

These accounts are being filed as part of the
subsidiary package for Wellset Repro Ltd,
company number: 3205960

IPG Holdings (UK) Limited

**Directors' Report, Strategic Report
and Consolidated Financial Statements
Year ended 31 December 2021**

Registered Number: 2353279

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IPG Holdings (UK) Limited

Strategic Report for the year ended 31 December 2021

The directors present their strategic report and the audited consolidated financial statements of IPG Holdings (UK) Limited (the "Company") and its subsidiaries (together, the "Group") for the year ended 31 December 2021.

Principal activities and review of business

The principal activity of the Group and Company during the year was operating a number of advertising, digital communications, public relations and other media related businesses within The Interpublic Group of Companies, Inc. ("IPG Group") in the United Kingdom and overseas.

The main subsidiaries, using the criteria of turnover for trading companies and net investment value for holding companies, were as follows:

Acxiom Limited
IPG DXTRA Group Holdings Limited
IPG DXTRA (UK) Limited
Complete Medical Group Worldwide Limited
Creation Communications Limited
Engels (No.1) Limited
Jack Morton Worldwide Limited
Kinesso Limited
Lowe International Limited
Lowe Investments Limited
McCann Health Medical Communications Limited
McCann-Erickson Advertising Limited
McCann-Erickson Central Limited
McCann-Erickson EMEA Limited
McCann-Erickson Network Limited
McCann-Erickson UK Group Limited
McCann Manchester Limited
Mediabrand Belgium S.A.
Mediabrand International Limited
Mediabrand Limited
MullenLowe London Limited
MullenLowe Group Limited
Orion Trading EMEA Limited
Rapport Outdoor Limited
R/GA Media Group Limited

The Group's consolidated profit for the financial year was £53.5m (2020: loss of £22.6m). The consolidated profit for the financial year has been transferred to reserves. The directors consider that the result for the year is in line with expectations. The Group had net assets of £14.3m as at 31 December 2021 (2020: net assets of £89.3m).

During the year, the Group received dividends to the value of £nil (2020: £37,000) and paid dividends of £124,700,000 (2020: £nil).

Branches outside the UK

The subsidiary, Mediabrand Limited, has a trading branch in the Republic of Ireland.

The subsidiary, Kinesso Limited, has a trading branch in the Republic of Ireland.

The subsidiary, Orion Trading EMEA Limited, has a trading branch in the Republic of Ireland.

IPG Holdings (UK) Limited

Strategic Report for the year ended 31 December 2021 (continued)

Future developments, strategy and key performance indicators

The Group will continue to focus its activities on supporting the IPG Europe, Middle East and Africa (EMEA) network for the foreseeable future.

The Group has two reportable segments, which are the Integrated Agency Networks ("IAN") and IPG DXTRA. IAN is comprised of McCann, MullenLowe, IPG Mediabrands, Foote, Cone & Belding ("FCB"), and other digital specialist and integrated agencies (collectively "Other"). IPG DXTRA is comprised of a number of our specialist marketing services offerings. Their results for the financial year ended 31 December 2021 and 31 December 2020 are shown below:

2021	IPG DXTRA	MullenLowe	Mediabrand	FCB	McCann	Other	Total
Turnover (£000's)	158,692	106,218	1,333,526	14,785	504,438	50,469	2,168,128
Gross profit (£000's)	107,396	60,407	191,822	10,881	215,528	34,084	620,117
Operating profit/(loss) (£000's)	20,138	(659)	38,015	162	35,139	(16,484)	76,311
Operating margin	12.7%	(0.6%)	2.9%	1.1%	7.0%	(32.7%)	3.5%
Employee costs (£000's)	62,840	41,855	113,362	6,897	142,536	18,450	385,940
Employee costs as % of gross profit	58.5%	69.3%	58.8%	63.4%	66.1%	54.1%	62.2%
2020	IPG DXTRA	MullenLowe	Mediabrand	FCB	McCann	Other	Total
Turnover (£000's)	141,884	108,630	999,567	22,095	497,521	46,718	1,816,415
Gross profit (£000's)	98,554	63,516	164,528	13,473	204,730	29,084	573,885
Operating profit/(loss) (£000's)	5,755	1,709	26,241	982	25,976	(33,107)	27,556
Operating margin	4.1%	1.6%	2.6%	4.4%	5.2%	(70.9%)	1.5%
Employee costs (£000's)	61,557	40,430	99,810	7,674	140,335	18,272	368,078
Employee costs as % of gross profit	62.5%	63.7%	60.7%	57.0%	68.5%	62.8%	64.1%

The Group achieved growth in revenues and improvement in profitability in 2021 following the easing of COVID restrictions in the UK, with the majority of networks seeing improved results year on year.

IPG Holdings (UK) Limited

Strategic Report for the year ended 31 December 2021 (continued)

Exceptional items

In the year ended 31 December 2021, the Group incurred exceptional expenses of £1,840,000, being an impairment of goodwill relating to a business that is no longer trading.

Stakeholders

The Directors of the Company have acted in accordance with their duties codified in law. In particular, the Directors have acted in the way in which they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, and in doing so have had regard to the stakeholders and (amongst other matters) to the matters set out in Section 172(1) of the Companies Act 2006.

The Company's ultimate parent company is The Interpublic Group of Companies, Inc. ("IPG Group") and the Company and all companies within the global IPG Group comply with the policies and procedures issued by IPG Group. This ensures that the companies in the IPG Group, including the Company, promote a consistent culture globally that aligns with all key areas of the IPG Group policies and procedures, including ensuring that minimum standards and values are adhered to during the financial year in relation to supplier management and outsourcing, customer and business conduct, employee interests and the environment.

The following is the Section 172 Statement of the Company and describes how the Directors have had regard to the matters set out in Section 172(1)(a) to (f) of the Companies Act 2006 in exercising their duty to promote the success of the Company for the benefit of its members as a whole.

The Directors of the individual companies within the Group have reported their Section 172(1) Directors' responsibilities to stakeholders in their individual statutory financial statements where required to, and which are publicly available.

Having regard to the likely consequences of any decision in the long term s172(1)(a)

The Group, which operates a number of advertising, digital communications, public relations and other media related businesses within The Interpublic Group of Companies, Inc. ("IPG Group") in the United Kingdom and overseas relies on the trusting and positive engagement it has with its stakeholders to ensure it operates sustainably in the long term.

Throughout the year, the Directors undertake a number of stakeholder engagement activities, which provides them with a better understanding of the views and interests of stakeholders.

In addition, the Directors have made decisions and set strategy to ensure that the Company continues to direct its available capital and resources to areas within the business that will produce sustainable profits for shareholders.

Having regard to the interests of the Company's employees s172(1)(b)

The Company takes pride in its reputation for creativity, high moral and ethical standards and adherence to sound and equitable business ethics. The Directors ensure that the Company strives at all times to promote an inclusive work environment that fosters creativity, encourages collaboration and promotes growth. As such, we aim to treat all of our colleagues with fairness, dignity and respect.

For example, the Directors are updated and have general oversight of the annual training for all employees on the content of the Employee Code of Conduct issued by IPG Group. The Employee Code of Conduct sets expectations for a work environment that embodies respect and dignity for all employees and provides for, amongst other things, anti-harassment and anti-discrimination policies and procedures for the receipt of anonymous complaints or concerns from employees.

The Employee Code of Conduct can be found on the IPG Group's website <https://www.interpublic.com/about/corporate-governance/>.

IPG Holdings (UK) Limited

Strategic Report for the year ended 31 December 2021 (continued)

Diversity

IPG Group is continually forging a culture of diversity and inclusion, including establishing the industry's first office of global diversity and inclusion, which reports directly to IPG Group's CEO.

For 12 years, IPG Group has repeatedly received a perfect score of 100 percent on the Human Rights Campaign Corporate Equality Index (CEI), which is a measure of inclusive benefits, policies, and activities that support LGBTQ+ employees.

Consistent with the standards and values of the global IPG Group, the Directors recognise the value diversity brings to a company, by building on and embracing the different talents and strengths of each employee. The Directors have fostered a collaborative environment that encourages growth and integrity.

Having regard to the need to foster the Company's business relationships with suppliers, customers and others s172(1)(c)

Suppliers

The Directors seek to balance the benefits of maintaining strong relationships with a diverse range of key suppliers, in conjunction with ensuring the need to obtain value for money for our investors and providing a high quality of service to customers. The Company seeks out suppliers, consultants, freelancers and other business partners that share the Company's values and ethical standards and those of IPG Group.

The Company understands that suppliers are independent entities, but the business practices and actions of a supplier may significantly impact and/or reflect upon us, our reputation and our brands, which is one of our most important assets. Because of this, IPG Group and the Company expect all suppliers and their employees, agents and subcontractors (their representatives) to adhere to The IPG Supplier Code of Conduct while they are conducting business with and/or on behalf of IPG Group or its affiliates. The IPG Supplier Code of Conduct can be found on the IPG Group's website at <https://www.interpublic.com/wp-content/uploads/2020/07/SPP382SupplierCodeofConduct.pdf>.

Customers

The Group works with its clients and customers to ensure that the marketing communications programs designed for them are most efficiently and effectively moving their businesses forward. In order to ensure that the Group's clients are successful and that the Company maintains its competitive positioning in the marketplace, the Group always makes certain that its business is aligned with clients' changing needs and the ever-changing consumer landscape. Ours is a talent business and, to serve our clients in the best way possible, the Group must recruit and retain top talent.

Having regard to the impact of the Company's operations on the community and the environment s172(1)(d)

The Directors, in line with IPG's guidance, believe that the Group and its employees can contribute to global sustainability by making smarter choices in how we conduct business. IPG Group is committed to operating as sustainably as possible, and in a way that is in sync with the long-term health of our environment. IPG Group and its global companies are dedicated to three core principles of purpose: we use our expertise as marketers to make a difference in communities locally and around the world; we take care of and invest in our people; and we ensure a fair governance structure at the Company. This policy not only serves to reduce our impact on the environment, but can also lead to cost savings, help us align with our clients' expectations, and demonstrate our responsibility to other important stakeholders by tracking our progress.

IPG Group is listed on a number of sustainability indices (the S&P 500 ESG, the S&P Global 1200 index and the Dow Jones Sustainability Index (DJSI) North America) for the work it has carried out in promoting sustainability within the Group. In addition, IPG Group is committed to advancing the United Nations Sustainable Development Goals (SDGs). IPG Group has adopted SDG 6, access to water and sanitation, as part of its role in Common Ground, the initiative that brings together the largest holding companies in the advertising and marketing sector in support of the SDGs.

IPG Holdings (UK) Limited

Strategic Report for the year ended 31 December 2021 (continued)

As part of the global IPG Group, the Group and its subsidiaries complies with a published Sustainability and Environmental Impact Policy which can be found on the IPG Group website at:

<https://www.interpublic.com/wp-content/uploads/2020/07/SPP-121-Sustainability-Environmental-Impact.pdf>

This policy serves to establish best practices in which individual employees as well as the group as a whole can reduce our impact on the environment.

Having regard to the desirability of the Company maintaining a reputation for high standards of business conduct s172(1)(e)

The Group's business is based on relationships and trust with all of its stakeholders, including customers, clients and suppliers. Maintaining an excellent reputation is important to the success of the Group and its stakeholders. To ensure the best and most honest relationships with all of our stakeholders, the group operates with integrity and transparency in all of its interactions. *The Employee Code of Conduct and the Supplier Code of Conduct form the foundation of how the Company does business on a day-to-day basis.* As stated above, the Directors oversee the annual employee training on the Employee Code of Conduct.

The Directors ensure that the Company adheres to the policies and programs developed and implemented by IPG Group. This ensures we are accountable to all of our stakeholders—investors, clients, employees and customers. In addition to the Employee Code of Conduct and Supplier Code of Conduct, IPG Group also has, an Anti-Harassment and Equal Employment Policy and an Anti-Corruption Policy, both of which can be found on IPG's website at:

<https://www.interpublic.com/about/corporate-governance/>

Having regard to the need to act fairly as between members of the Company s172(1)(f)

The Company is ultimately 100% owned and controlled by IPG Group. The Company has only one class of shares, so all shareholders benefit from the same rights, as set out in the Company's articles of association and the Companies Act 2006. The Directors recognise their legal and regulatory duties, including under the EU Market Abuse Regulation, and do not take actions that would provide any shareholder or group of shareholders with any unfair advantage or position compared to the shareholders as a whole.

IPG Holdings (UK) Limited

Strategic Report for the year ended 31 December 2021 (continued)

Principal risks and uncertainties

The Group is subject to a variety of possible risks and uncertainties that could adversely impact its revenues, results of operations or financial condition.

