

Registered number: 02387340

CREDERA LIMITED
(FORMERLY THE DMW GROUP LIMITED)
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2020

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CREDERA LIMITED (FORMERLY THE DMW GROUP LIMITED)

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CREDERA LIMITED (FORMERLY THE DMW GROUP LIMITED)

COMPANY INFORMATION

Directors	Mr C A Dean Mr S N Greenhalgh Mr M R Neale Mr M E Rubin Mrs H A Kilvington Mr J H Wardle (Non-Executive) Mr J M W Betts (Non-Executive) Mr J W Bell (Non-Executive) Mr J M Walker (Non-Executive)
Company secretary	Mrs S.A. Bray
Registered number	02387340
Registered office	Bankside 3 90-100 Southwark Street London SE1 0SW
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors 1 Embankment Place London WC2N 6RH

CREDERA LIMITED (FORMERLY THE DMW GROUP LIMITED)

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

Introduction

The directors present their strategic report for the company for the year ended 31 March 2020.

Principal activities and business review, including future developments

The principal activity of the company has remained in the supply of IT consultancy, delivery management and software engineering. Our focus area has remained digital transformation accelerated using cloud and data services, for which expertise, independent advice and practical assistance are in strong demand.

The vision for the company remains to become a global boutique provider of our services. Following our expansion within the UK to Leeds and Manchester, we have successfully partnered with Credera, a Dallas-based company with around 450 staff and offices in Denver, Houston, Chicago and New York. Credera and DMW provide similar services to their clients and have the same culture and global ambitions. On 27 July 2020, Credera's parent company, Omnicom – a global media company with employees in over 100 countries - has acquired a majority stake in DMW, which will help accelerate our global expansion. Over the coming years, we plan to set up additional offices under the Credera brand across mainland Europe and Asia, led by client demand.

Operational performance over the last year has accelerated, with turnover increasing by 35% during the year. The company's permanent staff numbers in the UK have grown strongly during the year across its UK locations, now totalling 150 staff. It has been careful to maintain its strong cultural identity during this growth and has once again placed highly in the "Great places to work" event this year.

Our expansion into Europe will continue to focus the business on the following markets that have provided sustained growth: a) financial services and insurance, b) the public sector and c) energy and commercial. The company believes that robust growth will continue in all areas of our business.

Principal risks and uncertainties

The company continues to operate a comprehensive risk management process covering market trends, quality, key accounts and other external factors. Because its business spans three growing sectors, which the directors monitor to ensure no over dependence on any client relationship, it believes there are no major risks to its continued growth.

Financial risk management objectives and policies

The directors consider the company's principal financial instruments to be its debtors and creditors. These instruments are used to provide finance and working capital for the company's operations. The company continually reviews the risks applicable to these financial statements and manage these with formal procedures including:

- Continuous review of cash flow and working capital requirements
- Ensuring trade creditors are paid when they fall due

The company is exposed to credit risk through its trade receivables. The directors believe that the company does not have significant exposure to credit risk due to the nature of the clients they work with and the nature of the work performed which delivers key programmes that are critical to the client's business.

CREDERA LIMITED (FORMERLY THE DMW GROUP LIMITED)

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Financial key performance indicators

Profit before tax is considered to be one of the company's key performance indicator and regular management accounts are prepared and compared to budget. The company's profit before tax for the year ended 31 March 2020 was £5,231,715 (2019 (as restated) - £4,518,927). The company had net assets at the year ended 31 March 2020 of £6,065,954 (2019 (as restated) - £1,472,797).

The company has had significant growth in demand for its services, which has resulted in increased profits. The ability to recruit and retain staff to service this demand is a key risk for the business. The risk is being successfully managed. Attrition is below industry norms, and the company continues to receive external recognition for its development of its employees. It has developed its ability to recruit in house and successfully increased headcount in the year.

In the current year, a prior period restatement was identified in the management recharge expense as a result of finance costs previously being included in error in the calculation of the recharge. Refer to note 21 for further details.

