

# **MRM Worldwide (UK) Limited**

**Directors' Report, Strategic Report and  
Financial Statements**

**Year ended 31 December 2015**

**Registered Number: 2507164**



## **MRM Worldwide (UK) Limited**

### **Strategic Report for the year ended 31 December 2015**

The directors present their strategic report of MRM Worldwide (UK) Limited (the "Company"), registered number 2507164 for the year ended 31 December 2015

#### **Principal activities and review of the business**

The Company applies award-winning planning, creative and technological expertise to help clients engage and interact with their customers

The Company's profit before tax for the year was £2,116,000 (2014 £1,188,000) Revenue increased by £2,391,000 or 14.4% on the prior year to £19,021,000

The directors are confident about the medium and long-term financial outlook for the Company and its ability to deliver good operating margins in 2016 and beyond

The directors also believe that the Company is well positioned to build on its distinctive approach to marketing by using innovative marketing strategies and technologies that are focused on clients' customers and, in particular, the "customer journeys" they make all the way from awareness to purchase

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

The group's operations are managed on a divisional basis and for this reason, the Company's directors believe that analysis using 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. The development, performance and position of The Interpublic Group of Companies, Inc., which include the Company, are discussed in that company's annual report, which does not form part of this report.

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

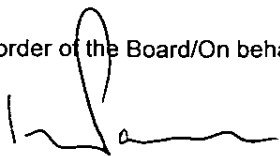
From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of The Interpublic Group of Companies, Inc. and are not managed separately. These risks are discussed in The Interpublic Group of Companies, Inc. annual financial statements for the year ended 31 December 2015, which does not form part of this report. Copies of The Interpublic Group of Companies, Inc. consolidated financial statements can be obtained from

The Interpublic Group of Companies, Inc  
1114 Avenue of the Americas  
New York, NY 10036 U S A

#### **Strategy and future developments**

The business, in keeping with prior year strategies, continues to focus on increasing revenue through organic growth and making selective investments in areas that allow new business opportunities and initiatives to be exploited in greater depth. There will continue to be a focus on delivering a high quality service to clients and this, coupled with careful cost control, is expected to drive the business into 2016 and beyond.

By order of the Board/On behalf of the Board



I Parsonson  
Director

22<sup>nd</sup> July 2016

# **MRM Worldwide (UK) Limited**

## **Directors' Report for the year ended 31 December 2015**

The directors present their report and the financial statements of MRM Worldwide (UK) Limited (the "Company"), registered number 2507164 for the year ended 31 December 2015

### **Future developments**

Future developments, strategy and key performance indicators are discussed in the strategic report

### **Dividends**

The Directors did not recommend the payment of a dividend during the year

### **Objectives and policies**

The Company's operations expose it to a variety of financial risks. These include the credit risk, the liquidity risk associated with recovering customer debt on a timely basis, and the interest rate cash flow risk. The Company has in place a risk management programme that seeks to minimise the potential adverse effects on the financial performance of the Company by monitoring customer debt levels and the related financial risks to the business.

The Company follows the standard policy and procedures (SP&P) manual provided by The Interpublic Group of Companies, Inc which sets out specific guidelines to manage credit and liquidity risks. Interest rate cash flow risk is managed by The Interpublic Group of Companies, Inc.

### **Financial risk management**

The Company's operations expose it to a variety of financial risks that include the effects of changes in debt market prices, credit risk, liquidity risk and interest rate risk. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring levels of debt finance and the related finance costs.

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Company's finance department. The department follows the policy and procedures manual provided by The Interpublic Group of Companies, Inc that sets out specific guidelines to manage credit and liquidity risks. Interest rate cash flow risk is managed by The Interpublic Group of Companies, Inc.

### **Credit risk**

The Company has implemented policies to monitor customer debt levels and to ensure that excessive credit is not extended to any particular customer. This provides the business with visibility of balances and ensures that no further credit is extended in cases where this is not merited. The maximum exposure to credit risk at 31 December 2015 was mainly as follows: trade debtors £2,807,000, amounts due from group undertakings £2,083,000, other debtors £31,000 and prepayment and accrued income £1,809,000 (2014: £4,195,000, £1,850,000, £2,000, £211,000 respectively).

Credit given to other Group companies is also monitored and credit is extended where it is merited. Group debts are collected on the same basis as non-Group debts.

The Company also attempts to minimize credit exposure to cash investments. Cash investments are placed with high-quality financial institutions with limited exposure to any one institution.

### **Liquidity risk**

The Company's customer profile is such that late payments and defaults may reduce the funds available for operations and planned expansions. The Company manages this risk by engaging external collection agencies where required.

## **MRM Worldwide (UK) Limited**

### **Directors' Report for the year ended 31 December 2015 (continued)**

#### **Political donations**

The Company made no political donations in 2015 (2014 nil)

#### **Branches outside the UK**

The Company has no branches outside the UK

#### **Disabled employee note**

The Company is committed to employment policies which follow best practice based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The Company gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Company. If members of staff become disabled the Company continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

#### **Employee involvement**

The Company systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the Company is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the Company plays a major role in maintaining its future success.

