for the significant currencies are as follows:

	Year-end rate		Average rate	
Currency	**2024**	2023	**2024**	2023
USD	**1.25**	1.27	**1.25**	1.26
AUD	**2.02**	1.87	**2.02**	1.90

The Group assumes that currencies will either be freely convertible, or the currency can be used in the local market to pay for goods and services, which the Group can sell to clients in a freely convertible currency. Within the 2024 year-end cash balances the Group holds £1,152k in Indian rupees; £404k in Libyan dinars; and £305k in South African rand. The Group also held £3,462k in Chinese Yuan which is classified as restricted cash after the funds were frozen by the Chinese Government due to ongoing litigations in place.

31.4 – Interest rate risk

The Group is exposed to interest rate risk because it holds a banking facility of up to £50m and an overdraft facility of up to £2.5m, both based on floating interest risks. The Group does not consider this risk to be significant.

The sensitivity analysis below has been determined based on the exposure to interest rates for financial instruments held at the balance sheet date. The analysis is prepared assuming the amount of borrowings outstanding at the balance sheet date were outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible changes in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit before tax for the year ended 31 December 2024 would (decrease)/increase by £111k (2023: £(113)k / £113k). This is principally attributable to the Group's exposure to interest rates on its floating rate loan.

31.5 – Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and, when appropriate, principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as and when they fall due. The Group's debt instruments carry interest at SONIA + 2.25%. This is based on a margin grid linked to the Company's leverage and therefore can change at each quarterly reporting date. The margin range is between 2.25% and 3.25%.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they come due. To achieve this aim, the Group has a planning and budgeting process in place to determine the funds required to meet its normal operating requirements on an ongoing basis. The Group and Company ensures that there are sufficient funds to meet their short-term business requirements, taking into account their anticipated cash flows from operations, its holdings of cash and cash equivalent and proposed strategic investments.

The Board receives current year cash flow projections on a monthly basis as well as information regarding cash balances. At the end of the financial year, these projections indicated that the Group had sufficient liquid resources to meet its obligations under all reasonably expected circumstances. The Group breached no banking covenants during the year.

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial liabilities:

Group

At 31 December 2024	Up to 3 months £000	3 to 12 months £000	1 to 2 years £000	2 to 5 years £000	over 5 years £000
Trade and other payables*	**(87,863)**	**(12,118)**	**(868)**	**(824)**	**(51)**
Lease liabilities	**(1,971)**	**(5,913)**	**(7,466)**	**(20,311)**	**(21,674)**
Loans and borrowings	**–**	**(43)**	**–**	**(14,000)**	**–**
Overdrafts	**–**	**–**	**–**	**–**	**–**
IFRS 9 put options	**–**	**–**	**(2,071)**	**–**	**–**
Total	**(89,834)**	**(18,074)**	**(10,405)**	**(35,135)**	**(21,725)**

* Excludes taxes as these are not considered financial instruments and contract liabilities as these are not financial liabilities.

31. Financial risk management continued

At 31 December 2023	Up to 3 months £000	3 to 12 months £000	1 to 2 years £000	2 to 5 years £000	over 5 years £000
Trade and other payables*	(82,375)	(14,146)	(2,940)	961	**(12)**
Lease liabilities	(2,187)	(6,561)	(8,742)	(21,777)	**(29,101)**
Loans and borrowings	(15,943)	–	–	–	–
Overdrafts	–	–	–	–	–
IFRS 9 put options	–	(3,050)	–	(2,134)	–
Total	**(100,505)**	**(23,757)**	**(11,682)**	**(22,950)**	**(29,113)**

* Excludes taxes as these are not considered financial instruments and contract liabilities as these are not financial liabilities.

Company

At 31 December 2024	Up to 3 months £000	3 to 12 months £000	1 to 2 years £000	2 to 5 years £000	over 5 years £000
Trade and other payables	**(2,647)**	**(90)**	**–**	**–**	**–**
Overdrafts	**–**	**–**	**–**	**–**	**–**
Loans and borrowings	**–**	**–**	**–**	**(14,000)**	**–**
Total	**(2,647)**	**(90)**	**–**	**(14,000)**	**–**

At 31 December 2023	Up to 3 months £000	3 to 12 months £000	1 to 2 years £000	2 to 5 years £000	over 5 years £000
Trade and other payables	(2,577)	(79)	(68)	–	–
Overdrafts	–	–	–	–	–
Loans and borrowings	(15,900)	–	–	–	–
Total	**(18,477)**	**(79)**	**(68)**	**–**	**–**

31.6 – Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group monitors credit risk at both a local and Group level. Credit terms are set and monitored at a local level according to local business practices and commercial trading conditions. The age of debt and the levels of accrued and deferred income are reported regularly. Age profiling is monitored, both at local customer level and at consolidated entity level. There is only local exposure to debt from significant global clients. The Group continues to review its debt exposure to foreign currency movements and will review efficient strategies to mitigate risk as the Group's overseas debt increases.

Management determines concentrations of credit risk by reviewing amounts due from customers monthly. The only significant concentrations of credit risk that are accepted are with multinational blue chip (or their equivalent) organisations, where credit risk is not considered an issue and the risk of default is considered low.

Impairment

The Group has one principal class of assets in scope for expected credit loss test, trade receivables. Contract assets are also included in the review, but the impairment in relation to these assets is not material.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates for each business are based on the payment profiles of sales at least over a period of 24 months before 31 December 2024 or 31 December 2023 respectively, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The expected credit loss allowance as at 31 December 2024 and 31 December 2023 was determined as follows for trade receivables under IFRS 15.

31 December 2024	Trade receivables					
	Not past due	0 – 30 days past due	31 – 90 days past due	91 – 120 days past due	> 120 days past due	Total
Expected loss rate (%)	**0.0%**	**0.0%**	**0.0%**	**0.3%**	**1.9%**	
Trade receivables (£000's)	**60,502**	**12,840**	**7,419**	**834**	**1,506**	**83,101**
Calculated expected credit loss provision (£000's)	**2**	**1**	**–**	**3**	**26**	**32**
Specific further loss allowances (£000's)	**–**	**–**	**–**	**32**	**1,480**	**1,512**
Total loss allowance (£000's)	**2**	**1**	**–**	**35**	**1,506**	**1,544**

31 December 2023	Trade receivables					
	Not past due	0 – 30 days past due	31 – 90 days past due	91 – 120 days past due	> 120 days past due	Total
Expected loss rate (%)	0.0%	0.0%	0.0%	0.2%	0.8%	
Trade receivables (£000's)	59,744	17,373	4,906	2,541	3,289	**87,853**
Calculated expected credit loss provision (£000's)	3	1	1	4	40	**49**
Specific further loss allowances (£000's)	–	–	–	–	2,202	**2,202**
Total loss allowance (£000's)	**3**	**1**	**1**	**4**	**2,242**	**2,251**

Under IFRS 9 "Financial Instruments", the expected credit loss is the difference between the asset's gross carrying amount and the present value of the estimated future cashflows discounted at the asset's original effective interest rate.

Contract assets relate to work in progress, and as the Group has no experience of material write-offs in relation to these financial assets, no expected credit loss allowance is recognised.

31.7 – Share price risk

As detailed on page 144, the Group has used put option awards to incentivise certain local key management. The value of these awards is in part dependent upon the Company's share price.

31.8 – Equity price risk

The Group's non-listed equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages equity price risk through diversification and by placing limits on individual and total equity investment securities. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Board reviews and approves all equity investment decisions. The basis of the fair value calculations and the sensitivity of these calculations to the key inputs are detailed in Note 30 of the financial statements.

31.9 – Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. Strong financial capital management is an integral element of the Directors' strategy to achieve the Group's stated objectives. The Directors review financial capital reports on a regular basis and the Group finance function does so on a daily basis ensuring that the Group has adequate liquidity. The Directors' consideration of going concern is detailed in the Directors' Report.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 24 of the financial statements, cash and cash equivalents as disclosed in the cash flow statement and equity attributable to equity holders of the parent as disclosed in the Statement of Changes in Equity.

