

# **Kantar Media UK Limited**

## **Strategic report**

The directors present their strategic report for the year ended 31 December 2023.

### **Business review and principal activity**

The principal activity of Kantar Media UK Limited (the ‘Company’) is the provision of market research services in the UK, continental Europe and the rest of the world (a geographical analysis of turnover is shown in note 3 of the financial statements).

On 1 November 2022, the Kantar Media Audiences division of Kantar Media UK Limited was transferred to Kantar Media Audiences Limited, a new legal entity within Kantar Group. This Company's FY2022 profit and loss account on page 14 illustrated the financial position for this division as discontinued operations.

As shown in the Company's profit and loss account on page 14, turnover for continuing operations has increased from to £25.9m (2022: £23.4m), and profit for continuing operations increased from £2.8m to £9.9m. The continuing operations of the Company recorded an operating profit of £8.3 million for the year compared to a £2.3 million in 2022 driven by the gain on disposal of assets.

The balance sheet on page 15 shows that the Company's net assets have increased from £73.4m as of 31 December 2022 to £83.1m as of 31 December 2023. This is driven by increased work-in-progress and increased debtors primarily relating to increased amounts owed by Group undertakings.

Kantar Group manage their Group's operations on a divisional basis, focusing on Revenue, Gross Margin, EBITDA and Operating Profit (loss) before tax. The Company's directors believe that analysis using further non-financial key performance indicators for the Company is not necessary for an understanding of the development, performance or position of the business of the Company.

### **Principal risks and uncertainties**

The Company faces risk in market share and profitability through operating in a competitive industry. The Company manages this risk through innovation, providing added value services to its clients and by maintaining strong client relationships. The Company recruits and seeks to retain the most talented people, develops and supports them to expand their skills and capabilities.

### **Environment**

The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the Company's activities. Initiatives designed to minimise the Company's impact on the environment include improving our energy use efficiency, paper use and recycling.

### **Future developments**

The current UK economic environment is tough and competitive, and the following period is expected to present difficult trading conditions. However, the directors continue to target a steady, medium-term growth in both revenue and operating margins.

### **Financial risk management objectives and policies**

The directors consider that the primary financial risks faced by the business are limited, affecting primarily foreign currency risk and credit risk. The directors do not believe that the Company is exposed to significant price risk or liquidity risk. The Company currently has sufficient cash to fund its activities for the foreseeable future.

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### *Foreign Currency risk*

The Company's activities expose it to the financial risk of changes in foreign currency exchange rates. Where necessary, Group Treasury uses currency hedging to offset this risk. Foreign currency transactions are, where possible, kept to a minimum.

### *Credit risk*

The Company's principal financial assets are bank balances, trade and other receivables, investments and loans to Group undertakings. The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for expected future credit losses. There is limited credit risk on cash and receivables because the counterparties are banking institutions or clients with high credit ratings assigned by international credit-rating agencies.

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

### **Section 172(1) Statement**

The directors of the Company, as those of all UK companies, must act in accordance with section 172 of the UK Companies Act 2006. The directors are of the opinion that they have acted fairly and in good faith to promote the success of the Company for the benefits of its members.

The directors have carried out these duties and have made decisions and undertaken short and long-term strategies to maintain its financial performance and position. The current directors continue to recognise the importance of the Company's partnership with all stakeholders, including employees, members, suppliers, customers and the community, as well as maintaining its high standards of business conduct and reputation.

We have representatives who attend and communicate with industry bodies in the markets in which we operate who engaged on issues that affect our people, clients and competitors. We contributed during the year to indices that provide meaningful data on governance and policy issues.

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### Section 172(1) Statement (continued)

#### a) Long term consequences

The directors have met with senior management throughout the year and considered the purpose and strategy for the Company, supported by a budget for the following year and a medium-term financial plan. Agenda items for the following year are set based on the discussions held and decisions taken by the directors and senior management throughout the year. For example, business development and operational progress are discussed to help maintain the long-term sustainability of the business model.

#### b) Interests of employees

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings, briefings and through Group and Company communications. Employees are consulted regularly on a wide range of matters affecting their current and future interests.

#### c) Interests of other stakeholders

The Company recognises the importance of its continued partnerships with its wider stakeholders including suppliers and customers, in delivering its business strategy and sustainability goals. The Company aims to have an open and transparent relationships which are based on honesty and respect. The Company engages in regular conversation with clients and suppliers on improving delivery of services and relationships.

#### d) Impact on community and environment

Corporate responsibility, including human rights, environmental stewardship and use of resources, sustainable solutions, greenhouse gas emissions and energy management are monitored annually to help the Company plan for future actions to be taken in order for the business to help the local community and the environment. The Company encourages group and solo volunteering; a recent example includes employees collecting litter in a forest with a local community group.

#### e) High standards of business conduct

The Company maintains high standards of business conduct focusing on business ethics, anti-bribery and anti-corruption. All employees are required to read and agree with all policies in regard to the Group's code of conduct, right to speak and anti-bribery & anti-corruption. These are communicated on an annual basis by HR.

#### f) Act fairly between members

The directors aim to understand the views of the Company's shareholders and always act in their best interests. In order to do this, the directors work closely with the Board of the parent company who own 100% of the shareholding in Kantar Media UK Limited to ensure operations, strategy and performance are aligned with their long-term objectives, while complying with the Articles of Association of the Company, and in line with the highest standards of conduct as laid out in Group policies.

Approved by the Board and signed on its behalf by:



P Cherry  
Director  
28 June 2024