The principal risks and uncertainties faced by its subsidiary companies are listed below:

- If the Company's business is significantly adversely affected by unfavourable economic conditions or other market disruptions that adversely affect client spending, the negative impact on its revenue could pose a challenge to its operating income and cash generation from operations. The war in Ukraine has the potential to create market disruption, which could affect client spending, as it has put pressure on inflation rates, fluctuating currency rates and added to the economic uncertainty which could impact outlook.
- The COVID-19 pandemic had significantly increased financial and economic volatility and uncertainty in 2020 and into early 2021. Its impact materially lessened as 2021 progressed. Future outbreaks may have a negative impact on a number of the Company's clients if they occur. This may continue to impact the Company's business, financial condition, results of operations and forward-looking expectations.
- The advertising and marketing communications business is highly competitive and constantly changing. Competitive challenges also arise from rapidly-evolving and new technologies in the marketing and advertising space. Any failure to keep up with rapidly changing technologies and standards could harm the Company's competitive position.
- An important aspect of the Company's competitiveness is its ability to identify and develop the appropriate talent and to attract and retain key employees and management personnel. If it were to fail to attract key personnel or lose them to competitors or clients, or fail to manage its workforce effectively, its business and results of operations could be adversely affected.
- At any given time, one or more of the Company's clients may experience financial difficulty, file for bankruptcy protection or go out of business. The direct impact on the Company could include reduced revenues and write-offs of accounts receivable and expenditures billable to clients.
- The Company's business, which increasingly involves the collection, use and transmission of customer data, may make the Company an attractive target for malicious third-party attempts to access this data.
- Data privacy or cybersecurity breaches may pose a risk that sensitive data could be exposed to third parties or to the general public. Any such breaches or breakdowns could expose the Company to legal liability, be expensive to remedy, result in a loss of its clients' or vendors' proprietary information and damage its reputation.

As the Group is ultimately owned by The Interpublic Group of Companies, Inc., the performance of The Interpublic Group of Companies, Inc. has an impact on the Company's financial position. Please refer to The Interpublic Group of Companies, Inc., consolidated financial statements which can be obtained from The Interpublic Group of Companies, Inc., 909 Third Avenue, New York, NY 10022, USA.

IPG Holdings (UK) Limited

Strategic Report for the year ended 31 December 2021 (continued)

Management and mitigation of principal risks and uncertainties

The following measures have been taken by the Group's subsidiary companies to manage and mitigate the principal risks and uncertainties:

- As the wider economy has its usual fluctuations over the course of time, the Company will continue to work with its clients in order to maximise future growth and profitability prospects, assisting them in developing new areas of growth. This in turn helps minimise the risk to the growth of the Company, as management stays focused on unlocking the enormous opportunities that exist due to the change and disruption that occurred during the year and beyond. Our ultimate goal is to help ensure that clients' businesses and brands can thrive in the digital economy.
- The Company has been able to adapt to meet the various impacts of the COVID-19 pandemic. It has benefited from having a flexible workforce and has been able to be flexible with the allocation of its resources, in order to meet the changing needs of its clients over the period of the pandemic. The Company continued to be disciplined with respect to expenses and strategic in its approach to costs, while simultaneously investing in its business during the year to accelerate areas of strongest opportunity and growth. During the course of 2021, a primary objective for the Company's management team was to safeguard the physical and mental well-being of its employees. This, in turn, allowed the Company to deliver effective work and strong results for its clients.
- The Company seeks to combine the power of creativity within the business, with the benefits of technology, fuelling its offerings with a deep understanding of the clients' needs at the same time as and in combination with ethical data practices, which are carried out throughout the business. This has helped the Company grow its digital capabilities. The Company, with the assistance of the resources of the wider IPG Group, has invested time and resources into employee training and technological solutions to ensure data privacy laws are not breached and cybersecurity breaches are protected against.
- The Company continues to recognise the need to focus on investing in talent within the business. For many years now, this has involved ensuring that the Company has the right people and investing in skills, training and technology in order to meet the rapidly changing technology development and needs within the marketing and advertising business.
- The Company continuously monitors and assesses credit offered to clients to ensure the amounts are recoverable and do not become excessive. Management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

On behalf of the Board:


Warren Kay (Sep 16, 2022 15:04 GMT+1)

Warren Spencer Kay
Director

16 September 2022

IPG Holdings (UK) Limited

Directors' Report for the year ended 31 December 2021

The directors present their report and the audited consolidated financial statements of IPG Holdings (UK) Limited (the "Company") and its subsidiaries (together, the "Group") for the financial year ended 31 December 2021.

The Group's UK subsidiary companies are exempt from the requirements of the Companies Act 2006 relating to the audit of individual financial statements by virtue of section 479A. A list of these UK companies can be found in note 30.

Future developments

Future developments, strategy and key performance indicators are discussed in the strategic report in addition to disclosures regarding branches outside the UK.

Dividends

The Company paid dividends of £124,700,000 during the financial year (2020: £nil). The directors do not recommend the payment of a final dividend.

Financial risk management objectives and policies

The Group'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 Group has in place a risk management programme that seeks to minimise the potential adverse effects on the financial performance of the Group by monitoring customer debt levels and the related financial risks to the business.

Agencies within the Group follow the standard policy and procedures (SP&P) manual provided by the IPG Group which sets out specific guidelines to manage credit and liquidity risks. Interest rate cash flow risk is managed by the IPG Group.

Credit risk

The Group has implemented policies to monitor customer debt levels and to ensure that excessive credit is not extended to any particular customer. This provides the Group with visibility of balances and ensures that no further credit is extended in cases where this is not merited. The maximum exposure to principal credit risk at 31 December 2021 was mainly as follows: trade debtors £433,046,000, amounts owed by Group undertakings £99,956,000, other debtors £11,117,000 and prepayments and accrued income £104,224,000 (2020: £368,912,000, £219,959,000, £17,844,000 and £77,144,000 respectively).

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

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

Political donations

The Group made no political donations in 2021 (2020: nil).

IPG Holdings (UK) Limited

Directors' Report for the year ended 31 December 2021 (continued)

Disabled employees

The Group 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 Group 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 Group. If members of staff become disabled the Group continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

Employee involvement

The Group 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 Group is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the Group plays a major role in maintaining its future success.

Directors

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

	Date of Appointment	Date of Resignation
Warren Spencer Kay	5 May 2011	
Derek John Coleman	29 May 2012	
William Francis Cleary	22 May 2014	26 March 2020
Steven M Boden	26 March 2020	

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Events post statement of financial position

There are no material events post statement of financial position.

IPG Holdings (UK) Limited

Directors' Report for the year ended 31 December 2021 (continued)

IPG Holdings (UK) Limited Streamlined Energy and Carbon Reporting

IPG Holdings (UK) Limited has reported scope 1, 2 and 3 greenhouse gas (GHG) emissions in accordance with the requirements of Streamlined Energy and Carbon Reporting (SECR).

This includes IPG Holdings (UK) Limited's stated emissions for one reporting year being the 12 months starting 1 January 2021 and ending 31 December 2021.

Responsibilities of IPG Holdings (UK) Limited and Green Element

IPG Holdings (UK) Limited was responsible for the internal management controls governing the data collection process. Green Element was responsible for the data aggregation, any estimations and extrapolations applied (as required) and GHG calculations performed, and the emissions statements.

Methodology

Greenhouse gas emissions were calculated according to the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.

Scope and Subject Matter

The boundary of the report includes all agencies that meet the mandatory reporting requirements, as follows: IPG DXTRA (UK) Limited, Kinesso Limited, McCann-Erickson Central Limited, McCann-Erickson Advertising Limited, McCann Health Medical Communications Limited, McCann Manchester Limited, Mediabrands Limited, MullenLowe London Limited and Orion Trading EMEA Limited.

Energy and GHG sources included in the process:

- Scope 1: Fuel used in company vehicles, natural gas, diesel for electricity generation, other fuels
- Scope 2: Purchased electricity
- Scope 3: Fuel used for business travel in employee owned or hired vehicles

All seven Kyoto protocol GHGs were included: CO₂, N₂O, CH₄, HFCs, PFCs, SF₆ and NF₃

Scope 1 emissions for combustion of fuel for transport purposes refers to any fuel consumed in company-owned vehicles. As Group business travel is reported in the form of employee expensed trips in their own vehicles, these emissions fall into scope 3.

All seven Kyoto protocol GHGs were included: CO₂, N₂O, CH₄, HFCs, PFCs, SF₆ and NF₃.

The figures were calculated using UK government 2021 conversion factors, expressed as tonnes of carbon dioxide equivalent (tCO₂e). The conversion factors used to compile this report are explained at:
<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021>

IPG Holdings (UK) Limited

Directors' Report for the year ended 31 December 2021 (continued)

IPG Holdings (UK) Limited Streamlined Energy and Carbon Reporting (continued)

Energy Efficiency Actions

IPG Holdings (UK) Limited's ultimate parent company, The Interpublic Group of Companies, Inc. ("IPG Group"), has stated that it is committed to operating sustainably. This includes measuring our carbon footprint and working toward limiting that footprint; respecting and encouraging diversity; and being a good corporate citizen of the communities where our employees live and work. The IPG Group is listed on the Dow Jones Sustainability Index (DJSI) North America, which tracks the performance of leading companies in terms of economic, environmental and social criteria in North America. In addition, the IPG Group is included on the FTSE4Good Index, which identifies companies that demonstrate strong environmental, social, and governance (ESG) practices measured against international standards.

During 2021, the IPG Group moved forward on a comprehensive climate action plan and published our inaugural Sustainability Accounting Standards Board (SASB's) Report, becoming the first company globally to publish in alignment with SASB's Advertising & Marketing Sustainability Accounting Standard.

Energy efficiency and climate change are at the centre of IPG Holdings (UK) Limited's strategy. Prior to/during the reporting period the following projects have taken place:

- Some agencies have ISO 14001 certification, demonstrating the efficacy of the Environmental Management Systems (EMS) they have implemented.
- The company and its advisors conduct regular energy and carbon emissions audits for those agencies with an EMS, monitoring their energy consumption monthly and advising on energy reductions strategies for the following reporting period. Despite partial lockdown during the reporting period, these audits were conducted at those sites that were open for business.
- In 2019, IPG Holdings (UK) Limited conducted a nationwide Energy Savings Opportunity Scheme (ESOS) energy audit which provided bespoke energy savings recommendations and costs for each qualifying premises. These recommendations provide our energy and carbon-saving strategies over the next three years, grouped by building type (age, size, type of ventilation etc.).
- In the eventuality of moving offices IPG Holdings (UK) Limited always prioritises the environmental impact of potential buildings when making such decisions such as an EPC of C or above, a "very good" or higher BREEAM rating, and plans for decarbonisation of electricity and heat, amongst other more detailed items on our buildings checklist.

Planned Carbon Reduction Initiatives 2022

IPG Holdings (UK) Limited is a large UK-wide parent company with subsidiaries and numerous buildings, and we therefore have bespoke carbon reduction plans for individual sites which are comprehensive and detailed. We have included here a selection of our subsidiaries' strategies for 2022:

- Implement energy saving strategies in our buildings and our operations, such as:
- Hot-desking to save occupied floor space where employees work to a hybrid model;
- decarbonisation of space heating where feasible;
- behaviour change campaigns focused on energy savings and more sustainable travel.
- Include additional scope 3 categories in our carbon footprint including
 - employee commuting
 - employee remote work
 - upstream emissions from production – using Ad Green tool
 - digital footprint – web and cloud hosting and use of websites by visitors
- Use commuting and home working measurements to identify emissions reductions strategies in collaboration with our employees, supporting them in lower energy behaviour change and renewable energy procurement
- Roll out our sustainable procurement plan across the business, including clauses requiring our suppliers to measure and reduce their own emissions.
- Strive to get our science-based targets officially validated through the Science Based Targets initiative, with investigation into further scope 3 categories
- With travel representing a significant carbon hotspot, create a gold-standard travel policy and monitoring system
- Continue to achieve ISO 14001 excellence and official certification.

