

Acxiom Limited

Annual report and financial statements

Registered number 01182318

31 March 2018

THURSDAY



A7K935S0

A07

06/12/2018

#281

COMPANIES HOUSE

Contents

Strategic report	1
Director's report	3
Statement of directors' responsibilities in respect of the strategic report, the director's report and the financial statements	4
Independent auditor's report to the members of Acxiom Limited	5
Profit and loss account and other comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes	10

Strategic report

The directors present their strategic report for the year ended 31 March 2018.

Principal activities

Acxiom Limited is a technology and services company with a vision to power a world where all marketing is relevant. Acxiom provides the data foundation for the world's best marketers. By making it safe and easy to activate, validate, enhance, and unify data, we provide marketers with the ability to deliver relevant messages at scale and tie those messages back to actual results. The company's products and services enable people-based marketing, allowing our clients to generate higher return on investment and drive better omni-channel customer experiences.

Business review

Acxiom generates its revenue from the following business segments, which are aligned consistently with the Company's strategy:

- **Liveramp.** Previously our Connectivity segment activates data and makes it portable across the open marketing ecosystem.
- **Acxiom Marketing Solutions.** Combines our Marketing Services and Audience Solutions segments to provide a single solution to clients in unifying and validating data at the individual level in a privacy-safe environment and using it to achieve data-driven results with highly relevant messages.

As part of the Company strategy it was announced on 2 July 2018 that Interpublic Group (IPG) has signed an agreement to acquire the Acxiom Marketing Solutions (AMS) business that will include Acxiom Ltd. On a global level this is seen as a massive validation of the value created in this segment and puts it on a path to achieve a brighter future. The Liveramp segment of Acxiom Ltd is expected to be carved out under a new entity Liveramp UK Limited and sold to LiveRamp Holdings Inc, a new entity incorporated by Acxiom Corporation. On 1 October 2018 it was announced that IPG has completed the acquisition of the AMS business which will operate as a stand-alone unit within IPG under Acxiom LLC.

Performance for fiscal year 2018

Revenues amounted to £26.0m for fiscal year 2018 (2017: £24.2m). Acxiom Marketing Solutions generated turnover in FY18 of £22.0m (2017: £22.7m) with Liveramp adding £4.0m (2017: £1.5m).

Cost of sales for the Acxiom Marketing Solutions business includes direct data acquisition costs, data royalties, compilation costs, industry and client teams, building and delivery of solutions, and equipment relating to direct client costs such as database hosting equipment.

Administrative expenses increased from £16.5m to £18.9m in current year mainly due to employee related costs of £1.4m with headcount increasing by 21 including Liveramp staffing up +9 and AMS up +12. Other interest receivable and income increased from £0.9m to £3.7m mainly due to FX revaluations of £3.4m.

Profit for the year amounted to £0.9m (2017: loss of £2.6m) mainly relating to FX movements as we continue to invest in our products to sustain growth in both AMS and Liveramp sectors.

Future

Whilst the company has sold the AMS segment to Interpublic Group, we make the following statements on the business future as a continuing concern but also note that most will continue to apply to AMS segment regardless.

Innovation has fueled the growth of a highly fragmented technology landscape, forcing brands to contend with thousands of marketing technologies and data silos. To make every customer experience relevant across channels and devices, organizations need a data foundation and common network that can break down those silos, make data portable, and accurately recognize people throughout the customer journey.

Strategic report (continued)

Future (continued)

Our products and services provide the data foundation brands need to power people-based marketing. A key element of our growth strategy is to continue to grow our client base and expand existing client relationships. We plan to acquire an increasing number of new customers through the expansion of our direct sales teams and our partnerships. The acquisition by IPG is expected to reinforce this growth strategy with access to their wider client portfolio.

Measurement

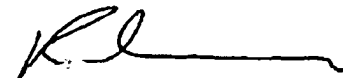
The company uses a number of financial and non-financial KPIs to measure performance. These KPIs include traditional revenue growth, cost and operating income statement by key lines of business, which are communicated monthly. In addition, client profitability, retention, sales productivity, return on investment, cash flows and both customer and associate satisfaction surveys give an insight into the performance of the business.

Principal risks and uncertainties

The risks described below could materially and adversely affect our business, financial condition and results of future operations. These risks are not the only ones we face as our business operations could also be impaired by additional risks and uncertainties that are not presently known to us, or that we currently consider immaterial.

