

# Wellset Repro Limited

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

**Year ended 31 December 2022**

**Registered Number: 03205960**

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## Wellset Repro Limited

### Strategic Report for the year ended 31 December 2022

The directors present their strategic report of Wellset Repro Limited (the "Company") registered number 03205960 for the year ended 31 December 2022.

#### Principal activities and review of the business

The Company's principal activity during the year was the development of mobile apps, website design and build and digital strategy consultation.

The Company's profit for the year was £3,036,000 (2021: profit £4,529,000). The directors consider that the result for the year is in line with expectations. The Company had net assets of £8,644,000 as at 31 December 2022 (2021: net assets of £17,410,000).

Looking ahead, the Company is continuing its expansion phase with strong plans to open an office Offshore & acquire a specialist technology agency to bolster their offering in early 2023. This will add to their current Flipside Health, Conference+ & Digital separate brand offerings.

In 2022, the Company faced multiple unforeseen client obstacles and built up 'COVID Churn' which impacted hitting their desired growth targets. These were both triggered more by macro conditions rather than the local agency decisions and performance. The target is a minimum growth of 15% for 2023 and beyond.

#### Key performance indicators

The following are key performance indicators of the business:

|   | 2022  | 2021  |
|---|-------|-------|
| <b>Operating margin (%)</b>   |       |       |
| Ratio of operating profit to gross profit expressed as a percentage | 21.9% | 33.2% |
| <b>Staff costs / gross profit (%)</b>                               |       |       |
| Staff costs as a percentage of gross profit                         | 33.6% | 23.4% |
| <b>Headcount (number)</b>   | 62    | 49    |

#### Financial Reporting Standard 102 (FRS 102)

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

#### Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of IPG Holdings (UK) Limited and are not managed separately. These risks are discussed in the IPG Holdings (UK) Limited annual consolidated financial statements for the year ended 31 December 2022, which does not form part of this report. Copies of the IPG Holdings (UK) Limited consolidated financial statements can be obtained from:

135 Bishopsgate  
London  
United Kingdom, EC2M 3TP

## Wellset Repro Limited

### Strategic Report for the year ended 31 December 2022 (continued)

#### Strategy and future developments

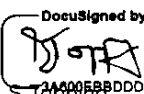
The Company continues to establish itself globally as a leading expert digital problem-solver, with sales expected to grow in EMEA and accelerate in the US. The strategy remains to be first-to-market exploiting bleeding-edge technologies, and in particular their use in compliant sectors such as pharmaceuticals and financial services.

Since the COVID-19 pandemic, the Company has seen continued growth in demand for its services and has developed new products to support its clients' changing working practices in 2020/2021. One of these named initiatives would be Conference+, a virtual software service offering live events for new and existing clients which has been added to the portfolio of digital services offered. Client are still using this in 2022.

With the sudden boom in demand for 'AI' & 'Metaverse' type products, the Company plans to capitalise on this market and again be one of the first to the game to offer these builds more wildly in-house with an increased focused on hiring and marketing in this area – launching new branding and a Website to highlight the capabilities of the Company through the power of 'PPC - Paid per Click' & SEO searches which in the past, have proven favourable.

We expect to see even greater demand for our new products and services in 2023.

On behalf of the Board

DocuSigned by:  
  
S Topping  
Director  
28 July 2023

## **Wellset Repro Limited**

### **Directors' Report for the year ended 31 December 2022**

The directors present their report and financial statements of Wellset Repro Limited (the "Company") registered number 03205960 for the year ended 31 December 2022.

#### **Future developments**

Future developments, strategy and key performance indicators are discussed in the strategic report.

#### **Dividends**

On 13 January 2022 the Company paid a dividend of £12,800,000 to its parent company IPG DXTRA (UK) Limited.

No dividends were paid in the year ending 31 December 2021.