IPG Holdings (UK) Limited

Directors' Report for the year ended 31 December 2021 (continued)

IPG Holdings (UK) Limited Streamlined Energy and Carbon Reporting (continued)

IPG Holdings (UK) Limited GHG statements (in tonnes of CO₂e), as follows:

Annual energy consumption: (kWh)	2021	2020
Electricity	4,492,341.0	4,610,498.3
Gas	3,815,693.0	3,452,222.1
Transport fuel	244,145.5	50,366.9
Other stationary fuels used in facilities	14,724.6	-
Total	8,566,904.1	8,113,087.3
Annual GHG emissions (tCO₂e)		
Scope 1		
Emissions from combustion of gas	698.9	634.8
Emissions from combustion of fuel for transport purposes	4.7	0.0
Emissions from combustion of other stationary fuels	3.5	-
Scope 2		
Emissions from purchased electricity - location based	953.9	1,074.9
Emissions from purchased electricity - market based*	981.4	424.3
Scope 3		
Emissions from business travel in rental cars or employee vehicles where company is responsible for purchasing the fuel	69.8	62.6
Emissions from electricity upstream transportation and distribution losses and excavation and transport of fuels - location based	476.4	336.1
Emissions from upstream transport and distribution losses and excavation and transport of fuels - market based*	362.8	182.7
Total tCO₂e emissions (location based)	2,207.2	2,108.3
Total tCO₂e emissions (market based)	2,121.2	1,304.3
Intensity (tCO₂e / FTE)		
Full Time Equivalent (FTE) Employees	2,655	2,413
Intensity ratio: total location based tonnes per FTE employee tCO ₂ e / FTE	0.8	0.9
Intensity ratio: total market based* tonnes per FTE employee tCO ₂ e / FTE	0.8	0.5
Intensity (tCO₂e / £ million revenue)		
Revenue (£m)	1,180.7	827.3
Intensity ratio: total location based tonnes per million revenue tCO ₂ e / £m	1.9	2.5
Intensity ratio: total market based* tonnes per million revenue tCO ₂ e / £m	1.8	1.5

Methodology: GHG Protocol Corporate Account and Reporting Standard. *All SSE contracts are REGO-backed 100% renewable electricity; all others were assumed average grid in the absence of supplier fuel mix, in order to calculate market based electricity emissions.

Accompanying notes

- Mediabrands Limited (including Kinesso Limited and Orion Trading EMEA Limited) moved to a new, larger site in late 2021. They commenced work on the space in April 2021 and moved in October 2021, meaning that from April to October there was consumption in two sites simultaneously. GHG emissions have increased significantly from last year as a result.
- Market-based GHG emissions have increased because of a lower proportion of kWh consumption occurring on renewable tariffs (partly a result of Mediabrands Limited, Kinesso Limited and Orion Trading EMEA Limited moving to the Old Bailey space, for which we did not receive fuel mix data).
- McCann-Erickson Central Ltd was previously assumed to have a gas supply and estimates were made owing to a lack of data. These sites have since been confirmed to have no gas supply, and therefore no associated GHG emissions. The 2020 gas estimates have been removed and figures updated accordingly, as asterisked above.
- The number for kWh from transport fuel has been updated for 2020, as asterisked above.
- No road travel data was available for IPG DXTRA in 2020, so the data provided in this category in 2021 has driven an increase in transport kWh and GHG emissions.

IPG Holdings (UK) Limited

Directors' Report for the year ended 31 December 2021 (continued)

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Directors' Report, Strategic Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Disclosure of information to auditors in the Directors' Report

The directors consider that the annual report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group and company's position and performance, business model and strategy.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the group and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group and company's auditors are aware of that information.

Independent auditors

The independent auditors, PricewaterhouseCoopers LLP, have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted at the annual general meeting.

On behalf of the Board


Warren Kay (Sep 16, 2022 15:04 GMT+1)

Warren Spencer Kay
Director

16 September 2022

IPG Holdings (UK) Limited

Independent auditors' report to the members of IPG Holdings (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion, IPG Holdings (UK) Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2021 and of the group's profit and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' Report, Strategic Report and Consolidated Financial Statements (the "Annual Report"), which comprise: the Consolidated statement of financial position and the Company statement of financial position as at 31 December 2021; the Consolidated profit and loss account, the Consolidated statement of comprehensive income, the Consolidated statement of changes in equity, the Company statement of changes in equity and the Consolidated statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

IPG Holdings (UK) Limited

Independent auditors' report to the members of IPG Holdings (UK) Limited (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the group's and 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 the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Independent auditors' report to the members of IPG Holdings (UK) Limited (continued)

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to General Data Protection Regulation (GDPR), health and safety regulations, Anti-Bribery and Corruption legislation, Anti-Money Laundering legislation, UK tax and employment regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management's bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Addressing the risk of management override of internal controls, including testing of journal entries (in particular, journal entries posted with an unusual account combination);
- Evaluating and, where appropriate, challenging assumptions and judgements made by management in determining significant accounting estimates; and
- Enquiring of management and review of internal audit reports in so far as they related to the financial statements.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

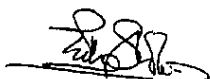
Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Philip Stokes (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
16 September 2022

IPG Holdings (UK) Limited
Consolidated profit and loss account
for the year ended 31 December 2021

		2021	2020
	Note	£000's	£000's
Turnover	5	2,168,128	1,816,415
Cost of sales		(1,548,011)	(1,242,530)
Gross profit		620,117	573,885
Administrative expenses	6	(544,672)	(550,767)
Distribution costs		(302)	(341)
Other operating income	7	1,168	4,779
Operating profit	6	76,311	27,556
Interest receivable and similar income	8	3,912	7,112
Interest payable and similar expenses	9	(7,457)	(9,937)
Exceptional expense	12	-	(41,022)
Dividends receivable	13	-	37
Impairment of goodwill	15	(1,840)	(3,273)
Exceptional loss on disposal of subsidiaries	17	-	(722)
Expense from interests in associated undertakings	17	(5)	-
Profit/(loss) before taxation		70,921	(20,249)
Tax on profit/(loss)	14	(17,375)	(2,383)
Profit/(loss) for the financial year		53,546	(22,632)
Profit/(loss) for the financial year attributable to:			
Owners of the parent		53,524	(22,020)
Non-controlling interests	23	22	(612)
Profit/(loss) for the financial year		53,546	(22,632)

All operations are continuing.

The accompanying notes from pages 25 to 62 form an integral part of these consolidated financial statements.

IPG Holdings (UK) Limited

Consolidated statement of comprehensive income for the year ended 31 December 2021

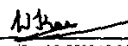
	Note	2021 £000's	2020 £000's
Profit/(loss) for the financial year		53,546	(22,632)
Other comprehensive (loss)/income			
- currency translation differences		(3,846)	853
Total comprehensive income/(loss) for the year		49,700	(21,779)
Total comprehensive income/(loss) attributable to:			
- owners of the parent		49,678	(21,167)
- non-controlling interests	23	22	(612)
		49,700	(21,779)

IPG Holdings (UK) Limited

Consolidated statement of financial position As at 31 December 2021

	Note	2021 £000's	2020 £000's
Fixed assets			
Intangible assets	15	194,513	233,466
Tangible assets	16	65,352	53,493
Investments	17	7,008	7,111
Associated undertaking	17	4,559	-
		271,432	294,070
Current assets			
Work in progress		128,704	59,973
Debtors	18	660,676	698,948
Cash at bank and in hand		296,395	314,861
		1,085,775	1,073,782
Creditors: amounts falling due within one year	19	(1,275,686)	(1,201,381)
Net current liabilities		(189,911)	(127,599)
Total assets less current liabilities		81,521	166,471
Creditors: amounts falling due after more than one year	20	(39,751)	(38,031)
Provisions for liabilities	21	(27,450)	(39,120)
Net assets		14,320	89,320
Capital and reserves			
Called up share capital	22	1,602	1,602
Share premium account		8,536	8,536
Capital redemption reserve		100	100
Currency translation reserve		(4,488)	(642)
Retained earnings		8,543	79,719
Total equity attributable to owners of the parent		14,293	89,315
Non-controlling interests	23	27	5
Total equity		14,320	89,320

The consolidated and Company financial statements on pages 18 to 62 were approved by the board of directors on 16 September 2022 and signed on its behalf by:


 Warren Spencer Kay
 Director
 IPG Holdings (UK) Limited

IPG Holdings (UK) Limited

Company statement of financial position as at 31 December 2021

	Note	2021 £000's	2020 £000's
Fixed assets			
Investments	17	461,737	458,627
Current assets			
Debtors: amounts falling due within one year	18	37,013	44,777
Cash at bank and in hand		4	-
		37,017	44,777
Creditors: amounts falling due within one year	19	(350,602)	(423,156)
Net current liabilities		(313,585)	(378,379)
Total assets less current liabilities		148,152	80,248
Creditors: amounts falling due after more than one year	20	(3,395)	(3,584)
Net assets		144,757	76,664
Capital and reserves			
Called-up share capital	22	1,602	1,602
Share premium account		8,536	8,536
Capital redemption reserve		100	100
Retained earnings		134,519	66,426
Total equity		144,757	76,664

The Company's profit for the year ended 31 December 2021 was £192,793,000 (2020: loss £3,942,000).

The consolidated and Company financial statements on pages 18 to 62 were approved by the board of directors on 16 September 2022 and signed on its behalf by:


 Warren Kay (Sep 16, 2022 15:04 GMT+1)
 Warren Spencer Kay
 Director
 IPG Holdings (UK) Limited

IPG Holdings (UK) Limited

Consolidated statement of changes in equity for the year ended 31 December 2021

	Called up share capital	Share premium account	Capital redemption reserve	Currency translation reserve	Retained earnings	Total equity attributable to owners of the parent	Non- controlling interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2020	1,602	8,536	100	(1,495)	101,739	110,482	617	111,099
Loss for the financial year	-	-	-	-	(22,020)	(22,020)	(612)	(22,632)
Other comprehensive income	-	-	-	853	-	853	-	853
Total comprehensive loss for the year	-	-	-	853	(22,020)	(21,167)	(612)	(21,779)
At 31 December 2020 and 1 January 2021	1,602	8,536	100	(642)	79,719	89,315	5	89,320
Profit for the financial year	-	-	-	-	53,524	53,524	22	53,546
Other comprehensive expense	-	-	-	(3,846)	-	(3,846)	-	(3,846)
Total comprehensive income for the year	-	-	-	(3,846)	53,524	49,678	22	49,700
Dividends paid	-	-	-	-	(124,700)	(124,700)	-	(124,700)
Total transactions with owners, recognised in equity	-	-	-	-	(124,700)	(124,700)	-	(124,700)
At 31 December 2021	1,602	8,536	100	(4,488)	8,543	14,293	27	14,320

On 22 June 2021, the Group paid a dividend of £82,700,000 to its parent company IPG Europe Limited.

On 21 September 2021, the Group paid a dividend of £42,000,000 to its parent company IPG Europe Limited.

Foreign exchange translation of non-GBP denominated assets is reported in the currency translation reserve.

The capital redemption reserve was established as a result of a share buy-back transaction in December 2011.

IPG Holdings (UK) Limited

Company statement of changes in equity for the year ended 31 December 2021

	Called up share capital	Share premium account	Capital redemption reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000
At 1 January 2020	1,602	8,536	100	70,368	80,606
Loss for the financial year and total comprehensive expense	-	-	-	(3,942)	(3,942)
Total transactions with owners, recognised directly in equity		-	-	-	-
At 31 December 2020 and 1 January 2021	1,602	8,536	100	66,426	76,664
Profit for the financial year and total comprehensive income	-	-	-	192,793	192,793
Dividends paid	-	-	-	(124,700)	(124,700)
Total transactions with owners, recognised directly in equity	-	-	-	(124,700)	(124,700)
At 31 December 2021	1,602	8,536	100	134,519	144,757

On 22 June 2021, the Company paid a dividend of £82,700,000 to its parent company IPG Europe Limited.

On 21 September 2021, the Company paid a dividend of £42,000,000 to its parent company IPG Europe Limited.

The capital redemption reserve was established as a result of a share buy-back transaction in December 2011.