- the possibility that competent, competitive products, technologies or services will be introduced into the marketplace by other companies;
- the possibility that there will be changes in consumer or business information industries and markets that negatively impact the Company;
- the possibility that we will not be able to protect proprietary information and technology or to obtain necessary licences on commercially reasonable terms;
- the possibility that there will be changes in the legislative, accounting, regulatory and consumer environments affecting our business, including but not limited to litigation, legislation, regulations and customs impairing our ability to collect, manage, aggregate and use data;
- the possibility that data suppliers might withdraw data from us, leading to our inability to provide certain products and services;
- the possibility that we may enter into short-term contracts which would affect the predictability of our revenues;
- the possibility that the amount of ad hoc, volume-based and project work will not be as expected;
- the possibility that we may experience a loss of data center capacity or interruption of telecommunication links or power sources;
- the possibility that we may experience failures or breaches of our network and data security systems, leading to potential adverse publicity, negative customer reaction, or liability to third parties;
- the possibility that our clients may cancel or modify their agreements with us;
- the possibility that we will not successfully complete customer contract requirements on time or meet the service levels specified in the contracts, which may result in contract penalties or lost revenue;
- general and global negative economic conditions.

This report was approved by the board on 26 November 2018 and signed on its behalf by:



RM Butt
Director

17 Hatfields
London
SE1 8DJ

26 November 2018

Director's report

The director presents his director's report and financial statements for the year ended 31 March 2018.

Proposed dividend

The director does not recommend the payment of a dividend.

Directors

The director who held office during the year and up to the date of this report was as follows:

RM Butt

Employees

The training and retraining of staff is a high priority. Much of the training is on-the-job, supported by internal and external courses. The company's aim for all applicants and members of staff is to fit the qualifications, aptitude and ability of each individual to the appropriate job.

The company does all that is practicable to meet its responsibility towards the employment of disabled people. Where an employee becomes disabled, every effort is made to provide continuity of employment in the same job or a suitable alternative.

Political contributions

The company made no political contributions or incurred any political expenditure during the year.

Disclosure of information to auditor

The director who held office at the date of approval of this director's report confirm that, so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



RM Butt
Director

17 Hatfields
London
SE1 8DJ

26 November 2018

Statement of directors' responsibilities in respect of the strategic report, the director's report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
United Kingdom

Independent auditor's report to the members of Acxiom Limited

Opinion

We have audited the financial statements of Acxiom Limited ("the company") for the year ended 31 March 2018 which comprise the Profit and Loss account and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Acxiom Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Nick Plumb (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

 2018

Profit and loss account and other comprehensive income
for the year ended 31 March 2018

	<i>Note</i>	2018 £000	2017 £000
Turnover	2	25,983	24,173
Cost of sales		(9,866)	(9,029)
Gross profit		16,117	15,144
Administrative expenses		(18,897)	(16,492)
Other operating income	6	323	294
Operating loss		(2,457)	(1,054)
Group reorganisation	7	(67)	(2,155)
Other interest receivable and similar income	8	3,678	853
Interest payable and similar expenses	9	(242)	(222)
Profit/(loss) before taxation		912	(2,578)
Tax on profit/(loss) before taxation	10	-	1
Profit/(loss) for the financial year		912	(2,577)
Other comprehensive income			
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive income for the year		912	(2,577)

All results derive from continuing operations.

Balance sheet
at 31 March 2018

	Note	2018 £000	2017 £000
Fixed assets			
Tangible assets	11	2,966	3,228
Investments	12	1,261	1,261
		<u>4,227</u>	<u>4,489</u>
Current assets			
Debtors	13	21,445	18,645
Cash at bank and in hand		10	7
		<u>21,455</u>	<u>18,652</u>
Creditors: amounts falling due within one year	14	<u>(32,127)</u>	<u>(30,498)</u>
Net current liabilities		<u>(10,672)</u>	<u>(11,846)</u>
Net liabilities		<u>(6,445)</u>	<u>(7,357)</u>
Capital and reserves			
Called up share capital	16	4,600	4,600
Share premium account		831	831
Capital contribution reserve	16	(11,876)	(12,788)
Profit and loss account		<u>(6,445)</u>	<u>(7,357)</u>
Shareholders' deficit		<u>(6,445)</u>	<u>(7,357)</u>

These financial statements were approved by the board of directors 26 November 2018 and were signed on its behalf by:



