

CMGRP Holdings Limited

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

Year ended 31 December 2019

Registered Number: 3389561



CMGRP Holdings Limited

Strategic Report for the year ended 31 December 2019

The directors present their strategic report of CMGRP Holdings Limited (the "Company") registered number 3389561 for the year ended 31 December 2019.

Principal activities and review of the business

The Company's principal activity during the year was operating as a holding company for certain subsidiaries..

The Company's profit for the year was £398,000 (2018: profit £28,933,000). The directors consider that the result for the year is in line with expectations. The Company had net assets of £332,484,000 as at 31 December 2019 (2018: net assets of £332,086,000).

Key performance indicators

Given the straightforward nature of the business, the directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

Financial Reporting Standard 102 (FRS 102)

The Company has complied with Financial Reporting Standard 102 (FRS 102) during the year.

Principal risks and uncertainties

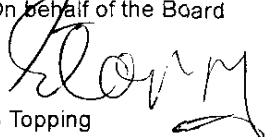
From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of The Interpublic Group of Companies, Inc. and are not managed separately. These risks are discussed in The Interpublic Group of Companies, Inc. annual financial statements for the year ended 31 December 2019, 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.
909 Third Avenue
New York, NY 10022, USA

Strategy and future developments

There are no significant future developments anticipated. The Company is expected to continue to act as a holding company for certain subsidiary undertakings.

On behalf of the Board



S Topping
Director
31 August 2020

CMGRP Holdings Limited

Directors' Report for the year ended 31 December 2019

The directors present their report and financial statements of CMGRP Holdings Limited (the "Company") registered number 3389561 for the year ended 31 December 2019.

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 (2018: £nil).

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..

Political donations

The Company made no political donations in 2019 (2018: £nil).

Branches outside the UK

The Company has no branches outside the UK.

Disabled employees and Employee involvement

The Company has no employees.

Directors

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

T Sutton (resigned 19 May 2020)
M Thomas (resigned 6 February 2020, re-appointed 3 July 2020)
S Topping (appointed 6 December 2019)
D Nichols

Events post statement of financial position

Since 31 December 2019, COVID-19 has been declared as a pandemic. The Company has determined that, in line with Section 32 of FRS102, this is a non-adjusting event after the end of the reporting period.

CMGRP Holdings Limited

Directors' Report for the year ended 31 December 2019 (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 group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors acknowledge their responsibilities for:

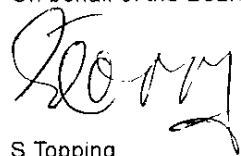
- ensuring that the Company keeps adequate accounting records which comply with section 386 of the Companies Act 2006;
- preparing financial statements which give a true and fair view of the state of the affairs of the Company at 31 December 2019 and its profit or loss for the year then ended in accordance 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 2019 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



S Topping
Director
31 August 2020

CMGRP Holdings Limited

Statement of comprehensive income For the year ended 31 December 2019

	Note	2019 £000's	2018 £000's
Administrative income		854	335
Operating profit	5	854	335
Interest receivable and similar income	6	321	-
Interest payable and similar expenses	7	(628)	(399)
Dividends received	8	-	29,000
Profit before taxation		547	28,936
Tax on profit	9	(149)	(3)
Profit for the financial year		398	28,933

All operations are continuing.

CMGRP Holdings Limited

Statement of financial position As at 31 December 2019

	Note	2019 £000's	2018 £000's
Fixed assets			
Investments	10	316,058	315,450
		316,058	315,450
Current assets			
Debtors	11	58,883	58,859
		58,883	58,859
Creditors: amounts falling due within one year	12	(37,416)	(37,069)
Net current assets		21,467	21,790
Total assets less current liabilities		337,525	337,240
Creditors: amounts falling due after more than one year	13	(5,041)	(5,154)
Net assets		332,484	332,086
Capital and reserves			
Called up share capital	14	35,798	35,798
Share premium account		62,040	62,040
Retained earnings		234,646	234,248
Total equity shareholders' funds		332,484	332,086

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

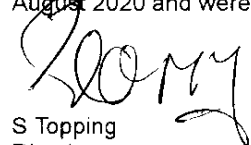
- that for the year ended 31 December 2019 the Company was entitled to the exemption from a statutory audit under section 479A of the Companies Act 2006 relating to subsidiary companies; and
- that no notice has been deposited under section 476 of the Companies Act 2006 in relation to the financial statements 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 2019 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 8 to Reference source not found. are an integral part of these financial statements.