32. Group companies

Key

* This subsidiary company is exempt from the requirements relating to the audit of individual accounts for the year ended 31 December 2024 by virtue of Section 479A of the Companies Act 2006. M&C Saatchi plc (the **Company**) will guarantee the debts and liabilities of the subsidiary company in accordance with Section 479C of the Companies Act 2006.

** Entities where all equity is directly held by the Company, all other subsidiary companies' equity is either in part or wholly held via subsidiaries of the Company.

*** Subsidiaries of subsidiaries with minorities at multiple levels in which we have control.

As at 31 December 2024	Country	Company number	Registered office address	Specialism	Effective % ownership 2024
United Kingdom					
LIDA (UK) LLP*	United Kingdom	OC395890	36 Golden Square, London, W1F 9EE	Advertising	100
LIDA Limited*	United Kingdom	03860916	36 Golden Square, London, W1F 9EE	Advertising	100
M&C Saatchi (UK) Limited*	United Kingdom	03003693	36 Golden Square, London, W1F 9EE	Advertising	100
M&C Saatchi Accelerator Limited*	United Kingdom	09660056	36 Golden Square, London, W1F 9EE	Advertising	100
M&C Saatchi Export Limited*	United Kingdom	03920028	36 Golden Square, London, W1F 9EE	Advertising	100
M&C Saatchi PR Limited*	United Kingdom	07280464	36 Golden Square, London, W1F 9EE	Advertising	100
M&C Saatchi PR (UK) LLP*	United Kingdom	OC362334	36 Golden Square, London, W1F 9EE	Advertising	100
M&C Saatchi Talk Limited*	United Kingdom	04239240	36 Golden Square, London, W1F 9EE	Advertising	100
The Source (London) Limited*	United Kingdom	07140265	36 Golden Square, London, W1F 9EE	Advertising	100
The Source (W1) LLP*	United Kingdom	OC384624	36 Golden Square, London, W1F 9EE	Advertising	90
This Is Noticed Limited*	United Kingdom	11843904	36 Golden Square, London, W1F 9EE	Advertising	100
Clear Ideas Consultancy LLP*	United Kingdom	OC362532	36 Golden Square, London, W1F 9EE	Consulting	100
Clear Ideas Limited*	United Kingdom	04529082	36 Golden Square, London, W1F 9EE	Consulting	100
M&C Saatchi Fluency Limited*	United Kingdom	12853921	36 Golden Square, London, W1F 9EE	Consulting	100
M&C Saatchi Life Limited*	United Kingdom	14338008	36 Golden Square, London, W1F 9EE	Consulting	100
Re Worldwide Ltd*	United Kingdom	10503044	36 Golden Square, London, W1F 9EE	Consulting	100
Thread Innovation Limited*	United Kingdom	13510974	36 Golden Square, London, W1F 9EE	Consulting	100
Alive & Kicking Global Limited*	United Kingdom	11250736	36 Golden Square, London, W1F 9EE	Dormant	100
Human Digital Limited*	United Kingdom	07510403	36 Golden Square, London, W1F 9EE	Issues	100
M&C Saatchi World Services LLP*	United Kingdom	OC364842	36 Golden Square, London, W1F 9EE	Issues	100
M&C Saatchi WS .ORG Limited*	United Kingdom	10898282	36 Golden Square, London, W1F 9EE	Issues	100
Tricycle Communications Limited*	United Kingdom	07643884	36 Golden Square, London, W1F 9EE	Issues	100
M&C Saatchi Network Limited* & **	United Kingdom	07844657	36 Golden Square, London, W1F 9EE	Group Central Costs	100
Saatchinvest Ltd	United Kingdom	07498729	36 Golden Square, London, W1F 9EE	Group Central Costs	100
M&C Saatchi International Holdings B.V.	United Kingdom	24295679 (FC024340)	36 Golden Square, London, W1F 9EE	Group Central Costs	100
M&C Saatchi European Holdings Limited*	United Kingdom	05982868	36 Golden Square, London, W1F 9EE	Group Central Costs	100
M&C Saatchi German Holdings Limited*	United Kingdom	06227163	36 Golden Square, London, W1F 9EE	Group Central Costs	100
M&C Saatchi International Limited*	United Kingdom	03375635	36 Golden Square, London, W1F 9EE	Local Central Costs	100
M&C Saatchi Middle East Holdco Limited*	United Kingdom	09374189	36 Golden Square, London, W1F 9EE	Local Central Costs	100
M&C Saatchi Worldwide Limited*	United Kingdom	02999983	36 Golden Square, London, W1F 9EE	Local Central Costs	100

As at 31 December 2024	Country	Company number	Registered office address	Specialism	Effective % ownership 2024
FYND Media Limited*	United Kingdom	10104986	36 Golden Square, London, W1F 9EE	Media	**100**
M&C Saatchi Mobile Limited*	United Kingdom	05437661	36 Golden Square, London, W1F 9EE	Media	**100**
M&C Saatchi Merlin Limited*	United Kingdom	03422630	36 Golden Square, London, W1F 9EE	Passions & PR	**100**
M&C Saatchi Social Limited* & **	United Kingdom	09110893	36 Golden Square, London, W1F 9EE	Passions & PR	**100**
M&C Saatchi Sport & Entertainment Limited*	United Kingdom	03306364	36 Golden Square, London, W1F 9EE	Passions & PR	**100**
M&C Saatchi Football Limited*	United Kingdom	14970667	36 Golden Square, London, W1F 9EE	Dormant	**51**
Europe					
M&C Saatchi Advertising GmbH	Germany	95484	Munzstrasse 21-23, 10178, Berlin, Germany	Advertising	**100**
M&C Saatchi Digital GmbH	Germany	137809	Munzstrasse 21-23, 10178, Berlin, Germany	Advertising	**100**
M&C Saatchi PR S.r.L	Italy	IT08977250961	V.Le Monte Nero 76, Milano, 20135, Italy	Advertising	**100**
M&C Saatchi SpA	Italy	IT07039280966	V.Le Monte Nero 76, Milano, 20135, Italy	Advertising	**100**
M&C Saatchi Sport & Entertainment Benelux B.V.	Netherlands	860734560	Keizersgracht, 81015CN, Amsterdam	Passions & PR	**100**
M&C Saatchi Sport & Entertainment GmbH	Germany	142905	Munzstrasse 21-23, 10178, Berlin, Germany	Passions & PR	**100**
Middle East and Africa					
M&C Saatchi FZ LLC	United Arab Emirates	177	PO Box: 77932, Abu Dhabi, United Arab Emirates	Advertising	**100**
M&C Saatchi Middle East FZ LLC	United Arab Emirates	30670	M&C Saatchi, Penthouse, Building 1, Twofour54, PO Box 77932, Abu Dhabi, United Arab Emirates	Advertising	**100**

As at 31 December 2024	Country	Company number	Registered office address	Specialism	Effective % ownership 2024
M&C Saatchi Arabia Limited	Saudi Arabia	102134401163730	6299 Saif Al Dawlah Al Hamdani, Al Zahra District, 12815, Riyadh	Advertising	**100**
ODD FZ LLC	United Arab Emirates	1497	PO BOX: 769557, Podium Level 3, Yas Creative Hub, Twofour54 Media Free Zone Abu Dhabi, UAE	Advertising	**100**
World Services Middle East FZ-LLC	United Arab Emirates	102798	309, Third Floor, Thuraya 1, Dubai, UAE	Issues	**100**
M & C Saatchi Group Services (Pty) Ltd	South Africa	2024/038164/07	02 De Smidt Street, De Waterkant, Cape Town 8001	Local Central Costs	**100**
Asia					
Design Factory Sdn Bhd	Malaysia	201001034805	No. 15B, 2nd Floor, Jalan Tengku Ampuan, Zabedah F9/F, Section 9, 40100 Shah Alam, Selangor Darul Ehsan, Malaysia	Advertising	**100**
M&C Saatchi Advertising (Shanghai) Limited	China	91310000740556813A	Room 248, Floor 2, Unit 5, No.11, Wanghang Road, New Lingang Area, China (Shanghai) Pilot Free Trade Zone, China	Advertising	**80**
M&C Saatchi (Hong Kong) Limited	Hong Kong	509500	Rm 2610, 26/F Prosperity, Millennia Plaza, 663 King's Rd, North Point, Hong Kong	Advertising	**80**
M&C Saatchi Communications Pvt Limited	India	U74300DL2005PTC141682	Flat No.270-D, Pocket C Mayur Vihar Phase II, New Delhi, 110091, India	Advertising	**94.8**