RM Butt
Director

Company registered number: 01182318

Statement of changes in equity
for the year ended 31 March 2018

	Called up share capital £000	Share premium £000	Capital contribution reserve £000	Profit and loss account £000	Total equity £000
Balance as at 1 April 2016	4,600	831	-	(10,211)	(4,780)
Total comprehensive income for the period					
Profit or loss	-	-	-	(2,577)	(2,577)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(2,577)	(2,577)
Transactions with owners, recorded directly in equity					
Equity settled share based payment transactions	-	-	382	-	382
Recharge from ultimate parent undertaking	-	-	(382)	-	(382)
Total contributions by and distributions to owners	-	-	-	-	-
Balance at 31 March 2017	4,600	831	-	(12,788)	(7,357)
Balance as at 1 April 2017	4,600	831	-	(12,788)	(7,357)
Total comprehensive income for the period					
Profit or loss	-	-	-	912	912
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	912	912
Transactions with owners, recorded directly in equity					
Equity settled share based payment transactions	-	-	379	-	379
Recharge from ultimate parent undertaking	-	-	(379)	-	(379)
Total contributions by and distributions to owners	-	-	-	-	-
Balance at 31 March 2018	4,600	831	-	(11,876)	(6,445)

Notes

(forming part of the financial statements)

1 Accounting policies

Acxiom Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company’s ultimate parent undertaking, Acxiom Corporation includes the Company in its consolidated financial statements. The consolidated financial statements of Acxiom Corporation are available to the public and may be obtained from Acxiom Corp address is 601 East 3rd Street, PO Box 8190, AR 72203-8190, USA. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Acxiom Corporation include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments*; and,
- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 21.

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

Notwithstanding net current liabilities of £10,672,000 at the balance sheet date (of which £10,523,000 relates to net amounts owed to group undertakings), the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through the group’s centralised treasury arrangements, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the intermediate parent company, Acxiom LLC, not seeking repayment of the amounts currently due to the group, which at balance sheet date amounted to £10,523,000, and providing additional financial support during that period. Acxiom LLC has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

1 Accounting policies (*continued*)

Going concern (continued)

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and consequently have prepared the financial statements on a going concern basis.

Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Notes (continued)

1 Accounting policies (continued)

Basic financial instruments (continued)

Investments in subsidiaries

These are separate financial statements of the company. Investments in subsidiaries are carried at cost less impairment.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Tangible fixed assets include investment property whose fair value cannot be measured reliably without undue cost or effort.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described below.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- Leasehold buildings - 10-25 years
- Computers and plant - 1-5 years
- Fixtures and fittings - 4-10 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Discontinued operations

Discontinued operations are components of the company that have been disposed of at the reporting date and previously represented a separate major line of business or geographical area of operation.

They are included in the profit and loss account in a separate column for the current and comparative periods, including the gain or loss on sale or impairment loss on abandonment.

Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Notes (continued)

1 Accounting policies (continued)

Impairment excluding stocks and deferred tax assets (continued)

Financial assets (including trade and other debtors) (continued)

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Notes (continued)

1 Accounting policies (continued)

Employee benefits (continued)

Share-based payment transactions

The company participates in equity settled share based payment plans established by its ultimate parent undertaking, Acxiom Corporation. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the awards. The fair value of the options granted is measured using the Black-Scholes valuation model, taking into account the terms and conditions upon which the awards were granted. A small number of the company's directors and senior managers are eligible for share options and stock awards under the plans. The full disclosures required in respect of the share based payment plans for all Acxiom companies have been made in the financial statements of Acxiom Corporation.

Turnover

Revenues from services under contract are recognised over the term of the contract. Any up-front development fees earned, along with associated costs, are deferred and amortised on a straight-line basis over the service term of the contract.

In cases where services are performed that are considered "project" or ad hoc, revenue from such services is recognised as the services are performed.

Revenues from the licensing of data are recognised upon delivery of the data to the customer. In the instances where the license fee includes provision of future updates on a monthly, quarterly or annual basis, the revenue is recognised on a straight-line basis over the license term.

Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains. Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

Notes (continued)

1 Accounting policies (continued)

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2 Analysis of turnover

The company's turnover and profit before tax arises from its principal business activities within the United Kingdom, Western Europe and the USA. An analysis of turnover by activity is given below:

	2018 £000	2017 £000
<i>By activity</i>		
Acxiom Marketing Solutions	22,013	22,695
Liveramp	3,970	1,478
	<hr/> 25,983 <hr/>	<hr/> 24,173 <hr/>
	£000	£000
<i>By geographical market</i>		
United Kingdom	18,233	16,749
Europe	5,973	4,365
Rest of world	1,777	3,059
	<hr/> 25,983 <hr/>	<hr/> 24,173 <hr/>

Notes (continued)