#### **Directors**

The directors who held office during the year and up to the date of signing the financial statements are given below

W Kolb

I C Parsonson

J B Burleigh – resigned 30<sup>th</sup> November 2015

H Bishop

D Smith

#### **Events post statement of financial position**

No material events post statement of financial position have occurred

**Directors' Report for the year ended 31 December 2015 (continued)**

**Statement of directors' responsibilities**

The directors are responsible 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 prepared the Company's financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102, The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102)

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 then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements,
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements, 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 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 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 acknowledge their responsibilities for

- ensuring that the Company keeps adequate accounting records which comply with section 386 of the Companies Act 2006, and
- preparing financial statements which give a true and fair view of the state of the affairs of the Company at 31 December 2015 and its profit or loss for the year then ended in accordance with the requirement of section 394 of the Companies Act 2006, and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements so far as applicable to the Company

**Audit exemption**

Advantage has been taken of the audit exemption available for subsidiary companies conferred by section 479A of the Companies Act 2006 on the grounds

- a) that for the year ended 31 December 2015 the Company was entitled to the exemption from a statutory audit under section 479A of the Companies Act 2006 relating to subsidiary companies, and
- b) that no notice has been deposited under section 476 of the Companies Act 2006 in relation to the financial statements for the financial year

On behalf of the Board



I Parsonson

Director

22<sup>nd</sup> July 2016

# MRM Worldwide (UK) Limited

## Statement of comprehensive income

For the year ended 31 December 2015

		2015	2014
	Note	£000's	(Restated) £000's
Turnover	5	20,243	23,571
Cost of sales		(1,222)	(6,941)
<b>Revenue</b>	3d)	<b>19,021</b>	<b>16,630</b>
Administrative expenses		(16,392)	(15,050)
Goodwill amortisation	13	(374)	(266)
<b>Operating profit</b>	6	<b>2,255</b>	<b>1,314</b>
Interest payable and similar charges	7	(141)	(133)
Interest receivable and similar income	8	2	7
<b>Profit on ordinary activities before taxation</b>		<b>2,116</b>	<b>1,188</b>
Tax on profit on ordinary activities	11	(223)	(244)
<b>Profit and total comprehensive income for the financial year</b>	23	<b>1,893</b>	<b>944</b>

All operations are continuing

# MRM Worldwide (UK) Limited

## Statement of financial position

As at 31 December 2015

	Note	2015 £000's	2014 £000's
<b>Fixed assets</b>			
Intangible assets	13	4,622	4,996
Tangible assets	12	246	277
Investments	14	8,460	8,460
		<b>13,328</b>	<b>13,733</b>
<b>Current assets</b>			
Work in progress		383	368
Debtors amounts falling due within one year	15	6,914	7,179
		<b>7,297</b>	<b>7,547</b>
Creditors amounts falling due within one year	16	(12,646)	(15,326)
<b>Net current assets/(liabilities)</b>		<b>(5,349)</b>	<b>(7,779)</b>
<b>Total assets less current liabilities</b>		<b>7,979</b>	<b>5,954</b>
Creditors amounts falling due over one year	17	(1,399)	(1,267)
Provisions for liabilities		-	-
<b>Net assets/(liabilities)</b>		<b>6,580</b>	<b>4,687</b>
<b>Capital and reserves</b>			
Called up share capital	18	8,300	8,300
Share premium account		4,835	4,835
Unrealised reserves		(1,176)	(1,176)
Retained earnings		(5,379)	(7,272)
<b>Total equity</b>		<b>6,580</b>	<b>4,687</b>

## MRM Worldwide (UK) Limited

### Statement of financial position (continued) As at 31 December 2015

Advantage has been taken of the audit exemption available for subsidiary companies conferred by section 479A of the Companies Act 2006 on the grounds

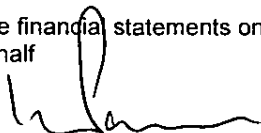
- a) that for the year ended 31 December 2015 the Company was entitled to the exemption from a statutory audit under section 479A of the Companies Act 2006 relating to subsidiary companies, and
- b) that no notice has been deposited under section 476 of the Companies Act 2006 in relation to the financial statements for the financial year

The directors acknowledge their responsibilities for

- a) ensuring that the Company keeps adequate accounting records which comply with section 386 of the Companies Act 2006, and
- b) preparing financial statements which give a true and fair view of the state of the affairs of the Company at 31 December 2015 and of its profit or loss for the year then ended in accordance with the requirement of section 394 of the Companies Act 2006, and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements so far as applicable to the Company

The notes on pages 10 to 32 are an integral part of these financial statements

The financial statements on pages 6 to 9 were authorised for issue by the board of directors on 22<sup>nd</sup> July 2016 and were signed on its behalf



Ian Parsonson  
Director  
MRM Worldwide (UK)  
Limited  
Registered No 250714



# MRM Worldwide (UK) Limited

## Statement of changes in equity for the year end 31 December 2015

	Called up share capital	Share premium account	Unrealised reserves	Retained earnings	Total Equity
	£000's	£000's	£000's	£000's	£000's
At 1 January 2014	8,300	4,835	(1,176)	(8,216)	3,743
Profit for the financial year and total comprehensive income	-	-	-	944	944
At 31 December 2014 and 1 January 2015	8,300	4,835	(1,176)	(7,272)	4,687
Profit for the financial year and total comprehensive income	-	-	-	1,893	1,893
<b>At 31 December 2015</b>	<b>8,300</b>	<b>4,835</b>	<b>(1,176)</b>	<b>(5,379)</b>	<b>6,580</b>

The unrealised reserve arose on the transfer of business of Meteorite Marketing Limited on 1 January 2012. It represents the movement of net assets of the company from the date of acquisition to the date of transfer of the business to the Company.

