

Registration number: 02761308

Adelphi Values Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2021

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Adelphi Values Limited

Contents

Strategic Report	1
Directors' Report	2
Statement of Directors' Responsibilities in respect of the annual report and the financial statements	3
Profit and Loss Account	4
Balance Sheet	5
Statement of Changes in Equity	6
Notes to the Unaudited Financial Statements	7 to 14

Adelphi Values Limited

Strategic Report for the year ended 31 December 2021

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

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

Fair review of the business

Adelphi Values Provide Expertise in Value Evidence Outcomes and Patient-Centered Outcomes. They provide evidence to define, demonstrate and communicate value to inform healthcare decisions and optimise market access success. They are leaders in qualitative and quantitative research techniques to support market access strategies. In the year ended 31 December 2021 the Company has reported an increase in gross profit from £12,620,002 to £13,241,203. The Directors believe there has been good progress made in the development of the sales pipeline and consolidation of the Company's position with both existing and new clients. It is also the opinion of the Directors that the marketing opportunities for the Company's services continue to grow and mature. The Company has continued to invest in both product development and in the strengthening of its sales and marketing capabilities.

With the continued investment in sales, marketing and in research and development, the Company posted an operating profit for the year ended 31 December 2021 of £3,964,641 compared to £4,038,420 for the previous year. At the end of the year the Company had net current assets of £3,612,278 (2020: £5,902,099) The Directors consider that the Company has access to sufficient funding to meet its needs for the reasons set out in note 1 to the financial statements. Accordingly the directors have prepared the financial statements on a going concern basis.

Principal risks and uncertainties

The Company operates in a rapidly changing economic and technological environment that presents numerous risks, many of which are driven by factors that cannot be controlled or predicted. The key risks and uncertainties facing the business are:

- Foreign currency gains and losses for the proportion of our business which is conducted in currencies other than sterling
- Mergers and takeovers of pharmaceutical companies that are continually reducing the number of potential clients.

The pharmaceutical industry is dependent on the introduction of new drugs and treatments and the ability of the purchasers of new and existing treatments to afford them. Hence the major factors are:

- The pipeline within the pharmaceuticals industry for new drugs and treatments
- Global regulatory and budgetary environment as they relate to the access to new therapies
- Individual country and regional economic growth

Approved and authorised by the Board on 17 May 2022 and signed on its behalf by:



.....
D.G. Harrison
Director

Adelphi Values Limited

Directors' Report for the year ended 31 December 2021

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

Principal activity

The principal activity of the company is international development of Patient-Reported Outcomes (PRO's), Health Technology Assessment (HTA) and Value Demonstration, offering strategic solutions across all phases of a product's lifecycle.

Dividends

On 4 June 2021 the directors paid a dividend in respect of the year 31 December 2021 of £55,000 per share totalling £5,500,000 (2020: £nil).

Director of the company

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

E.S. Cooper

L.T. Morgan

D.G. Harrison

Political and charitable donations

During the year the Company made no political or charitable contributions (2020: £nil).

Going concern

At the end of the year the Company had net current assets of £3,612,278 (2020: £5,902,099). The directors consider that the Company has access to sufficient funding to meet its funding requirements for the reasons set out in note 1 to the financial statements. Accordingly the directors have prepared the financial statements on a going concern basis.

COVID-19 Pandemic

The pharmaceutical market remains strong despite the constraints of COVID. Changes in how we and our clients operate have been absorbed with little negative effect on revenue, profit or cashflow. Adelphi has not used the furlough scheme or made any COVID related redundancies. The business is recruiting more staff. We continue to win new programs of work. As a consequence no change to our going concern is deemed necessary.

Approved and authorised by the Board on 17 May 2022 and signed on its behalf by:



.....
D.G. Harrison
Director

Bankside 3
90 - 100 Southwark Street
London
SE1 0SW

Adelphi Values Limited

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

The directors acknowledge their responsibilities for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Adelphi Values Limited

Profit and Loss Account for the year ended 31 December 2021

	Note	2021 £	2020 £
Gross billings	2	14,692,914	14,750,554
Rebillable costs		<u>(958,130)</u>	<u>(1,470,081)</u>
Turnover		13,734,784	13,280,473
Direct costs		<u>(493,581)</u>	<u>(660,471)</u>
Gross profit		13,241,203	12,620,002
Administrative expenses		<u>(9,276,562)</u>	<u>(8,581,582)</u>
Operating profit	3	3,964,641	4,038,420
Other interest receivable and similar income	6	-	3,027
Interest payable and similar expenses	7	<u>(106)</u>	<u>-</u>
Profit before taxation		3,964,535	4,041,447
Tax on profit	8	<u>(754,356)</u>	<u>(768,105)</u>
Profit for the financial year		<u>3,210,179</u>	<u>3,273,342</u>

The results shown above are derived wholly from continuing operations.