#### **Objectives and policies**

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

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

#### **Financial risk management**

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

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

#### **Credit risk**

The Company has implemented policies to monitor customer debt levels and to ensure that excessive credit is not extended to any particular customer. This provides the business with visibility of balances and ensures that no further credit is extended in cases where this is not merited. The maximum exposure to credit risk at 31 December 2022 was mainly as follows: trade debtors £2,621,000, amounts owed by group undertakings £2,306,000, other debtors £23,000, prepayment and accrued income £1,666,000 and debtors due after more than one year £nil (2021: £2,449,000, £1,909,000, £6,000, £1,686,000, £nil respectively).

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

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

#### **Liquidity risk**

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

#### **Political donations**

The Company made no political donations in 2022 (2021: £nil).

## **Wellset Repro Limited**

### **Directors' Report for the year ended 31 December 2022** (continued)

#### **Branches outside the UK**

The Company has no branches outside the UK.

#### **Disabled employees**

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

#### **Employee involvement**

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

#### **Directors**

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

M D M Dyer  
D S Nichols  
C J Perry  
S Topping

#### **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**

No material events post statement of financial position have occurred.

## Wellset Repro Limited

### Directors' Report for the year ended 31 December 2022 (continued)

#### Statement of directors' responsibilities

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 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 company and of the profit or loss of the company 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 company will continue in business.

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

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

#### Audit exemption

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

- a) that for the year ended 31 December 2022 the Company was entitled to the exemption from a statutory audit under section 479A of the Companies Act 2006 relating to subsidiary companies; and
- b) that no notice has been deposited under section 476 of the Companies Act 2006 in relation to the financial statements for the financial year.

On behalf of the Board

DocuSigned by:  
  
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S Topping  
Director  
28 July 2023

**Wellset Repro Limited****Statement of comprehensive income  
For the year ended 31 December 2022**

|  | Note | 2022<br>£000's | 2021<br>£000's |
|--|------|----------------|----------------|
| <b>Turnover</b>                        | 5    | <b>17,866</b>  | 17,179         |
| Cost of sales                          |      | (1,166)        | (836)          |
|  |      | <hr/>          | <hr/>          |
| <b>Gross profit</b>                    |      | <b>16,700</b>  | 16,343         |
| Administrative expenses                |      | (13,007)       | (10,874)       |
| Goodwill amortisation                  |      | (35)           | (37)           |
|  |      | <hr/>          | <hr/>          |
| <b>Operating profit</b>                | 6    | <b>3,658</b>   | 5,432          |
| Interest receivable and similar income | 7    | 98             | 53             |
| Interest payable and similar expenses  | 8    | (11)           | (5)            |
|  |      | <hr/>          | <hr/>          |
| <b>Profit before taxation</b>          |      | <b>3,745</b>   | 5,480          |
| Tax on profit                          | 11   | (709)          | (951)          |
|  |      | <hr/>          | <hr/>          |
| <b>Profit for the financial year</b>   |      | <b>3,036</b>   | 4,529          |
|  |      | <hr/>          | <hr/>          |

All operations are continuing.

**Wellset Repro Limited****Statement of financial position  
As at 31 December 2022**

|   | Note | 2022<br>£000's | 2021<br>£000's |
|---|------|----------------|----------------|
| <b>Fixed assets</b>                                     |      |                |                |
| Intangible assets                                       | 12   | 222            | 257            |
| Tangible assets   | 13   | 57             | 42             |
|   |      | <u>279</u>     | <u>299</u>     |
| <b>Current assets</b>                                   |      |                |                |
| Work in progress  |      | 187            | 119            |
| Debtors   | 14   | 6,630          | 6,069          |
| Cash at bank and in hand                                |      | 8,327          | 16,676         |
|   |      | <u>15,144</u>  | <u>22,864</u>  |
| Creditors: amounts falling due within one year          | 15   | (6,778)        | (5,753)        |
| <b>Net current assets</b>                               |      | <u>8,366</u>   | <u>17,111</u>  |
| <b>Total assets less current liabilities</b>            |      | <u>8,645</u>   | <u>17,410</u>  |
| Creditors: amounts falling due after more than one year | 16   | (1)            | -              |
| <b>Net assets</b>                                       |      | <u>8,644</u>   | <u>17,410</u>  |
| <b>Capital and reserves</b>                             |      |                |                |
| Called up share capital                                 | 17   | -              | -              |
| Share premium account                                   |      | 231            | -              |
| Other reserves  |      | 767            | -              |
| Retained earnings                                       |      | 7,646          | 17,410         |
| <b>Total equity</b>                                     |      | <u>8,644</u>   | <u>17,410</u>  |