# **MRM Worldwide (UK) Limited**

## **Notes to the financial statements for the year ended 31 December 2015**

### **1 General information**

The Company applies award-winning planning, creative and technological expertise to help clients engage and interact with their customers. The Company is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is 3 Grosvenor Gardens, London, SW1W 0BD.

### **2 Statement of compliance**

The individual financial statements of the Company have been prepared in compliance 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") and the Companies Act 2006.

### **3 Summary of significant accounting policies**

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. The Company has adopted FRS 102 in these financial statements. Details of the transition to FRS 102 are disclosed in note 23.

#### **a) Basis of preparation**

These financial statements are prepared under the historical cost convention. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

#### **b) Going concern**

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

#### **c) Exemptions for qualifying entities under FRS 102**

As a qualifying entity, the Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its intermediate parent company, IPG Holdings (UK) Ltd, includes the Company's cash flows in its own consolidated financial statements.

#### **d) Revenue recognition**

The Company's revenues are primarily derived from the planning and execution of multi-channel advertising, marketing and communications programs in the United Kingdom and the rest of Europe. Revenues are directly dependent upon the advertising, marketing and corporate communications requirements of existing clients and the Company's ability to win new clients. Revenue is typically lowest in the first quarter and highest in the fourth quarter. Most client contracts are individually negotiated and, accordingly, the terms of client engagements and the bases on which the Company earns commissions and fees vary significantly. As is customary in the industry, contracts generally provide for termination by either party on relatively short notice, usually 90 days.

Client contracts are complex arrangements that may include provisions for incentive compensation and vendor rebates and credits. The Company's largest clients are multinational entities and, as such, the Company provides services to these clients out of multiple offices and across many of our agencies within the Group or with related companies. In arranging for such services, it is possible that the Company enters into global, regional and local agreements. Agreements of this nature are reviewed by The Interpublic Group of Companies, Inc. Corporate legal counsel to determine the governing terms to be followed by the offices and agencies involved.

Revenue for our services is recognised when all of the following criteria are satisfied: (i) persuasive evidence of an arrangement exists, (ii) the price is fixed or determinable, (iii) collectability is reasonably assured, and (iv) services have been performed. Depending on the terms of a client contract, fees for services performed can be recognised in three principal ways: proportional performance (input or output), straight-line (or monthly basis) or completed contract.

**Notes to the financial statements for the year ended 31 December 2015 (Continued)**

**3 Summary of significant accounting policies (Continued)**

**d) Revenue recognition (Continued)**

**▪ Fees**

Fees are generally recognised as earned based on the proportional performance input method of revenue recognition in situations where our fee is linked to the actual hours incurred to service the client as detailed in a contractual staffing plan, where the fee is earned on a per hour basis or where actual hours incurred are provided to the client on a periodic basis (whether or not the fee is reconcilable), with the amount of revenue recognised in these situations limited to the amount realisable under the client contract. We believe an input-based measure (the 'hour') is appropriate in situations where the client arrangement essentially functions as a time and out-of-pocket expense contract and the client receives the benefit of the services provided throughout the contract term.

Fees are recognised on a straight-line or monthly basis when service is provided essentially on a pro-rata basis and the terms of the contract support monthly basis accounting.

Certain fees (both for major marketing events and discrete, small-scale projects) are deferred until contract completion if the final act is so significant in relation to the service transaction taken as a whole or if any of the terms of the contract do not otherwise qualify for proportional performance or monthly basis recognition. Fees may also be deferred and recognised upon delivery of a project if the terms of the client contract identify individual discrete projects.

Depending on the terms of the client contract, revenue is derived from diverse arrangements involving fees for services performed, commissions, performance incentive provisions and combinations of the three. Commissions are generally earned on the date of the broadcast or publication. Contractual arrangements with clients may also include performance incentive provisions designed to link a portion of our revenue to our performance relative to either qualitative or quantitative goals, or both. Performance incentives are recognised as revenue for quantitative targets when the targets have been achieved and for qualitative targets when confirmation of the incentive is received from the client.