Impact of COVID-19

On 11 March 2020, the World Health Organisation declared the novel strain of coronavirus (COVID-19) a global pandemic, and recommended containment and mitigation measures worldwide. This is a fast moving situation and the overall impact on businesses and the economy is still unclear. The directors have made an initial consideration of the impact of the pandemic on the group, and took swift action to protect our staff and deliver for our clients. There is currently no impact on the going concern of the group and the group has seen an increase in demand for its services during the period and the directors believe it will continue to trade ahead of plan. The business is able to rely on its reserves and continuing group support in the case of any unforeseen downturn in trading.

This report was approved by the board and signed on its behalf.



Mr S N Greenhalgh
Director

Date: 24 March 2021

CREDERA LIMITED (FORMERLY THE DMW GROUP LIMITED)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report and the audited financial statements for the year ended 31 March 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, directors must not approve the and the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

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 company's auditors are 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 company's auditors are aware of that information.

Results and dividends

The profit for the year, after taxation, amounted to £4,268,485 (2019 (as restated) - £3,829,895).

The total distribution of dividends for the year ended 31 March 2020 was £nil (2019 - £9,000,000).

For details of the prior period restatement identified in the current year, refer to note 21 to the financial statements.

CREDERA LIMITED (FORMERLY THE DMW GROUP LIMITED)

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Mr A Buckroyd (resigned 27 July 2020)
Mr C A Dean
Dr J C Dowthwaite (resigned 27 July 2020)
Mr S N Greenhalgh
Mr M R Neale (appointed 20 December 2019)
Mr M E Rubin (appointed 20 December 2019)
Mrs H A Kilvington (appointed 20 December 2019)
Mr C F Gangi (appointed 27 July 2020, resigned 4 December 2020)
Mr J H Wardle (appointed 27 July 2020)
Mr J M W Betts (appointed 27 July 2020)
Mr J W Bell (appointed 27 July 2020)
Mr J M Walker (appointed 4 December 2020)

Financial risk management

Consideration of financial risk management has been included in the company's Strategic Report.

Future developments

The company continues to develop its current customers for ongoing growth in turnover whilst maintaining gross margins. The company continues to seek new customers and opportunities in a variety of industry sectors. For further information refer to the Strategic Report.

The directors have considered the potential impact of Brexit on the company, including its client base and staff. No specific risk has been identified that is deemed material to disclose here.

Going concern

At the time of the financial statements being approved the COVID-19 pandemic was ongoing. The directors have considered the potential impact of the COVID-19 pandemic on the company, including its client base and staff. Other than the impacts outlined in this section, no other specific risk has been identified that are deemed material to disclose. The company has the benefit of support from its ultimate controlling entity, Omnicom Group Inc, should it require additional funding. A letter of support has been obtained from Omnicom Finance Limited to confirm its intention to provide support and the directors are satisfied that this entity has the ability to provide this support. The company has modelled a number of scenarios as part of its response to COVID-19. The company has seen an increase in revenue and profit as a result of the increased demand for its services. As the pandemic continues that demand continues to increase. As companies transform to adapt to the changing needs of their business they need services that Credera offers. Credera is regularly involved in projects that are critical to the client in either delivering a cost saving or core to their business. A severe but plausible downside in the view of the company is that it does not continue to grow at the same level it has, but that revenue and profit remain at the same level of the previous financial year. From the assessment performed the directors consider that the company has access to sufficient funds to meet its needs over at least the next 12 months from the date of this report.

Qualifying third party indemnity provisions

The Directors have the benefit of the indemnity provisions contained in the Company's Articles of Association ('Articles'). The company has entered into qualifying third party indemnity arrangements for the benefit of all its Directors in a form and scope which comply with the requirements of the Companies Act 2006 and which were in force throughout the year and remain in force.