Notes to the Financial Statements continued

As at 31 December 2024	Country	Company number	Registered office address	Specialism	Effective % ownership 2024
Scarecrow M&C Saatchi Limited**	India	U22190MH2008 PLC188548	2nd Floor, Kamani Chambers 32 Ramjibhai Kamani Marg, Ballard Estate Mumbai, Mumbai City, MH 400038 IN, India	Advertising	51
M&C Saatchi (M) Sdn Bhd	Malaysia	606116-D	No.15b, 2nd Floor, Jalan Tengku Ampuan, Zabedah F9/F, Section 9, 40100 Shah Alam, Selangor, Malaysia	Advertising	100
Watermelon Production Sdn Bhd	Malaysia	1083441 -M	No.15b, 2nd Floor, Jalan Tengku Ampuan, Zabedah F9/F, Section 9, 40100 Shah Alam, Selangor, Malaysia	Advertising	100
M&C Saatchi World Services Pakistan (Pvt) Ltd	Pakistan	0081911	48m, Block 6, P.Ec.H.S, Karachi, Pakistan	Issues	51
M&C Saatchi (S) Pte Limited	Singapore	199504816C	59 Mohamed Sultan Road, #02-08, Sultan-Link, Singapore	Advertising	100
Clear Ideas (Singapore) Pte Limited	Singapore	201020335R	59 Mohamed Sultan Road, #02-08, Sultan-Link, Singapore	Consulting	100
Clear Asia Limited	Hong Kong	1289028	6th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong	Dormant	100
M&C Saatchi World Services (Singapore) Pte Limited	Singapore	202104508W	59 Mohamed Sultan Road, #02-08, Sultan-Link, Singapore	Issues	100

As at 31 December 2024	Country	Company number	Registered office address	Specialism	Effective % ownership 2024
M&C Saatchi Asia Limited	Hong Kong	1959819	Rm 2610, 26/F Prosperity, Millennia Plaza, 663 King's Rd, North Point, Hong Kong	Local Central Costs	100
M&C Saatchi Mobile India LLP	India	AAK-8869	141b First Floor, CI House Shahpur Jat, New Delhi, 110049, India	Media	100
M&C Saatchi Mobile Asia Pacific Pte Limited	Singapore	201410399M	59 Mohamed Sultan Road, #02-08, Sultan-Link, Singapore	Media	100
PT MCSaatchi Mobile Indonesia	Indonesia	2212230035592	Epicentrum walk 3rd Floor A 306 - A 307, Kawasan Rasuna Epicentrum Jl. HR. Rasuna Said, Desa/Kelurahan Karet Kuningan, Kec. Setiabudi, Kota Adm. Jakarta Selatan, Provinsi DKI Jakarta, Kode Pos: 12940.	Media	100
Australia					
1440 Agency Pty Limited	Australia	100 473 363	99 Macquarie Street, Sydney, NSW 2000, Australia	Advertising	100
Greenhouse Australia Pty Limited	Australia	629 584 121	99 Macquarie Street, Sydney, NSW 2000, Australia	Advertising	100
LIDA Australia Pty Limited	Australia	125 908 009	99 Macquarie Street, Sydney, NSW 2000, Australia	Advertising	100
M&C Saatchi Melbourne Pty Limited	Australia	004 777 379	99 Macquarie Street, Sydney, NSW 2000, Australia	Advertising	100
M&C Saatchi Sydney Pty Limited	Australia	637 963 323	99 Macquarie Street, Sydney, NSW 2000, Australia	Advertising	100

As at 31 December 2024	Country	Company number	Registered office address	Specialism	Effective % ownership 2024
Resolution Design Pty Limited	Australia	621 985 288	99 Macquarie Street, Sydney, NSW 2000, Australia	Advertising	**100**
Saatchi Ventures Pty Limited	Australia	614 007 957	99 Macquarie Street, Sydney, NSW 2000, Australia	Advertising	**60**
The Source Insight Australia Pty Limited	Australia	618 841 928	99 Macquarie Street, Sydney, NSW 2000, Australia	Advertising	**65**
This Film Studio Pty Limited	Australia	624 003 541	99 Macquarie Street, Sydney, NSW 2000, Australia	Advertising	**70**
Tricky Jigsaw Pty Limited	Australia	069 431 054	99 Macquarie Street, Sydney, NSW 2000, Australia	Advertising	**100**
Re Team Pty Limited	Australia	105 887 321	99 Macquarie Street, Sydney, NSW 2000, Australia	Consulting	**100**
Yes Agency Pty Limited	Australia	621 425 143	99 Macquarie Street, Sydney, NSW 2000, Australia	Consulting	**100**
World Services (Australia) Pty Limited	Australia	629 191 420	C/O Walker Wayland Services Pty Ltd, Suite 11.01, Leve 11, 60 Castlereagh Street, Sydney NSW, Australia	Issues	**100**
M&C Saatchi Agency Pty Limited	Australia	069 431 054	99 Macquarie Street, Sydney, NSW 2000, Australia	Local Central Costs	**100**
M&C Saatchi Asia Pac Holdings Pty Limited	Australia	097 299 020	99 Macquarie Street, Sydney, NSW 2000, Australia	Local Central Costs	**100**
Bohemia Group Pty Limited	Australia	154 100 562	99 Macquarie Street, Sydney, NSW 2000, Australia	Media	**100**
M&C Saatchi Sport & Entertainment Pty Limited	Australia	139 568 102	99 Macquarie Street, Sydney, NSW 2000, Australia	Passions & PR	**100**

As at 31 December 2024	Country	Company number	Registered office address	Specialism	Effective % ownership 2024
Americas					
Agência Digital Zeroacem Ltda***	Brazil	NIRE-3522979148	Rua Wisard, 305, Vila Madalena, 3 Andar-Con, Sao Paolo, 05434-080, Brazil	Advertising	**65**
CSZ Comunicação Ltda	Brazil	03.910.644/0001-05	Rua Wisard, 305, Vila Madalena, 3 Andar-Con, Sao Paolo, 05434-080, Brazil	Advertising	**75**
Lily Participações Ltda	Brazil	21.188.539/0001-96	Avenida Brigadeiro Faria Lima, 1355, Jardim Paulistano 16 Andar, Sal, Sao Paulo, 01452-919, Brazil	Advertising	**100**
M&C Saatchi, S.A. DE. C.V	Mexico	N-2017052183	Darwin 74, Piso 1, Miguel Hidalgo, 11590 Ciudad de México, CDMX, Mexico	Advertising	**51**
Santa Clara Participações Ltda	Brazil	09.349.720/0001-31	Rua Wisard, 305, Vila Madalena, 3 Andar-Con, Sao Paolo, 05434-080, Brazil	Advertising	**75.1**
Shepardson Stern + Kaminsky LLP	USA	4656653	80 State Street, Albany, 12207-2543, New York, USA	Advertising	**100**
Clear USA LLC	USA	20-8599548	138 West 25th Street, Floor 5, New York, 10001, USA	Consulting	**100**
LIDA NY LLP (MCD PARTNERS)	USA	4902983	138 West 25th Street, Floor 5, New York, NY 10001, USA	Consulting	**75.5**
Clear LA LLC	USA	6241713	2711 Centerville Road, Suite 400, Wilmington, Delaware, 19808, USA	Dormant	**95**
Clear NY LLP	USA	30-0891764	1209 Orange Street Wilmington, Delaware 19801, USA	Dormant	**100**

As at 31 December 2024	Country	Company number	Registered office address	Specialism	Effective % ownership 2024
World Services US Inc.	USA	C2543767	88 Pine Street, 30th Floor, New York 10005, United States	Issues	100
M&C Saatchi Agency Inc.	USA	13-3839670	304 East 45th Street, New York, 10017, USA	Local Central Costs	100
M&C Saatchi Mobile LLC	USA	45-3638296	2032 Broadway, Santa Monica California, 90404 USA	Media	100
M&C Saatchi Sport & Entertainment LA LLC	USA	6369786	874 Walker Road Suite C, Dover, Kent, Delaware 19904, USA	Passions & PR	100
M&C Saatchi Sport & Entertainment NY LLP	USA	46-5182795	160 Greentree Drive, Suite 101, Dover, Kent, Delaware, 19904, USA	Passions & PR	100

Associate entities

Entities in which the Group holds less than 50% of the share capital and that are accounted for as associates (Note 16).

