

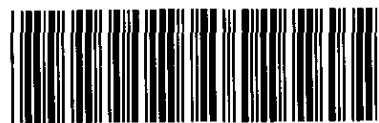
Acxiom Limited

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

Year ended 31 December 2020

Registered Number: 1182318

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Axiom Limited

Strategic Report for the year ended 31 December 2020

The directors present their strategic report of Axiom Limited (the "Company") registered number 1182318 for the year ended 31 December 2020.

Principal activities and review of the business

The Company's principal activity during the year was that of a technology and services company with a vision to power a world where all marketing is relevant. Axiom provides the data foundation for the worlds 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..

The Company's loss for the year was £2,272,000 (2019: loss £2,423,000). The directors consider that the result for the year is in line with expectations. The Company had net liabilities of £12,963,000 as at 31 December 2020 (2019: net liabilities of £10,691,000).

Key performance indicators

Revenues in the year amounted to £14,389,000 (2019: £18,102,000).

Financial Reporting Standard 102 (FRS 102)

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

Principal risks and uncertainties

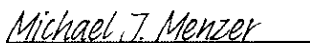
From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of The Interpublic Group of Companies, Inc. and are not managed separately. These risks are discussed in The Interpublic Group of Companies, Inc. annual financial statements for the year ended 31 December 2020, 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

The Company's strategy for products and services is to 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 expansion of our direct sales teams, our partnerships and access to a wider client portfolio under new parent IPG Group.

On behalf of the Board



Michael J. Menzer (Aug 20 2021 09:54 CEST+1)

Michael John Menzer
Director
23 July 2021

Acxiom Limited

Directors' Report for the year ended 31 December 2020

The directors present their report and financial statements of Acxiom Limited (the "Company") registered number 1182318 for the year ended 31 December 2020.

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 (2019: £nil).

Objectives and policies

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

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

Financial risk management

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

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

Credit risk

The Company has implemented policies to monitor customer debt levels and to ensure that excessive credit is not extended to any particular customer. This provides the business with visibility of balances and ensures that no further credit is extended in cases where this is not merited. The maximum exposure to credit risk at 31 December 2020 was mainly as follows: trade debtors £3,296,000, amounts owed by group undertakings £13,455,000, other debtors £16,000, prepayment and accrued income £1,657,000 and debtors due after more than one year £nil (2019: £5,573,000, £10,568,000, £31,000, £1,664,000, £nil respectively).

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

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

Liquidity risk

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

Political donations

The Company made no political donations in 2020 (2019: £nil).

Acxiom Limited

Directors' Report for the year ended 31 December 2020 (continued)

Branches outside the UK

The Company has no branches outside the UK.

Disabled employee note

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

Employee involvement

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

Directors

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

	Date of Appointment	Date of Resignation
Rizwan Mahmood Butt		1 October 2020
Gerard Majella Mole		
Michael John Menzer	1 October 2020	

Events post statement of financial position

No material events post statement of financial position have occurred.

Axiom Limited

Directors' Report for the year ended 31 December 2020 (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:

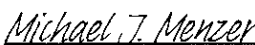
- ensuring that the Company keeps adequate accounting records which comply with section 386 of the Companies Act 2006;
- preparing financial statements which give a true and fair view of the state of the affairs of the Company at 31 December 2020 and its profit or loss for the year then ended in accordance 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;
- the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Audit exemption

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

- a) that for the year ended 31 December 2020 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


Michael J. Menzer, Aug 20 2021 08:51 GMT+1

Michael John Menzer
Director
23 July 2021

Acxiom Limited

Statement of comprehensive income For the year ended 31 December 2020

	Note	2020 £000's	2019 £000's
Turnover	5	14,389	18,102
Cost of sales		(4,604)	(5,835)
		<hr/>	<hr/>
Revenue/Gross profit		9,785	12,267
Administrative expenses		(5,986)	(14,225)
		<hr/>	<hr/>
Operating profit/(loss)	6	3,799	(1,958)
Interest receivable and similar income	7	572	266
Interest payable and similar expenses	8	(30)	(276)
Exceptional item - Restructuring	11	(1,492)	297
Exceptional item - Disposal of fixed assets	11	(629)	(726)
Exceptional item - Lease gain/(loss)	11	(4,363)	-
		<hr/>	<hr/>
Loss before taxation		(2,143)	(2,397)
Tax on loss	12	(129)	(25)
		<hr/>	<hr/>
Loss and total comprehensive expense for the financial year		(2,272)	(2,423)
		<hr/>	<hr/>

All operations are continuing.