CREDERA LIMITED (FORMERLY THE DMW GROUP LIMITED)

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Post balance sheet events

On 27 July 2020 The DMW Group Holdings LLC, a Delaware registered entity, acquired all the share capital of The DMW Group Holdings Limited the company's parent. The company's ultimate controlling party is now Omnicom Group Inc, a New York Stock Exchange listed entity. As part of this transaction The DMW Group Holdings Limited subscribed for a further share within the company at a premium. The company used these funds to fully repay its Loan Notes. The transaction is considered to be an Exercise Event for the purposes of the management incentive scheme outlined in note 20. Had management adjusted its estimate of the vesting period based on this Exercise Event, it would have resulted in a reduction in the length of the vesting period and therefore an acceleration of the share based payment charge. The impact on the statement of comprehensive income would have been an increase to the share based payment charge of £373,967. No adjustment has been made in the financial statements as the outcome and timing of the event was not certain at the balance sheet date.

On 21 December 2020 and 4 March 2021, the company declared dividends of £5,500,000 and £2,100,000, respectively, to its parent entity. No adjustment has been made to the amounts in the financial statements as the dividends had not been declared at the balance sheet date.

On 11 March 2021 the company changed its name from The DMW Group Limited to Credera Limited.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, were appointed during the period and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



Mr S N Greenhalgh
Director

Date: 24 March 2021

Independent auditors' report to the members of Credera Limited (formerly The DMW Group Limited)

Report on the audit of the financial statements

Opinion

In our opinion, Credera Limited (formerly The DMW Group Limited)'s financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2020; the Statement of Comprehensive Income, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

Independent auditors' report to the members of Credera Limited (formerly The DMW Group Limited)

(continued)

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report 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 Directors' Report for the year ended 31 March 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members of Credera Limited (formerly The DMW Group Limited)
(continued)

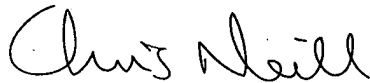
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Chris Neill (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
24 March 2021

CREDERA LIMITED (FORMERLY THE DMW GROUP LIMITED)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	As restated 2019 £
Turnover	4	28,847,753	21,721,905
Cost of sales		(15,975,176)	(11,515,322)
Gross profit		<u>12,872,577</u>	<u>10,206,583</u>
Administrative expenses	21	(7,327,845)	(5,722,270)
Share based payments	20	(324,672)	(8,937)
Operating profit	5	<u>5,220,060</u>	<u>4,475,376</u>
Interest receivable and similar income	8	12,029	43,551
Interest payable and similar expenses	9	(374)	-
Profit before tax		<u>5,231,715</u>	<u>4,518,927</u>
Tax on profit	10	(963,230)	(689,032)
Profit for the financial year		<u><u>4,268,485</u></u>	<u><u>3,829,895</u></u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 13 to 28 form part of these financial statements.

Details of the restatement are provided in note 21.

BALANCE SHEET

AS AT 31 MARCH 2020

	Note	2020 £	As restated 2019 £
Fixed assets			
Tangible assets	12	427,626	242,705
		<u>427,626</u>	<u>242,705</u>
Current assets			
Debtors: amounts falling due within one year	13	7,810,224	4,414,483
Investments	14	88	-
Cash at bank and in hand	15	3,084,200	2,097,024
		<u>10,894,512</u>	<u>6,511,507</u>
Creditors: amounts falling due within one year	16, 21	(5,256,184)	(5,281,415)
Net current assets		<u>5,638,328</u>	<u>1,230,092</u>
Total assets less current liabilities		<u>6,065,954</u>	<u>1,472,797</u>
Net assets		<u><u>6,065,954</u></u>	<u><u>1,472,797</u></u>
Capital and reserves			
Called up share capital	18	76,216	76,216
Other reserves	19	333,609	8,937
Profit and loss account	19	5,656,129	1,387,644
Total equity		<u><u>6,065,954</u></u>	<u><u>1,472,797</u></u>

The financial statements on pages 10 to 28 were approved and authorised for issue by the board of Directors and were signed on its behalf by:



Mr S N Greenhaigh
Director

Date: 24 March 2021

The notes on pages 13 to 28 form part of these financial statements.