3 Expenses and auditor's remuneration

	2018 £000	2017 £000
<i>Included in profit/loss are the following:</i>		
Restructuring costs	67	284
	<hr/>	<hr/>
<i>Auditor's remuneration</i>	2018 £000	2017 £000
Audit of these financial statements	82	84
Other services relating to taxation	25	24
Other services	6	13
	<hr/>	<hr/>

4 Remuneration of directors

	2018 £000	2017 £000
Directors' remuneration	309	335
Company contributions to money purchase pension schemes	29	28
	<hr/>	<hr/>
	338	363
	<hr/>	<hr/>

The remuneration of the highest paid director was £309,000 (2017: £335,000) and company pension contributions of £29,000 (2017: £28,000) were made to a money purchase scheme on their behalf.

	Number of directors 2018	2017
Retirement benefits are accruing to the following number of directors under:		
Money purchase scheme	1	1
	<hr/>	<hr/>
The number of directors who exercised share options was	1	1
	<hr/>	<hr/>

Notes (continued)

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2018	2017
Operations	86	85
Sales	33	19
IT	16	15
Finance	13	8
Human resources	2	2
Legal	1	1
	<u>151</u>	<u>130</u>

The aggregate payroll costs of these persons were as follows:

	2018 £000	2017 £000
Wages and salaries	12,597	10,572
Social security costs	1,777	1,178
Contributions to defined contribution plans (note 18)	732	651
Share based payments	379	339
	<u>15,485</u>	<u>12,740</u>

6 Other operating income

	2018 £000	2017 £000
Management fees	<u>323</u>	<u>294</u>

7 Exceptional items

	2018 £000	2017 £000
Redundancies and restructuring	67	284
Intercompany receivable write off	-	1,871
	<u>67</u>	<u>2,155</u>

Notes (continued)

8 Other interest receivable and similar income

	2018 £000	2017 £000
Other interest receivable	-	1
Receivable from group undertakings	235	224
Net foreign exchange gain	3,443	628
	<hr/>	<hr/>
Total interest receivable and similar income	3,678	853
	<hr/>	<hr/>

9 Interest payable and similar expenses

	2018 £000	2017 £000
Payable to group undertakings	242	222
	<hr/>	<hr/>

10 Taxation

Total tax expense recognised in the profit and loss account

	2018 £000	2017 £000
<i>Current tax</i>		
Adjustments in respect of prior periods	-	(1)
	<hr/>	<hr/>
Total current tax	-	(1)
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination/reversal of timing differences	-	-
	<hr/>	<hr/>
Total deferred tax	-	-
	<hr/>	<hr/>
Total tax	-	(1)
	<hr/>	<hr/>

Reconciliation of effective tax rate

	2018 £000	2017 £000
Profit/(loss) for the year	912	(2,577)
Total tax expense	-	(1)
	<hr/>	<hr/>
Profit/(loss) before tax	912	(2,578)
	<hr/>	<hr/>
Tax using the UK corporation tax rate of 19% (2017: 20%)	173	(516)
	<hr/>	<hr/>
<i>Effects of:</i>		
Expenses not deductible for tax purposes	10	277
Utilisation of tax losses not previously recognised	(134)	238
Tax exempt revenues	(49)	-
	<hr/>	<hr/>
Total tax expense included in profit or loss	-	(1)
	<hr/>	<hr/>

Notes (continued)

10 Taxation (continued)

Factors that may affect future current and total tax charges

The company has losses of £3,486,026 (2017: £5,434,130) available to offset future gains. A related deferred tax asset of £592,624 (2017: £923,802) has not been recognised due to uncertainty over the timing of its future recovery.

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The potential deferred tax asset as at 31 March 2018 has been calculated based on these rates.

11 Tangible fixed assets

	Leasehold land and buildings £000	Computers and plant £000	Furniture, fixtures and motor vehicles £000	Total £000
Cost				
At beginning of year	5,004	6,069	606	11,679
Additions	161	782	-	943
Disposals	-	-	-	-
At end of year	5,165	6,851	606	12,622
Depreciation				
At beginning of year	3,264	4,737	450	8,451
Charge for year	371	785	49	1,205
Disposals	-	-	-	-
At end of year	3,635	5,522	499	9,656
Net book value				
At 31 March 2018	1,530	1,329	107	2,966
At 1 April 2017	1,740	1,332	156	3,228

12 Fixed asset investments

	Loans to group undertakings £000
Cost	
At beginning and end of year	1,261

Loans to group undertakings are treated as investments when there is no right or intention to seek repayment.