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

- that for the year ended 31 December 2022 the Company was entitled to the exemption from a statutory audit under section 479A of the Companies Act 2006 relating to subsidiary companies; and
- that no notice has been deposited under section 476 of the Companies Act 2006 in relation to the financial statements for the financial year.


The directors acknowledge their responsibilities for:

- ensuring that the Company keeps adequate accounting records which comply with section 386 of the Companies Act 2006; and
- preparing financial statements which give a true and fair view of the state of the affairs of the Company at 31 December 2022 and of its profit or loss for the year then ended in accordance with the requirement of section 394 of the Companies Act 2006, and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements so far as applicable to the Company.

The notes on pages 10 to 28 are an integral part of these financial statements.

The financial statements on pages 7 to 28 were authorised for issue by the board of directors on 28 July 2023 and were signed on its behalf.

DocuSigned by:

  
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S. Topping

Director  
Wellset Repro Limited  
Registered No. 03205960



**Wellset Repro Limited****Statement of changes in equity  
for the year ended 31 December 2022**

|                               | Called up<br>share<br>capital<br>£000's | Share<br>premium<br>account<br>£000's | Other<br>reserves<br>£000's | Retained<br>earnings<br>£000's | Total<br>Equity<br>£000's |
|-------------------------------|---|---------------------------------------|-----------------------------|--------------------------------|---------------------------|
| At 1 January 2021             | -                                       | -                                     | -                           | 12,881                         | 12,881                    |
| Profit for the financial year | -                                       | -                                     | -                           | 4,529                          | 4,529                     |
| <b>At 31 December 2021</b>    | <b>-</b>                                | <b>-</b>                              | <b>-</b>                    | <b>17,410</b>                  | <b>17,410</b>             |

|  | Called up<br>share<br>capital<br>£000's | Share<br>premium<br>account<br>£000's | Other<br>reserves<br>£000's | Retained<br>earnings<br>£000's | Total<br>Equity<br>£000's |
|--|---|---------------------------------------|-----------------------------|--------------------------------|---------------------------|
| At 1 January 2022  | -                                       | -                                     | -                           | 17,410                         | 17,410                    |
| Profit for the financial year  | -                                       | -                                     | -                           | 3,036                          | 3,036                     |
| <b>Total comprehensive income for the year</b>                       | <b>-</b>                                | <b>-</b>                              | <b>-</b>                    | <b>3,036</b>                   | <b>3,036</b>              |
| Charge for equity-settled share based payments                       | -                                       | -                                     | 767                         | -                              | 767                       |
| Shares issued  | -                                       | 231                                   | -                           | -                              | 231                       |
| Dividends paid   | -                                       | -                                     | -                           | (12,800)                       | (12,800)                  |
| <b>Total transactions with owners, recognised directly in equity</b> | <b>-</b>                                | <b>231</b>                            | <b>767</b>                  | <b>(12,800)</b>                | <b>(11,802)</b>           |
| <b>At 31 December 2022</b>   | <b>-</b>                                | <b>231</b>                            | <b>767</b>                  | <b>7,646</b>                   | <b>8,644</b>              |

On 13 January 2022 the Company declared and paid a dividend to its sole shareholder IPG DXTRA (UK) Limited of £12,800,000 in total, being £801.50 per share.

On 10 February 2022 the Company allotted a total of 2,818 ordinary B shares of £0.01 each to two employees as part of an equity settled share based payment arrangement, for consideration of £231,000.

During the year, £767,000 was recognised in other reserves in respect of the share based payments.

## **Wellset Repro Limited**

### **Notes to the financial statements for the year ended 31 December 2022**

#### **1 General information**

The Company's principal activity during the year was the development of mobile apps, website design and build and digital strategy consultation.