The financial statements on pages 5 to Reference source not found. were authorised for issue by the board of directors on 31 August 2020 and were signed on its behalf.



S Topping
Director
CMGRP Holdings Limited
Registered No. 3389561

CMGRP Holdings Limited

Statement of changes in equity for the year ended 31 December 2019

	Called up share capital £000's	Share premium account £000's	Retained earnings £000's	Total Equity £000's
At 1 January 2018	35,798	62,040	205,315	303,153
Profit for the financial year	-	-	28,933	28,933
At 31 December 2018	35,798	62,040	234,248	332,086

	Called up share capital £000's	Share premium account £000's	Retained earnings £000's	Total Equity £000's
At 1 January 2019	35,798	62,040	234,248	332,086
Profit for the financial year	-	-	398	398
At 31 December 2019	35,798	62,040	234,646	332,484

CMGRP Holdings Limited

Notes to the financial statements for the year ended 31 December 2019

1 General information

The Company's principal activity during the year was operating as a holding company for certain subsidiaries..

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, UK, 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.

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.

CMGRP Holdings Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

3 Summary of significant accounting policies (continued)

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) Limited, includes the Company's cash flows in its own consolidated financial statements.

The Company has also taken advantage of the exemption, under FRS 102 paragraph 1.12(c), to the disclosure requirements of FRS 102 section 11 Basic Financial Instruments paragraphs 11.39 to 11.48A, and FRS 102 section 12 Other Financial Instrument Issues, paragraphs 12.26 to 12.29A, on the basis that it is a qualifying entity and the consolidated accounts of IPG Holdings (UK) Limited include the equivalent disclosures.

d) Consolidated financial statements

The Company is a wholly owned subsidiary of IPG Holdings (UK) Limited and of its ultimate parent, The Interpublic Group of Companies, Inc. and its results are included in the consolidated financial statements of The Interpublic Group of Companies, Inc. which are publicly available. The directors have therefore concluded that the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. These financial statements are the Company's separate financial statements.

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.

e) Interest income

Interest income is recognised using the effective interest rate method.

f) Dividend income

Dividend income is recognised when the right to receive payment is established.

g) 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.

h) Borrowing costs

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

i) 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.

CMGRP Holdings Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

3 Summary of significant accounting policies (continued)

j) 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.

CMGRP Holdings Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

k) Investments

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

The Company makes an estimate of the recoverable value of its investments in subsidiaries. When assessing the potential impairment of investments, management considers factors including whether there has been a triggering event that requires an impairment test to be carried out.

l) 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. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

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.

m) 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.

CMGRP Holdings Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

3 Summary of significant accounting policies (continued)

m) Financial instruments (continued)

(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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the statement of comprehensive income in finance costs or income as appropriate.

The Company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

n) Cash and cash equivalents

Cash and cash equivalents includes cash at bank and in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank loans and overdrafts, when applicable, are shown within borrowings in current liabilities.

o) Called up 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.

p) 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.

CMGRP Holdings Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

3 Summary of significant accounting policies (continued)

q) 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.

r) 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.

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.

(a) Critical accounting estimates and assumptions

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.

CMGRP Holdings Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

4 Critical accounting estimates and assumptions (continued)

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

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 22 for the carrying amount of the property plant and equipment, and note 3s for the useful economic lives for each class of assets.

(ii) Carrying value of investments (note 3k)

The Company makes an estimate of the recoverable value of its investments in subsidiaries. When assessing the potential impairment of investments, management considers factors including whether there has been a triggering event that requires an impairment test to be carried out. When the reasons for the impairment loss have ceased to apply, the directors consider whether to reverse the impairment to its recoverable amount should it exceed its carrying amount. A discounted cash flow model based on forecasted financial performance is used to calculate the recoverable amount. See note 10 for the carrying value of investments.

(iii) Impairment of trade and other debtors (note 11)

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 11 for the net carrying amount of the debtors and associated impairment provision.