The company has no recognised gains or losses for the year other than the results above. Consequently, a statement of comprehensive income has not been prepared.

The notes on pages 7 to 14 form an integral part of these financial statements.

Adelphi Values Limited
(Registration number: 02761308)
Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
Current assets			
Stocks	10	1,832,049	1,503,676
Debtors	11	<u>6,091,045</u>	<u>9,934,597</u>
		7,923,094	11,438,273
Creditors: Amounts falling due within one year	12	<u>(4,310,816)</u>	<u>(5,536,174)</u>
Net assets		<u>3,612,278</u>	<u>5,902,099</u>
Capital and reserves			
Called up share capital	13	100	100
Retained earnings		<u>3,612,178</u>	<u>5,901,999</u>
Total equity		<u>3,612,278</u>	<u>5,902,099</u>

For the year ending 31 December 2021 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the Board on 17 May 2022 and signed on its behalf by:



.....
D.G. Harrison
Director

Adelphi Values Limited

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

	Share capital £	Retained earnings £	Total £
At 1 January 2021	100	5,901,999	5,902,099
Profit for the year	-	3,210,179	3,210,179
Total comprehensive income	-	3,210,179	3,210,179
Dividends	-	(5,500,000)	(5,500,000)
At 31 December 2021	100	3,612,178	3,612,278
	Share capital £	Retained earnings £	Total £
At 1 January 2020	100	2,628,657	2,628,757
Profit for the year	-	3,273,342	3,273,342
Total comprehensive income	-	3,273,342	3,273,342
At 31 December 2020	100	5,901,999	5,902,099

The notes on pages 7 to 14 form an integral part of these financial statements.

Adelphi Values Limited

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

1 Accounting policies

Statement of compliance

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

Basis of preparation

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

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

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

Summary of disclosure exemptions

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Omnicom Group Inc. include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 Share Based Payments; and,
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

Related party transactions: As a 100% owned subsidiary of Omnicom Group Inc. the Company has taken advantage of the exemption available under FRS 102 Section 33. 1A: Related Party Disclosures, which enable it to exclude disclosure of transactions with Omnicom Group Inc., and its wholly owned subsidiaries.

Adelphi Values Limited

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

Going concern

The Company has net current assets of £3,612,278 at 31 December 2021 (2020: £5,902,099). The financial statements have been prepared on a going concern basis which the directors consider to be appropriate as the directors consider that the Company will have access to sufficient funding to meet its needs for the reasons set out below.

The Company participates in a cash concentration arrangement with its fellow subsidiaries, Omnicom Finance Limited and/or Omnicom Financial Services Limited, the group's UK treasury operations, under which bank balances are cleared to zero on a daily basis either by the Company depositing cash with Omnicom Finance Limited and/or Omnicom Financial Services Limited or by Omnicom Finance Limited and/or Omnicom Financial Services Limited depositing cash with the Company. The Company's access to borrowings under the cash concentration arrangement is not limited as long as these borrowings are required in the normal course of business and are made in accordance with the Omnicom Group Inc. Grant of Authority and includes a period of at least 12 months from the date of approval of these financial statements.

Omnicom Finance Limited, is able to make this commitment because Omnicom Finance Limited is a co-borrower with Omnicom Finance Inc. and Omnicom Capital Inc. under certain group bank facilities which are more fully described in the Omnicom Group Inc. financial statements filed on Form 10-K and available at www.OmnicomGroup.com.

The directors of the Company consider the combination of the group facilities and expected funding requirements of the Omnicom Group Inc. and its subsidiaries provides sufficient access to funding to ensure that the Company is able to meet its liabilities as they fall due for the foreseeable future. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Accordingly, the directors have prepared the financial statements as a going concern.

Key sources of estimation uncertainty

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

Summary of significant accounting policies and key accounting estimates

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

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Adelphi Values Limited

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

Trade and other debtors

Trade and other debtors are recognised initially at the transaction price.

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

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

Trade and other creditors

Trade and other creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable.

Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Defined contribution pension obligation

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss accounts represents the contributions payable to the scheme in respect of the accounting period.

Rebillable costs

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

Gross Billings

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

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

Adelphi Values Limited

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

Turnover

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The Company recognises turnover when:

The amount of turnover can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the Company's activities.

2 Turnover

The whole of the Company's gross billings, turnover and operating profit for the year related to its principal activity, which was that of Health Outcomes and Market Access, and which was carried out in the United Kingdom.