The majority of our revenue is recorded as the net amount of our gross billings less pass-through expenses charged to a client which are included as costs of sales. In some cases, the amount that is billed to clients exceeds the amount of revenue that is earned and reflected in our financial statements because of various pass-through expenses, such as production and media costs. We assess whether our agency or the third-party supplier is the primary obligor, and we evaluate the terms of our client agreements as part of this assessment. In addition, we give appropriate consideration to other key indicators such as latitude in establishing price, discretion in supplier selection and credit risk to the supplier. Because we operate broadly as an advertising agency, based on our primary lines of business and given the industry practice to generally record revenue on a net versus gross basis, we believe that there must be strong evidence in place to overcome the presumption of net revenue accounting. Accordingly, we generally record revenue net of pass-through charges as we believe the key indicators of the business suggest we generally act as an agent on behalf of our clients in our primary lines of business. In those businesses where the key indicators suggest we act as a principal (primarily sales promotion and event, sports and entertainment marketing), we record the gross amount billed to the client as revenue and the related incremental direct costs incurred as office and general expenses. In general, we also report revenue net of taxes assessed by governmental authorities that are directly imposed on our revenue-producing transactions.

As we provide services as part of our core operations, we generally incur incidental expenses, which, in practice, are commonly referred to as "out-of-pocket" expenses. These expenses often include expenses related to airfare, mileage, hotel stays, out-of-town meals and telecommunication charges. We record the reimbursements received for such incidental expenses as revenue with a corresponding offset to office and general expense.

We receive credits from our vendors and media outlets for transactions entered into on behalf of our clients that, based on the terms of our contracts and local law, are either remitted to our clients or retained by us. If amounts are to be passed through to clients, they are recorded as liabilities as a provision until settlement or, if retained by us, are recorded as revenue when earned.

**▪ Interest income**

Interest income is recognised using the effective interest rate method.

**Notes to the financial statements for the year ended 31 December 2015 (Continued)**

**3 Summary of significant accounting policies (Continued)**

**e) Employee benefits**

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements, defined benefit and defined contribution pension plans

**i) Short term benefits**

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received

**ii) Pension costs**

Contributions payable in respect of employees' personal pension plans are expensed in the statement of comprehensive income as they are incurred

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from the Company in an independently administered fund. The pension cost charge disclosed in note 22 represents contributions payable by the Company to the fund.

**iii) Annual bonus plan**

The Company operates an annual bonus plan for some employees. An expense is recognised in the statement of comprehensive income when the Company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

**f) Foreign currencies**

The Company's functional and presentation currency is pound sterling. Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences arising from the revaluation of foreign currency assets and liabilities are taken to the statement of comprehensive income during the year to which they relate.

**g) Borrowing costs**

All borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

**h) Leases**

Rentals applicable to operating leases, where substantially all of the benefits and risks of membership remain with the lessor, are charged to the statement of comprehensive income on a straight line basis over the term of the lease.

**i) Lease incentives**

Incentives received to enter into an operating lease are credited to the statement of comprehensive income, to reduce the lease expense, on a straight-line basis over the period of the lease.

**j) Exceptional items**

Exceptional items comprise those that are by their nature, large unusual non-recurring and are shown separately in the statement of comprehensive income.

**Notes to the financial statements for the year ended 31 December 2015 (Continued)**

**3 Summary of significant accounting policies (Continued)**

**k) Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current and deferred taxation assets and liabilities are not discounted.

Corporation tax payable is provided on taxable profits and is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date, where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred at the statement of financial position date. Timing differences are differences between a company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates and laws that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is measured on a non-discounted basis in line with FRS 102.

**l) Intangible assets**

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

Goodwill	-	20 years
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An impairment review is undertaken at the end of the first financial year of an acquisition and thereafter at each reporting date where events or changes in circumstances indicate that a review is necessary.

**m) Investments**

Investments in subsidiaries are held at cost less accumulated impairment losses.

**Notes to the financial statements for the year ended 31 December 2015 (Continued)**

**3 Summary of significant accounting policies (Continued)**

**n) Tangible Assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated to write off the cost of the assets evenly over their expected useful lives as follows:

Freehold land and buildings	Lesser of 10 years or the remaining life of the lease
Equipment, fixtures & fittings	3 - 10 years
Plant & machinery	3 - 10 years
Long leasehold and leasehold improvements	Lesser of 10 years or the remaining life of the lease
Computer hardware and software	3 - 4 years

The assets' useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

Repairs, maintenance and minor inspection costs are expensed as incurred.

The fair value of estimated asset retirement obligations is recognised in the statement of financial position when identified and a reasonable estimate of fair value can be made. The fair value is determined based on the net present value of the estimated costs which include those legal obligations where the Company will be required to return the properties to their original condition. The asset retirement costs, equal to the estimated fair value of the asset retirement obligation, is capitalised as part of the cost of the related long-lived asset. Asset retirement costs are amortised over the life of the lease.

Amortisation of asset retirement costs is included in depreciation of fixed assets. Increases in the provision of asset retirement obligation resulting from the passage of time are recorded as interest expense in the statement of comprehensive income. Actual expenditures incurred are charged against the accumulated provision.

**o) Impairment of non-financial assets**

At each statement of financial position date, non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication, the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of comprehensive income.

**Notes to the financial statements for the year ended 31 December 2015 (Continued)**

**3 Summary of significant accounting policies (Continued)**

**p) Related party disclosures**

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

**q) Work in progress**

Work in progress comprises external charges for services incurred on behalf of clients which have still to be invoiced to clients. Work in progress is stated at the lower of cost and net realisable value.

