

FCB Europe Limited

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

Year ended 31 December 2014

(Registered Number: 3007253)

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FCB Europe Limited

Strategic report for the year ended 31 December 2014

The directors present their strategic report on FCB Europe Limited ("the Company") registered number 3007253 for the year ended 31 December 2014

Principal activities

The Company's principal activity during the year was that of an investment holding company. Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using key performance indicators is not necessary for the understanding of the development, performance or position of the business.

Business review and results

The Company's loss for the year is £36,000 (2013: loss of £6,500). The directors consider that the result for the year is in line with expectations. The Company had net liabilities of £82,000 as at 31 December 2014 (2013: net liabilities of £46,000).

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

- that for the year ended 31 December 2014 the Company was entitled to the exemption from a statutory audit under section 479A of the Companies Act 2006 relating to subsidiary companies, and
- that no notice has been deposited under section 476 of the Companies Act 2006 in relation to the financial statements for the financial year.

Principal risks and uncertainties & key performance indicators

The principal risks and uncertainties of the Group, which include competition, employees and liquidity, are discussed in the Group's annual report which does not form part of this report. Given the straightforward nature of the business, the Company's directors are of the opinion that there are no additional specific principal risks and uncertainties facing the business and that an analysis using key performance indicators is not necessary for the understanding of the development, performance or position of the business. The development, performance and position of the advertising division of the Group are discussed in the Group's annual report which does not form part of this report. Copies of its financial statements can be obtained from:

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

On behalf of the Board

Warren Kay
2015

Warren Kay
22 June

FCB Europe Limited

Directors' report for the year ended 31 December 2014

The directors present their report and the financial statements of FCB Europe Limited ("the Company") registered number 3007253 for the year ended 31 December 2014

Future developments

The Company will continue to act as an investment holding company in the coming year

Directors

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

M Young (appointed 16 April 2012, resigned 9 January 2014)
F Gibney (appointed 21 January 2014, resigned 23 September 2014)
E Chapman (appointed 21 January 2014, resigned 23 September 2014)
W Kay (appointed 23 September 2014)
D Coleman (appointed 23 September 2014)

Dividends

The directors do not recommend the payment of a dividend (2013 £nil) and accordingly the loss for the year has been transferred to reserves

Statement of directors' responsibilities

The directors are responsible for preparing 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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,
- 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 are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

FCB Europe Limited

Directors' report for the year ended 31 December 2014 (continued)

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 2014 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

On behalf of the Board



Warren Kay
Director

22 June 2015

FCB Europe Limited

Profit and loss account for the year ended 31 December 2014

	Notes	2014 £'000	2013 £'000
Administrative expenses		-	15
Operating profit/(loss)		-	15
Interest payable and similar charges	2	(36)	(22)
Loss on ordinary activities before taxation		(36)	(7)
Tax on loss on ordinary activities	4	-	-
Loss for the year	8	(36)	(7)

The Company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

There are no material differences between the loss on ordinary activities before taxation and for the financial year stated above and their historical cost equivalents

All operations are continuing

The accompanying notes form an integral part of these financial statements

FCB Europe Limited

Balance Sheet as at 31 December 2014

	Notes	2014 £'000	2013 £'000
Fixed assets			
Investments	5	3,954	3,954
		3,954	3,954
Current assets			
Cash at bank and in hand		-	-
		-	-
Creditors amounts falling due within one year	6	(4,036)	(4,000)
Net current liabilities		(4,036)	(4,000)
Total assets less current liabilities		(82)	(46)
Capital and reserves			
Called-up share capital	7	1	1
Profit and loss account	8	(432)	(396)
Share premium account	8	349	349
Total equity and shareholders' deficit	9	(82)	(46)

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 2014 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 2014 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

FCB Europe Limited

The financial statements on pages 5 to 13 were approved by the board of directors on *22 June* 2015 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'Warren Kay', with a stylized flourish at the end.

Warren Kay
Director

FCB Europe Limited
UK Registration Number 3007253

Notes to the financial statements for the year ended 31 December 2014

1 Accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below and have been applied consistently throughout the year.

a) Basis of preparation / exemption from consolidation

These financial statements are prepared on the going concern basis as IPG has confirmed in writing its intention to continue to support the Company for a period of not less than one year from the date of approval of these financial statements, by providing sufficient funds to enable it to meet its liabilities as they fall due. On this basis, the directors have concluded that it remains appropriate to prepare the financial statements on a going concern basis.

Having undertaken the analysis required by Urgent Issues task Force bulletin 43 'The interpretation of equivalence for the purposes of section 400-401 of the Companies Act 2006', the directors have concluded that the Company is able to take advantage of the Companies Act exemption from preparing consolidated financial statements on the basis that its ultimate parent undertaking, The Interpublic Group of Companies, Inc. prepares Group financial statements, which incorporate all the subsidiary and associated undertakings of the Company ownership structure and meet the equivalence test in accordance with the EU Seventh Directive.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

b) Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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 balance sheet date. Timing differences are differences between the 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 more likely than not 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 balance sheet date. Deferred tax is measured on a non-discounted basis.