IPG Holdings (UK) Limited

Consolidated statement of cash flows for the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Cash flow from operating activities			
Profit/(loss) for the financial year after tax attributable to owners of the parent		53,524	(22,020)
<i>Adjustments for:</i>			
Tax on profit		17,375	2,383
Net interest expense	8 & 9	3,545	2,825
Non-controlling interests	23	22	(612)
Exceptional expenses	12	-	41,022
Impairment of goodwill	15	1,840	3,273
Loss on disposal of subsidiaries	17	-	722
Dividends receivable	13	-	(37)
Expense from associated undertakings	17	5	-
Operating profit		76,311	27,556
Amortisation of intangible assets	15	31,340	39,563
Depreciation of tangible assets	16	8,538	8,869
Loss on disposal of tangible assets	6	21	874
Gain on disposal of intangible assets	15	(14)	(16)
(Decrease)/increase in provisions		(11,670)	28,699
Bad debt provision		(358)	1,380
Working capital movements:			
(Increase)/decrease in work in progress		(68,731)	325
Decrease in debtors		38,631	61,747
Increase in payables		127,484	25,501
Net cash generated from operations		201,552	194,498
Taxation paid	14	(8,579)	(13,466)
Net cash generated from operating activities		192,973	181,032
Cash flows from investing activities			
Interest received	8	3,912	7,112
Cash acquired from acquisitions	29	-	1,642
Purchase of tangible assets		(22,914)	(23,754)
Proceeds from disposal of tangible assets		2,493	1,662
Cash paid on existing acquisition obligations		(20,527)	(18,925)
Cash paid for new acquisitions in the year		(4,559)	(3,620)
Dividends received	13	-	37
Net cash used in investing activities		(41,595)	(35,846)
Cash flows from financing activities			
Interest paid	9	(7,457)	(9,937)
Dividends paid		(124,700)	-
Net cash used in financing activities		(132,157)	(9,937)
Exchange (loss)/gain on cash and cash equivalents		(3,744)	853
Net increase in cash and cash equivalents		15,477	136,102
Cash and cash equivalents at beginning of year consist of:			
Cash at bank and in hand		314,861	287,063
Bank loans and overdrafts		(513,037)	(621,341)
Cash and cash equivalents		(198,176)	(334,278)
Cash and cash equivalents at end of year consist of:			
Cash at bank and in hand		296,395	314,861
Bank loans and overdrafts		(479,094)	(513,037)
Cash and cash equivalents		(182,699)	(198,176)

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021

1 General information

The principal activity of the Group and Company during the year was operating as the holding company of a number of advertising, digital communications, public relations and other media related businesses within The Interpublic Group of Companies, Inc. ("IPG Group") in the United Kingdom and overseas.

The Company is a private company limited by shares and is incorporated in the United Kingdom. The address of its registered office is 135 Bishopsgate, London, EC2M 3TP.

2 Statement of compliance

The Group and the Company's financial statements 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 consolidated and separate financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. The Group has adopted FRS 102 in these financial statements.

a) Basis of preparation

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. 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.

The Company has taken advantage of the exemption in section 408 of the Companies Act 2006 from disclosing its individual profit and loss account.

b) Going concern

The Group statement of financial position set out on page 20 shows that the Group has net assets of £14,320,000 (2020: £89,320,000). The Company statement of financial position set out on page 21 shows that the Company has net assets of £144,757,000 (2020: £76,664,000). The Interpublic Group of Companies, Inc., the ultimate holding company of the Group and Company, has acknowledged the commitments of the Group and the Company, and has confirmed its commitment to continue to provide financial support to the Group and Company so as to enable them to meet their liabilities as and when they fall due and to carry on their business without any significant curtailment of operations for the foreseeable future and for not less than 12 months from the date of approval of the statutory financial statements of the Group and Company for the year ended 31 December 2021.

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

3 Summary of significant accounting policies (continued)

c) Basis of consolidation

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiaries undertakings made up to 31 December 2021.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The financial results of any subsidiary undertakings sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.

Where control of a subsidiary is lost, the gain or loss is recognised in the consolidated profit and loss account. The cumulative amounts of any exchange differences on translation, recognised in equity, are not included in the gain or loss on disposal and are transferred to retained earnings. The gain or loss also includes amounts included in other comprehensive income that are required to be reclassified to profit or loss but excludes those amounts that are not required to be reclassified.

Where control of a subsidiary is achieved in stages, the initial acquisition that gave the Group control is accounted for as a business combination. Thereafter, when the Group increases its controlling interest in a subsidiary the transaction is treated as a transaction between equity holders. Any difference between the fair value of the consideration paid and the carrying amount of the non-controlling interest acquired is recognised directly in equity. No changes are made to the carrying value of assets, liabilities or provisions for contingent liabilities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the Group holds a long-term interest and where the Group has significant influence. The Group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate. The results of associates are accounted for using the equity method of accounting.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on transactions with the associate to the extent of the Group's interest in the entity.

Where there is a non-controlling interest in the equity of the relevant subsidiary that is reporting profits, the non-controlling interest will be attributed a share in the relevant subsidiary's profits. Where the subsidiary in question reports a loss, the loss will not be applicable to the minority interest but will be charged to the Group unless the non-controlling interest has a binding obligation to, and is able to, make good the losses.

d) Exemptions for qualifying entities under FRS 102

The Company has taken advantage of the exemption under FRS 102 section 7 and paragraph 3.17(d) to the requirement to prepare a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows.

The Group and Company have 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 financial statements of The Interpublic Group of Companies, Inc. include the equivalent disclosures.

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

3 Summary of significant accounting policies (continued)

e) Revenue recognition

The Group's revenues are primarily derived from the planning and execution of multi-channel advertising, marketing and communications programs in the United Kingdom and the rest of Europe. Revenues are directly dependent upon the advertising, marketing and corporate communications requirements of existing clients and the Group's ability to win new clients. Revenue is typically lowest in the first quarter and highest in the fourth quarter. Most client contracts are individually negotiated and, accordingly, the terms of client engagements and the bases on which the Group earn commissions and fees vary significantly. As is customary in the industry, contracts generally provide for termination by either party on relatively short notice, usually 90 days.

Client contracts are complex arrangements that may include provisions for incentive compensation and vendor rebates and credits. The Group's largest clients are multinational entities and, as such, the Group provides services to these clients out of multiple offices and across many of our agencies within the Group or with related companies. In arranging for such services, it is possible that the Group enters into global, regional and local agreements.

Agreements of this nature are reviewed by IPG corporate legal counsel to determine the governing terms to be followed by the offices and agencies involved.

Revenue for our services is recognized when all of the following criteria are satisfied: (i) persuasive evidence of an arrangement exists; (ii) the price is fixed or determinable; (iii) collectability is reasonably assured; and (iv) services have been performed. Depending on the terms of a client contract, fees for services performed can be recognised in three principal ways: proportional performance (input or output), straight-line (or monthly basis) or completed contract.

Fees are generally recognised as earned based on the proportional performance input method of revenue recognition in situations where our fee is linked to the actual hours incurred to service the client as detailed in a contractual staffing plan, where the fee is earned on a per hour basis or where actual hours incurred are provided to the client on a periodic basis (whether or not the fee is reconcilable), with the amount of revenue recognised in these situations limited to the amount realisable under the client contract. We believe an input-based measure (the 'hour') is appropriate in situations where the client arrangement essentially functions as a time and out-of-pocket expense contract and the client receives the benefit of the services provided throughout the contract term. Fees are recognised on a straight-line or monthly basis when service is provided essentially on a pro-rata basis and the terms of the contract support monthly basis accounting.

Certain fees (such as for major marketing events) are deferred until contract completion if the final act is so significant in relation to the service transaction taken as a whole or if any of the terms of the contract do not otherwise qualify for proportional performance or monthly basis recognition. Fees may also be deferred and recognised upon delivery of a project if the terms of the client contract identify individual discrete projects.

Depending on the terms of the client contract, revenue is derived from diverse arrangements involving fees for services performed, commissions, performance incentive provisions and combinations of the three. Commissions are generally earned on the date of the broadcast or publication. Contractual arrangements with clients may also include performance incentive provisions designed to link a portion of our revenue to our performance relative to either qualitative or quantitative goals, or both. Performance incentives are recognised as revenue for quantitative targets when the targets have been achieved and for qualitative targets when confirmation of the incentive is received from the client.

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

3 Summary of significant accounting policies (continued)

e) Revenue recognition (continued)

The majority of our revenue is recorded as the net amount of our gross billings less pass-through expenses charged to a client which are included as costs of sales. In most cases, the amount that is billed to clients significantly exceeds the amount of revenue that is earned and reflected in our consolidated financial statements because of various pass-through expenses, such as production and media costs. We assess whether our agency or the third-party supplier is the primary obligor, and we evaluate the terms of our client agreements as part of this assessment. In addition, we give appropriate consideration to other key indicators such as latitude in establishing price, discretion in supplier selection and credit risk to the supplier. Because we operate broadly as an advertising agency, based on our primary lines of business and given the industry practice to generally record revenue on a net versus gross basis, we believe that there must be strong evidence in place to overcome the presumption of net revenue accounting. Accordingly, we generally record revenue net of pass-through charges as we believe the key indicators of the business suggest we generally act as an agent on behalf of our clients in our primary lines of business. In those businesses where the key indicators suggest we act as a principal (primarily sales promotion and event, sports and entertainment marketing), we record the gross amount billed to the client as revenue and the related incremental direct costs incurred as office and general expenses. In general, we also report revenue net of taxes assessed by governmental authorities that are directly imposed on our revenue-producing transactions.

As we provide services as part of our core operations, we generally incur incidental expenses, which, in practice, are commonly referred to as "out-of-pocket" expenses. These expenses often include expenses related to airfare, mileage, hotel stays, out-of-town meals and telecommunication charges. We record the reimbursements received for such incidental expenses as revenue with a corresponding offset to office and general expense.

We receive credits from our vendors and media outlets for transactions entered into on behalf of our clients that, based on the terms of our contracts and local law, are either remitted to our clients or retained by us. If amounts are to be passed through to clients, they are recorded as liabilities as a provision until settlement or, if retained by us, are recorded as revenue when earned.

f) Government grants

Grants, which include furlough subsidies received as part of the UK Governments' Coronavirus Job Retention Scheme, are accounted for under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in other operating income within profit or loss in the same period as the related expenditure.

g) Interest income

Interest income is recognised using the effective interest rate method.

h) Dividend income

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

i) Employee benefits

Companies within the Group provide a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

i) Short term benefits

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

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

3 Summary of significant accounting policies (continued)

i) Employee benefits (continued)

ii) Pension costs

Contributions payable in respect of employees' personal pension plans are expensed in the profit and loss account as they are incurred.

Certain companies within the Group operate a defined contribution pension scheme. The assets of the scheme are held separately from those companies in an independently administered fund. The pension cost charge disclosed in note 10 represents contributions payable by those companies to the fund.

Certain entities within the Group are members of the Interpublic Pension Plan, a defined benefit scheme. These companies are unable to identify their relevant shares of the pension scheme assets and liabilities, and also the relevant share of the defined benefit costs of the defined benefit scheme. Therefore, these companies have accounted for the defined benefit scheme contributions as if they were to a defined contribution scheme in accordance with FRS 102. The contributions are charged to the profit and loss account in the year to which they relate. The sponsoring employer is Interpublic Limited.

iii) Annual bonus plan

Certain companies within the Group operate an annual bonus plan for some employees. An expense is recognised in the profit and loss account when the company within the Group 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.

iv) Incentive compensation plans

Compensation costs related to share-based transactions, including employee stock options, are recognised in the consolidated 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 profit and loss account, 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 the 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.'s 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 profit and loss account.

j) Foreign currencies

The Group's functional and presentation currency is pound sterling. Assets and liabilities in foreign currencies, including those of its non-United Kingdom subsidiaries whose functional and presentation currency is not pound sterling, 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 profit and loss account during the year. The trading results of Group undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the year-end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in 'Other comprehensive income' and allocated to non-controlling interest as appropriate.

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

3 Summary of significant accounting policies (continued)

k) Borrowing costs

All borrowing costs are recognised in the profit and loss account in the period in which they are incurred.

l) Leases

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

m) Lease incentives

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

n) Exceptional items

Exceptional items comprise those that are by their nature large, unusual, non-recurring, and are shown separately in the profit and loss account when they occur.

o) Taxation

Taxation expense for the financial year comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, 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 the Group'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.

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

3 Summary of significant accounting policies (continued)

p) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment provisions. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

Goodwill	Up to 20 years
Customer lists	Up to 15 years
Trade names/marks	Up to 10 years

Amortisation is included in administrative expenses in the profit and loss account.

Goodwill arising on consolidation is the difference between the amounts paid on the acquisition of a company and the aggregate fair value of its net assets and is capitalised on the statement of financial position.

An impairment review is undertaken at the end of the first financial year of an acquisition and thereafter where events or changes in circumstances indicate that a review is necessary.

Goodwill on acquisitions made before 1 January 2014 is amortised over its expected useful economic life but not longer than twenty years, which, in the opinion of the directors, is the maximum period over which the benefits resulting from purchased goodwill can be expected to arise. Goodwill on acquisitions made after 1 January 2014 is amortised over its expected useful economic life but not longer than ten years.

q) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and any 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:

Freehold land and buildings	35 years
Long leasehold and leasehold improvements	Lesser of 10 years or the remaining life of the lease
Computer equipment	3 - 4 years
Equipment, fixtures & fittings	3 – 10 years
Asset retirement obligation	Lesser of 10 years or the remaining life of the lease

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 Group and the cost can be measured reliably. Repairs, maintenance and minor inspection costs are expensed as incurred.