**r) Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, if it is probable that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provision is not made for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

**Notes to the financial statements for the year ended 31 December 2015 (Continued)**

**3 Summary of significant accounting policies (Continued)**

**s) Financial instruments**

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments

**(i) Financial assets**

Basic financial assets, including debtors and cash at bank and in hand balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

Other financial assets, including equity investments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

**(ii) Financial liabilities**

Basic financial liabilities, including creditors and other payables, loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as creditors amounts falling due over one year. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.



**Notes to the financial statements for the year ended 31 December 2015 (Continued)**

**3 Summary of significant accounting policies (Continued)**

**t) Deferred income**

Deferred income represents revenue invoiced in advance of services that have not yet been rendered to clients

**u) Incentive compensation plans**

Compensation costs related to share-based transactions, including employee stock options, are recognised in the financial statements based on fair value. Stock-based compensation expense is generally recognised over the requisite service period based on the estimated grant-date fair value. Cash settled share based payments are measured at fair value at the statement of financial position date and are included in creditors.

The movement in cumulative expense since the previous statement of financial position date is recognised in the statement of comprehensive income, with a corresponding entry in creditors.

Cash awards are generally granted on an annual basis and have a service period vesting condition and generally vest in three years. Cash awards do not fall within the scope of share based payments as they are not paid in equity and the value of the award is not correlated with The Interpublic Group of Companies, Inc. share price. The present value of the amount expected to vest for cash awards and performance cash awards over the vesting period is amortised using the straight-line method in the statement of comprehensive income.

**v) Netting off policy**

Balances with other companies in The Interpublic Group of Companies, Inc. are stated gross, unless all of the following conditions are met:

- (i) The Company and the counterparty owe each other determinable monetary amounts, denominated either in the same currency, or in different but free convertible currencies,
- (ii) The Company has the ability to insist on a net settlement, and
- (iii) The Company's ability to insist on a net settlement is assured beyond doubt. For this to be the case it is necessary that the debit balance mature no later than the credit balance. It is also necessary that the Company's ability to insist on a net settlement would survive the insolvency of the counterparty.

**w) Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**x) Distributions to equity holders**

Dividends and other distributions to the Group's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

**Notes to the financial statements for the year ended 31 December 2015 (Continued)**

**4 Critical accounting estimates and assumptions**

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

**Critical judgements in applying the entity's accounting policies**

**Group defined benefit pension scheme**

The Company does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit costs, defined benefit plan liabilities and plan assets and therefore accounts for the scheme as a defined contribution scheme. Please refer to note 22

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below

**(i) Useful economic lives of tangible assets (note 3)**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property plant and equipment, and note 3n) for the useful economic lives for each class of assets

**(ii) Useful economic lives of goodwill (note 3l)**

The annual amortisation charge for goodwill is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. The useful economic life of the assets are amended when necessary to reflect current estimates, based on historic and expected future performance of the asset. See note 13 for the carrying amount of the intangible assets

**(iii) Impairment of trade and other debtors (note 15)**

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 15 for the net carrying amount of the debtors and associated impairment provision

Notes to the financial statements for the year ended 31 December 2015 (Continued)

**5 Segmental reporting**

	2015 £000's	2014 £000's
<b>Turnover by origin</b>		
United Kingdom	20,243	23,571
Rest of Europe	-	-
North America	-	-
	<b>20,243</b>	<b>23,571</b>

The analysis above is by geographical origin, being the location of the Company which is performing the service for the customer, who may be located in a different location

**6 Operating profit**

The following amounts have been charged/(credited) in arriving at the operating profit

	2015 £000's	2014 £000's
<b>Salaries and wages (including directors)</b>	<b>9,272</b>	<b>8,830</b>
<b>Pension cost (note 22)</b>		
- Defined contribution	354	303
<b>Severance expenses</b>	<b>164</b>	<b>149</b>
<b>Depreciation</b>		
- Tangible assets	116	139
- Intangible assets - goodwill	374	266
<b>Remuneration of auditors</b>		
- Statutory audit fees	-	-
- Non statutory audit fees	18	27
- Non audit services	-	-
<b>Bad debt - provision (decrease)/increase</b>	<b>(40)</b>	<b>32</b>
<b>Loss on disposal</b>	<b>1</b>	<b>-</b>
<b>Exchange loss</b>	<b>20</b>	<b>52</b>
<b>Operating lease rentals</b>		
- plant and machinery	64	79
- office space	1,174	1,196
- other	-	-

Notes to the financial statements for the year ended 31 December 2015 (Continued)

**7 Interest payable and similar charges**

	2015 £000's	2014 £000's
Interest payable on bank overdrafts	9	1
Discounting of additional provisions and unwinding of provisions	132	132
	<b>141</b>	<b>133</b>

**8 Interest receivable and similar income**

	2015 £000's	2014 £000's
Interest receivable and similar income	2	7
	<b>2</b>	<b>7</b>

**9 Employee costs**

	2015 £000's	2014 £000's
Salaries and wages (including directors)	8,253	7,870
Social security costs	1,019	960
Pension costs (note 22)	354	303
Severance expense	164	149
Share based payments costs	7	-
Employee costs	<b>9,797</b>	<b>9,282</b>

The average monthly number of people employed (including directors) by the Company during the year is set out below