As at 31 December 2024	Country	Company number	Registered office address	Specialism	Effective % ownership 2024
Love Frankie Limited	Thailand	105557000000	571 Rsu Tower, 10th Floor, Soi Sukhumvit 31, Sukhumvit Road, Wattana District, Bangkok, Thailand	Advertising	25
M&C Saatchi SAL	Lebanon	1010949	Quantum Tower, Charles Malek Avenue, St Nicolas, Beirut, Lebanon	Advertising	10
M&C Saatchi Limited	Japan	0110-01-060760	1-26-1 Ebisu-Nishi, Shibuya-Ku, Tokyo 150-0021, Japan	Advertising	10
February Communications Pvt Limited	India	U74999DL2012PTC233 245	141b First Floor, Cl House Shahpur Jat, New Delhi, 110049, India	Advertising	20
M&C Saatchi AB	Sweden	556902-1792	Skeppsbron 16, 11130, Stockholm, Sweden	Advertising	30
M&C Saatchi Go! AB	Sweden	559076-6076	Skeppsbron 16, 11130, Stockholm, Sweden	Advertising	30
M&C Saatchi PR AB	Sweden	559103-4201	Skeppsbron 16, 11130, Stockholm, Sweden	Advertising	30

33. Related party transactions

Key management remuneration

Audited details on Directors' remuneration is disclosed in the Directors' Remuneration Report on page 91.

Other related parties

During the year, the Group made purchases of £283k (2023: £312k) from its associates. At 31 December 2024, £12k was due to associates in respect of these transactions (2023: £45k).

During the year, £508k (2023: £496k) of fees were charged by Group companies to associates. At 31 December 2024, associates owed Group companies £318k (2023: £271k).

34. Commitments

Capital commitments

At the year end, the Group did not have committed costs (2023: £nil) to acquire property, plant and equipment.

Other than the normal contractual commitments to staff and the commitment to complete profitable projects for clients, the Group does not have any other material commitments that are not reflected on the balance sheet.

35. Post-balance sheet events

On 26 February 2025, the Group sold its shares in Saatchinvest Limited to a venture capital fund for £2.0 million plus £0.7 million of deferred consideration.

The Board is recommending the payment of a final dividend of 1.95p per share.

The Directors are not aware of any other events since the end of the financial year that have had, or may have, a significant impact on the Group's operations, the results of those operations, or the state of affairs of the Group in future years.

36. Other accounting policies

Reserves

Equity comprises the following:

Share capital
Represents the nominal value of equity shares in issue.

Share premium
Represents the excess over nominal value of the fair value of consideration received for equity shares, net of issuance costs.

Other reserves

Merger reserve
Represents the premium paid for shares above the nominal value of share capital, caused by the acquisition of more than 90% of a subsidiaries' shares. The merger reserve is released to retained earnings when there is a disposal, impairment charge or amortisation charge posted in respect of the investment that created it.

Treasury reserve
Represents the amount paid to acquire the Company's own shares for future use.

Minority interest put option reserve
Represents the initial fair value of the IFRS 9 put option liabilities at creation. When the put option is exercised, the related amount in this reserve is taken to the non-controlling interest acquired reserve.

Non-controlling interest acquired reserve
Since 1 January 2010, a non-controlling interest acquired reserve has been used when the Group acquires an increased stake in a subsidiary. It represents either a) the minority interest put option reserve transferred less the book value of the minority interest acquired (where the acquisition is due to an IFRS 9 put option) or b) the consideration paid less the book value of the minority interest acquired. If the equity stake in the subsidiary is subsequently sold, impaired or disposed of, then the related balance from this reserve will be transferred to retained earnings.

Foreign exchange reserve
For overseas operations, income statement results are translated at the annual average rate of exchange and balance sheets are translated at the closing rate of exchange. The annual average rate of exchange approximates to the rate on the date that the transactions occurred. Exchange differences arising from the translation of foreign subsidiaries are taken to this reserve. Such translation differences will be recognised as income or expense in the period in which the operation is disposed of.

Retained earnings
Represents the cumulative gains and losses recognised in the income statement.

37. New and revised standards issued but not yet effective

In the current year, the following standards and interpretations became effective:

1. Amendments to IAS 1 – Classification of Liabilities as Current or Non-Current
2. Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback
3. Amendments to IAS 1 – Non-current Liabilities with Covenants
4. Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements

The above amendments do not have a material effect on the Group's accounts.

At the date of authorisation of these financial statements, the Group has not applied the following new and revised Standards that have been issued but are not yet effective:

Amendments to IFRS 18	Presentation and Disclosures in Financial Statements
Amendment to IFRS 19	Subsidiaries without Public Accountability Disclosures
Amendments to IAS 21	Lack of Exchangeability
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments

With the exception of IFRS 18, which could alter the presentation of the Income Statement, the Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Group in future periods.

COMPANY BALANCE SHEET

At 31 December	Note	2024 £000	2023 £000
Non-current assets			
Investments	39	**120,697**	127,459
Deferred tax		**635**	204
Amounts due from subsidiary undertakings	43	**120,748**	110,828
Other non-current assets	40	**647**	948
		242,727	**239,439**
Current assets			
Trade and other receivables	41	**3,158**	1,464
Cash and cash equivalents		**975**	1,371
		4,133	**2,835**
Current liabilities			
Trade and other payables	42	**(68,897)**	(58,525)
Put option liability	28	**–**	(17)
Bank loans	24	**–**	(15,900)
		(68,897)	**(74,442)**
Net current liabilities		**(64,764)**	**(71,607)**
Total assets less current liabilities		**177,963**	**167,832**
Non-current liabilities			
Amounts due to subsidiary undertakings		**(4)**	(4)
Employment benefit provision		**(573)**	(310)
Bank loans	24	**(13,399)**	–
		(13,976)	**(314)**
Total net assets		**163,987**	**167,518**
Capital and reserves			
Share capital	47	**1,227**	1,227
Share premium		**50,327**	50,327
Merger reserve		**71,116**	71,116
Treasury reserve		**(550)**	(550)
Share option reserve		**3,055**	2,157
Share based payment reserve		**31,114**	31,114
Profit and loss account		**7,698**	12,127
Shareholders' funds		**163,987**	**167,518**

As permitted by Section 408 of the Companies Act 2006, the Company has not presented its own profit and loss account. The result for the Company for the year ended 31 December 2024 was a loss after tax of £2,481k (2023: profit of £5,194k).

The notes on pages 160 to 162 form part of these financial statements.