Acxiom Limited

Statement of financial position As at 31 December 2020

	Note	2020 £000's	Restated 2019 £000's
Fixed assets			
Tangible assets	13	522	1,686
		522	1,686
Current assets			
Debtors	14	18,424	17,836
Cash at bank and in hand		152	(1,399)
		18,576	16,437
Creditors: amounts falling due within one year	15	(27,289)	(27,923)
Provision for liabilities	16	(17)	(78)
Net current liabilities		(8,730)	(11,564)
Total assets less current liabilities		(8,208)	(9,878)
Provisions for liabilities	16	(4,755)	(813)
Net liabilities		(12,963)	(10,691)
Capital and reserves			
Called up share capital	17	4,600	4,600
Share premium account		831	831
Revaluation reserve		639	639
Accumulated losses		(19,033)	(16,761)
Total equity		(12,963)	(10,691)

Investments of £1,261,000 and amounts owed to Group undertakings of the same amount have been restated to reflect the fact that Altwood Systems Limited, prior to its dissolution on 22 July 2020, was 100% owned by Claritas (UK) Limited.

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 2020 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 2020 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 9 to 24 are an integral part of these financial statements.

The financial statements on pages 6 to 24 were authorised for issue by the board of directors on 23 July 2021 and were signed on its behalf.

Michael J. Menzer
Michael J. Menzer (Aug 20, 2021 05:54 GMT+1)

Michael John Menzer
Director
Acxiom Limited
Registered No. 1182318

Acxiom Limited

Statement of changes in equity for the year ended 31 December 2020

	Called up share capital £000's	Share premium account £000's	Revaluation reserve £000's	Accumulated losses £000's	Total Equity £000's
At 1 January 2019	4,600	831	639	(14,338)	(8,268)
Loss for the financial year	-	-	-	(2,423)	(2,423)
Total comprehensive expense for the year	-	-	-	(2,423)	(2,423)
At 31 December 2019	4,600	831	639	(16,761)	(10,691)

	Called up share capital £000's	Share premium account £000's	Revaluation reserve £000's	Accumulated Losses £000's	Total Equity £000's
At 1 January 2020	4,600	831	639	(16,761)	(10,691)
Loss for the financial year	-	-	-	(2,272)	(2,272)
Total comprehensive expense for the year	-	-	-	(2,272)	(2,272)
At 31 December 2020	4,600	831	639	(19,033)	(12,963)

Revaluation reserves represent fixed assets fair market value adjustment at point of acquisition by IPG Group.

Acxiom Limited

Notes to the financial statements for the year ended 31 December 2020

1 General information

The Company's principal activity during the year was that of 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..

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 17 Hatfields, London, UK, SE1 8DJ.

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

At as 31 December 2020, the Company has a net liabilities of £12,963,000 (2019: net liabilities £10,691,000). These financial statements are prepared on the going concern basis as IPG Holdings (UK) Limited, the Company's intermediate holding company, has confirmed in writing its intention to continue to support the Company for a period of not less than one year from the date of approval of these financial statements, by providing sufficient funds to enable it to meet its liabilities as they fall due. On this basis, the directors have concluded that it remains appropriate to prepare the financial statements on a going concern basis.

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 Acxiom European Holdings 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.

Acxiom Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

3 Summary of significant accounting policies (continued)

e) Revenue recognition

The Company's revenues are primarily derived from the execution of data management services, data provision and analytics in the United Kingdom. Revenues consist of a number of key accounts managed over the term of the contract and the Company's ability to win new business. Revenue is usually spread over the term of the contract, incorporating delivery of specific milestone obligations. Most client contracts are individually negotiated however the form of these contracts are similar in nature. Third party partners are often used in the provision of a solution to the client. All agreements are reviewed by Acxiom legal counsel.

The Company's policy follows the guidance from ASC 606, *Revenue Recognition*. Under Topic 606, revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. The Company enters into contracts that can include various combinations of products and services, which are generally capable of being distinct and accounted for as separate performance obligations. The Company determines revenue recognition through the following steps: (1) Identification of the contract, or contracts, with a customer, (2) Identification of the performance obligations in the contract, (3) Determination of the transaction price, (4) Allocation of the transaction price to the performance obligations in the contract, and (5) Recognition of revenue when, or as, the Company satisfies a performance obligation.

