

# **Double Helix Bio- Technology Development Limited**

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

**Year ended 31 December 2016**

**Registered Number: 03069262**



# Double Helix Bio-Technology Development Limited

## Strategic Report for the year ended 31 December 2016

The directors present their strategic report of Double Helix Bio-Technology Development Limited (the "Company"), registered number 3069262 for the year ended 31 December 2016.

### Principal activities and review of the business

The principal activity of the Company is that of market research service to the global healthcare industry.

The Company's profit on ordinary activities before taxation for the year is £290,000 (2015: profit £590,000). The directors consider that the result for the financial year is as expected with profit margin on par with prior year. The Company had net assets of £3,926,000 as at 31 December 2016 (2015: £3,648,000).

The directors are satisfied with the level of business and year-end financial position of the Company. The directors consider the statement of financial position of the Company to be satisfactory.

The reduction in turnover is attributable to the transfer of the consultancy division of the business to McCann Complete Medical Limited, its parent company as at 1 January 2016 due to an internal reorganisation.

Overall operating margin was 6% (2015: 7%). Through cost control the company has managed to maintain a reasonable operating margin despite the fall in revenue.

### Key performance indicators

The following are key performance indicators of the business:

	<u>2016</u>	<u>2015</u>
Revenue (decrease)/growth (%)		
Year on year revenue expressed as a percentage	<b>(44)%</b>	3%
Operating margin (%)		
Ratio of operating profit to turnover expressed as a percentage	<b>6%</b>	7%
Employee costs / revenue (%)		
Employee costs as a percentage of revenue	<b>62%</b>	58%

### 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 2016, which does not form part of this report. Copies of The Interpublic Group of Companies, Inc's consolidated financial statements can be obtained from:

The Interpublic Group of Companies, Inc.  
909 Third Avenue  
New York, NY 10022 U.S.A.

# **Double Helix Bio-Technology Development Limited**

## **Strategic Report for the year ended 31 December 2016 (continued)**

### **Strategy and future developments**

In order for the Market Research division to achieve their growth plans, the business and its net assets including the remaining employees transferred to another group company on 1<sup>st</sup> January 2017, McCann Complete Medical Limited, within The Interpublic Group of Companies, Inc. The combined offering and planned synergies will better equip the division to reach its objectives.

Double Helix Bio-Development Limited will become dormant from 1<sup>st</sup> January 2017 following this internal restructure.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'P Sutcliffe', with a large, stylized flourish extending to the right.

P Sutcliffe  
Director

30 June 2017

# **Double Helix Bio-Technology Development Limited**

## **Directors' Report for the year ended 31 December 2016**

The directors present their report and the financial statements of Double Helix Bio-Technology Development Limited (the "Company"), registered number 3069262 for the year ended 31 December 2016.

### **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 where required. The maximum exposure to credit risk at 31 December 2016 was mainly as follows: trade debtors £939,000, amounts owed by group undertakings £310,000, other debtors £20,000 and prepayments and accrued income £344,000 (2015: £2,541,000, £1,236,000, £30,000, £299,000 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.

### **Political donations**

The Company made no political donations in 2016 (2015: nil).

# **Double Helix Bio-Technology Development Limited**

## **Directors' Report for the year ended 31 December 2016 (continued)**

### **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:

J Cahill  
P Sutcliffe  
C Buckwell

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

On 1<sup>st</sup> January 2017 through a Business transfer agreement and as a result of internal group restructuring, the business, trade, assets and liabilities of Double Helix Bio-Technology Development Limited were transferred to McCann Complete Medical Limited (registered number 2503062) at fair market value.

# Double Helix Bio-Technology Development Limited

## Directors' Report for the year ended 31 December 2016 (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;
- preparing financial statements which give a true and fair view of the state of the affairs of the Company at 31 December 2016 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, and
- 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.