The Company is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is 135 Bishopsgate, London, UK, EC2M 3AN.

#### **2 Statement of compliance**

The individual financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### **3 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Company has adopted FRS 102 in these financial statements.

##### **a) Basis of preparation**

These financial statements are prepared under the historical cost convention. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

##### **b) Going concern**

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

##### **c) Exemptions for qualifying entities under FRS 102**

As a qualifying entity, the Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its intermediate parent company, IPG Holdings (UK) Limited, includes the Company's cash flows in its own consolidated financial statements.

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

## Wellset Repro Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

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

##### d) Revenue recognition

The Company's revenues are primarily derived from Start to End Website Development, Mobile Application builds, UX/UI Design, Strategic Consultancy and new revenue streams from 'Web3'. The majority of business comes via The United Kingdom & Europe. Revenues are directly dependent upon the agency winning new business directly, or supplementing other IPG Agencies in the 'Digital Space'. Each project has a specific SOW (Scope of Work) written for it which outlines the deliverables, timings and requirements from both parties. The Master Service Agreement (MSA) contains more specific clauses around items such as IP & Payment Terms which is agreed with the client as a one-off exercise.

Client contracts are complex arrangements which includes specific terms around tech development, GDPR & the outlines the rights to the IP. The Company's largest clients are multinational entities and, as such, the Company can provide 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 Company enters into global, regional and local agreements. Agreements of this nature are reviewed by The Interpublic Group of Companies, Inc. Corporate legal counsel to determine the governing terms to be followed by the offices and agencies involved.

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

##### • Fees

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 delivery of the project often termed 'milestones' with the Client Lead or Project Manager confirming the projects progress. All of the agencies fees are fixed and non-reconcilable with the amount of revenue recognised in these situations limited to the amount realisable under the client contract.

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 are deferred until contract completion, this method is usually used for smaller projects in terms of value or if the whole project will be completed in one month.

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 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. 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 turnover with a corresponding offset to cost of sales.

We sometimes receive credits from our vendors for reaching a level of spend on an annual basis. These are not recorded until the end of the year when the threshold has been confirmed as met as it's not obligatory until this point.

## **Wellset Repro Limited**

### **Notes to the financial statements for the year ended 31 December 2022** (continued)

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

##### **e) Interest income**

Interest income is recognised using the effective interest rate method.

##### **f) Employee benefits**

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

- **Short term benefits**

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

- **Pension costs**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from the Company in an independently administered fund. The pension cost charge disclosed in note 21 represents contributions payable by the Company to the fund.

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

- **Annual bonus plan**

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

##### **g) Foreign currencies**

The Company's functional and presentation currency is pound sterling. Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences arising from the revaluation of foreign currency assets and liabilities are taken to the statement of comprehensive income during the year to which they relate.

##### **h) Borrowing costs**

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

##### **i) Leases**

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

##### **j) Lease incentives**

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

## Wellset Repro Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

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

##### k) Exceptional items

Exceptional items comprise those that are by their nature, large, unusual and non-recurring and are shown separately in the statement of comprehensive income.

##### l) Taxation

Taxation expense for the year comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current and deferred taxation assets and liabilities are not discounted.

Corporation tax payable is provided on taxable profits and is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date, where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred at the statement of financial position date. Timing differences are differences between a company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates and laws that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is measured on a non-discounted basis in line with FRS 102.

##### m) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. 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.

|                 |          |
|-----------------|----------|
| Goodwill        | 10 years |
| Customers lists | 10 years |
| Trade names     | 1 years  |

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

##### n) Tangible assets

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

|                                |            |
|--------------------------------|------------|
| Equipment, fixtures & fittings | 3-10 years |
| Computer equipment             | 3-4 years  |

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

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

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

## **Wellset Repro Limited**

### **Notes to the financial statements for the year ended 31 December 2022** (continued)

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

##### **o) Impairment of non-financial assets**

At each statement of financial position date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of comprehensive income.