	2015	2014
United Kingdom	164	160
Rest of Europe	-	-
Middle East and Africa	-	-
North America	-	-
Rest of World	-	-
Average monthly number employed	<b>164</b>	<b>160</b>

Notes to the financial statements for the year ended 31 December 2015 (Continued)

**9 Employee costs (continued)**

**Key management compensation**

The compensation paid or payable to key management (including directors) for employee services is shown below

	2015 £000's	2014 £000's
Salaries and wages	577	591
Social security costs	81	79
Pension costs (note 22)	33	31
Share based payments costs	7	-
Miscellaneous, non-share based incentives and other costs	47	7
<b>Key management compensation</b>	<b>745</b>	<b>708</b>

**10 Directors' emoluments**

The directors are remunerated by the Company in respect of their services to the Company

	2015 £'000	2014 £'000
Aggregate emoluments, including benefits in kind	452	443
Defined contribution scheme – company contributions	15	14
	<b>467</b>	<b>457</b>

<b>Highest paid director</b>	2015 £'000	2014 £'000
Aggregate emoluments, including benefits in kind	155	154
Defined contribution scheme – company contributions	-	-
	<b>155</b>	<b>154</b>

Retirement benefits are accruing to 1 director under a defined contribution scheme (2014 1)

Notes to the financial statements for the year ended 31 December 2015 (Continued)

11 Tax on profit on ordinary activities

	2015 £000's	2014 £000's
<b>Current taxation</b>		
UK corporation taxation	183	-
Foreign taxation	-	-
<b>Total current taxation</b>	<b>183</b>	<b>-</b>
<b>Deferred taxation</b>		
Adjustments in respect of prior years	(45)	7
Origination & reversal of timing differences	64	224
Effect of change in the tax rate	21	13
<b>Total deferred taxation</b>	<b>40</b>	<b>244</b>
<b>Tax on profit on ordinary activities</b>	<b>223</b>	<b>244</b>

Factors affecting the tax charge for the year

The tax assessed for the year is lower (2014 = lower) than the standard rate of corporation tax in the UK of 20 25% (2014 21 5%)

The difference is explained below

	2015 £000's	2014 £000's
<b>Profit on ordinary activities before taxation</b>	<b>2,116</b>	<b>1,188</b>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20 25% (2014 21 5%)	429	256
<b>Effects of</b>		
Expenses not deductible for taxation purposes	120	101
Group relief for nil consideration	(302)	(133)
Adjustments in respect of prior years	(45)	7
Effect of change in tax rate	21	13
<b>Total tax for the year</b>	<b>223</b>	<b>244</b>

A reduction in the rate of UK corporation tax from 21% to 20% took effect from 1 April 2015. Further reductions in the main rate of UK corporation tax to 19% from 1 April 2017, and then to 18% from 1 April 2020 were substantively enacted on 26 October 2015.

Notes to the financial statements for the year ended 31 December 2015 (Continued)

12 Tangible assets

	Long leasehold & leasehold improvements	Computer equipment	Equipment fixtures & fittings	Total
	£000's	£000's	£000's	£000's
<b>At 31 December 2014</b>				
<b>Cost</b>	190	1,601	399	2,190
<b>Accumulated depreciation</b>	(168)	(1,449)	(296)	(1,913)
<b>Net book value</b>	22	152	103	277
<b>Cost</b>				
1 January 2015	190	1,601	399	2,190
Additions	-	86	-	86
Disposals	-	(140)	(29)	(169)
<b>31 December 2015</b>	190	1,547	370	2,107
<b>Accumulated depreciation</b>				
1 January 2015	168	1,449	296	1,913
Charge for year	11	80	25	116
Disposals	-	(139)	(29)	(168)
<b>31 December 2015</b>	179	1,390	292	1,861
<b>Net book value</b>				
<b>31 December 2015</b>	11	157	78	246

**13 Intangible assets**

	<b>Goodwill</b>
	£000's
<b>At 31 December 2014</b>	
Cost	13,989
Accumulated depreciation	(8,993)
<b>Net book value</b>	<b>4,996</b>
<b>Cost</b>	
At 1 January 2015	13,989
Additions	-
<b>At 31 December 2015</b>	<b>13,989</b>
<b>Accumulated amortisation</b>	
At 1 January 2015	8,993
Charge for year	374
<b>At 31 December 2015</b>	<b>9,367</b>
<b>Net book value</b>	
<b>At 31 December 2015</b>	<b>4,622</b>

Goodwill of £8,151k relates to the purchase of Miller Starr Limited and this has been fully amortised. The remaining balance of goodwill of £5,838k has arisen from the purchase of Meteonte Marketing Ltd and Your Future (London) Ltd on 1 January 2012. The goodwill is being amortised over 20 years on a straight line basis.