### 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 2016 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



P Sutcliffe  
Director  
30 June 2017

# Double Helix Bio-Technology Development Limited

## Statement of comprehensive income

For the year ended 31 December 2016

	Note	2016 £000's	2015 £000's
<b>Turnover</b>	5	<b>4,248</b>	8,563
Cost of sales		(1,509)	(3,709)
<b>Revenue</b>		<b>2,739</b>	4,854
Administrative expenses		(2,469)	(4,276)
<b>Operating profit</b>	6	<b>270</b>	578
Interest receivable and similar income	7	20	12
<b>Profit on ordinary activities before taxation</b>		<b>290</b>	590
Tax on profit on ordinary activities	10	(12)	(44)
<b>Profit and total comprehensive income for the financial year</b>		<b>278</b>	546

The Company ceased trading on 1 January 2017 on the transfer of its trade to McCann Complete Medical Limited.

# Double Helix Bio-Technology Development Limited

## Statement of financial position As at 31 December 2016

	Note	2016 £000's	2015 £000's
<b>Fixed assets</b>			
Tangible assets	11	11	63
<b>Current assets</b>			
Work in progress		76	117
Debtors: amounts falling due within one year	12	1,613	4,106
Cash at bank and in hand		3,056	1,477
		<b>4,745</b>	<b>5,700</b>
Creditors: amounts falling due within one year	13	(822)	(2,115)
Provisions for Liabilities	14	(8)	-
		<b>(830)</b>	<b>(2,115)</b>
<b>Net current assets</b>		<b>3,915</b>	<b>3,585</b>
<b>Net assets</b>		<b>3,926</b>	<b>3,648</b>
<b>Capital and reserves</b>			
Called up share capital	15	10	10
Retained earnings		3,916	3,638
<b>Total equity</b>		<b>3,926</b>	<b>3,648</b>

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 2016 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.

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 2016 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 22 are an integral part of these financial statements.

The financial statements on pages 7 to 22 were authorised for issue by the board of directors on 30 June 2017 and were signed on its behalf.



P Sutcliffe  
Director

Double Helix Bio-Technology Development Limited  
Registered No. 3069262



# Double Helix Bio-Technology Development Limited

## Statement of changes in equity for the year end 31 December 2016

	Called up share capital	Retained earnings	Total Equity
	£000's	£000's	£000's
At 1 January 2015	10	3,092	3,102
Profit for the financial year and total comprehensive income	-	546	546
<b>At 31 December 2015 and 1 January 2016</b>	<b>10</b>	<b>3,638</b>	<b>3,648</b>
Profit for the financial year and total comprehensive income	-	278	278
<b>At 31 December 2016</b>	<b>10</b>	<b>3,916</b>	<b>3,926</b>

# Double Helix Bio-Technology Development Limited

## Notes to the financial statements for the year ended 31 December 2016

### 1 General information

The principal activity of the Company is that of market research services to the global healthcare industry. 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 88 Baker Street London W1U 6TQ.

### 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.

#### a) Basis of preparation

These financial statements are prepared under the historic 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 primary market research projects with global pharmaceutical companies. Revenue is typically lowest in the first quarter and highest in the fourth quarter.

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.

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.

#### ▪ Interest income

Interest income is recognised using the effective interest rate method.

# **Double Helix Bio-Technology Development Limited**

## **Notes to the financial statements for the year ended 31 December 2016 (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 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 18 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.

# Double Helix Bio-Technology Development Limited

## Notes to the financial statements for the year ended 31 December 2016 (continued)

### 3 Summary of significant accounting policies (continued)

#### i) 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.

#### j) 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:

Fixtures, fittings and office equipment	Straight line over 7 years
Computers, Hardware and software	Straight line over 3 years
Communications Equipment	Straight line over 4 years
Leasehold improvements	over lease term

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.

**Notes to the financial statements for the year ended 31 December 2016 (continued)**

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

**k) 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

**l) 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.

**m) Work in progress**

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

**n) 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.

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

**o) 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.

**p) Deferred income**

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

**Notes to the financial statements for the year ended 31 December 2016 (continued)**

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

**q) 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.

**r) 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.

**s) 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.

**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.

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 11)**

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 11 for the carrying amount of the property plant and equipment, and note 11 for the useful economic lives for each class of assets.