##### **p) Work in progress**

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

##### **q) Financial instruments**

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

###### **(i) Financial assets**

Basic financial assets, including debtors and cash at bank and in hand balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

Other financial assets, including equity investments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

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

## **Wellset Repro Limited**

### **Notes to the financial statements for the year ended 31 December 2022** (continued)

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

##### **q) Financial instruments** (continued)

###### **(ii) Financial liabilities**

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

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

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as creditors: amounts falling due over one year. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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

##### **r) 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.

##### **s) Deferred income**

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

##### **t) Provisions**

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

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

Provision is not made for future operating losses.

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

##### **u) 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.

##### **v) 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.

## **Wellset Repro Limited**

### **Notes to the financial statements for the year ended 31 December 2022** (continued)

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

##### **w) Related party disclosures**

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

##### **x) Netting off policy**

Balances with other companies in The Interpublic Group of Companies, Inc. are stated gross, unless all of the following conditions are met:

- (i) The Company and the counterparty owe each other determinable monetary amounts, denominated either in the same currency, or in different but free convertible currencies;
- (ii) The Company has the ability to insist on a net settlement; and
- (iii) The Company's ability to insist on a net settlement is assured beyond doubt. For this to be the case it is necessary that the debit balance mature no later than the credit balance. It is also necessary that the Company's ability to insist on a net settlement would survive the insolvency of the counterparty.

#### **4 Critical accounting estimates and assumptions**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

##### **(i) Useful economic lives of tangible assets (note 3n)**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property plant and equipment, and note 3n for the useful economic lives for each class of assets.

##### **(ii) Useful economic lives of goodwill (note 3m)**

The annual amortisation charge for goodwill is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values 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 12 for the carrying amount of the intangible assets.

##### **(iii) Impairment of trade and other debtors (note 14)**

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 14 for the net carrying amount of the debtors and associated impairment provision.



**Wellset Repro Limited****Notes to the financial statements for the year ended 31 December 2022** (continued)**5 Turnover**

|                           | <b>2022</b><br><b>£000's</b> | 2021<br>£000's |
|---------------------------|------------------------------|----------------|
| <b>Turnover by origin</b> |                              |                |
| United Kingdom            | <b>17,866</b>                | 17,179         |
|                           | <b>17,866</b>                | 17,179         |

The analysis above is by geographical origin. Analysis by geographical destination would not be materially different.

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

**6 Operating profit**

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

|   | <b>2022</b><br><b>£000's</b> | 2021<br>£000's |
|---|------------------------------|----------------|
| <b>Employee costs (note 9)</b>                  | <b>5,613</b>                 | 3,832          |
| <b>Depreciation</b>                             |                              |                |
| - Tangible fixed assets                         | <b>31</b>                    | 24             |
| <b>Amortisation</b>                             |                              |                |
| - Intangible assets                             | <b>35</b>                    | 37             |
| <b>Bad debt - provision (decrease)/increase</b> | <b>(2)</b>                   | 7              |
| <b>Exchange loss/(gain)</b>                     | <b>25</b>                    | (49)           |
| <b>Operating lease rentals</b>                  |                              |                |
| - Office space                                  | <b>243</b>                   | 192            |

**7 Interest receivable and similar income**

|                                      | <b>2022</b><br><b>£000's</b> | 2021<br>£000's |
|--------------------------------------|------------------------------|----------------|
| Interest receivable on bank accounts | <b>98</b>                    | 53             |
|                                      | <b>98</b>                    | 53             |

**Wellset Repro Limited****Notes to the financial statements for the year ended 31 December 2022** (continued)**8 Interest payable and similar expenses**

|                                     | 2022<br>£000's | 2021<br>£000's |
|-------------------------------------|----------------|----------------|
| Interest payable on bank overdrafts | 9              | 1              |
| Unwinding of discount               | 2              | 4              |
|                                     | <u>11</u>      | <u>5</u>       |