FCB Europe Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

c) Investments

Investments are stated at cost less provision for impairment in value. A review of the investments held is performed to determine whether an impairment trigger has occurred during the year. Any impairment in the value of the investment is charged to the profit and loss account in the year it is identified.

d) Cash flow statement and related party disclosures

The cash flows of the Company are included in the consolidated cash flow statement of The Interpublic Group of Companies, Inc., the ultimate parent undertaking. Consequently, the Company is exempt under the terms of FRS 1 "Cash flow statements" from disclosing a cash flow statement.

The Company is wholly owned by The Interpublic Group of Companies, Inc. and therefore utilises the exemption contained in FRS 8 ("Related Party Disclosures") not to disclose any transactions with entities that are part of the Interpublic Group. The address at which the consolidated financial statements of The Interpublic Group of Companies, Inc. are publicly available is shown in Note 11.

2 Interest payable

	2014 £'000	2013 £'000
Bank interest and similar charges	36	22

3 Directors and employees

The remuneration of the directors for the year ended 31 December 2014 were borne by fellow Group undertakings. The charge to FCB Europe Limited for the year is £nil (2013: £nil) as the directors received no remuneration in respect of their services to the Company during the year.

FCB Europe Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

4 Tax on loss on ordinary activities

a) Analysis of tax for the year.

	2014 £'000	2013 £'000
Current taxation		
UK corporation taxation	-	-
Adjustments in respect of prior years	-	-
Total current tax	-	-

b) Factors affecting the tax charge(credit) for the year

The tax assessed for the year is higher (2012 lower) than the standard rate of corporation tax in the UK of 21.50% (2013 23.25%). The differences are explained below

	2014 £'000	2013 £'000
Loss on ordinary activities before taxation	(36)	(7)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.5% (2013 23.25%)	(8)	(2)
Effects of Group relief for nil consideration	8	2
Current tax charge for the year	-	-

FCB Europe Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

Deferred taxation

There was no deferred tax asset or liability as at 31 December 2014 (2013: £nil)

5 Investments

	Investments £'000
Cost	
At 1 January 2014 and 31 December 2014	19,955
Provision for impairment	
At 1 January 2014 and 31 December 2014	(16,001)
Net book value	
At 31 December 2014 and 2013	3,954

The directors believe that the carrying value of the investments is supported by their underlying net assets. Hustle Digital Limited was incorporated on 7 November 2014 with FCB Europe Limited acquiring 1 share of £1 each.

The Company has the following investments:

Entity	Country of Incorporation	Principal Activity	Status	Percentage Holding
FCB Inferno Limited	UK	Advertising	Active	100 %
FCB Zurich GmbH	UK	Advertising	Active	100%
R/GA Media Group Limited	UK	Advertising	Active	100 %
Hustle Digital Limited	UK	Advertising	Dormant	100%

FCB Europe Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

6 Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Bank overdraft	4,036	4,000

7 Called up share capital

	2014 Number (000's)	2013 Number (000's)	2014 £'000	2013 £'000
Authorised:				
Ordinary shares of £1 each	10	10	10	10
Allotted and fully paid:				
Ordinary shares of £1 each	1	1	1	1

8 Reserves

	Called up share capital £'000	Profit and loss account £'000	Share premium account £'000	Total £'000
At 1 January 2014	1	(396)	349	(46)
Loss for the year	-	(36)	-	(36)
At 31 December 2014	1	(432)	349	(82)

9 Reconciliation of movement in shareholders' (deficit)/funds

	2014 £'000	2013 £'000
Opening shareholders' (deficit)/funds at 1 January	(46)	(39)
Loss for the financial year	(36)	(7)
Closing shareholders' deficit at 31 December	(82)	(46)

Notes to the financial statements for the year ended 31 December 2014 (continued)

10 Guarantees and other financial commitments

The Company had no commitments for authorised but not contracted future capital expenditure in either year

On 31 March 2015, the Company entered into an Omnibus Letter of Set Off, together with Interpublic Limited and other UK subsidiaries of The Interpublic Group of Companies, Inc (collectively the Companies) and with Lloyds TSB Bank plc (the Bank) The Omnibus Letter of Set Off, provides that the Bank should have the right at any time and from time to time without notice to combine or consolidate all or any of the then existing accounts with the Bank of the Companies or any of them with all or any of the liabilities to the Bank of the Companies or any of them, and to set-off or transfer any sums standing to the credit of any one of these accounts in or toward satisfaction of any liabilities (whether actual, contingent, primary, collateral, several or joint) of any of the Companies to the Bank regardless of whether the accounts or liabilities are denominated in sterling or any other currency

As indicated above the Company participates in the Interpublic pooling arrangement with Lloyds TSB Bank plc The interest rate is linked to base rate and the overdrafts are secured by ultimate parent undertaking guarantee

11 Ultimate parent undertaking and controlling party

The immediate parent undertaking is IPG Holdings (UK) Limited, a Company registered in England and Wales Copies of its financial statements are available at 3 Grosvenor Gardens, London, SW1W 0BD

The Company's ultimate parent undertaking is The Interpublic Group of Companies, Inc, which is incorporated in the United States of America Copies of the financial statements of The Interpublic Group of Companies, Inc, which is the largest Group into which the Company is consolidated, can be obtained from The Company Secretary, The Interpublic Group of Companies, Inc 1114 Avenue of the Americas, New York, NY 10036, United States of America The Company's smallest Group into which the Company is consolidated is IPG Holdings (UK) Limited Copies of its financial statements are available at Ground Floor, 3 Grosvenor Gardens, London SW1W 0BD