Notes to the financial statements for the year ended 31 December 2015 (Continued)

14 Investments

<b>Investment in subsidiaries:</b>	<b>£'000</b>
At 31 December 2014	
Cost	11,981
Accumulated provision for impairment	(3,521)
<b>Net book value</b>	<b>8,460</b>
<b>Cost</b>	
At 1 January 2015	11,981
Disposals	-
Additions	-
<b>At 31 December 2015</b>	<b>-</b>
<b>Provision for impairment:</b>	
At 1 January 2015	3,521
Impairment for the current year	-
Impairment on disposals	-
<b>At 31 December 2015</b>	<b>3,521</b>
<b>Net book value at 31 December 2015</b>	<b>8,460</b>

Impairment in carrying value

In accordance with FRS 102, an impairment review has been performed where a triggering event has occurred demonstrating an indicator of impairment

No impairment indicator was identified by management and the directors believe that the carrying value of the investments is supported by their underlying net assets

The Company has the following investments as at 31 December 2015

Name	Co. No. / Country	Registered Office	Share Class(s)	Share Class % Held
Miller Starr Ltd	2107814	3 Grosvenor Gardens, London, SW1W 0BD	Ord £1	100
Meteorite Marketing Ltd (in liquidation)	3115899	Fisher & Partners Acre House 11-15 William Road, London NW1 3ER	Ord £1	100

Notes to the financial statements for the year ended 31 December 2015 (Continued)

**15 Debtors: amounts falling due within one year**

	2015 £000's	2014 £000's
Trade debtors	2,807	4,195
Amounts owed by group undertakings	2,083	1,850
Other debtors	31	2
Prepayments and accrued income	1,809	921
Corporation tax	13	-
Deferred taxation (see below)	171	211
	<b>6,914</b>	<b>7,179</b>

All amounts owed by Group undertakings are unsecured and repayable on demand. The remaining debtors are unsecured.

**Deferred taxation**

	2015 £000's	2014 £000's
Accelerated capital allowances	163	-
Share based payment	3	-
Other short term timing differences	5	211
<b>Total deferred tax asset</b>	<b>171</b>	<b>211</b>

The movement in the deferred taxation balance can be summarised as follows:

	£000's
At 1 January 2015	211
Credited to statement of comprehensive income	(40)
<b>At 31 December 2015</b>	<b>171</b>

The amount of the net reversal of deferred tax expected to occur in 2016 is £15,277. This primarily relates to the reversal of timing differences on tangible fixed assets through depreciation and capital allowances.

Notes to the financial statements for the year ended 31 December 2015 (Continued)

**16 Creditors: amounts falling due within one year**

	2015 £000's	2014 £000's
Trade creditors	126	149
Bank overdrafts	249	700
Amounts owed to group undertakings	8,939	9,250
Corporation tax	-	13
Other creditors including taxation and social security	1,168	834
Accruals and deferred income	2,164	1,441
Deferred consideration payable	-	2,939
	<b>12,646</b>	<b>15,326</b>

Amounts due to group undertakings are unsecured, repayable on demand and do not accrue interest

The Group participates in The Interpublic Group of Companies, Inc pooling arrangement with Lloyds Banking Group plc. The overdraft interest rate is linked to bank base rate and bank borrowing is secured by an ultimate parent undertaking guarantee. The remaining creditors are unsecured.

**17 Creditors: amounts falling due after one year**

	2015 £000's	2014 £000's
Acquisition earn out / deferred consideration	1,399	1,267
	<b>1,399</b>	<b>1,267</b>

**18 Called up share capital**

	2015 Number (000's)	2014 Number (000's)	2015 £000's	2014 £000's
Ordinary shares of £100 each	83	83	8,300	8,300

**19 Capital and other commitments**

	2015 £000's	2014 £000's
<b>Capital commitments</b>		
As at 31 December, the Company had the following total capital commitments	-	-
Contracts for future capital expenditure not provided in the financial statements – property, plant and equipment		
<b>Operating lease commitments</b>		
As at 31 December, the Company had the following total future minimum lease payment commitments under non-cancellable operating leases for each of the following periods		
<b>Payments due</b>		
- Not later than one year	27	-
- Later than one year and not later than five years	2	69
- Later than five years	-	-
<b>Total minimum lease commitments</b>	<b>29</b>	<b>69</b>

**20 Contingent liabilities**

The Company is not party to any commitments or guarantees including composite cross guarantees between banks and fellow subsidiaries except for The Interpublic Group of Companies, Inc pooling arrangements with Lloyds Banking Group plc. The interest rate is linked to a variable base rate and borrowings are secured by parent company guarantees.

Notes to the financial statements for the year ended 31 December 2015 (Continued)

21 Share based payments

The Interpublic Group of Companies, Inc issues stock and cash based incentive awards to our employees under a plan established by The Interpublic Group of Companies, Inc , along with other companies in the Interpublic group, participates in The Interpublic Group of Companies, Inc long term incentive plans Refer to The Interpublic Group of Companies, Inc 2015 Form 10-K for further disclosures relating to their long term incentive plans

Effect of share-based payment transactions on the Company's results and the financial position

	2015	2014
	£000's	£000's
Total expense recognised for equity-settled share based transactions	7	-
Total expense recognised for stock options	-	-
Total expense recognised for cash-settled share based transactions	-	-
Total expense recognised for share based transactions	-	-
Closing liability for cash-settled share based transactions	-	-
Closing liability /other reserves for equity-settled share based transactions	-	-