The Company evaluates its marketing database arrangements to determine whether the arrangement contains a lease. If the arrangement is determined to contain a lease, applicable accounting standards require the Company to account for the lease component separately from the remaining components of the arrangement. In cases where marketing database arrangements are determined to include a lease, the lease is evaluated to determine whether it is a capital lease or operating lease and accounted for accordingly. These lease revenues are not significant to the Company's consolidated financial statements. Sales of third-party software, hardware and certain other equipment are recognized when delivered. If such sales are part of a multiple-element arrangement, they are recognized as a separate element unless collection of the sales price is dependent upon delivery of other products or services. Additionally, the Company evaluates revenue from the sale of data, software, hardware and equipment in accordance with accounting standards to determine whether such revenue should be recognized on a gross or a net basis. All the factors in the accounting standards are considered with the primary factor being whether the Company is the primary obligor in the arrangement. "Out-of-pocket" expenses incurred by, and reimbursed to, the Company in connection with customer contracts are recorded as gross revenue. The Company also performs services on a project basis outside of, or in addition to, the scope of long-term arrangements. The Company recognizes revenue from these services as the services are performed. All taxes assessed on revenue-producing transactions described above are presented on a net basis or excluded from revenues. Revenues from the licensing of data are recognized upon delivery of the data to the customer. Revenue from the licensing of data to the customer in circumstances where the license agreement contains a volume cap is recognized in proportion to the total records to be delivered under the arrangement. Revenue from the sale of data on a per-record basis is recognized as the records are delivered.

f) Interest income

Interest income is recognised using the effective interest rate method.

g) Dividend income

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

h) Employee benefits

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

Acxiom Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

3 Summary of significant accounting policies (continued)

h) Employee benefits (continued)

- **Short term benefits**

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

- **Pension costs**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from the Company in an independently administered fund. The pension cost charge disclosed in note 20 represents contributions payable by the Company to the fund.

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

The Company is a member of the Interpublic Pension Plan, a defined benefit scheme. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of the plan assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Re-measurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- (a) the increase in pension benefit liability arising from employee service during the period; and
- (b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as 'Finance expense'.

- **Annual bonus plan**

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

i) 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.

j) Borrowing costs

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

k) Leases

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

Acxiom Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

3 Summary of significant accounting policies (continued)

l) Lease incentives

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

Any reduction in lease payments, as a result of the COVID-19 pandemic are credited to the statement of comprehensive income, to reduce the lease expense, on a straight-line basis over the period for which the change in lease payments compensates.

m) 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.

n) 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.

o) Tangible assets

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

Equipment, fixtures & fittings	2-10 years
Plant & machinery	3-5 years
Long leasehold and leasehold improvements	10-30 years
Computer hardware and software	2-5 years

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

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

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

3 Summary of significant accounting policies (continued)

o) Tangible assets (continued)

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

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

p) 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.

q) Work in progress

Work in progress comprises external charges for goods and services incurred on behalf of clients which have still to be invoiced to clients. Work in progress is stated at the lower of cost or net realisable value. The Company assesses annually at the reporting date if any impairment is required and recognises any impairment loss to the statement of comprehensive income.

r) 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.

Acxiom Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

3 Summary of significant accounting policies (continued)

r) 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.

s) 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.

t) Deferred income

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

u) Provisions

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

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

Provision is not made for future operating losses.

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

v) 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.

w) 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.

x) 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.

Axiom Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

3 Summary of significant accounting policies (continued)

y) Incentive compensation plans

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

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

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

z) 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.

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

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

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

(ii) Impairment of trade and other debtors (note 14)

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

(iii) Financial instruments (note 3r)

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

Acxiom Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

5 Turnover

	2020 £000's	2019 £000's
Turnover by origin		
United Kingdom	12,072	15,872
Rest of Europe	220	206
Rest of World	2,097	2,024
	14,389	18,102

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

Turnover is wholly attributable to the principal activity of the Company.

6 Operating profit/(loss)

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

	2020 £000's	2019 £000's
Employee costs (note 9)	8,334	9,527
Depreciation		
- Tangible fixed assets	513	961
- Asset retirement obligation	41	24
Remuneration of auditors		
Bad debt - provision (decrease)/increase	(173)	109
(Gain)/loss on disposal of tangible assets	(1)	-
Exchange (gain)/loss	(3,638)	1,457
Operating lease rentals		
- Office space	522	944
Rental income	(259)	(242)

Acxiom Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

7 Interest receivable and similar income

	2020 £000's	2019 £000's
Interest receivable on bank accounts	1	2
Interest received from other group undertakings	571	264
	<u>572</u>	<u>266</u>

8 Interest payable and similar expenses

	2020 £000's	2019 £000's
Interest payable to group undertakings	-	269
Interest payable on bank overdrafts	23	5
Unwinding of discount	7	2
	<u>30</u>	<u>276</u>

9 Employee costs

	2020 £000's	2019 £000's
Wages and salaries (including directors)	6,806	7,794
Social security costs	768	1,005
Pension costs (note 20)		
- Defined contribution	564	541
Severance expense	-	16
Miscellaneous, non-share based incentives and other costs	196	171
	<u>8,334</u>	<u>9,527</u>

The Company's employees are principally located in the United Kingdom.