CREDERA LIMITED (FORMERLY THE DMW GROUP LIMITED)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Called up share capital £	Share premium account £	Capital redemption reserve £	Other reserves £	Retained earnings £	Total equity £
At 1 April 2018 (as previously stated)	76,216	257,302	100,216	-	6,200,231	6,633,965
Comprehensive income for the year						
Profit for the year (as restated)	-	-	-	-	3,829,895	3,829,895
Dividends: Equity capital	-	-	-	-	(9,000,000)	(9,000,000)
Reduction of share premium account and capital redemption reserve	-	(257,302)	(100,216)	-	357,518	-
Credit relating to share based payment	-	-	-	8,937	-	8,937
At 31 March 2019 (as restated)	76,216	-	-	8,937	1,387,644	1,472,797
Comprehensive income for the year						
Profit for the year	-	-	-	-	4,268,485	4,268,485
Credit relating to share based payment	-	-	-	324,672	-	324,672
At 31 March 2020	76,216	-	-	333,609	5,656,129	6,065,954

The notes on pages 13 to 28 form part of these financial statements.

CREDERA LIMITED (FORMERLY THE DMW GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1. General information

Credera Limited is a private company, limited by shares, incorporated in the United Kingdom. Its registered office and principal place of business is Bankside 3 90-100 Southwark Street, London, SE1 0SW.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The accounting policies have been applied consistently, other than where new policies have been adopted.

The financial statements have been prepared on a going concern basis and the assessment of this basis has taken into consideration the potential impact of the current COVID-19 pandemic upon the company. It has been determined that there is no significant risk to the continuation of the company as a financial and operational going concern. See 2.4 below.

2.2 Statement of compliance

The financial statements of the company have been prepared in accordance with United Kingdom accounting standards including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102").

2.3 Financial reporting standard 102 - disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The DMW Group Holdings Limited as at 31 March 2020 and these financial statements may be obtained from Companies House.

CREDERA LIMITED (FORMERLY THE DMW GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.4 Going concern

The directors believe it is appropriate to prepare the financial statements on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future based on the company's plans.

The company has the benefit of support from its ultimate controlling entity, Omnicom Group Inc, should it require additional funding. A letter of support has been obtained from Omnicom Finance Limited to confirm its intention to provide support and the directors are satisfied that this entity has the ability to provide this support. The company has modelled a number of scenarios as part of its response to COVID-19. The company has seen an increase in revenue and profit as a result of the increased demand for its services. As the pandemic continues that demand continues to increase. As companies transform to adapt to the changing needs of their business they need services that Credera offers. Credera is regularly involved in projects that are critical to the client in either delivering a cost saving or core to their business. A severe but plausible downside in the view of the company is that it does not continue to grow at the same level it has, but that revenue and profit remain at the same level of the previous financial year. From the assessment performed the directors consider that the company has access to sufficient funds to meet its needs over at least the next 12 months from the date of this report.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

- Contracts are recognised over time as services are provided at the fee rate agreed with the client where there is an enforceable right to payment for performance completed to date.
- Fixed-fee contracts are recognised over time based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided where there is an enforceable right to payment for performance completed to date. This is determined based on the actual inputs of time and expenses relative to total expected inputs.

Revenue from a contract to provide services is recognised when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
 - it is probable that the company will receive the consideration due under the contract;
 - the stage of completion of the contract, or time incurred on the service, at the end of the reporting period can be measured reliably; and
 - the costs incurred and the costs to complete the contract can be measured reliably.
- The company recharges expenses at cost where agreed in the overall contract with the client. The costs are recognised in cost of sales and the recharged income within turnover.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

CREDERA LIMITED (FORMERLY THE DMW GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- over the period of the lease
Fixtures and fittings	- 25% on cost
Office equipment	- 33% or 50% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.8 Valuation of investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.9 Debtors

Short term debtors are measured at transaction price, less any provision for impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any provision for impairment.

2.10 Cash and cash equivalents

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

2.11 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a

CREDERA LIMITED (FORMERLY THE DMW GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.11 Financial instruments (continued)

rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP. The financial statements are rounded to the nearest pound.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'administration expenses'.