The fair value of estimated asset retirement obligations is recognised in the balance sheet 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 Group 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.

Amortisation 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 profit and loss account. Actual expenditures incurred are charged against the accumulated provision.

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

3 Summary of significant accounting policies (continued)

r) Investments

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

s) 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.

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 profit and loss account.

t) Work in progress

Work in progress comprises external charges for services incurred on behalf of clients which have still to be recharged to clients. Work in progress is stated net of amounts billed to clients and is stated at the estimated selling price less cost to completion and sale. Companies within the Group assess annually at the reporting date if impairment is required and recognise any impairment loss to the profit and loss account.

u) Financial instruments

The Group 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 profit and loss account.

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 profit and loss account.

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

3 Summary of significant accounting policies (continued)

u) Financial instruments (continued)

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including creditors and other payables, loans from fellow Group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as creditors: amounts falling due over one year. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

v) 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.

w) Deferred income

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

x) Provisions

Provisions are recognised when the Group 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.

y) 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.

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

3 Summary of significant accounting policies (continued)

z) 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.

aa) Related party disclosures

The Group discloses transactions with related parties which are not wholly owned within the same IPG Group. It does not disclose transactions with members of the same group that are wholly owned.

ab) Netting off policy

Balances with other companies of the IPG Group are stated gross, unless all of the following conditions are met:

- (i) The Group and the counterparty owe each other determinable monetary amounts, denominated either in the same currency, or in different but free convertible currencies;
- (ii) The Group has the ability to insist on a net settlement; and
- (iii) The Group'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 Group's ability to insist on a net settlement would survive the insolvency of the counterparty.

4 Critical accounting estimates and assumptions and correction of prior year comparatives

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 Group and 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 3(q))

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives of the assets. The useful economic lives 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 16 for the carrying amount of the tangible assets, and note 3(q) for the useful economic lives for each class of assets.

(ii) Useful economic lives of goodwill (note 3(p))

The annual amortisation charge for goodwill is sensitive to changes in the estimated useful economic lives of the assets. The useful economic lives are re-assessed annually. The useful economic life of the assets are amended when necessary to reflect current estimates, based on historic and expected future performance of the asset. See note 15 for the carrying amount of the goodwill.

(iii) Impairment of trade and other debtors (note 3(u))

The companies within the Group make 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 18 for the net carrying amount of the debtors and associated impairment provision.

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

5 Segmental reporting

	2021 £000's	2020 £000's
Turnover by segment		
IAN	2,009,436	1,674,531
IPG DXTRA	158,692	141,884
	2,168,128	1,816,415

The Group has two reportable segments, which are the Integrated Agency Networks ("IAN") and IPG DXTRA (formerly CMG). IAN is comprised of McCann, MullenLowe, IPG Mediabrands, FCB, and other digital specialist and integrated agencies. IPG DXTRA is comprised of a number of our specialist marketing services offerings. The segmental analysis is consistent with that of the consolidated financial statements of The Interpublic Group of Companies, Inc., which is the largest entity into which this Group is consolidated.

	2021 £000's	2020 £000's
Turnover by origin		
United Kingdom	1,651,920	1,368,978
Rest of Europe	510,864	444,684
Rest of World	5,344	2,753
	2,168,128	1,816,415

	2021 £000's	2020 £000's
Profit/(loss) before taxation by origin		
United Kingdom	61,027	(27,042)
Rest of Europe	8,779	4,193
Rest of World	1,115	2,600
	70,921	(20,249)

	2021 £000's	2020 £000's
Net assets by origin		
United Kingdom	(40,743)	7,914
Rest of Europe	54,022	52,228
Rest of World	1,041	29,178
	14,320	89,320

The analysis above is by geographical origin. Analysis by geographical destination would not be materially different. As permitted by section 408 of the Companies Act 2006, the Company has not presented its own profit and loss account.

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

6 Operating profit

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

	Notes	2021 £000's	2020 £000's
Employee costs	10 & 11	385,940	368,078
Depreciation			
- tangible assets	16	8,538	8,869
Amortisation			
- goodwill, trademarks and customer lists	15	31,340	39,563
Remuneration of auditors			
- audit of the Company and the Group's consolidated financial statements		838	838
- other audit fees for Group reporting		34	174
Bad debt - provision (decrease)/increase		(358)	1,380
Loss on disposal of tangible assets		21	874
Exchange (gain)/loss		(1,852)	340
Operating lease rentals			
- office space		14,347	20,463
- other		532	573
Rental income receivable		(2,679)	(2,913)

7 Other operating income

Included within other operating income is £265,000 of furlough grants received by the Group during the year as part of the UK Governments' Coronavirus Job Retention Scheme (2020: £4,067,000).

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

8 Interest receivable and similar income

	2021 £000's	2020 £000's
Bank interest received	2,753	4,310
Interest received from other Group undertakings	1,159	2,802
	3,912	7,112

9 Interest payable and similar expenses

	2021 £000's	2020 £000's
Interest payable to Group undertakings	1,614	1,792
Interest payable on bank overdrafts	4,849	6,984
Unwinding of discount	994	1,161
	7,457	9,937

10 Employee costs

	2021 £000's	2020 £000's
Wages and salaries (including directors)	304,600	285,241
Social security costs	38,469	36,366
Defined contribution pension costs (note 28)	17,868	16,624
Defined benefit pension costs (note 28)	6,583	6,388
Severance expense	4,615	14,147
Share based payments costs (note 27)	3,606	1,719
Miscellaneous, non-share based incentives and other costs	10,199	7,593
Employee costs	385,940	368,078

The Company had no employees during the year (2020: none).

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

10 Employee costs (continued)

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

	2021 Number	2020 Number
United Kingdom	4,525	4,538
Rest of Europe	597	668
Rest of World	46	23
Average monthly number employed	5,168	5,229

Key management compensation

The Company paid no key management compensation during the year (2020: nil).

Key management compensation paid by companies in the Group is disclosed in those companies individual statutory financial statements.

11 Directors' emoluments

The remuneration of the directors for the year was borne by Interpublic Limited and The Interpublic Group of Companies, Inc., the Company's ultimate parent company. The charge to IPG Holdings (UK) Limited for the financial year was nil (2020: nil) as the directors received no remuneration with respect to their services to the Company in the financial year.

12 Exceptional expense

In the year ended 31 December 2021, the Group incurred exceptional expenses of £1,840,000, being an impairment of goodwill relating to a business that is no longer trading. In the year ended 31 December 2020, the Group incurred exceptional expenses as a result of property restructuring within its subsidiaries. A provision of £29,822,000 for onerous leases was recognised in 2020, and fixed assets to the value of £5,953,000 were written off. Exceptional severance costs of £5,247,000 were incurred as a result of organisational restructuring.

13 Dividends receivable

There were no dividends received by the Group in the year ending 31 December 2021. On 15 January 2020 the Group received a dividend of £37,000 from CMGRP (Malaysia) Sdn Bhd.

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

14 Tax on profit/(loss)

	2021 £'000	2020 £'000
Current taxation		
UK corporation taxation		
- Subsidiary undertakings	14,952	1,396
Foreign taxation		
- Subsidiary undertakings	3,317	2,563
	18,269	3,959
Adjustments in respect of prior years		
- UK corporation taxation	549	214
- Foreign taxation	81	(216)
	630	(2)
Total current taxation	18,899	3,957
Deferred taxation		
Adjustments in respect of prior years	(54)	154
Origination & reversal of timing differences	(45)	(1,338)
Effect of change in the tax rate	(1,425)	(390)
Total deferred taxation	(1,524)	(1,574)
Tax on profit/(loss)	17,375	2,383

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

14 Tax on profit/(loss) (continued)

Factors affecting the tax charge for the year

The tax assessed for the year is higher (2020: higher) than the standard rate of corporation tax in the UK of 19% (2020: 19%). The difference is explained below:

	2021 £'000	2020 £'000
Profit/(loss) before taxation	70,921	(20,249)
Profit/(loss) before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	13,475	(3,847)
Effects of:		
Expenses not deductible for taxation purposes	6,202	8,604
Effect of change in the tax rate	(1,425)	(390)
Group relief for nil consideration	(21)	(413)
Unrecognised deferred tax	(2,097)	(2,222)
Foreign taxation	758	507
Income exempt from taxation	(93)	(8)
Adjustments in respect of prior years	576	152
Total tax charge for the year	17,375	2,383

Finance Act 2021 enacted an increase in the UK corporation tax rate from 19% to 25% from 1 April 2023.

At 31 December 2021 there were unused trading and non-trading losses on which no deferred tax asset has been recognised of £37,100,000 (2020: £47,700,000) that are available indefinitely for offset against the Group's future taxable profits, and capital losses on which no deferred tax asset has been recognised of £126,200,000 (2020: £126,200,000) available indefinitely for offset against the Group's future taxable capital gains.

The aggregate current and deferred tax relating to items that are recognised as items of other comprehensive income is £nil (2020: £nil).

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

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

15 Intangible assets

	Goodwill	Customer lists	Trademarks	Total
	£000's	£000's	£000's	£000's
Cost				
At 1 January 2021	524,292	25,745	5,851	555,888
Other adjustments	(7,598)	-	-	(7,598)
Disposals	(3)	-	-	(3)
Exchange movements	(138)	-	(5)	(143)
At 31 December 2021	516,553	25,745	5,846	548,144
Accumulated amortisation				
At 1 January 2021	311,547	8,371	2,504	322,422
Charge for the year	28,618	2,202	520	31,340
Exchange movements	(126)	-	(5)	(131)
At 31 December 2021	340,039	10,573	3,019	353,631
Net book amount				
At 31 December 2021	176,514	15,172	2,827	194,513
At 31 December 2020	212,745	17,374	3,347	233,466

The individual intangible assets, excluding goodwill, that are material to the financial statements are:

	Carrying amount		Remaining amortisation period	
	2021	2020	2021	2020
	£000's	£000's	Years	Years
Customer lists				
Axiom Limited	6,567	7,507	7	8
The Brooklyn Brothers Limited	3,168	3,393	14	15
Stickyeyes Limited	1,787	2,177	5	6
Hugo & Cat Limited	1,429	1,596	9	10

Other adjustments include increases in expected future payments to be made by the Group to the sellers of companies which have been acquired totalling £480,000 and a reduction in the value of the Axiom goodwill asset of £8,078,000, following the elimination of an intragroup liability on consolidation.

During the year the Group disposed of goodwill to the value of £3,000 as a result of the disposal of its subsidiaries McCann Poland Sp. z.o.o. and Craft Warsaw Sp. Z.o.o.

Included within the charge for the year is a goodwill impairment of £1,840,000 on goodwill relating to Mubaloo Limited.

The Company had no intangible assets at 31 December 2021 (2020: nil).

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

16 Tangible assets

	Freehold land and buildings	Long leasehold & leasehold improvements	Computer equipment	Equipment, fixtures & fittings	Asset retirement obligation	Total
	£000's	£000's	£000's	£000's	£000's	£000's
Cost						
At 1 January 2021	17,432	39,776	14,775	24,436	2,784	99,203
Additions	14	16,158	3,536	3,240	71	23,019
Disposals	-	(3,137)	(3,221)	(1,609)	(496)	(8,463)
Write-offs	-	(4,933)	(3,267)	(301)	-	(8,501)
Exchange adjustment	-	(73)	(201)	(209)	-	(483)
At 31 December 2021	17,446	47,791	11,622	25,557	2,359	104,775
Accumulated depreciation						
At 1 January 2021	6,441	9,531	10,269	17,482	1,987	45,710
Charge for the year	498	2,708	3,219	1,916	197	8,538
Disposals	-	(1,462)	(3,047)	(1,102)	(338)	(5,949)
Write-offs	-	(4,933)	(3,267)	(302)	-	(8,502)
Exchange adjustment	-	(37)	(103)	(140)	(94)	(374)
At 31 December 2021	6,939	5,807	7,071	17,854	1,752	39,423
Net book amount						
At 31 December 2021	10,507	41,984	4,551	7,703	607	65,352
At 31 December 2020	10,991	30,245	4,506	6,954	797	53,493

The Company had no tangible assets as at 31 December 2021 (2020: nil).