Cash Settled Time Based Restricted Stock Units

Under the Long Term Incentive Plan, time based restricted stock units are granted to key employees and generally vest over three years

Upon completion of the vesting period and remaining in employment, the grantee is entitled, at the discretion of The Interpublic Group of Companies, Inc's Compensation Committee, to receive a payment in cash based on the then fair market value of the corresponding number of shares in common stock The fair value of cash-settled awards is adjusted at the end of each quarter based on The Interpublic Group of Companies, Inc's share price We amortize stock-based compensation expense related to these units over the vesting period based upon the fair value The holder of the cash-settled awards, as described above, has no ownership interest in the underlying shares of common stock and no monetary consideration is paid by a recipient for a cash-settled award

Cash Settled Time Based Restricted Stock Units

Movements in the number of cash settled time-based restricted stock units outstanding and their related weighted average fair value prices are as follows

	2015	2015	2014	2014
	No of stock options	Weighted average fair value (£)	No of Stock options	Weighted average fair value (£)
Outstanding as at 1 January	-	-	-	-
Granted during the year	-	-	-	-
Transferred (to)/from a group company	-	-	-	-
Cancelled during the year	-	-	-	-
Vested during the year	-	-	-	-
Outstanding at 31 December	-	-	-	-

Cash payments of £nil were made in 2015 (2014 £nil) in respect of restricted stock units distributed to participants Compensation expense in connection with the stock awards was £nil in 2015 (2014 £nil)

## MRM Worldwide (UK) Limited

### Notes to the financial statements for the year ended 31 December 2015 (Continued)

Total accrued liability in relation to unvested awards as at 31 December 2015 is £nil (2014: £nil)

#### 21 Share based payments (continued)

##### Equity Settled Restricted Stock Units

Awards to be settled in shares are granted to certain key employees and are subject to certain restrictions and vesting requirements, as determined by The Interpublic Group of Companies, Inc.'s Compensation Committee. The vesting period is generally three years. The fair value of the restricted stock awards is based on The Interpublic Group of Companies, Inc. share price on the date the award is granted. No monetary consideration is paid by a recipient for a stock-settled award and the fair value of the shares determined on the grant date is amortized over the vesting period. There were no equity settled restricted stock units awarded to employees prior to 2007.

The Interpublic Group of Companies, Inc. grants both time based and performance based restricted stock units to be settled in shares.

Performance-based awards have been granted subject to certain restrictions and vesting requirements as determined by The Interpublic Group of Companies, Inc.'s Compensation Committee. Performance-based awards are a form of stock-based compensation in which the number shares ultimately received by the participant depends on the Company and/or individual performance against specific performance targets.

The awards generally vest over a three-year period subject to the participant's continuing employment as well as the achievement of certain performance objectives. The final number of units and therefore shares that could ultimately be received by a participant ranges from 0% to 300% of the target amount of units originally granted. Stock-based compensation expense is amortised for the estimated number of performance-based awards that are expected to vest over the vesting period using the fair value of the shares at the end of the period.

##### Share Settled Performance Related Restricted Stock Units

Movements in the number of awards outstanding and their related weighted average exercise prices are as follows:

	2015 No of Stock options	2015 Weighted average fair value (£)	2014 No of Stock options	2014 Weighted average fair value (£)
Outstanding as at 1 January	-	-	-	-
Granted during the year	1,486	14.54	-	-
Transferred (to)/from a group company	-	-	-	-
Cancelled during the year	-	-	-	-
Vested during the year	-	-	-	-
Outstanding at 31 December	1,486	15.73	-	13.34

Compensation expense in connection with the restricted stock awards was £6,588 in 2015 (2014: £nil). The Interpublic Group of Companies, Inc. is responsible for issuing the shares upon settlement of the awards and therefore holds the equity balance for the equity settled awards.

## **22 Pensions**

### **Defined contributions scheme**

The Company participates in a number of defined contribution pension schemes. The assets of the schemes are held separately from those of the Company in an independently administered fund. The pension cost represents contributions payable by the Company to the fund and amounted to £353,652 (2014: £302,660). At 31 December 2015, £30,021 remained unpaid and accrued (2014: £22,215).

## **23 Transition to FRS 102**

This is the first year that the Company has presented its results (including comparatives) under FRS 102. The last financial statements prepared under the previous UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2014. Whilst FRS 102 has led to some presentational and narrative changes in the statutory accounts, the implementation of FRS 102 has not caused the restatement of any prior year comparatives in either the statement of comprehensive income or the statement of financial position.

## **24 Company information**

The Company is registered in England and Wales and its registered office is at 3 Grosvenor Gardens, London, SW1W 0BD.

## **25 Ultimate parent undertaking and controlling party**

The immediate parent undertaking is McCann-Erickson UK Group Limited, a company registered in England and Wales. Copies of its financial statements are available at 3 Grosvenor Gardens, London, SW1W 0BD.

The ultimate parent undertaking and controlling party is The Interpublic Group of Companies, Inc., a company incorporated in the United States of America.

The Interpublic Group of Companies, Inc. is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 December 2015. The consolidated financial statements for The Interpublic Group of Companies, Inc. can be obtained from 1114 Avenue of the Americas, New York, New York 10036.