

# **Kantar UK Limited**

## **Strategic report**

### **For the year ended 31 December 2023**

The directors present their strategic report on Kantar UK Limited ('the Company') for the year ended 31 December 2023. The directors, in preparing this strategic report, have complied with section 414C of the Companies Act 2006.

#### **Principal activity, business review and future developments**

The Company's principal activity is the provision of market research services and 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).

As shown in the Company's profit and loss account on page 12, turnover has increased by 6.7% to £249m (2022: £233.3m) and profit before tax increased by 1.1% to £63.2m (2022: £62.5m).

The balance sheet on page 13 shows that the Company's net assets have increased from £269.0m as of 31 December 2022 to £314.5m as of 31 December 2023. This is principally driven by an increase in intangible assets and loan receivables with TNS Group Holdings. The net current liability position has increased to £176.3m (2022: £173.8m) and cash balances were £7.1m at year end (2022: £12.2m).

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.

#### **Key performance indicators (KPIs)**

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

#### **Principal risks and uncertainties**

The Company competes for clients in a highly competitive industry, and changes in client relationships may reduce market share and decrease profits. The Company manages this risk by continually innovating our service and product offering to our clients and maintaining strong long term client relationships. The Company continues to recruit and retain the most talented people by supporting them to expand their skills and capabilities, whilst providing a supportive and inclusive working environment.

The directors recognise the critical significance of Environmental, Social and Governance (ESG), Artificial Intelligence (AI) and Resilience risks within our risk management strategy, and there are dedicated forums and working groups in these areas to ensure our existing frameworks and approaches evolve and innovate to respond to change conditions and shareholder expectations.

The directors also consider another principal risk to be the effective management of sufficient working capital. This risk is mitigated through the regular review of performance against working capital targets, and cash flow forecasts; the regular monitoring of receipts against contractually agreed client payment terms, and ensuring invoices are issued on a timely basis.

#### **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 directors continue to recognise the importance of the Company's partnership with all stakeholders, including employees, shareholders, 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 such as the Market Research Society who are engaged on issues that affect our people, clients and competitors.

# Kantar UK Limited

## Strategic report (continued) For the year ended 31 December 2023

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

#### a) Long term consequences

The directors met 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 Board 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 relationship which is based on honesty and respect. The Company engages in regular conversation with clients and suppliers on improving delivery of services and relationships.

#### d) 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.

#### 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. These are communicated on an annual basis by HR.

#### f) Act fairly between members

The directors aim to understand the views of its shareholders and always act in their best interests. In order to do this, the directors work closely with the shareholders 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:



Kelly R Smith  
Director  
28 June 2024