These Company financial statements on pages 158 to 162 were approved and authorised for issue by the Board on 1 April 2025 and signed on its behalf by:

Simon Fuller
Chief Financial Officer

M&C Saatchi plc
Company number 05114893

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital £000	Share premium £000	Merger reserve £000	Treasury reserve £000	Share option reserve £000	Share based payment reserve £000	Profit and loss account £000	Total £000
At 31 December 2022	**1,227**	**50,327**	**71,116**	**(550)**	**1,316**	**31,114**	**8,767**	**163,317**
Exercise of share options	–	–	–	–	–	–	–	–
Share option charge	–	–	–	–	841	–	–	841
Dividends paid	–	–	–	–	–	–	(1,834)	(1,834)
Total transactions with owners	–	–	–	–	841	–	(1,834)	(993)
Total comprehensive profit for the year	–	–	–	–	–	–	5,194	5,194
At 31 December 2023	**1,227**	**50,327**	**71,116**	**(550)**	**2,157**	**31,114**	**12,127**	**167,518**
Tax on share option	**–**	**–**	**–**	**–**	**44**	**–**	**–**	**44**
Exercise of share option	**–**	**–**	**–**	**–**	**(341)**	**–**	**–**	**(341)**
Share option charge	**–**	**–**	**–**	**–**	**1,195**	**–**	**–**	**1,195**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**–**	**(1,948)**	**(1,948)**
Total transactions with owners	**–**	**–**	**–**	**–**	**898**	**–**	**(1,948)**	**(1,050)**
Total comprehensive profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**(2,481)**	**(2,481)**
At 31 December 2024	**1,227**	**50,327**	**71,116**	**(550)**	**3,055**	**31,114**	**7,698**	**163,987**

The notes on pages 160 to 162 form part of these financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

38. General information and accounting policies

The Company acts as the holding company of the Group. The Company is quoted on London's AIM stock exchange and is domiciled and incorporated in England and Wales (registered number 05114893). The address of its registered office is 36 Golden Square, London, W1F 9EE.

The financial statements have been prepared in accordance with the requirements of the Companies Act 2006, under the historical cost convention, in accordance with the reduced disclosure framework of FRS101. They have been prepared on a going concern basis, further details of which are in the Directors' Report on page 97.

In adopting the reduced disclosure framework of FRS101, the Company has taken advantage of the following exemptions from disclosure:

- The cash flow statement and related notes.
- Disclosures in respect of transactions with wholly owned subsidiaries.
- Disclosures in respect of capital management.
- The effects of new but not yet effective IFRSs.

In addition, and in accordance with FRS 101, further disclosure exemptions have been applied because equivalent disclosures are included in the consolidated financial statements of the group. These parent financial statements do not include certain disclosures in respect of:

- Share based payments – details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined as per paragraphs 45(b) and 46 to 52 of IFRS 2 Share-Based Payment.
- Financial Instrument disclosures as required by IFRS 7 Financial Instruments: Disclosures
- Fair value measurements – details of the valuation techniques and inputs used for fair value measurement of assets and liabilities as per paragraphs 91 to 99 of IFRS 13 Fair Value Measurement

Accounting policies applied

The Company applies the Group accounting policies as well as the following principal accounting policies. These have been applied consistently and there were no new policies adopted within the year:

a. Valuation of investments

Investments are stated at cost, less any provision for impairment.

b. Pensions

Contributions to personal pension plans are charged to the profit and loss account in the period in which they are due.

c. Share-based payments in Company

The cost of awards to employees of subsidiary entities, classified as conditional share awards, is accounted for as an additional investment in the employing subsidiary. When such awards are recharged to employing or acquiring entities, the investment in the Company's books is reduced by the value of equity awarded. In the event that this additional investment in the subsidiary is impaired, then there is an equal and opposite release from share-based payment reserve.

d. Dividends

Both interim dividends and final dividends are recorded in the period once they are declared, due and are payable. Disclosure of dividend activity can be found in Note 10 of the financial statements.

e. Treasury shares

When the Company reacquires its own equity instruments, those instruments (treasury shares) are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's treasury shares. Such treasury shares may be acquired and held by the Company or by other members of the Group. Consideration paid or received is recognised directly in equity.

f. Expected credit losses

Amounts owed by subsidiaries are recorded at amortised cost and are reduced by ECLs. Under IFRS 9 Financial Instruments, the ECLs are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

Key judgements

Management has made the following judgements, which have the most significant effect in terms of the amounts recognised, and their presentation, in the Company's financial statements.

Debt due from subsidiary undertakings

Debt due from other Group companies can be deemed to be either a quasi-investment under IAS 27 or an intercompany receivable under IFRS 9. Most of this debt balance has been assessed as an intercompany receivable under IFRS 9.

Where such debt is accounted for under IFRS 9, judgement is applied to assess whether the company expects repayment of amounts which are technically due on demand within the next year, in which case the receivable is classified as current or whether it is not, in which case the receivable will be classified as non-current.

Key estimates

Some areas of the Company's financial statements are subject to key assumptions and other significant sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company has based its assumptions and estimates on parameters available when the financial statements were prepared.

Recoverability of amounts due from subsidiary undertakings
Estimates on the future recoverability of intercompany receivables are based on underlying profitability and cash generation, in addition to the substance of the agreements, and can include subsequent asset sales by the debtor being used to clear the amounts due to the parent.

Valuation of investments
Estimates are made on the future value of investments, based on the lower of value in use and net realisable value. This assessment is performed after any debt from entities has been recovered. Impairments are made where necessary.

Reserves

Share-based payment reserve
Represents the reserve created when conditional share assets under IFRS 2 were created. In the event that this additional investment in the subsidiary is impaired, then there is an equal and opposite release from share-based payment reserve.

Share option reserve
Represents equity-settled share-based employee remuneration (including amounts recharged to subsidiaries) until such share options are exercised.

39. Investments

	2024 £000	2023 £000
At 1 January	**127,459**	133,742
Disposal of shares in subsidiary	**(1,112)**	–
Put option revaluation	**(17)**	(6,516)
Reclassification to other non-current assets (Note 40)	**(563)**	–
Additions	**–**	562
Impairment charge	**(5,070)**	(329)
At 31 December	**120,697**	**127,459**

The value in use calculations have been based on the forecast profitability based on the 2025 Board-approved budget and three-year plans, with a residual growth rate of 1.5% per annum applied thereafter. This forecast data is based on past performance and current business and economic prospects. This data is then applied to a DCF, which forms the basis for determining the recoverable amount of each investment and has led to the recognition of the impairment charge shown in the table above.

The impairment charge in the current year is driven by changes in the expectations of future results in relation to four subsidiaries, as a result of the competitive trading environment of one subsidiary and the decision to reduce or cease trading in another three subsidiaries.

The direct and indirect subsidiary undertakings are listed in Note 32 of the financial statements.

40. Other non-current assets

	2024 £000	2023 £000
Loans to support subsidiary acquisition	**–**	921
Loans to assist equity purchase	**–**	14
Loans to associate companies	**563**	–
Other	**84**	13
Total	**647**	**948**

41. Trade and other receivables

Amounts due less than one year	2024 £000	2023 £000
Prepayments	**162**	380
Corporation tax group relief	**2,677**	1,070
Other receivables	**319**	14
Total	**3,158**	**1,464**

42. Trade and other payables

	2024 £000	2023 £000
Trade creditors	**(839)**	(301)
Amounts due to subsidiary undertakings*	**(66,098)**	(55,801)
Accruals	**(1,898)**	(2,195)
Sales taxation and social security payables	**(62)**	(228)
Total	**(68,897)**	**(58,525)**

* Repayable on demand.

43. Amounts due from subsidiary undertakings

Amounts due from subsidiary undertakings are repayable on demand. However, agreements are in place between subsidiary companies that state that such repayments will not be due until the underlying investments of the subsidiary company are sold or realised. Due to these agreements the amounts due from subsidiary undertakings have been defined as long term.

Amounts receivable from subsidiary undertakings include receivables relating to exercised put options. As detailed in Note 1 and Note 27 to the consolidated financial statements, the Group has a number of put option arrangements in place. The put options give these employees a right to exchange their minority holdings in the subsidiary into shares in the Company or cash (at the Group's choice).

	2024 £000	2023 £000
Amounts due from subsidiary undertakings	**120,748**	110,828

The amounts due from subsidiary undertakings are net of the ECL of £16,173k (2023: £11,651k) that have been provided against these balances. The annual review of the ECL provision took into account trading performance, the reorganisations taking place and likely future performance. The charge to the income statement in relation to the expected credit loss provision for 2024 was £4,522k (2023: £4,018k).

44. Staff costs

Staff costs (including Directors) comprise:

Year ended 31 December	**2024 £000**	2023 £000
Wages and salaries	**3,608**	3,491
Social security costs	**324**	212
Other pension costs	**56**	41
Other staff benefits	**22**	(11)
	4,010	3,733
Staff numbers	**11**	10

Staff numbers are based on monthly average staff.