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

17 Investments

Group

Investments

	£000's
Investments at cost	
At 1 January 2021	7,111
Foreign exchange translation adjustment	(103)
31 December 2021	7,008

The Group has the following investments:

Entity	Country of incorporation	Principal activity	Status	Percentage holding
IPG PFP Scottish Limited Partnership Limited	UK	Pension investments	Trading	16.67%
Lowe & Partners/SMS Inc	USA	Holding company	Holding company	15.40%
Universal Media Advertising (Hellas) S.A.	Greece	Media agency	Trading	17.48%
MullenLowe Profero Limited	UK	Media agency	Trading	25.00%

Group and Company

Interest in associates	£000's
At 1 January 2021	-
Additions	4,564
Share of loss	(5)
31 December 2021	4,559

The Group and the Company acquired 25% of the ordinary share capital of MullenLowe Profero Limited on 17 December 2021 for consideration of £4,564,000.

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

17 Investments (continued)

Company

Investment in subsidiaries

Cost	£'000
At 1 January 2021	480,089
Additions	12,554
Revaluations	245
At 31 December 2021	492,888
Accumulated provision for impairment:	
At 1 January 2021	21,462
Impairment charge	9,689
At 31 December 2021	31,151
Net book amount:	
At 31 December 2021	461,737
At 31 December 2020	458,627

Additions

On 30 November 2021, the Company acquired 100% of the ordinary share capital of R/GA Digital Media Limited for consideration of £7,990,000.

On 17 December 2021, the Company acquired 25% of the ordinary share capital of MullenLowe Profero Limited for consideration of £4,564,000.

Revaluations

The Company increased the value of its investment in McCann Synergy Limited by £245,000 during the year as a result of an increase in the deferred consideration payable due to improved performance of the acquired business.

Impairment in carrying value

In accordance with FRS 102, an impairment review has been performed where a triggering event has occurred demonstrating an indicator of impairment. As a result of the review, the Company impaired its investment in FCB Inferno Limited by £9,689,000.

The directors are satisfied that the carrying value of all other investments are supported by the underlying assets.

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

18 Debtors

Debtors: amounts falling due within one year

	Group	Group	Company	Company
	2021	2020	2021	2020
	£000's	£000's	£000's	£000's
Trade debtors	433,046	368,912	-	-
Amounts owed by Group undertakings	99,956	219,959	21,896	26,183
Amounts owed by interest in associates	301	331	-	-
Other debtors	11,117	17,844	-	-
Other taxation	5,549	2,004	-	-
Corporation tax	75	7,813	15,117	18,594
Prepayments and accrued income	104,224	77,144	-	-
	654,268	694,007	37,013	44,777

Amounts owed by Group undertakings are unsecured, repayable on demand and do not accrue interest.

The Group's trade debtors are stated after provisions for impairment of £2,323,000 (2020: £3,339,000).

Debtors: amounts falling due after more than one year

	Group	Group	Company	Company
	2021	2020	2021	2020
	£000's	£000's	£000's	£000's
Deferred taxation (see below)	6,254	4,763	-	-
Other debtors	154	178	-	-
	6,408	4,941	-	-

Deferred taxation

Group	2021	2020
	£000's	£000's
Accelerated capital allowances	2,603	3,207
Trading losses and non-trading deficits	771	555
Other short term timing differences	2,880	1,001
Total deferred tax asset	6,254	4,763

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

Group	£000's
At 1 January 2021	4,763
Charge to profit and loss account	1,524
Foreign exchange translation adjustment	(33)
At 31 December 2021	6,254

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

19 Creditors: amounts falling due within one year

	Group	Group	Company	Company
	2021	2020	2021	2020
	£000's	£000's	£000's	£000's
Bank loans and overdrafts	479,094	513,037	304,843	390,376
Trade creditors	407,458	285,847	-	-
Amounts owed to Group undertakings	119,572	107,862	45,018	32,460
Amounts owed to interest in associates	39	70	-	-
Corporation tax	3,489	1,658	-	-
Other creditors including taxation and social security	53,534	94,234	-	-
Incentive compensation plans	3,237	1,976	-	-
Loan notes	6,998	-	-	-
Acquisition / earn-out deferred consideration	603	20,409	434	-
Accruals and deferred income	201,662	176,288	307	320
	1,275,686	1,201,381	350,602	423,156

Included within amounts owed to Group undertakings is a loan of £21,457,000 which is interest bearing at a rate of 5.06% and is repayable on demand. All intercompany loans are unsecured. All other amounts owed to Group undertakings are unsecured, repayable on demand and do not accrue interest.

The Group participates in pooling arrangements with HSBC Bank 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.

20 Creditors: amounts falling due after more than one year

	Group	Group	Company	Company
	2021	2020	2021	2020
	£000's	£000's	£000's	£000's
Amounts owed to Group undertakings	6,499	8,115	-	-
Other creditors	749	673	-	-
Incentive compensation plans	5,803	3,341	-	-
Deferred lease credits	17,152	9,487	-	-
Acquisition and earn-out deferred consideration	9,521	16,401	3,395	3,584
Accruals and deferred income	27	14	-	-
	39,751	38,031	3,395	3,584

Included within amounts owed to Group undertakings is a Chilean Peso denominated loan of CLP 7,324,838,000 (2020: CLP 7,324,838,000), bearing interest at a rate of 4.60%, which is due to be repaid June 2028. All other amounts owed to Group undertakings are unsecured and do not accrue interest.

Deferred lease credits are in respect of property lease incentives received at the inception of the lease.

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

21 Provisions for liabilities

Group

The group had the following provisions during the year:

	Credits, discounts and rebates	Asset retirement obligations	Onerous leases	Total
	£000's	£000's	£000's	£000's
At 1 January 2021	1,039	8,395	29,686	39,120
Charge to profit and loss	617	792	-	1,409
Unwinding of discount	-	27	193	220
Released to profit and loss	(442)	(503)	(258)	(1,203)
Utilisation	(70)	(750)	(11,276)	(12,096)
At 31 December 2021	1,144	7,961	18,345	27,450

Credits, discounts and other rebates

In the normal course of business, the Group receives rebates, discounts, and other credits from vendors for the procurement of goods and services that the Group commission on behalf of clients. Following an extensive review in 2004, the Group established that in some instances, the accounting for these amounts was inconsistent with the underlying contractual requirements and a provision was established. In the current financial year, the Group has reviewed the arrangement to establish whether criteria for recognition in the profit and loss account have been met. In instances where those criteria have been met, which includes consideration of the statute of limitations, corresponding amounts have been recognised in the profit and loss account.

Asset retirement obligations

The Group has a provision for liabilities relating to dilapidation costs on a number of leased properties. The provision is expected to be utilised when the respective leases terminate between 2021 and 2036.

Onerous lease provisions

Where leasehold properties become vacant, the Group provides for all costs, net of anticipated income, to the end of the lease or the anticipated date of disposal or sublease. The provision is expected to be utilised over the life of the related leases between 2022 and 2036.

Company

The Company had no provisions at 31 December 2021 (2020: £nil).

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

22 Called up share capital

Group and Company

	2021 Number (000's)	2020 Number (000's)	2021 £'000	2020 £'000
Allotted and fully paid:				
Ordinary shares of £1 each	1,602	1,602	1,602	1,602

Share capital and dividends

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

During the financial year, the Company paid dividends of £124,700,000 (2020: £nil). The Company had no liability to pay any dividends at 31 December 2021 (2020: nil) and no dividends were proposed prior to the date of approval of the financial statements.

23 Non-controlling interest

	2021 £'000	2020 £'000
At 1 January	5	617
Minority's share of the profit/(loss) for the year	36	(28)
Minority's share of net liabilities	(14)	(584)
At 31 December	27	5

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

24 Capital and other commitments

The Group and the Company had no material capital commitments at 31 December 2021 (2020: nil).

Operating lease commitment

At 31 December, the Group had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2021	2020
	£'000	£'000
Payments due:		
- Not later than one year	20,961	16,564
- Later than one year and not later than five years	77,651	68,794
- Later than five years	119,151	83,338
Total future minimum lease commitments	217,763	168,696

Operating lease income

At 31 December, the Group had the following future minimum lease income under non-cancellable operating leases for each of the following periods:

	2021	2020
	£'000	£'000
Income due:		
Buildings		
- Not later than one year	371	2,462
- Later than one year and not later than five years	50	421
- Later than five years	-	-
Total future minimum lease income	421	2,883

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

25 Guarantees

The Company has issued a financial guarantee to its UK subsidiaries in relation to the financial year ended on 31 December 2021 under s479C of the Companies Act 2006.

26 Contingent liabilities

The Group 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 arrangement with Lloyds Banking Group plc. The bank interest rate is linked to a variable base rate and borrowings are secured by parent company guarantees.

27 Share based payments

The Interpublic Group of Companies, Inc. issues stock and cash based incentive awards to employees under a plan established by The Interpublic Group of Companies, Inc., and, along with other companies in the IPG Group, participates in The Interpublic Group of Companies, Inc. long term incentive plans. Refer to The Interpublic Group of Companies, Inc. 2021 Form 10-K for further disclosures relating to their long term incentive plans.

Effect of share-based payment transactions on company's results and the financial position

	2021 £000's	2020 £000's
Total expense recognised for equity-settled share based transactions	3,606	1,719
Total expense recognised for share based transactions	<u>3,606</u>	<u>1,719</u>
Closing liability for cash-settled share based transactions	-	-
Closing liability /other reserves for equity-settled share based transactions	159	1,025

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

27 Share based payments (continued)

Cash Settled Time Based Restricted Stock Units

Under the Long Term Incentive Plan, time based restricted stock units are granted to key employees and generally vest over three years.

Upon completion of the vesting period and remaining in employment, the grantee is entitled, at the discretion of The Interpublic Group of Companies, Inc.'s compensation committee, to receive a payment in cash based on the then fair market value of the corresponding number of shares in common stock. The fair value of cash-settled awards is adjusted at the end of each quarter based on The Interpublic Group of Companies, Inc.'s share price. At 31 December 2021, the market value of The Interpublic Group of Companies, Inc. shares was \$37.45 (2020: \$23.52).

Stock-based compensation expense related to these units over the vesting period based upon the fair value.

The holder of the cash-settled awards, as described above, has no ownership interest in the underlying shares of common stock and no monetary consideration is paid by a recipient for a cash-settled award.

Equity Settled Restricted Stock Units

Awards to be settled in shares are granted to certain key employees and are subject to certain restrictions and vesting requirements, as determined by The Interpublic Group of Companies, Inc.'s compensation committee. The vesting period is generally three years. The fair value of the restricted stock awards is based on The Interpublic Group of Companies, Inc.'s share price on the date the award is granted. No monetary consideration is paid by a recipient for a stock-settled award and the fair value of the shares determined on the grant date is amortized over the vesting period. There were no equity settled restricted stock units awarded to employees prior to 2007.

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

27 Share based payments (continued)

Equity Settled Restricted Stock Units (continued)

The Interpublic Group of Companies, Inc. grants both time based and performance based restricted stock units to be settled in shares.

Performance-based awards have been granted subject to certain restrictions and vesting requirements as determined by The Interpublic Group of Companies, Inc.'s compensation committee. Performance-based awards are a form of stock-based compensation in which the number shares ultimately received by the participant depends on the company and/or individual performance against specific performance targets.

The awards generally vest over a three-year period subject to the participant's continuing employment as well as the achievement of certain performance objectives. The final number of units and therefore shares that could ultimately be received by a participant range from 0.00% to 300.00% of the target amount of units originally granted. Stock-based compensation expense is amortized for the estimated number of performance-based awards that are expected to vest over the vesting period using the fair value of the shares at the end of the period.

Share Settled Performance Related Restricted Stock Units

Movements in the number of awards outstanding and their related weighted average exercise prices are as follows:

	2021 No. of Stock options	2021 Weighted average fair value (£)	2020 No. of Stock options	2020 Weighted average fair value (£)
Outstanding as at 1 January	240,228	£17.23	370,060	£17.49
Granted during the year	1,152	£22.93	103,854	£16.10
Transferred to a Group company	10,533	£17.18	(5,114)	£17.34
Cancelled during the year	(18,934)	£26.30	(64,749)	£14.18
Vested during the year	(67,742)	£18.44	(163,823)	£16.11
Outstanding at 31 December	165,237	£27.79	240,228	£17.23

Compensation expense in connection with the restricted stock awards was £1,259,000 in 2021 (2020: £374,000). The Interpublic Group of Companies, Inc. is responsible for issuing the shares upon settlement of the awards and therefore holds the equity balance for the equity settled awards. The weighted average fair value was impacted by the timing of transactions in the year alongside currency fluctuations between pound sterling and the US dollar.