**(ii) Financial instruments**

Financial assets are assessed for objective evidence of impairment annually and if an asset is impaired. Key sources of estimation are used to fair value certain non-controlling interest put/call option, which are accounted for as a derivative, and in fair valuing group loans received/issued at non-market rates.

**(iii) Impairment of trade and other debtors (note 12)**

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 12 for the net carrying amount of the debtors and associated impairment provision

# Double Helix Bio-Technology Development Limited

## Notes to the financial statements for the year ended 31 December 2016 (continued)

### 5 Turnover

	2016 £000's	2015 £000's
<b>Turnover by origin</b>		
United Kingdom	796	2,145
Rest of Europe	2,267	4,796
North America	1,057	1,482
Rest of world	128	140
	<b>4,248</b>	<b>8,563</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:

	2016 £000's	2015 £000's
<b>Salaries and wages (including directors)</b>	<b>1,600</b>	<b>2,668</b>
<b>Pension cost (note 18)</b>		
- Defined contribution	58	92
<b>Severance expenses</b>	<b>32</b>	<b>33</b>
<b>Depreciation</b>		
- Tangible assets	27	33
<b>Remuneration of auditors</b>		
- Non statutory audit fees	-	6
<b>Bad debt - provision increase</b>	<b>1</b>	<b>-</b>
<b>Loss on disposal</b>	<b>20</b>	<b>-</b>
<b>Exchange (gain)/loss</b>	<b>(11)</b>	<b>131</b>
<b>Operating lease rentals</b>		
- office space	259	268

### 7 Interest receivable and similar income

	2016 £000's	2015 £000's
Interest receivable and similar income	20	12



# Double Helix Bio-Technology Development Limited

## Notes to the financial statements for the year ended 31 December 2016 (continued)

### 8 Employee costs

	2016 £000's	2015 £000's
Salaries and wages (including directors)	1,456	2,430
Social security costs	143	238
Pension costs (note 18)	58	92
Severance expense	32	33
<b>Employee costs</b>	<b>1,689</b>	<b>2,793</b>

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

	2016	2015
United Kingdom	28	42
<b>Average monthly number employed</b>	<b>28</b>	<b>42</b>

The key management that control the company's activities and resources are not employed by the company.

### 9 Directors' emoluments

In 2016 and 2015 Directors received no remuneration by the Company in respect of their services to the Company.

# Double Helix Bio-Technology Development Limited

## Notes to the financial statements for the year ended 31 December 2016 (continued)

### 10 Tax on profit on ordinary activities

	2016 £000's	2015 £000's
<b>Current taxation</b>		
UK corporation taxation	-	50
	-	50
<b>Total current taxation</b>	-	50
<b>Deferred taxation</b>		
Adjustments in respect of prior years	-	(1)
Origination & reversal of timing differences	12	(9)
Effect of change in the tax rate	-	4
<b>Total deferred taxation</b>	12	(6)
<b>Tax on profit on ordinary activities</b>	<b>12</b>	<b>44</b>

#### Factors affecting the tax charge for the year

The tax assessed for the year is lower (2015: lower) than the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The difference is explained below:

	2016 £000's	2015 £000's
<b>Profit on ordinary activities before taxation</b>	<b>290</b>	<b>590</b>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 20.25%)	<b>58</b>	<b>120</b>
Effects of:		
Expenses not deductible for taxation purposes	15	4
Group relief for nil consideration	(61)	(83)
Adjustments in respect of prior years	-	(1)
Effect of change in tax rate	-	4
<b>Total tax charge for the year</b>	<b>12</b>	<b>44</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 17% from 1 April 2020 have been substantively enacted.