5 Operating profit

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

	2019 £000's	2018 £000's
Exchange gain	(860)	(342)

6 Interest receivable and similar income

	2019 £000's	2018 £000's
Interest received from other group undertakings	321	-
	<u>321</u>	<u>-</u>

CMGRP Holdings Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

7 Interest payable and similar expenses

	2019 £000's	2018 £000's
Interest payable to group undertakings	387	172
Interest payable on bank overdrafts	85	128
Unwinding of discount	156	99
	<u>628</u>	<u>399</u>

8 Dividends received

	2019 £000's	2018 £000's
Dividends received from subsidiary undertaking	-	29,000
	<u>-</u>	<u>29,000</u>

CMGRP Holdings Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

9 Tax on profit

	2019 £000's	2018 £000's
Current taxation		
UK corporation taxation	101	-
	<u>101</u>	<u>-</u>
Adjustments in respect of prior years		
- UK corporation taxation	48	3
	<u>48</u>	<u>3</u>
Total current taxation	149	3
	<u>149</u>	<u>3</u>
Tax on profit	149	3
	<u>149</u>	<u>3</u>

Factors affecting the tax charge for the year

The tax assessed for the year is higher (2018: lower) than the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%). The difference is explained below:

	2019 £000's	2018 £000's
Profit on ordinary activities before taxation	547	28,936
	<u>547</u>	<u>28,936</u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	104	5,498
Effects of:		
Expenses not deductible for taxation purposes	99	18
Income exempt from corporation tax	-	(5,510)
Group relief for nil consideration	(101)	(5)
Adjustments in respect of prior years	48	3
Unrecognised deferred tax	(1)	(1)
	<u>99</u>	<u>(5,510)</u>
Total tax for the year	149	3
	<u>149</u>	<u>3</u>

A reduction in the rate of UK corporation tax from 19% to 17% from 1 April 2020 has been substantively enacted. However, this was subsequently reversed in March 2020.

At 31 December 2019 there were unused trading losses and non-trading deficits of £nil (2018: £nil) that are available indefinitely for offset against the Company's future taxable profits, and capital losses of £nil (2018: £nil) that are available for offset indefinitely against the Company's future capital gains.

No deferred tax is recognised on the unremitted earnings of overseas subsidiaries, associates and joint ventures, as the Company has no liability to additional taxation should such amounts be remitted.

CMGRP Holdings Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

10 Investments

	£000's
Investment in subsidiaries:	
At 31 December 2018	
Cost	460,662
Accumulated provision for impairment	(145,212)
Net book value	315,450
Cost	
At 1 January 2019	460,662
Additions	732
Revaluations	(124)
At 31 December 2019	461,270
Provision for impairment:	
At 1 January 2019 and 31 December 2019	(145,212)
Net book value:	
At 31 December 2019	316,058

On 1 April 2019, the Company entered into an agreement to acquire 31,380 B shares in The Brooklyn Brothers Limited on or after 1 July 2022. The value of the shares at 31 December 2019 was £732,000.

The re-evaluation above represents revisions to the value of the deferred consideration payable.

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 2019 which are directly owned in the United Kingdom.

Name	Co.No.	Registered office	Share class(es)	Share class %
Brooklyn Brothers Limited (The)	6483331	3 Grosvenor Gardens, London, SW1W 0BD	Ord A / B £0.0001 Ord C / D 0.000001	100%
CMGRP UK Limited	2442501	3 Grosvenor Gardens, London, SW1W 0BD	Ord £1	100%
Creation Communications Limited	5619191	3 Grosvenor Gardens, London, SW1W 0BD	Ord £1	100%
FBC (FutureBrand) Limited	2658364	C-Space, 37-45 City Road, London EC1Y 1AT	Ord £1	100%
Independent Talent Brands Limited	6102678	3 Grosvenor Gardens, London, SW1W 0BD	Ord £0.001	100%
Interpublic GIS (UK) Limited	2724363	3 Grosvenor Gardens, London, SW1W 0BD	Ord £1	100%
ITB Saturday Limited	8811505	3 Grosvenor Gardens, London, SW1W 0BD	Ord A £1 Ord B £1	100%
Octagon Worldwide Limited	2704128	3 Grosvenor Gardens, London, SW1W 0BD	Ord £1	100%
That Lot Creatives Ltd	8573144	3 Grosvenor Gardens, London, SW1W 0BD	Ord £1	100%
Weber Shandwick International Limited	2258441	3 Grosvenor Gardens, London, SW1W 0BD	Ord £1	100%

CMGRP Holdings Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

10 Investments (continued)

The Company has the following investments as at 31 December 2019 which are indirectly owned in the United Kingdom.