2.14 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

CREDERA LIMITED (FORMERLY THE DMW GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.16 Share based payments

The company provides equity-settled share based payment arrangements to certain employees. The company has no cash-settled arrangements. Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Comprehensive Income over the vesting period. The options will vest on the occurrence of an Exercise Event, which is estimated to occur at a time in the future based on management's best estimate at the Balance Sheet date and reviewed at each subsequent Balance Sheet date. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where share options are awarded to employees by group companies, the fair value of the options are recognised in the company which the employee is employed.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of Comprehensive Income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of Comprehensive Income is charged with fair value of goods and services received.

2.17 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

2.18 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

CREDERA LIMITED (FORMERLY THE DMW GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.19 Current and deferred taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the fair value of share options. The calculation of the fair value requires the estimation of enterprise value. If the enterprise value was to increase or decrease by 10%, the profit for the year and reserves would increase or decrease by £41,107. The calculation of the fair value also requires an estimate of the period over which the share options vest, which is based on judgement of when an Exercise Event might occur in the future. Details of the judgements made at the balance sheet date and details of an event after the reporting period have been set out in Note 25.

CREDERA LIMITED (FORMERLY THE DMW GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Sales	28,613,994	21,556,906
Recharged expenses	233,759	164,999
	<u>28,847,753</u>	<u>21,721,905</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	26,596,753	21,504,686
Jersey	900,000	-
Ireland	742,000	-
Philippines	368,000	-
Netherlands	224,000	-
Germany	17,000	-
Rest of the world	-	217,219
	<u>28,847,753</u>	<u>21,721,905</u>

5. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Fees payable to the company's auditors for the audit of the company's annual financial statements	10,750	9,500
Fees payable to the company's auditors for non-audit services	10,800	-
Exchange differences	9,388	25,948
Other operating lease rentals	769,073	268,794
Depreciation	173,754	82,419
Other pension costs	1,349,358	795,859
	<u>1,349,358</u>	<u>795,859</u>

CREDERA LIMITED (FORMERLY THE DMW GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	10,901,333	7,788,397
Social security costs	1,297,541	934,329
Other pension costs (note 22)	1,349,358	795,859
	<u>13,548,232</u>	<u>9,518,585</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Directors	5	4
Consultants	97	66
Employees	13	7
	<u>115</u>	<u>77</u>

7. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	252,362	20,285
Company contributions to defined contribution pension schemes	13,805	2,140
	<u>266,167</u>	<u>22,425</u>

During the year retirement benefits were accruing to 3 directors (2019 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £140,466 (2019 - £20,285).

The highest paid director did not exercise any share options in the current or prior year.

The value of the company's contribution paid to a defined pension scheme in respect of the highest paid director amounted to £3,341 (2019- £2,140).

Directors are considered to be the only key management personnel of the company.

CREDERA LIMITED (FORMERLY THE DMW GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

8. Interest receivable and similar income

	2020	2019
	£	£
Unwinding of discount on long term loans	-	36,749
Bank interest receivable	12,029	6,802
Total	<u>12,029</u>	<u>43,551</u>

9. Interest payable and similar expenses

	2020	2019
	£	£
Bank interest payable	374	-
	<u>374</u>	<u>-</u>

10. Tax on profit

	2020	2019
	£	£
Corporation tax		
Current tax on profits for the year	955,748	681,407
Adjustment's in respect of previous periods	7,482	7,625
Total current tax	<u>963,230</u>	<u>689,032</u>

CREDERA LIMITED (FORMERLY THE DMW GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

10. Tax on profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	As restated 2019 £
Profit before tax	5,231,715	4,518,927
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	994,026	858,596
Effects of:		
Expenses not deductible for tax purposes, other than goodwill and impairment	81,238	10,605
Tax deduction arising from exercise of employee options	-	1,698
Adjustment in respect of prior periods	7,482	7,625
Unrecognised deferred tax	-	4,401
Other differences	5,357	-
Group relief	(129,503)	(193,893)
Movement in deferred tax margin	4,000	-
Tax rate changes	630	-
Total tax charge for the year	963,230	689,032

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). At the date of this report, this new law has not yet been substantively enacted and is a non-adjusting event after the reporting period for the purposes of these financial statements.