Directors' remuneration

	2024 £000	2023 £000
Directors' salaries and benefits	**1,451**	1,750
Pension costs	**57**	53
Annual bonus	**275**	–
Total remuneration before accounting charges	**1,783**	1,803
Long-term incentives	**–**	–
Total	**1,783**	1,803

The highest paid Director earned:	**2024 £000**	2023 £000
Director's salary and benefits	**385**	702
Pension costs	**15**	40
Annual bonus	**175**	
Long-term incentives	**–**	–
Total	**575**	742

The number of Directors with a money purchase pension scheme during the year was 2 (2023: 1).

The Directors are the key management personnel of the Company.

Additional details with regard to Directors' remuneration, as required by Rule 19 of the AIM rules, can be found in the Directors' Remuneration Report on page 91.

45. Related parties

During the year, the Company charged a management recharge to subsidiaries of nil (2023: nil).

Further details of related parties of the Company are provided in Note 33 of the financial statements.

46. Post-balance sheet events

The Board is recommending the payment of a final dividend of 1.95 p per share.

Subsequent to the year end there have been no other material events specific to the Company requiring disclosure. Those items relevant to the Group are disclosed in Note 35 of the financial statements.

47. Share capital

Movements in the Company's share capital can be found at Note 29 of the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF M&C SAATCHI PLC

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of M&C Saatchi plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise the Consolidated Income Statement, the Consolidated Statement of Other Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes in Equity, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of material accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

During the year, it was identified that BDO Pakistan, a separate BDO Member Firm, had provided Corporate Secretarial and Tax Compliance Services to M&C Saatchi World Services Pakistan (Pvt) Ltd, which is a controlled undertaking of M&C Saatchi plc. Additionally, it was also identified that BDO Netherlands, a separate BDO Member firm, had provided Tax Services M&C Saatchi International Holdings B. V., which is a controlled undertaking of M&C Saatchi plc. These services are not permitted to be provided to Other Entities of Public Interest and their controlled undertakings, under paragraphs 5.40 and 5.42 of the FRC Ethical Standard (2019). These services were provided during the financial year ended 31 December 2024. On identification of these services, they were immediately terminated. These services had fees of less than £4,100 and had no material effect on M&C Saatchi plc's Consolidated Financial Statements. We have assessed the threats to independence arising from the provision of these non-audit services and, in our professional judgment based on our assessment of the breach, we confirm that our integrity and objectivity as the Auditor has not been compromised. We believe that an Objective, Reasonable and Informed Third Party would conclude that the provision of this service would not impair our integrity or objectivity for the affected financial year. The Directors have concurred with this view.

Other than the matter noted above, no other non-audit services prohibited by the FRC's Ethical Standard (2019) were provided to the Group or Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating the appropriateness of the going concern assessment performed by the Directors with regard to the requirements of the applicable financial reporting framework, including the period covered;
- Testing the mathematical accuracy of the going concern model prepared by the Directors and the underlying calculations used within it;
- Verifying the level of cash and debt held by the group as at 31 December 2024 and movements post year end;
- Discussing and challenging the Directors' financial forecasts and the underlying key assumptions at a group wide level and specifically in certain underlying subsidiaries for which visibility and therefore certainty over future financial performance was more limited. In the course of this work, we evaluated whether expectations for growth in revenue, costs and profits based on key customer revenue assumptions, margins and cost trends were reasonable. We have obtained evidence supporting the reasonableness of key assumptions including internal documentation and third party evidence;
- Evaluating the suitability of the sensitivities applied, in the severe but plausible scenarios and reverse stress test that were performed by the Directors;
- Determining whether under the severe but plausible scenarios the Group and Parent Company can comply with its covenants and remain within the available facility headroom under their banking arrangements, and whether the reverse stress test scenario is highly unlikely as the Directors consider it to be; and
- Checking the adequacy of disclosures made in the annual report in respect of going concern, by comparing the actual process followed by the Directors to the information disclosed on pages 97 onwards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

		2024	2023
Key audit matters	Revenue Recognition – fixed fee open projects	x	x
	Goodwill Impairment	x	
	Valuation of Financial Assets at fair value through profit and loss		x
	Valuation of Financial Assets at fair value through profit and loss is no longer considered to be a key audit matter due to Saatchinvest being classified as held for sale under IFRS 5 in the current year. The remaining financial assets are not considered to be significant.		
Materiality	Group financial statements as a whole £1.57m (2023: £1.43m) based on 5% (2023: 5%) of headline profit before taxation.		

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. On the basis of this, we identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

Components in scope

The M&C Saatchi plc group consists of 109 components, which include subsidiaries, and other business units. These components are structured to align with the Group's operational and reporting framework, reflecting its operations across multiple jurisdictions.

The Group's components are organised based on geographical and operational significance, with certain entities acting as sub-consolidation hubs to facilitate financial reporting and control. The control environment varies across the Group, influenced by local regulatory requirements, operational complexity, and the degree of oversight exercised by management and the corporate office. While the Group maintains centralised governance and financial controls, specific components operate under different regulatory and compliance frameworks, necessitating tailored audit approaches to address inherent risks effectively.

As part of performing our Group audit, we have determined the components in scope as follows:

The primary operations of the group are concentrated within the World Services, Performance Agencies and Australia components. In addition, a statutory audit will be completed on M&C Saatchi plc. Specific procedures are then completed over other agencies. Please refer to table included below.

For components in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence. These further audit procedures included:

- procedures on the entire financial information of the component, including performing substantive procedures
- procedures on one or more classes of transactions, account balances or disclosures
- specific audit procedures

Procedures performed at the component level.

We performed procedures to respond to group risks of material misstatement at the component level that included the following.

Component Name	Group Audit Scope
World Services	Procedures on the entire financial information of the component.
Australia	Procedures on the entire financial information of the component.
Performance Agencies	Procedures on the entire financial information of the component.
Agencies – UK Agency – SS+K – S&E UK – US Clear – Dubai (also referred to as the Middle East component, including Abu Dhabi) – S&E North America – Italy – UK Worldwide – UK Export – Shanghai	Procedures on one or more classes of transactions, account balances or disclosures: UK Agency – Revenue, Cost of Sales, Accrued Revenue, Trade Creditors, Deferred Revenue and Deferred Expense Cost. SS+K – Revenue, Payroll, Cash and Deferred Revenue S&E UK – Revenue, Trade Debtors and Deferred Revenue US Clear – Revenue (Open) and Trade Debtors Dubai – Revenue, Cash, Trade Debtors and Deferred Revenue S&E North America - Cash Italy – Trade Debtors and Cash UK Worldwide – Other Non-Current Assets and Current Tax UK Export – Cash Shanghai – Cash
Plc	Full Scope – due to statutory requirements (as plc company only balances disclosed in group financial statements).
All other components	Analytical review procedures

Procedures performed centrally
We considered there to be a high degree of centralisation of financial reporting, commonality of controls, and similarity of the group's activities and business lines in relation to Goodwill, Right of use assets and liabilities, Share Capital and Reserves, Taxation, Share based payments, Related Party Balances/Transactions, and Going Concern. We therefore designed and performed procedures centrally in these areas.

Disaggregation
The financial information relating to key RMMs such as revenue are highly disaggregated across group. We performed procedures at the component level in relation to these risks in order to obtain comfort over the residual population of group balances. We also included an element of unpredictability when selecting components for testing.

Locations
M&C Saatchi plc's operations are spread over a number of different geographical locations (United Kingdom, Australia, and USA for example). We visited Australia and the USA as part of the procedures performed.

Changes from the prior year
There were no significant changes from prior year, with a revised scoping led by the introduction of ISA 600 (Revised), with the exception being incorporating an additional element of unpredictability through performing an analysis of an additional component's journals posted during the period.

Working with other auditors
As Group auditor, we determined the components at which audit work was performed, together with the resources needed to perform this work. These resources included component auditors, who formed part of the group engagement team as reported above. As Group auditor we are solely responsible for expressing an opinion on the financial statements.