# Double Helix Bio-Technology Development Limited

## Notes to the financial statements for the year ended 31 December 2016 (continued)

### 11 Tangible assets

	Long leasehold & leasehold improvements	Computer Equipment	Equipment, fixtures & fittings	Total
	£000's	£000's	£000's	£000's
<b>At 31 December 2015</b>				
<b>Cost</b>	122	83	71	276
<b>Accumulated depreciation</b>	96	63	54	213
<b>Net book value</b>	26	20	17	63
<b>Cost</b>				
1 January 2016	122	83	71	276
Additions	-	7	-	7
Disposals	(122)	(70)	(43)	(235)
<b>31 December 2016</b>	-	20	28	48
<b>Accumulated depreciation</b>				
1 January 2016	96	63	54	213
Charge for year	12	8	7	27
Disposals	(108)	(61)	(34)	(203)
<b>31 December 2016</b>	-	10	27	37
<b>Net book value</b>				
<b>31 December 2016</b>	-	10	1	11

### 12 Debtors: amounts falling due within one year

	2016 £000's	2015 £000's
Trade debtors	939	2,541
Amounts owed by group undertakings	310	1,236
Prepayments and accrued income	344	299
Employee Loans	3	-
Deferred Taxation	17	30
	<b>1,613</b>	<b>4,106</b>

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

# Double Helix Bio-Technology Development Limited

## Notes to the financial statements for the year ended 31 December 2016 (continued)

### 12 Debtors: amounts falling due within one year (continued)

#### Deferred taxation

	2016 £000's	2015 £000's
Accelerated capital allowances	11	11
Other short term timing differences	6	19
<b>Total deferred tax asset</b>	<b>17</b>	<b>30</b>

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

	£000's
At 1 January 2016	30
Credited to statement of comprehensive income	13
<b>At 31 December 2016</b>	<b>17</b>

The amount of the net reversal of deferred tax expected to occur in 2017 is £2,100. This primarily relates to the reversal of timing differences on tangible fixed assets.

### 13 Creditors: amounts falling due within one year

	2016 £000's	2015 £000's
Trade creditors	-	964
Amounts owed to group undertakings	129	638
Corporation tax	50	50
Other creditors including taxation and social security	74	127
Accruals and deferred income	569	336
	<b>822</b>	<b>2,115</b>

Amounts owed 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.

### 14 Provisions for liabilities

	Credits, discounts and rebates £000's	Total £000's
At 1 January 2016	0	0
Charge to statement of comprehensive income	8	8
<b>At 31 December 2016</b>	<b>8</b>	<b>8</b>

# Double Helix Bio-Technology Development Limited

## Notes to the financial statements for the year ended 31 December 2016 (continued)

### 15 Called up share capital

	2016 Number	2015 Number	2016 £	2015 £
<b>Allotted and fully paid:</b>				
9,800 Ordinary £1 shares	9,800	9,800	9,800	9,800

### 16 Capital and other commitments

There were no capital commitments at year ended 31 December 2016 or 2015

#### Operating commitments

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:

	2016 £000's	2015 £000's
<b>Payments due:</b>		
- Not later than one year	249	249
- Later than one year and not later than five years	51	301
<b>Total minimum lease commitments</b>	<b>300</b>	<b>550</b>

### 17 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.

### 18 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 £58,000 (2015: £92,000). At 31 December 2015, £8,000 remained unpaid and accrued (2015, £13,000).

### 19 Company information

The Company is registered in England and Wales and its registered office is at 88 Baker Street London W1U 6TQ.

**20 Ultimate parent undertaking and controlling party**

The Interpublic Group of Companies, Inc. is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2016 and the smallest group of undertaking to consolidate these financial statements at 31 December 2016 is IPG Holdings (UK) Ltd.

The consolidated financial statements for The Interpublic Group of Companies, Inc. can be obtained from 909 3rd Avenue, New York, New York 10022 and the consolidated financial statement for IPG Holdings (UK) Ltd can be obtained from 3 Grosvenor Gardens, London, SW1W OBD.