11. Dividends

	2020 £	2019 £
Dividends on ordinary shares	-	9,000,000

CREDERA LIMITED (FORMERLY THE DMW GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

12. Tangible assets

	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 April 2019	184,977	76,219	303,112	564,308
Additions	18,981	32,481	312,496	363,958
Disposals	(154,654)	(51,559)	(39,960)	(246,173)
At 31 March 2020	<u>49,304</u>	<u>57,141</u>	<u>575,648</u>	<u>682,093</u>
Accumulated depreciation				
At 1 April 2019	153,333	62,402	105,868	321,603
Charge for the year on owned assets	23,439	31,249	119,066	173,754
Disposals	(154,654)	(51,559)	(34,677)	(240,890)
At 31 March 2020	<u>22,118</u>	<u>42,092</u>	<u>190,257</u>	<u>254,467</u>
Net book value				
At 31 March 2020	<u>27,186</u>	<u>15,049</u>	<u>385,391</u>	<u>427,626</u>
At 31 March 2019	<u>31,644</u>	<u>13,817</u>	<u>197,244</u>	<u>242,705</u>

13. Debtors: amounts falling due within one year

	2020 £	2019 £
Trade debtors	5,655,379	3,543,438
Amounts owed by group undertakings	780,300	-
Other debtors	161,868	150,160
Prepayments and accrued income	1,212,677	720,885
	<u>7,810,224</u>	<u>4,414,483</u>

14. Investments

	2020 £	2019 £
Unlisted investments	<u>88</u>	<u>-</u>

CREDERA LIMITED (FORMERLY THE DMW GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

15. Cash at bank and in hand

	2020	2019
	£	£
Cash at bank and in hand	3,084,200	2,097,024
	<u>3,084,200</u>	<u>2,097,024</u>

16. Creditors: Amounts falling due within one year

	2020	As restated
	£	2019
		£
Trade creditors	593,756	731,638
Amounts owed to group undertakings	-	1,317,655
Corporation tax	549,189	115,565
Other taxation and social security	1,673,842	1,267,063
Other creditors	8,610	15,340
Accruals and deferred income	2,430,787	1,834,155
	<u>5,256,184</u>	<u>5,281,416</u>

17. Financial instruments

	2020	As restated
	£	2019
		£
Financial assets		
Financial assets that are measured at amortised cost	9,918,979	5,790,622
	<u>9,918,979</u>	<u>5,790,622</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(3,033,153)	(3,898,788)
	<u>(3,033,153)</u>	<u>(3,898,788)</u>

Financial assets that are measured at amortised cost comprise cash and cash equivalents, trade debtors, accrued income, other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

CREDERA LIMITED (FORMERLY THE DMW GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

18. Called up share capital

	2020	2019
	£	£
Allotted, called up and fully paid		
76,216 (2019 - 76,216) Ordinary shares of £1.00 each	76,216	76,216
	<u>76,216</u>	<u>76,216</u>

19. Reserves

Other reserves

Relates to the fair value of share options in issue.

Profit and loss account

Includes all current and prior year retained profits and losses, less dividends paid and amounts paid in excess of nominal values to repurchase own shares.

CREDERA LIMITED (FORMERLY THE DMW GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

20. Share based payments

On 3 September 2018 share options were issued by the ultimate parent company to employees under an Enterprise Management Incentive Scheme. These options grant entitlement to acquire a maximum of 97,267 ordinary shares for an exercise price of £1.50 per share subject to certain qualifying conditions. The options will vest on the occurrence of an Exercise Event, which is estimated to occur during the financial year ended 31 March 2024. The options will be settled in equity. During the year 100 options were exercised and 1,200 options lapsed leaving 95,967 options outstanding.