Name	Co.No.	Registered office	Share class(es)	Share class %
ChaseDesign Worldwide Limited	1973547	3 Grosvenor Gardens, London, SW1W 0BD	Ord £1	100%
Double Helix Bio-Technology Development Limited	3069262	88 Baker Street, London, W1U 6TQ, United Kingdom	Ord £1	100%
Engels (No.1) Limited	515994	3 Grosvenor Gardens, London, SW1W 0BD	Ord £1	100%
Hall London Limited	7552383	3 Grosvenor Gardens, London, SW1W 0BD	Ord £1	100%
Hugo & Cat Limited	4117164	6th Floor, 25 Farringdon Street, London, EC4A 4AB	Ord £0.000001	100%
ITB360 Limited	6568982	3 Grosvenor Gardens, London, SW1W 0BD	Ord £0.01	100%
IX Marketing Limited	1983879	C-Space, 37-45 City Road, London EC1Y 1AT	Ord £1	100%
Lakestar Media Limited	6413960	Bonis Hall, Prestbury, Macclesfield, Cheshire, SK10 4EF	Exec £0.01 Ord £0.01	100%
McCann Health Limited	8743251	3 Grosvenor Gardens, London, SW1W 0BD	Ord £0.01	100%
McCann Health Medical Communications Ltd	2503062	CMC House, 19 King Edward Street, Macclesfield, Cheshire, SK10 1AQ	Ord £1	100%
McCann Manchester Limited	1993425	Bonis Hall, Prestbury, Macclesfield, Cheshire, SK10 4EF	Ord £1	100%
McCann-Erickson Advertising Limited	1372305	7-11 Herbrand Street, London, WC1N 1EX	Ord £1	100%
McCann-Erickson Central Limited	1983874	McCann House, Highlands Road, Shirley, Solihull, West Midlands, B90 4WE	Ord £1	100%
McCann-Erickson EMEA Limited	830956	7-11 Herbrand Street, London, WC1N 1EX	Ord £1	100%
McCann-Erickson Healthcare UK Limited	687406	3 Grosvenor Gardens, London, SW1W 0BD	Ord £1	100%
McCann-Erickson Network Limited	1977043	Bonis Hall, Prestbury, Macclesfield, Cheshire, SK10 4EF	Ord £1	100%
McCann-Erickson UK Group Limited	3640484	3 Grosvenor Gardens, London, SW1W 0BD	Ord £1	100%
Mediabrand EMEA Limited	1206089	3 Grosvenor Gardens, London, SW1W 0BD	Ord £1	100%
Mediabrand International Limited	3970701	3 Grosvenor Gardens, London, SW1W 0BD	Ord £1	100%
Mediabrand Limited	773961	3 Grosvenor Gardens, London, SW1W 0BD	Ord £1	100%
Miller Starr Limited	2107814	Bankside Studios, 76-80 Southwark Street, London, SE1 0PN	Ord £1	100%
Momentum Activating Demand Limited	7949786	3 Grosvenor Gardens, London, SW1W 0BD	Ord £1	100%
MRM Worldwide (UK) Limited	2507164	3 Grosvenor Gardens, London, SW1W 0BD	Ord £100	100%
Mubaloo Ltd	6770774	3 Grosvenor Gardens, London, SW1W 0BD	Ord £1	100%
Nova London Limited	8813519	3 Grosvenor Gardens, London, SW1W 0BD	Ord £1	100%
Octagon Athlete Representation Limited	1064273	3 Grosvenor Gardens, London, SW1W 0BD	Ord £1	100%
Optimum4 Limited	3541524	West One, 100 Wellington St, Leeds, LS1 4LT	Ord £0.001	100%
Orion Trading EMEA Limited	3404334	3 Grosvenor Gardens, London, SW1W 0BD	Ord £1	100%
Rapport Outdoor Limited	2230412	4th Floor, The Place, 175 High Holborn, London, WC1V 7AA	Ord £1	100%
Stickyeyes Ltd	4633595	West One, 100 Wellington St, Leeds, LS1 4LT	Ord £0.001	100%
The Martin Agency Limited	8684283	3 Grosvenor Gardens, London, SW1W 0BD	Ord £1	100%
Wellset Repro Ltd	3205960	East Lodge Hs, 116 High St, Cranleigh, Surrey, GU6 8AJ	Ord A / B £0.01	100%

CMGRP Holdings Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

10 Investments (continued)

The Company has the following investments as at 31 December 2019 which are indirectly owned outside of the United Kingdom.