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

	2020	2019
United Kingdom	<u>99</u>	<u>108</u>
Average monthly number employed	<u>99</u>	<u>108</u>

Acxiom Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

9 Employee costs (continued)

Key management compensation

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

	2020 £000's	2019 £000's
Wages and salaries	481	450
Social security costs	88	79
Pension costs (note 20)		
- Defined contribution	51	39
Severance expense	729	-
Miscellaneous, non-share based incentives and other costs	21	193
	<hr/>	<hr/>
Key management compensation	1,370	761
	<hr/>	<hr/>

10 Directors' emoluments

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

	2020 £000's	2019 £000's
Aggregate emoluments, including benefits in kind	386	396
Defined contribution scheme - company contributions	46	34
Severance expense	392	-
	<hr/>	<hr/>
	824	430
	<hr/>	<hr/>

Highest paid director

	2020 £000's	2019 £000's
Aggregate emoluments, including benefits in kind	157	339
Defined contribution scheme - company contributions	29	30
Severance expense	392	-
	<hr/>	<hr/>
	578	369
	<hr/>	<hr/>

Acxiom Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

11 Exceptional items

Exceptional items in 2020 of £6,483,000 arise from the COVID 19 global pandemic and the subsequent closure of the London offices, resulting in impairments of £4,363,000 lease costs, £428,000 fixed assets, £200,000 asset retirement obligations and £1,492,000 reorganisation.

12 Tax on loss

	2020 £000's	2019 £000's
Current taxation		
Adjustments in respect of prior years		
- UK corporation taxation	129	25
	129	25
Total current taxation	129	25
Deferred taxation		
Adjustments in respect of prior years	-	-
	-	-
Total deferred taxation	-	-
Tax on loss	129	25

Factors affecting the tax charge for the year

The tax assessed for the year is Lower (2019: lower) than the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%). The difference is explained below:

	2020 £000's	2019 £000's
Loss before taxation	(2,143)	(2,397)
Loss before taxation at the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(407)	(456)
Effects of:		
Expenses not deductible for taxation purposes	(20)	75
Group relief for nil consideration	806	612
Adjustments in respect of prior years	129	25
Unrecognised deferred tax	(379)	(207)
Effect of change in tax rate	-	(24)
Total tax for the year	129	25

A previously enacted reduction in the rate of UK corporation tax from 19% to 17% from 1 April 2020 was reversed so the rate continues to be 19%.

In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023. As the proposal to increase the rate to 25% has not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. It is not expected that this increase will have a material impact on the deferred tax balances.

At 31 December 2020 there were unused trading losses and non-trading deficits of £7,682,000 (2019: £8,512,000) that are available indefinitely for offset against the Company's future taxable profits, and capital losses of £nil (2019: £10,659,000) that are available for offset indefinitely against the Company's future capital gains.

Acxiom Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

13 Tangible assets

	Long leasehold & leasehold improvements £000's	Computer equipment £000's	Equipment, fixtures & fittings £000's	Asset retirement obligation £000's	Total £000's
At 31 December 2019					
Cost	635	1,569	168	271	2,643
Accumulated depreciation	(178)	(696)	(59)	(24)	(957)
Net book value	457	873	109	247	1,686
Cost					
1 January 2020	635	1,569	168	271	2,643
Additions	-	21	-	-	21
Disposals	(524)	(4)	(141)	(263)	(932)
Other adjustments*	-	(3)	-	-	(3)
31 December 2020	111	1,583	27	8	1,729
Accumulated depreciation					
1 January 2020	(178)	(696)	(59)	(24)	(957)
Charge for the year	(81)	(416)	(16)	(41)	(554)
Disposals	193	1	48	62	304
31 December 2020	(66)	(1,111)	(27)	(3)	(1,207)
Net book value					
31 December 2020	45	472	-	5	522
Net book value					
31 December 2019	457	873	109	247	1,686

Acxiom Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

14 Debtors

Debtors: amounts falling due within one year

	2020 £000's	2019 £000's
Trade debtors	3,296	5,573
Amounts owed by group undertakings	13,455	10,568
Other debtors	16	31
Prepayments and accrued income	1,657	1,664
	18,424	17,836

A total of £13,395,000 (2018: £10,519,000) of the amounts owed by Group undertakings is interest bearing at 6 month LIBOR rates + 1.50%. The remaining debtors are unsecured.