On 18 October 2019 further share options were issued to employees of the group under an Enterprise Management Incentive Scheme. These options grant entitlement to acquire a maximum of 71,350 ordinary shares for an exercise price of £2.79 per share subject to certain qualifying conditions. The options will vest on the occurrence of an Exercise Event, which is estimated to occur during the financial year ended 31 March 2024. The options will be settled in equity. During the year 1,250 options lapsed leaving 70,100 options outstanding.

Details of the number of share options outstanding at the year end are as follows:

	Weighted average exercise price (pence) 2020	Number 2020	Weighted average exercise price (pence) 2019	Number As restated 2019
Outstanding at the beginning of the year	150	97,267	-	-
Granted during the year	279	71,350	150	97,267
Forfeited during the year	216	(2,450)	-	-
Exercised during the year	150	(100)	-	-
Outstanding at the end of the year	204	166,067	150	97,267

The fair values of the share options were calculated using the Black-Scholes model. The inputs to the model were as follows:

	2020	2019
Exercise price (pence)	150.00 - 279.00	150.00
Expected volatility	70%	70%
Dividend yield	0%	0%
Risk-free interest rate	0.74%	0.74%

The company recognised total expenses of £324,672 (2019 - £8,937) related to the fair value of equity-settled share-based payment transactions during the year.

At the balance sheet date no options (2019 - nil) are able to be exercised.

An adjustment has been made to note 20 to restate the number of share options granted during the year ended 31 March 2019 from 93,167 to 97,267. This adjustment does not impact the balance sheet or profit and loss reserve.

CREDERA LIMITED (FORMERLY THE DMW GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

21. Prior year restatement

An adjustment has been made to the company's prior year accounts to recognise a reduction in the management charge expense caused by finance costs being included in the calculation in error when calculating the recharge previously. As a result profit for the year ended 31 March 2019 has increased by £1,020,492 and creditors as at 31 March 2019 have reduced by £1,020,492. This adjustment had no impact on the accounts as at 1 April 2018.

22. Pension commitments

The company contributes to the individual pension schemes for certain employees of the company. The schemes operate on a defined contribution money purchase basis and the contributions are held separately from those of the company. The charge for the year was £1,349,358 (2019 - £795,859). Pension contributions of £nil (2019 - £6,084) remained outstanding at the year end.

23. Commitments under operating leases

At 31 March the company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	696,130	48,915

24. Related party transactions

During the year, termination benefits of £nil (2019- £186,050) were paid to an employee who was a key management personnel on exiting the company.

The company is exempt from disclosing transactions with companies which are 100% owned within the group.

25. Post balance sheet events

On 27 July 2020 The DMW Group Holdings LLC, a Delaware registered entity, acquired all the share capital of The DMW Group Holdings Limited, the company's parent. The company's ultimate controlling party from that date is Omnicom Group Inc, a New York Stock Exchange listed entity. The transaction is considered to be an Exercise Event for the purposes of the management incentive scheme outlined in note 20. Had management adjusted its estimate of the vesting period based on this Exercise Event, it would have resulted in a reduction in the length of the vesting period and therefore an acceleration of the share based payment charge. The impact on the statement of comprehensive income would have been an increase to the share based payment charge of £373,967. No adjustment has been made in the financial statements as the outcome and timing of the event was not certain at the balance sheet date.

On 21 December 2020 and 4 March 2021, the company declared dividends of £5,500,000 and £2,100,000, respectively, to its parent entity. No adjustment has been made to the amounts in the financial statements as the dividends had not been declared at the balance sheet date.

On 11 March 2021 the company changed its name from The DMW Group Limited to Credera Limited.

CREDERA LIMITED (FORMERLY THE DMW GROUP LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

26. Parent undertaking

The immediate parent undertaking of the company is The DMW Group Management Limited, a company registered in the United Kingdom with the same registered office as this company.

At the balance sheet date, The DMW Group Holdings Limited is the ultimate parent undertaking and is the parent company of the largest and smallest group within which the company belongs that prepare consolidated financial statements. The consolidated financial statements can be obtained from Companies House.

From 27 July 2020, Omnicom Group Inc became the ultimate parent undertaking, as disclosed within the post balance sheet events on Note 25.