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

27 Share based payments (continued)

Share Settled Time Based Restricted Stock Units

Movements in the number of awards outstanding and their related weighted average exercise prices are as follows:

	2021	2021	2020	2020
	No. of Stock	Weighted	No. of Stock	Weighted
	options	average fair	options	average fair
		value (£)		value (£)
Outstanding as at 1 January	286,425	£17.23	242,995	£17.49
Granted during the year	31,196	£21.27	115,464	£16.17
Transferred (to)/from a Group company	10,533	£17.18	9,606	£17.34
Cancelled during the year	(27,573)	£23.01	(72,870)	£13.53
Vested during the year	(79,522)	£23.01	(8,770)	£13.53
Outstanding at 31 December	221,059	£27.79	286,425	£17.23

Compensation expense in connection with the restricted stock awards was £1,369,000 in 2021 (2020: £850,000). The Interpublic Group of Companies, Inc. is responsible for issuing the shares upon settlement of the awards and therefore holds the equity balance for the equity settled awards. The weighted average fair value was impacted by the timing of transactions in the year alongside currency fluctuations between pound sterling and the US dollar.

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

27 Share based payments (continued)

Stock options (continued)

The Interpublic Group of Companies, Inc., use the Black-Scholes option-pricing model to estimate the fair value of options granted, which requires the input of subjective assumptions including the option's expected term and the price volatility of the underlying stock. Changes in the assumptions can materially affect the estimate of fair value and our results of operations could be materially impacted. The weighted-average grant-date fair value per option during the years ended December 31, 2013 and 2012 was \$4.14 and \$4.24 respectively.

The fair value of each option grant has been estimated with the following weighted-average assumptions.

	2013
Expected volatility ¹	40.20%
Expected term (years) ²	6.9
Risk free interest rate ³	1.30%
Expected dividend yield ⁴	2.40%

1 The expected volatility used to estimate the fair value of stock options awarded is based on a blend of:

(i) historical volatility of our common stock for periods equal to the expected term of our stock options and (ii) implied volatility of tradable forward put and call options to purchase and sell shares of our common stock.

2 The estimate of our expected term is based on the average of:

(i) an assumption that all outstanding options are exercised upon achieving their full vesting date and

(ii) an assumption that all outstanding options will be exercised at the midpoint between the current date (i.e., the date awards have ratably vested through) and their full contractual term. In determining the estimate, we considered several factors, including the historical option exercise behaviour of our employees and the terms and vesting periods of the options.

3 The risk free rate is determined using the implied yield currently available for zero-coupon U.S. government issuers with a remaining term equal to the expected term of the options.

4 The expected dividend yield is calculated based on an annualized dividend of \$0.30 per share in 2013.

Other share based payment arrangements

In 2019, a subsidiary within the Group entered into a standalone equity settled share based payment agreement with two employees. The vesting period is 3 years and is subject to the employees' continued employment and the achievement of certain performance objectives. The fair value of the share options is determined by The Interpublic Group of Companies, Inc. Corporate Development Department on the date the awards were granted. The Group recognised an expense of £978,000 during the year in respect of the agreement (2020: £495,000), and the liability at 31 December 2021 was £2,204,000 (2020: £1,226,000).

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

28 Post-employment benefits

Defined contributions scheme

The Group participates in a number of defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in an independently administered fund. The pension cost represents contributions payable by the Group to the fund and amounted to £17,868,000 (2020: £16,624,000). At 31 December 2021, £1,574,000 remained unpaid and accrued (2020: £1,250,000).

Defined benefit scheme

Twelve subsidiary companies in the consolidation, along with other companies in the IPG Group within the UK also participate in The Interpublic Pension Plan ("the Plan"), which is a defined benefit plan providing benefits based on members' length of service and pensionable earnings. These twelve subsidiary companies, along with other companies in the IPG Group within the UK, are unable to identify their share of the underlying assets and liabilities in the Plan and therefore account for their participation in the Plan as a defined contribution plan, with contributions payable being charged to the profit and loss account in the period to which they relate, in accordance with FRS 102. The liability of the defined benefit scheme is accounted for under FRS 102 in the financial statements of the Company's ultimate UK parent company, Interpublic Limited, in its financial statements for the year ended 31 December 2021.

On 1 November 2002, the defined benefit pension scheme was closed to new entrants. At the same time, the Group and the schemes member agencies established a defined contribution scheme to provide pension benefits to new employees.

The latest actuarial valuation of the Plan for funding purposes was carried out as at 31 March 2021 by a qualified actuary appointed by the Trustee of the Plan. The key financial assumptions used in the valuation were as follows:

	2021	2020
Expected rate of salary increases	N/A	N/A
Expected rate of increase of pensions in payment:		
- for service before 1 July 2007	3.25%	2.95%
- for service after 1 July 2007	2.15%	2.05%
Discount rate	1.80%	1.45%
Rate of inflation (RPI)	3.45%	3.05%
Rate of inflation (CPI)	2.65%	2.45%

The mortality assumptions used were as follows:

	2021 Years	2020 Years
Longevity at age 65 for current pensioners		
– Men	23.3	23.6
– Women	24.8	25.2
Longevity at age 65 for future pensioners		
– Men	23.9	24.4
– Women	25.8	26.3

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

28 Post-employment benefits (continued)

Defined benefit scheme (continued)

Effective 1 October 2016, the Plan was closed to future accrual and the salary link for both active and linked members was broken. As a consequence, contributions from both employers and active members, relating to the cost of ongoing accrual, ceased from this date

As at 31 March 2021 the actuary calculated the funding deficit to be £61,000,000. In respect of this shortfall in funding, in accordance with the Recovery Plans in force over the period and with the Schedules of Contributions in force until 30 September 2026, the employers are contributing £541,667 per month. The twelve subsidiary companies within this consolidation are contributing £481,818 per month towards this total.

The cost of contributions to the Plan by the subsidiary companies within these consolidated financial statements amounted to £6,583,000 during the year (2020: 6,388,000). Interpublic Limited, an intermediary parent company and a wholly owned subsidiary of The Interpublic Group of Companies, Inc., is the sponsoring member of the Interpublic Pension Plan.

29 Business combinations

The Group made no acquisitions during the year ended 31 December 2021.

In the year ended 31 December 2020, the Group acquired two new businesses.

Synergy Marketing and Design Limited

On 10 March 2020, the Group acquired the entire issued share capital of Synergy Marketing and Design Limited which operates as an internal advertising and marketing and HR communications agency. Consideration of £3,520,000 was paid in cash and contingent consideration is estimated at £3,584,000.

The acquisition method of accounting has been used for this business combination and intangible assets of £5,764,000 arising from the acquisition was attributable to the acquired goodwill, customer list, trade name and economies of scale expected from combining the operations into the Group. Management have estimated the useful life of the trade name to be 10 years based on the period the company expects to utilise the trade name, and the useful life of goodwill and customer lists to be 10 years based on an assessment of historic and future expected financial results.

The following table summarises the consideration paid by the Group, the fair value of assets acquired, and liabilities assumed at the acquisition date.

Consideration at 31 December 2020	£000's
Cash consideration	3,520
Contingent consideration	3,584
Total consideration	7,104

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

29 Business combinations (continued)

Recognised amounts of identifiable assets acquired and liabilities assumed

	Fair Value and book value £000's
Tangible and intangible assets	60
Cash and cash equivalents	1,642
Work in progress	117
Trade and other receivables	539
Trade and other payables	(1,018)
Total identifiable net assets	1,340
Trade names	56
Customer lists	839
Goodwill	4,869
Total consideration	7,104

The turnover from the acquired business included in the consolidated profit and loss account for 2020 was £4,087,000. It also contributed a profit of £465,000 over the same period.

Aqueduct Design and Advertising Limited

On 10 January 2020, the Group acquired the business and assets of Aqueduct Design and Advertising Limited which operates as creative and technical digital strategy, design and engineering agency. Consideration of £100,000 was paid in cash and contingent consideration is estimated at £280,000.

The acquisition method of accounting has been used for this business combination and intangible assets of £371,000 arising from the acquisition was attributable to the acquired goodwill and economies of scale expected from combining the operations into the Group. Management have estimated the useful life of the goodwill to be 10 years based on an assessment of historic and future expected financial results.

The following table summarises the consideration paid by the Group, the fair value of assets acquired, and liabilities assumed at the acquisition date.

Consideration at 31 December 2020	£000's
Cash consideration	100
Contingent consideration	280
Total consideration	380

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

29 Business combinations (continued)

Recognised amounts of identifiable assets acquired and liabilities assumed

	Fair Value and book value £000's
Trade and other receivables	180
Trade and other payables	(171)
Total identifiable net assets	9
Goodwill	371
Total consideration	380

The turnover from the acquired business included in the consolidated profit and loss account for 2020 was £1,365,000. It also contributed a profit of £788,000 over the same period.

30 Subsidiary undertakings

Subsidiary financial statements audit exemptions:

The Group's UK subsidiary companies listed below are exempt from the requirements of the Companies Act 2006 relating to the audit of individual financial statements by virtue of section 479A.

Name	Co. No.	Registered office	Share class(es)	Share class %
101 Projects Limited (in liq)	7483043	1 Radian Court, Knowlhill, Milton Keynes, MK5 8PJ	Ord £1	100.00
Axiom European Holdings Limited	04930108	16 Old Bailey, London, EC4M 7EG	Ord £1	100.00
Axiom Limited	01182318	16 Old Bailey, London, EC4M 7EG	Ord £1	100.00
Brooklyn Brothers Limited (The)	6483331	135 Bishopsgate, London, EC2M 3AN	Ord A £0.01	75.00
ChaseDesign Worldwide Limited	1973547	135 Bishopsgate, London, EC2M 3TP	Ord £1	100.00
Claritas U.K. Limited (in liq)	01933461	16 Old Bailey, London, EC4M 7EG	Ord £0.10	100.00
Complete Medical Group Worldwide Limited (in liq)	2709932	CMC House, 19 King Edward Street, Macclesfield, Cheshire, SK10 1AQ	Ord £1	100.00
Creation Communications Limited	5619191	135 Bishopsgate, London, EC2M 3TP	Ord £1	100.00
CSIB (No. 1) Limited	7242304	135 Bishopsgate, London, EC2M 3TP	Ord £1	100.00
Double Helix Bio-Technology Development Limited (in liq)	3069262	1 Radian Court, Knowlhill, Milton Keynes, MK5 8PJ	Ord £1	100.00

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

30 Subsidiary undertakings (continued)

Name	Co. No.	Registered office	Share class(es)	Share class %
Engels (No. 1) Limited	515994	135 Bishopsgate, London, EC2M 3TP	Ord £1	100.00
FBC (FutureBrand) Limited	2658364	135 Bishopsgate, London, EC2M 3AN	Ord £1	100.00
FCB Europe Limited	3007253	135 Bishopsgate, London, EC2M 3TP	Ord £1	100.00
FCB Health London Limited	6367844	135 Bishopsgate, London, EC2M 3TP	Ord £1	100.00
FCB Inferno Limited	2586852	16 Old Bailey, London, EC4M 7EG	Ord £1	100.00
Hello Elephant Limited	9301267	135 Bishopsgate, London, EC2M 3TP	Ord £1	100.00
Icon Agency Limited	1993918	135 Bishopsgate, London, EC2M 3TP	Ord £1	100.00
Huge UK Limited	4235088	135 Bishopsgate, London, EC2M 3TP	Ord £1	100.00
Hugo & Cat Limited	4117164	135 Bishopsgate, London, EC2M 3AN	Ord £0.000001	100.00
Hustle Digital Limited	9301204	99 Clifton Street, London, EC2A 4LG	Ord £1	100.00
Independent Talent Brands Limited	6102678	135 Bishopsgate, London, EC2M 3AN	Ord £0.001	100.00
Inferno Limited	2604658	16 Old Bailey, London, EC4M 7EG	Ord £0.01	100.00
Interpublic GIS (UK) Limited	2724363	135 Bishopsgate, London, EC2M 3TP	Ord £1	100.00
IPG DXTRA Group Holdings Limited	3389561	135 Bishopsgate, London, EC2M 3AN	Ord £1	100.00
IPG DXTRA (UK) Limited	2442501	135 Bishopsgate, London, EC2M 3AN	Ord £1	100.00
IPG PFP General Partner Limited	SC412766	Citypoint, 65 Haymarket Terrace, Edinburgh, Scotland, EH12 5HD	Ord £1	100.00
IPG PFP Limited Partner Limited	SC412768	Citypoint, 65 Haymarket Terrace, Edinburgh, Scotland, EH12 5HD	Ord £1	100.00
ITB360 Limited (in liq)	6568982	1 Radian Court, Knowlhill, Milton Keynes, MK5 8PJ	Ord £0.01	100.00
ITB (Saturday) Limited (in liq)	8811505	1 Radian Court, Knowlhill, Milton Keynes, MK5 8PJ	Ord A / B £1	100.00
IX Marketing Limited	1983879	The Reading Room, Wolverton Park Road, Wolverton, Milton Keynes, MK12 5FJ	Ord £1	100.00
Jack Morton Worldwide Limited	3189671	6 Duke's Gate, Acton Lane, Chiswick, London, W4 5DX	Ord £1	100.00
Kinesso Limited	11975808	16 Old Bailey, London, EC4M 7EG	Ord £1	100.00
Lowe International Limited	1709017	C-Space, 37-45 City Road, London EC1Y 1AT	Ord £0.10	100.00
Martin Agency Limited (The) (in liq)	8684283	1 Radian Court, Knowlhill, Milton Keynes, MK5 8PJ	Ord £1	100.00
MC Live! Limited	12484641	Tower Wharf (5 th Floor), Cheese Lane, Bristol, BS2 0JJ	Ord £1	100.00
McCann Health Medical Communications Limited	2503062	19-21 King Edward Street, Macclesfield, Cheshire, SK10 1AQ	Ord £1	100.00
McCann Manchester Limited	1993425	Bonis Hall, Prestbury, Macclesfield, Cheshire, SK10 4EF	Ord £1	100.00
McCann Synergy Limited	05907746	Tower Wharf (5 th Floor), Cheese Lane, Bristol, BS2 0JJ	Ord £0.0001	100.00
McCann-Erickson Advertising Limited	1372305	135 Bishopsgate, London, EC2M 3TP	Ord £1	100.00
McCann-Erickson Central Limited	1983874	McCann House, Highlands Road, Shirley, Solihull, West Midlands, B90 4WE	Ord £1	100.00
McCann-Erickson EMEA Limited	830956	135 Bishopsgate, London, EC2M 3TP	Ord £1	100.00
McCann-Erickson Healthcare UK Limited	687406	135 Bishopsgate, London, EC2M 3TP	Ord £1	100.00
McCann-Erickson Network Limited	1977043	Bonis Hall, Prestbury, Macclesfield, Cheshire, SK10 4EF	Ord £1	100.00
McCann-Erickson UK Group Limited	3640484	135 Bishopsgate, London, EC2M 3TP	Ord £1	100.00