In working with these component auditors, we held discussions with component audit teams on the significant areas of the group audit relevant to the components based on our assessment of the group risks of material misstatement. We issued our group audit instructions to component auditors on the nature and extent of their participation and role in the group audit, and on the group risks of material misstatement.

We directed, supervised and reviewed the component auditors' work. This included holding meetings and calls during various phases of the audit, working directly within the same electronic workspace, reviewing component auditor documentation in person and evaluating the appropriateness of the audit procedures performed and the results thereof.

Climate change

Our work on the assessment of potential impacts of climate-related risks on the Group's operations and financial statements included:

- Enquiries and challenge of management and any other relevant party to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the annual report;
- Our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector; and

- Review of the minutes of Board and Audit & Risk Committee meeting, and any other relevant party and other papers related to climate change, and performed a risk assessment as to how the impact of the Group's commitment, as set out in the Directors' Report, may affect the financial statements and our audit.

We challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in the Directors' going concern assessment.

We also assessed the consistency of management's disclosures as included in the financial statements and with our knowledge obtained from the audit.

Based on our risk assessment procedures, we did not identify there to be any Key Audit Matters materially impacted by climate-related risks and related commitments.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter		How the scope of our audit addressed the key audit matter

Revenue recognition – fixed fee open projects
Existence and accuracy of open project revenue recognition at the year end due to the level of estimation about the extent to which fixed fee projects in progress have been delivered.
 	
The Group's accounting policies are described on page 105 and its disclosures of revenue recognised are provided in note 4.
	The Group contracts with its clients and customers in a range of different ways according to the type of advertising and marketing services provided. Across all scoped in components, we identified a way in which we considered the financial statements may be misstated in the area of revenue recognition:
	We identified a risk that revenue may be misstated in projects that are not yet complete at the year end ("open projects"). Where projects which commenced before the year end, are incomplete at the year end, there is an estimate regarding the level of revenue to recognise on that project based on the percentage of completion. This could give rise to the ability to manipulate the results for a specific period.
	Given the primary focus on revenue as a key metric and the specific matters noted above, we have considered this to be a Key Audit Matter.
	Note we did not consider this to be a significant risk but an area that requires a significant amount of focus and time from the engagement team.
		Our testing of revenue recognition included the following:
		– As revenue recognition on open projects was an area we identified as an elevated risk of misstatement on a group-wide basis, we performed testing, on a sample basis, across eight components.
		– We initially tested the classification of customer contracts to ensure appropriate projects were identified as open.
		– For a sample of open project revenue, we:
		  – Gained an understanding of the contracts, including deliverables and the basis on which the revenue arises, such as milestones, time and materials;
		  – Held discussions with project managers to understand the progress of the work;
		  – Considered evidence from various sources, including communication with customers, publicly available evidence of events occurring, confirmations from clients of delivery of work and other evidence that an appropriate amount of revenue had been recognised;
		  – Given the confidential nature of some projects we obtained customer confirmation as well supporting assessments from management and in house legal representatives to assess the overall delivery and recognition of the projects; and
		  – Performed recalculations of accrued and deferred revenue to ensure this was appropriately accounted for.
		Key observations:
		We had no material findings in respect of the treatment of open projects.

Goodwill Impairment Refer to Note 15 of the financial statements for the accounting policies and further information.	The Group holds a large amount of Goodwill which is allocated to Cash Generating Units (CGUs). The Group recognised an impairment of Goodwill amounting to £1.6m. In accordance with the applicable financial reporting framework, Goodwill is to be tested for impairment at each reporting period.	Our testing of the goodwill impairment included the following: – Evaluated the design and implementation of relevant controls in place to mitigate the risk identified. – Reviewed management's assessment of the value of each CGU to assess if balances are held at appropriate value. The opening balance of Goodwill associated with each CGU was agreed to the amount recognised in the prior year. The Net Assets was agreed to the audited consolidation workings. – With the assistance of our internal specialist teams, we assessed and challenged the methodology and inputs used by management, to determine whether they are reasonable and result in a materially accurate valuation.

Key audit matter	How the scope of our audit addressed the key audit matter
We identified a significant risk of error that Goodwill could be incorrectly identified as not impaired due to the level of estimation within the Value in use calculation and inputs such as discount rates, and long-term growth rates and net cash projections. The impairment test also involves significant management judgment in future revenue and cost assumptions. Errors in the impairment model could fail to identify when recoverable amount is less than the carrying amount of the Cash Generating Unit (CGU). Given the number of estimates and judgement required, the impairment recognised during the year, and the potential for significant errors, we considered this to be a Key Audit Matter.	– We assessed the valuation methodologies and inputs against best practice and external market evidence. – Reviewed management's analysis of expected future performance and discounted cash flows to support the recoverable amount. We obtained managements forecasts and budgets, and interrogated the assumptions used by management in preparing these budgets against our understanding of the entity and available macroeconomic data, to determine if they are reasonable. – Challenged the allocation of goodwill to specific CGUs by checking against the requirements of the applicable standard. – Assessed the sensitivities of discount rates, long-term growth rates and net cash projections to evaluate their impact on the impairment assessment performed by management – Assessed if appropriate disclosures have been made within the financial statements by checking against the requirements of the applicable standard. – Considered the consistency of the forecasts used in the Goodwill impairment model with other areas such as Going concern and put options. **Key observations:** We have not identified any indicator to suggest that the Goodwill impairment assessment is not appropriate.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2024 £m	2023 £m	**2024 £m**	2023 £m
Materiality	**1.57**	1.43	**1.49**	0.79
Basis for determining materiality	5% (2023: 5%) of Headline profit before taxation		95% of Group Materiality	
Rationale for the benchmark applied	We consider this to be the most appropriate benchmark since this removes the impact of certain items from underlying profit that are not part of routine business income and expenses, as explained in note 1 to the financial statements and the basis of management incentives. Headline profit before taxation is also a driver of a key measure of the Group's performance.		The Parent Company was given a specific materiality that is capped at a percentage of Group materiality to respond to aggregation risk.	
Performance materiality	**1.10**	1.00	**1.05**	0.52
Basis for determining performance materiality	We set performance materiality at 70% (2023: 70%) of overall materiality.			
Rationale for the percentage applied for performance materiality	In reaching our conclusion on the level of performance materiality to be applied for 2024 we considered a number of factors including the expected total value of known and likely misstatements (based on past experience), our knowledge of the group's internal controls and management's attitude towards proposed adjustments.			

Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, apart from the Parent Company whose materiality and performance materiality are set out above, based on a percentage of between 20% and 55% (2023: 10% and 70%) of Group performance materiality dependent on a number of factors including public interest in components within the group, potential significant risks of material misstatements at the component, the control environment, expectations about the nature, frequency, and magnitude of misstatements in the component financial information, extent of disaggregation of the financial information across components, relative size of components, any new components in the group, significant changes affecting the component since prior year and our assessment of the risk of material misstatement of those components. Component performance materiality ranged from £0.22m to £0.61m (2023: £0.14m to £1.0m).

Reporting threshold

We agreed with the Audi & Risk Committee that we would report to them all individual audit differences in excess of £78,000 (2023: £50,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document entitled Annual Report and Accounts' other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

As the Group has voluntarily adopted the UK Corporate Governance Code 2018, we are required to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements, or our knowledge obtained during the audit.

Going concern and longer-term viability	– The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 97; and – The Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 97.
Other Code provisions	– Directors' statement on fair, balanced and understandable set out on page 102; – Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 41; – The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 77; and – The section describing the work of the Audi & Risk Committee set out on page 77.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic Report and Directors' Report	In our opinion, based on the work undertaken in the course of the audit: – the information given in the Strategic report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and – the Strategic report and the Directors' Report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' Report.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: – adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or – the Parent Company 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.