The analysis of the company's turnover, by geographic location by destination, for the year from continuing operations for rendering of services is as follows:

	2021	2020
	£	£
UK	1,423,804	1,668,587
Europe	4,881,098	3,842,874
Americas	7,429,882	7,769,012
	<u>13,734,784</u>	<u>13,280,473</u>

3 Operating profit

Arrived at after charging/(crediting)

	2021	2020
	£	£
Foreign exchange gains/losses	(258,043)	80,001
Hire of other assets - rentals payable	<u>-</u>	<u>230,828</u>

4 Directors' remuneration

The directors are not remunerated specifically for their services to Adelphi Values Limited.

Adelphi Values Limited

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

5 Staff costs

The aggregate payroll costs were as follows:

	2021 £	2020 £
Wages and salaries	6,230,849	5,293,381
Social security costs	724,763	622,248
Pension and other post-employment benefit costs	374,237	352,779
	<u>7,329,849</u>	<u>6,268,408</u>

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

	2021 No.	2020 No.
Production	<u>144</u>	<u>125</u>

6 Other interest receivable and similar income

	2021 £	2020 £
Receivable from group undertakings	<u>-</u>	<u>3,027</u>

7 Interest payable and similar charges

	2021 £	2020 £
Payable to group undertakings	<u>106</u>	<u>-</u>

Adelphi Values Limited

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

8 Taxation

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

	2021 £	2020 £
Current taxation		
Current tax on income for the period	754,356	768,094
Adjustments in respect of previous periods	-	11
	<u>754,356</u>	<u>768,105</u>

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

The differences are reconciled below:

	2021 £	2020 £
Profit before tax	<u>3,964,535</u>	<u>4,041,447</u>
Corporation tax at standard rate	753,262	767,875
Effect of expense not deductible in determining taxable profit (tax loss)	1,094	219
Increase in UK and foreign current tax from adjustment for prior periods	-	11
Total tax charge	<u>754,356</u>	<u>768,105</u>

A UK corporation tax rate of 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly.

9 Dividends

	2021 £	2020 £
Dividend of £55,000 (2020 - £Nil) per ordinary share	<u>5,500,000</u>	<u>-</u>

10 Stocks

	2021 £	2020 £
Long term contracts	<u>1,832,049</u>	<u>1,503,676</u>

Adelphi Values Limited

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

11 Debtors

	2021 £	2020 £
Trade and other debtors	5,167,017	5,580,467
Amounts owed by group undertakings - trading balances	67,353	174,981
Amounts owed by group undertakings - loans and advances	579,417	3,903,943
Other debtors	203,240	182,761
Prepayments and accrued income	74,018	92,445
	<u>6,091,045</u>	<u>9,934,597</u>

The Company participates in a cash concentration arrangement with its fellow subsidiaries, Omnicom Finance Limited and Omnicom Financial Services Limited, the Omnicom Europe Limited group's UK treasury operations, under which bank balances are cleared to zero on a daily basis either by the Company depositing cash with Omnicom Finance Limited and/or Omnicom Financial Services Limited or by Omnicom Finance Limited and/or Omnicom Financial Services Limited depositing cash with the Company. Included in Amounts owed by group undertakings - loans and advances is £579,417 (2020: £3,903,943) representing cash deposited by the Company under these arrangements.

12 Creditors

	2021 £	2020 £
Due within one year		
Payments received on account	2,217,922	4,104,336
Trade and other creditors	65,686	83,690
Amounts owed to group undertakings - trading balances	501,842	778,488
Amounts owed to group undertakings - loans and advances	13	-
Taxation and social security	49,022	61,754
Accruals and deferred income	1,476,331	507,906
	<u>4,310,816</u>	<u>5,536,174</u>

Adelphi Values Limited

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

13 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100

14 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £374,237 (2020 - £352,779).

15 Commitments

Operating leases

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

16 Related party transactions

Summary of transactions with subsidiaries

At 31 December 2021, the Company's ultimate parent undertaking was Omnicom Group Inc. The shareholders of the Company have interest directly or indirectly in certain other companies which are considered to give rise to related party disclosures under FRS 102 Section 33.

As a 100% owned indirect subsidiary of Omnicom Group Inc, the Company has taken advantage of the exemption under FRS102 Section 33.1A: Related Party Disclosures, which enable it to exclude disclosure of transactions with Omnicom Group Inc and its wholly owned subsidiaries.

17 Parent and ultimate parent undertaking

The Company is a subsidiary undertaking of Omnicom Group Inc. incorporated in the United States of America and is the largest group in which the results are consolidated.

These Financial Statements are available upon request from Omnicom Group Inc.'s registered address, 280 Park Avenue, New York, NY 10017, United States.

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