Name	Country	Registered office	Share class(es)	Share class %
Cadreon Belgium BVBA	Belgium	Ildefonse Vandammestraat 5-7D, 1560 Hoeilaart, Belgium	Ord NPV	100%
McCann-Erickson N.V.	Belgium	Avenue de Cortenbergh 100, 1000 Brussels, Belgium	Ord NPV	100%
Mediabrand Belgium S.A.	Belgium	I Vandammestraat 5-7D, 1560 Hoeilaart, Belgium	Ord NPV	96%
Orion Capital Belgium BVBA	Belgium	I Vandammestraat 5-7D, 1560 Hoeilaart, Belgium	Ord NPV	96.02%
Outdoor Services S.A.	Greece	I Vandammestraat 5-7D, 1560 Hoeilaart, Belgium	Ord €56	96%
Magna Ireland Media Limited	Ireland	5th Floor, Beaux Lane Hs, Mercer Street Lower, Dublin 2, Ireland	Ord A, B, C, €3	50%

11 Debtors

Debtors: amounts falling due within one year

	2019 £000's	2018 £000's
Amounts owed by group undertakings	58,883	58,859
	58,883	58,859

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

Amounts owed by group undertakings includes a loan issued in December 2018 of £44,000,000. This loan is unsecured, interest bearing at a rate of 1.50% per annum and due to be repaid by June 2020. All other amounts are unsecured and repayable on demand.

CMGRP Holdings Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

12 Creditors: amounts falling due within one year

	2019 £000's	2018 £000's
Bank loans and overdrafts	9,002	28,464
Amounts owed to group undertakings	27,342	8,536
Corporation Tax	149	15
Other creditors including taxation and social security	34	31
Acquisition earn out / deferred consideration payable	877	-
Accruals and deferred income	12	23
	37,416	37,069

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.

Amounts owed to group undertakings includes a loan issued in June 2018 of CLP 7,324,838,000. This loan is unsecured, interest bearing at a rate of 4.60% per annum and due to be repaid by June 2028. All other amounts are unsecured and repayable on demand.

13 Creditors: amounts falling due after more than one year

	2019 £000's	2018 £000's
Share based payment liabilities	732	-
Acquisition earn out / deferred consideration payable	4,309	5,154
	5,041	5,154

On 1 April 2019, the Company entered into an equity settled share based payment agreement to acquire 31,380 B shares in The Brooklyn Brothers Limited on or after 1 July 2022. The value of the shares at 31 December 2019 was £732,000.

The deferred consideration payable is in respect of the acquisition of That Lot Creatives Limited. The liability arose as part of the consideration payable upon acquisition of the companies to the former owners of the businesses. The consideration is payable upon the achievement of certain targets. This represents the discounted value of the amount that is reasonably expected to be payable. Deferred consideration payable of £877,000 (2018: £nil) was recognised as a current liability within 'Creditors: amounts falling due within one year' in respect of the acquisition of That Lot Creatives Limited.

CMGRP Holdings Limited

Notes to the financial statements for the year ended 31 December 2019 (continued)

14 Called up share capital

	2019 Number (000's)	2018 Number (000's)	2019 £000's	2018 £000's
Allotted and fully paid:				
A ordinary shares of £1.00 each	35,798	35,798	35,798	35,798

15 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.

16 Events after the reporting period

Since 31 December 2019, COVID-19 has been declared as a pandemic. The Company has determined that, in line with Section 32 of FRS102, this is a non-adjusting event after the end of the reporting period. Accordingly, the financial position and results for the year ending 31 December 2019 have not been adjusted to reflect the impact of the pandemic. The duration and impact of the COVID-19 pandemic remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

17 Company information

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

18 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 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.

The Interpublic Group of Companies, Inc. is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2019, and the smallest group of undertakings to consolidate these financial statements at 31 December 2019 is IPG Holdings (UK) Limited.

The consolidated financial statements for The Interpublic Group of Companies, Inc. can be obtained from 909 Third Avenue, New York, NY 10022, USA.

The consolidated financial statements for IPG Holdings (UK) Limited can be obtained from 3 Grosvenor Gardens, London, United Kingdom, SW1W 0BD.