Notes (continued)

13 Debtors

	2018 £000	2017 £000
Trade debtors	6,272	4,736
Amounts owed by group undertakings	13,387	12,077
Other debtors	35	41
Prepayments and accrued income	1,751	1,791
	<u>21,445</u>	<u>18,645</u>

14 Creditors: amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	464	737
Amounts owed to group undertakings	23,910	21,302
Taxation and social security	344	347
Accruals and deferred income	7,409	8,112
	<u>32,127</u>	<u>30,498</u>

£6,707,000 (2017: £7,270,000) of the amounts owed to group undertakings carry interest at a rate of 3.50%.

15 Deferred tax assets

Deferred tax assets are attributable to the following:

	Assets £000
At beginning and end of year	-
Net deferred tax assets	<u>-</u>

The elements of unrecognised deferred taxation are as follows:

	2018 £000	2017 £000
Differences between accumulated depreciation and capital allowances	2,248	2,055
Losses	593	924
Deferred tax asset	<u>2,841</u>	<u>2,979</u>

The company has an unrecognised deferred tax asset of £2,841,000 (2017: £2,979,000) arising from fixed asset and other timing differences and losses. This asset has not been recognised due to uncertainty over the timing of its future recovery.

Notes (continued)

16 Capital and reserves

	2018 £000	2017 £000
<i>Allotted, called up and fully paid</i>		
4,600,000 ordinary shares of £1 each	4,600	4,600

Capital contribution reserve

Certain employees of the company are eligible for share options and stock awards in the ultimate parent undertaking, Acxiom Corporation. These share options are awarded directly by the ultimate parent undertaking, which requires the company to make a payment to reimburse it for the granting of these rights. Further details in respect of the share based payment plans for all Acxiom companies are provided in the financial statements of Acxiom Corporation.

17 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Land and buildings	
	2018 £000	2017 £000
Less than one year	1,828	1,828
Between one and five years	6,860	7,070
More than five years	275	1,893
	<u>8,963</u>	<u>10,791</u>

18 Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £732,000 (2017: £651,000).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

19 Related parties

Identity of related parties with which the Company has transacted

All transactions with related parties have been with wholly owned subsidiaries of the Acxiom Corporation group.

20 Ultimate parent company and parent undertaking of large group

The company is a wholly-owned subsidiary of Acxiom European Holdings Limited. At the year end date, the ultimate parent company was Acxiom Corporation.

The largest and smallest group in which the results of the company are consolidated is that headed by Acxiom Corporation, 601 East 3rd Street, Little Rock, AR 72201, USA. The consolidated financial statements of this group are available to the public and may be obtained from 601 East 3rd Street, PO Box 8190, AR 72203-8190, USA.

On 1 October 2018 the ultimate controlling party of the company became The Interpublic Group of Companies Inc.

Notes (continued)

21 Accounting estimates and judgements

Key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenue and expenses during the year. However, the nature of estimations means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Debtors

The Company establishes an estimate for a bad debt provision through an impairment test of trade debtors, resulting in an impairment loss.

There is objective evidence to suggest that such a review is required, based upon experience of collections, breaches of contract, changes in the legal environment, and commercial / contractual waivers.

The impairment is based upon all debts in excess of 90 days, and is then assessed for appropriateness against any known current issues; including any impact on debt less than 90 days.

Bad debt expenses recognised in the Profit and Loss account are a credit of £152k in the current year (2017: charge of £228k) and the current reserve in the balance sheet is £222k (2017: £222k).

Currency fluctuations

The company holds balances for transactions in foreign currencies translated to the company functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are revalued to functional currency at the exchange rate ruling at the Balance Sheet date. Non-monetary assets and liabilities denominated in foreign currencies that are stated as fair market value are revalued to functional currency at the exchange rate ruling at the Balance Sheet date.

Foreign exchange differences arising on translation recognised as a gain in the Profit and Loss account are £3,443k (2017: £628k).

Impairment

Given the potential sale of the company, and the transfer of the Liveramp business, an impairment assessment has considered whether the remaining AMS business would support the value of tangible fixed assets.

22 Subsequent event

Subsequent to the balance sheet, on 1 October 2018 it was announced that Interpublic Group (IPG) has completed the acquisition of the Acxiom Marketing Solutions (AMS) business that includes Acxiom Ltd. The Liveramp segment of Acxiom Ltd has been carved out under a new entity Liveramp UK Limited and sold to LiveRamp Holdings Inc, a new entity incorporated by Acxiom Corporation.