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

30 Subsidiary undertakings (continued)

Name	Co. No.	Registered office	Share class(es)	Share class %
Mediabrand EMEA Limited	1206089	16 Old Bailey, London, EC4M 7EG	Ord £1	100.00
Mediabrand International Limited	3970701	16 Old Bailey, London, EC4M 7EG	Ord £1	100.00
Mediabrand Limited	773961	16 Old Bailey, London, EC4M 7EG	Ord £1	100.00
Momentum Activating Demand Limited	7949786	135 Bishopsgate, London, EC2M 3TP	Ord £1	100.00
MRM Worldwide (UK) Limited	2507164	135 Bishopsgate, London, EC2M 3TP	Ord £1	100.00
Mubaloo Limited	6770774	16 Old Bailey, London, EC4M 7EG	Ord £1	100.00
MullenLowe Group Limited	506057	C-Space, 37-45 City Road, London EC1Y 1AT	Ord £1	100.00
MullenLowe London Limited	680779	C-Space, 37-45 City Road, London EC1Y 1AT	Ord £1 Ord A £1	100.00
MullenLowe Open Limited (in liq)	3556415	1 Radian Court, Knowlhill, Milton Keynes, MK5 8PJ	Ord £1	100.00
MullenLowe Profero London Limited (in liq)	7020571	1 Radian Court, Knowlhill, Milton Keynes, MK5 8PJ	Ord £1	100.00
MullenLowe Profero Performance Limited (in liq)	7018892	1 Radian Court, Knowlhill, Milton Keynes, MK5 8PJ	Ord £1	100.00
Octagon Athlete Representation Limited	1064273	135 Bishopsgate, London, EC2M 3AN	Ord £1	100.00
Octagon Worldwide Limited	2704128	135 Bishopsgate, London, EC2M 3AN	Ord £1	100.00
Optimum4 Limited	3541524	West One, 100 Wellington St, Leeds, LS1 4LT	Ord £0.001	100.00
Orion Trading EMEA Limited	3404334	16 Old Bailey, London, EC4M 7EG	Ord £1	100.00
R/GA Media Group Limited	2366324	99 Clifton Street, London, EC2A 4LG	Ord £1	100.00
Rapport Outdoor Limited	2230412	16 Old Bailey, London, EC4M 7EG	Ord £1	100.00
Salt Limited (in liq)	3885565	1 Radian Court, Knowlhill, Milton Keynes, MK5 8PJ	Ord A Ord B Ord C Growth £0.01	100.00
Stickyeyes Limited	4633595	West One, 100 Wellington St, Leeds, LS1 4LT	Ord £0.001	100.00
That Lot Creatives Limited	8573144	135 Bishopsgate, London, EC2M 3AN	Ord £1	100.00
Weber Shandwick International Limited (in liq)	2258441	1 Radian Court, Knowlhill, Milton Keynes, MK5 8PJ	Ord £1	100.00
Wellset Repro Limited	3205960	East Lodge House, 116 High St, Cranleigh, Surrey, GU6 8AJ	Ord A / B	100.00
Zazzle Media Limited	7592862	West One, 100 Wellington St, Leeds, LS1 4LT	Ord £1	100.00

All the above subsidiaries are included within these consolidated financial statements.

UK subsidiaries not utilising S479A audit exemption

Name	Co. No.	Registered office	Share class(es)	Share class %
MullenLowe Profero Limited	03534827	C-Space, 37-45 City Road, London, England, EC1Y 1AT	Ord £0.01 A / B	25.00
MullenLowe Profero Connect Limited (in liq)		1 Radian Court, Knowlhill, Milton Keynes, MK5 8PJ	Ord £0.10	25.00

The above subsidiaries are not included in these consolidated financial statements.

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

30 Subsidiary undertakings (continued)

Dormant subsidiaries: (not utilising S479A)

Name	Co. No.	Registered office	Share class(es)	Share class %
Hacker London Limited	6519082	135 Bishopsgate, London, EC2M 3TP	Ord £1	100.00
Hedy Limited	8585516	135 Bishopsgate, London, EC2M 3TP	Ord £1	100.00
McCann Health Limited	9363022	135 Bishopsgate, London, EC2M 3TP	Ord £1	100.00
Mercado McCann Limited	9363022	135 Bishopsgate, London, EC2M 3TP	Ord B £1	34.00
Meteorite Marketing Limited (In Liq)	3115899	C/O Opus Restructuring LLP, 4 th Floor, Euston House, 24 Eversholt Street, London, NW1 1DB	OrdA £0.01 OrdB £0.01 OrdC £0.01	100.00

Foreign subsidiaries: (not utilising S479A)

Foreign subsidiaries included within these consolidated financial statements:

Name	Country	Registered office	Share class(es)	Ult %
Brand Connection Sp. Z.o.o.	Poland	Cybernetyki 19, 02-677, Warsaw, Poland	ORD PLN50	100.00
Craft Worldwide Sp. z.o.o.	Poland	Cybernetyki 19, 02-677, Warsaw, Poland	Ord PLN500	100.00
FCB Estonia OU	Estonia	Liivalaia 22, Tallinn, 10118, Estonia	Ord €1	100.00
Initiative Media Advertising S.A.	Greece	89-91 Ethnikis Antistaseos St, 15231 Halandri, Athens	Ord €3	99.98
Initiative Media Warszawa Sp. Z.o.o.	Poland	Cybernetyki 19, 02-677, Warsaw, Poland	Ord PLN150	100.00
IPG Mediabrands Communications S.A.	Greece	89-91 Ethnikis Antistaseos St, 15231 Halandri, Athens	Ord €3	99.99
Kinesso Belgium BV	Belgium	Ildefonse Vandammestraat 5-7D, 1560 Hoeilaart	Ord NPV	100.00
Lowe Investments Limited (in liq)	Mauritius	c/o Ocorian Corporate Services, 6th Floor, Tower A, 1 Cyber City, Ebene, Mauritius	Ord £1	100.00
Magna Global Polska Sp. z.o.o.	Poland	ul. Domaniewska 39, 02-672, Warsaw, Poland	Ord PLN500	66.67
Magna Ireland Media Limited	Ireland	6th Floor, Iveagh Court, Harcourt Road, Dublin 2, Ireland	Ord A/C/ €1	50.00
McCann-Erickson N.V.	Belgium	Avenue de Cortenbergh 100, 1000 Brussels, Belgium	Ord NPV	100.00
McCann Worldgroup Sp. z.o.o.	Poland	Cybernetyki 19, 02-677, Warsaw, Poland	Ord PLN500	100.00
Mediabrand Belgium S.A.	Belgium	I Vandammestraat 5-7D, 1560 Hoeilaart, Belgium	Ord NPV	96.00
McCann Health Medical Communications Canada Limited	Canada	200 Wellington Street West, Toronto, ON M5V 0N6, Canada	Ord NPV	100.00
Orion Capital Belgium BVBA	Belgium	I Vandammestraat 5-7D, 1560 Hoeilaart, Belgium	Ord NPV	96.02
Outdoor Services S.A.	Belgium	I Vandammestraat 5-7D, 1560 Hoeilaart, Belgium	Ord €56	96.00
Reprise Media Sp. z.o.o.	Poland	Cybernetyki 19, 02-677, Warsaw, Poland	Ord PLN50	100.00
R/GA Digital Media Group SRL	Romania	Calea Floreasca Street No. 165, 8th Floor, District 1, Bucharest, Romania	Ord RON10	100.00
U2 Media Sp. z.o.o.	Poland	Cybernetyki 19, 02-677, Warsaw, Poland	Ord PLN500	100.00
Universal McCann Sp. z.o.o.	Poland	Cybernetyki 19, 02-677, Warsaw, Poland	Ord PLN500	100.00
Weber Shandwick East Africa Limited	Kenya	c/o Delyde Associates, Geomap Centre, Elgon Rd Upper Hill, PO Box 7914, City Square, 00200, Kenya	Ord KES10	99.00

IPG Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2021 (continued)

30 Subsidiary undertakings (continued)

Foreign subsidiaries not included in these consolidated financial statements:

Name	Country	Registered office	Share class(es)	Ult %
Interpublic Legacy Company AB	Sweden	Jakobsbergsgatan 31, Box 7157, 113 88, Stockholm, Sweden	Ord SEK100	25.00
Interpublic Group Sweden AB	Sweden	c/o West-Pool AB, Box 5216, 102 45, Stockholm, Sweden	Ord SEK100	25.00
Interpublic Worldgroup Sweden AB	Sweden	c/o West-Pool AB, Box 5216, 102 45, Stockholm, Sweden	Ord SEK1,000	25.00
IPG Mediabrands AB	Sweden	Grev Turegatan 11 A, 114 97, Stockholm, Sweden	Ord SEK1,000	25.00
Kinesso Sweden AB	Sweden	Grev Turegatan 11 A, 114 97, Stockholm, Sweden	Ord SEK1	25.00
MullenLowe Profero HK Limited	Hong Kong	17/F One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong	Ord HKD NPV	25.00
Prime Public Relations i Sverige AB	Sweden	Box 38065, SE-100 64, Stockholm, Sweden	Ord SEK1	25.00
Shanghai Blue Flying Fish Advertising Co. Ltd	China	Room A17, 6th Floor, East Building, H Zone, 666 East Beijing Road, Shanghai, China	Ord CNY1.00	25.00
United Minds Samhallsanalys AB	Sweden	Box 38065, SE-100 64, Stockholm, Sweden	Ord SEK100	25.00

Other qualifying undertakings:

Name	Co. No.	Head office	Share class	Share class %
IPG PFP Scottish Limited Partnership Limited	9991	Citypoint, 65 Haymarket Terrace, Edinburgh, Scotland, EH12 5HD	Partnership	16.67

31 Events post statement of financial position

There are no material events post statement of financial position.

32 Ultimate parent undertaking and controlling party

The immediate parent undertaking is IPG Europe Limited, a company registered in England and Wales. Copies of its financial statements are available at 135 Bishopsgate, London, EC2M 3TP.

The ultimate parent undertaking and controlling party is The Interpublic Group of Companies, Inc., a company incorporated in the United States of America.

The Interpublic Group of Companies, Inc. is the parent undertaking of the largest and smallest group of undertakings to consolidate these consolidated financial statements at 31 December 2021. The consolidated financial statements for The Interpublic Group of Companies, Inc. can be obtained from 909 Third Avenue, New York, NY, 10022, USA.

33 Company information

The Company is registered in England and Wales and its registered office is 135 Bishopsgate, London, EC2M 3TP.