Responsibilities of Directors

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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent 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 the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance, the Audit and Risk Committee, and inspection of written information from external legal counsel; and
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations.

we considered the significant laws and regulations to be UK-adopted international accounting standards, UK and international direct, indirect and employment tax legislation, AIM Listing Rules, the Companies Act 2006, the Corporate Governance Code 2018, The Working Time Directive, Minimum Wage Laws, Equal Opportunities, Health and Safety, General Data Protection Regulation (GDPR), and the Bribery Act.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the

Health and Safety and the Bribery Act 2010 and equivalent legislation and regulation where the Group has overseas operations. In addition, changes to legislation affecting all UK companies such as tax legislation and developments can give rise to contingent or actual liabilities in the event of non-compliance.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Evaluating recent developments in regulation for applicability to the Group's operations and determining whether any impact on the financial statements has been properly addressed by the Directors.

Fraud
We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be inappropriate journal entries relating to revenue recognition and the exertion of bias in accounting estimates.

Our procedures in respect of the above included:

- challenging the assumptions and judgements made by management in their significant accounting estimates which are disclosed on page 106, through examination and assessment of contradictory as well as corroborative evidence that we researched independently as well as received from the Group; recalculation of certain financial metrics for example in relation to our testing of discount rates and through sensitivity analysis where applicable;
- identifying and testing a sample of journal entries, in particular journal entries posted with unusual account combinations, to supporting documentation;
- reviewing minutes of board and board committee meetings from throughout the year including, where relevant, any whistleblowing reports received;
- testing of the consolidation including a sample of adjustments at the consolidation level to supporting documentation; and
- performing the procedures as set out in the Key Audit Matters section of our report.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including component auditors who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. For component auditors, we also reviewed the result of their work performed in this regard.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Matthew Haverson (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
1 April 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

ADDITIONAL INFORMATION

Glossary

Billings	Billings comprise all gross amounts billed or billable to clients in respect of commission-based and fee-based income, whether acting as agent or principal, together with the total of other fees earned, in addition to those instances where the Group has made payments on behalf of customers to third parties. It is stated exclusive of VAT and sales taxes. This is a non-Statutory number and is unaudited.
Like-for-like (LFL) results	A self-defined alternative measure of profit that provides a different perspective to the Statutory results. The Directors believe it provides a better view of the underlying performance of the Company, because it excludes a number of items that are not part of routine business income and expenses. These LFL figures are a better way to measure and manage the business and are used for internal performance management and reward. “Like-for-like results” is not a defined term in IFRS. LFL results represent the underlying trading profitability of the Group and excludes: – Separately disclosed items that are one-off in nature and are not part of running the business. – Revaluation of associates on transition to assets held for sale. – Impairment of assets held for sale, right-of-use assets, leasehold improvements, acquired intangibles and goodwill. – Gains or losses generated by disposals of subsidiaries. – Fair value adjustments to unlisted equity investments, acquisition related deferred consideration and put options. – Dividends paid to IFRS 2 put option holders. – Results of subsidiaries which management had or intends to exit in the current and prior year. – Foreign exchange movements by restating prior year figures using current year foreign exchange rates. – A reconciliation of Statutory to LFL results is presented in Note 1 of the financial statements.
Company	M&C Saatchi plc, a public limited company incorporated and domiciled in England and Wales, listed on the AIM sub-market of the London Stock Exchange.
Code	The UK Corporate Governance Code 2018
Facility	The Group's revolving multi-currency facility agreement with National Westminster Bank Plc, HSBC UK Bank plc and Barclays Bank PLC for up to £50 million.
Group	The Company and its subsidiaries.
Net cash	Net cash at a period end is calculated as the sum of the net cash of the Group, derived from the cash ledgers and accounts in the balance sheet. Net cash excludes lease liabilities.
Net revenue	Net revenue is equal to revenue less project cost / direct cost. It is not an IFRS defined term. It is, however, used as a key performance indicator by the Group.
Minority interests and non-controlling interest	Within the Group, there are a number of subsidiary companies and partnerships in which employees hold a direct interest in the equity of those companies. These employees are referred to as minority shareholders. Of these subsidiary companies and partnerships, the majority account for the shareholding of their minority shareholders as a management incentive (through the award of dividends) and are 100% consolidated in the Group’s financial statements, showing all cost related to the scheme as staff cost (in LFL results only we treat all flows as if they were minorities, with the minorities share of profit reducing profit after tax and reducing LFL profit attributable to equity holders of the Group, so it is consistent with non-controlling interest accounting). The remaining four subsidiary companies (including one without a put option) account for their minority shareholders as non-controlling interests, a defined IFRS term, with their share of the Group’s profits being shown separately on the Income Statement.
Revenue	Revenue comprises the total of all gross amounts billed, or billable, to clients in respect of commission-based, fee-based and any other income where the entity within the Group acts as principal and the share of income where the entity within the Group acts as an agent. The difference between billings and revenue is represented by costs incurred on behalf of clients with whom the entity within the Group operates as an agent, and timing differences where invoicing occurs in advance or in arrears of the related revenue being recognised.
Like-for-like EBITDA	Like-for-like EBITDA is equal to the operating profit or loss before depreciation, amortisation, finance expense and taxation. It is not an IFRS defined term. It is, however, used as a key performance indicator by the Group.
CAGR	Compound annual growth rate – the mean annual growth rate over a specified period of time longer than one year.
SSC	The Group’s Shared Services Centre, in Cape Town, South Africa.
Scope 1 emissions	Greenhouse gas emissions from sources that the Group owns or controls directly.
Scope 2 emissions	Greenhouse gas emissions that the Group causes indirectly when the energy it purchases and uses is produced.
Scope 3 emissions	Greenhouse gas emissions that are not produced by the Group and are not the result of activities from assets owned or controlled by us. Instead, they are produced by companies for which the Group is indirectly responsible, up and down its value chain. An example of this is when an entity within the Group buys, uses and disposes of products from suppliers. Scope 3 emissions include all sources not within the Scope 1 and Scope 2 boundaries.

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HISTORY TIMELINE

1995	M&C Saatchi launched by Jeremy Sinclair, Bill Muirhead, David Kershaw and the brothers, Maurice and Charles Saatchi as an international advertising agency. Won British Airways and Qantas accounts. Opened in Sydney, Singapore, Hong Kong and New York.
1996	Launched M&C Saatchi Sponsorship.
1997	Named “Fastest growing start-up in history”.
1998	Won UK Agency of the Year.
1999	“New Labour, New Danger” work.
2000	Appointed on UK Government Roster.
2003	Opened in China and Malaysia.
2004	Launched Sport & Entertainment. The Company listed on AIM.
2005	Expanded Europe footprint: Paris and Berlin. Appointed to London 2012 Olympic bid.
2006	Opened in Madrid.
2007	Acquired Clear.
2008	Sport & Entertainment won Agency of the Year for the first time.
2009	Launched brand design company RE.
2010	Acquired Inside Mobile, now M&C Saatchi Performance. Opened in South Africa.
2011	Started M&C Saatchi World Services.
2012	Opened in New Delhi and Mumbai.
2013	Acquired Merlin, now M&C Saatchi Talent Group.
2014	Acquired SS+K in New York.
2015	Launched Human Digital proprietary data tech. Won Best Agency in South Africa.
2016	Opened in the UAE.
2018	Sport & Entertainment won “Agency of the Year” for the sixth time.
2019	Record awards year: Performance and South Africa won “Agency of the Year”. Australia won “Most Innovative Company in Australia”. Sport & Entertainment won “Sponsorship Agency of the Year”.
2020	Moray MacLennan announced as Chief Executive Officer of the Company and a new Board appointed.
2021	Launched data consultancy Fluency. Milan named “Agency of the Decade” at Digital Awards. Performance named “Agency of the Decade”. Razor named “Best New PR Agency Globally”. Became Principal Patron of the Saatchi Gallery.
2022	Two hostile takeover bids successfully defended.
2023	Zillah Byng-Thorne announced as Non-Executive Chair and subsequently Executive Chair of the Company. Sport & Entertainment won 11 UK Sponsorship awards, including “Agency of the Year”.
2024	Zaid Al-Qassab appointed Chief Executive Officer and Zillah Byng-Thorne resumed her role as Non-Executive Chair. Sport & Entertainment won “Sponsorship Agency of the Year”. Again. Sport & Entertainment won “Innovative Agency of the Year”. Performance named “Global Performance Marketing Agency of the Year”. AUNZ named #1 Independent Network in Australia.

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