15 Creditors: amounts falling due within one year

	2020 £000's	Restated 2019 £000's
Bank loans and overdrafts	62	-
Trade creditors	863	628
Amounts owed to group undertakings	21,874	21,407
Corporation Tax	(23)	(123)
Other creditors including taxation and social security	417	788
Incentive compensation plans	-	44
Accruals and deferred income	4,096	5,179
	27,289	27,923

Amounts owed to Group undertakings have been restated in 2019 to reflect an adjustment of £1,261,000 to an intercompany balance arising from a transfer of trade and assets of Claritas (UK) Limited to Acxiom Limited.

Amounts owed to group undertakings are unsecured and repayable on demand. A total of £nil (2019: £7,641,000) of the amounts owed by Group undertakings is interest bearing at 6 month LIBOR rates +nil%.

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.

Acxiom Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

16 Provisions for liabilities

	Asset retirement obligations £000's	Other provisions £000's	Total £000's
At 1 January 2019	566	-	566
Charge to statement of comprehensive income	55	-	55
Amount charged to fixed asset	270	-	270
	<hr/>	<hr/>	<hr/>
At 31 December 2019	891	-	891
	<hr/>	<hr/>	<hr/>
	Asset retirement obligations £000's	Other provisions £000's	Total £000's
At 1 January 2020	891	-	891
Charge to statement of comprehensive income	7	3,739	3,746
Amount charged to fixed asset	-	-	-
Increase/(decrease) in provision	135	-	135
	<hr/>	<hr/>	<hr/>
At 31 December 2020	1,033	3,739	4,772
	<hr/>	<hr/>	<hr/>

Asset retirement obligations

The Company has a provision for liabilities relating to dilapidations on Hatfields property leased by the Company and is building a reserve against potential claim when lease expires in March 2023.

Other provisions

Where leasehold properties become vacant, the Company provides for all costs net of anticipated income, to the end of the lease.

In 30 June 2020, the Company vacated its Hatfields property. The provision is expected to be utilised over the life of the lease to 23 June 2023.

Acxiom Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

17 Called up share capital

	2020	2019	2020	2019
	Number	Number	£000's	£000's
	(000's)	(000's)		
Allotted and fully paid:				
A ordinary shares of £1.00 each	4,600	4,600	4,600	4,600

18 Capital and other commitments

	2020	2019
	£000's	£000's

Capital commitments

At 31 December, the Company had no capital commitments or future contracts (2019: none)

Operating lease commitment

As at 31 December, the Company had the following total future minimum lease payments commitments under non-cancellable operating leases for each of the following periods:

Payments due:

- Not later than one year	1,670	1,833
- Later than one year and not later than five years	2,434	3,925
- Later than five years	-	-
Total minimum lease commitments	4,104	5,758

Operating lease income

As at 31 December, the Company had the following total future minimum lease income under non-cancellable operating leases for each of the following periods:

	2020	2019
	£000's	£000's
Income due:		
Buildings		
- Not later than one year	371	554
- Later than one year and not later than five years	421	793
- Later than five years	-	-
Total buildings lease income	792	1,347

Acxiom Limited

Notes to the financial statements for the year ended 31 December 2020 (continued)

19 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.

20 Pensions

Defined contributions scheme

The Company participates in a number of defined contribution pension schemes. The assets of the schemes are held separately from those of the Company in an independently administered fund. The pension cost represents contributions payable by the Company to the fund and amounted to £563,840 (2019: £541,177). At 31 December 2020, £nil remained unpaid and accrued (2019: £nil).

21 Events after the reporting period

No material events post statement of financial position have occurred.

22 Company information

The Company is registered in England and Wales and its registered office is at 17 Hatfields, London, UK, SE1 8DJ.

23 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Acxiom European Holdings Limited, a company registered in England and Wales. Copies of its financial statements are available 17 Hatfields, London, SE1 8DJ.

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 2020, and the smallest group of undertakings to consolidate these financial statements at 31 December 2020 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 135 Bishopsgate, London, United Kingdom, EC2M 3TP.