**9 Employee costs**

|   | 2022<br>£000's | 2021<br>£000's |
|---|----------------|----------------|
| Wages and salaries (including directors)                  | 4,156          | 3,238          |
| Social security costs                                     | 556            | 408            |
| Pension costs (note 21)                                   |                |                |
| - Defined contribution                                    | 147            | 103            |
| Severance expense   | 57             | 36             |
| Share based payment costs (note 20)                       | 771            | -              |
| Miscellaneous, non-share based incentives and other costs | (74)           | 47             |
| Employee costs  | <u>5,613</u>   | <u>3,832</u>   |

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

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

|                                 | 2022<br>Number | 2021<br>Number |
|---------------------------------|----------------|----------------|
| United Kingdom                  | 62             | 49             |
| Average monthly number employed | <u>62</u>      | <u>49</u>      |

**Key management compensation**

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

|                             | 2022<br>£000's | 2021<br>£000's |
|-----------------------------|----------------|----------------|
| Wages and salaries          | 303            | 421            |
| Social security costs       | 38             | 54             |
| Pension costs               |                |                |
| - Defined contribution      | 12             | 11             |
| Severance expense           | -              | 21             |
| Key management compensation | <u>353</u>     | <u>507</u>     |

**Wellset Repro Limited****Notes to the financial statements for the year ended 31 December 2022** (continued)**10 Directors' emoluments**

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

|   | <b>2022</b><br><b>£000's</b> | 2021<br>£000's |
|---|------------------------------|----------------|
| Aggregate emoluments, including benefits in kind    | <b>171</b>                   | 301            |
| Defined contribution scheme - company contributions | <b>7</b>                     | 6              |
| Severance expense                                   | <b>-</b>                     | 21             |
|   | <b>178</b>                   | 328            |

**Highest paid director**

|   | <b>2022</b><br><b>£000's</b> | 2021<br>£000's |
|---|------------------------------|----------------|
| Aggregate emoluments, including benefits in kind    | <b>171</b>                   | 120            |
| Defined contribution scheme - company contributions | <b>7</b>                     | 1              |
|   | <b>178</b>                   | 121            |

Retirement benefits are accruing to one director under a defined contribution scheme (2021: one)

**Wellset Repro Limited****Notes to the financial statements for the year ended 31 December 2022** (continued)**11 Tax on profit**

|  | <b>2022</b><br><b>£000's</b> | 2021<br>£000's |
|--|------------------------------|----------------|
| <b>Current taxation</b>                      |                              |                |
| UK corporation taxation                      | <b>663</b>                   | 913            |
|  | <b>663</b>                   | 913            |
| Adjustments in respect of prior years        |                              |                |
| - UK corporation taxation                    | <b>41</b>                    | 37             |
|  | <b>41</b>                    | 37             |
| <b>Total current taxation</b>                | <b>704</b>                   | 950            |
| <b>Deferred taxation</b>                     |                              |                |
| Origination & reversal of timing differences | <b>(10)</b>                  | 6              |
| Adjustments in respect of prior years        | <b>19</b>                    | 1              |
| Effect of change in the tax rate             | <b>(4)</b>                   | (6)            |
| <b>Total deferred taxation</b>               | <b>5</b>                     | 1              |
| <b>Tax on profit</b>                         | <b>709</b>                   | 951            |

**Factors affecting the tax charge for the year**

The tax assessed for the year is lower (2021: Lower) than the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%). The difference is explained below:

|   | <b>2022</b><br><b>£000's</b> | 2021<br>£000's |
|---|------------------------------|----------------|
| <b>Profit before taxation</b>   | <b>3,745</b>                 | 5,480          |
| Profit before taxation at the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%) | <b>712</b>                   | 1,041          |
| Effects of:   |                              |                |
| Expenses not deductible for taxation purposes   | <b>111</b>                   | (3)            |
| Group relief for nil consideration  | <b>(170)</b>                 | (119)          |
| Adjustments in respect of prior years   | <b>60</b>                    | 38             |
| Effect of change in tax rate  | <b>(4)</b>                   | (6)            |
| <b>Total tax for the year</b>   | <b>709</b>                   | 951            |

Finance Act 2021 enacted an increase in the UK corporation tax rate from 19.00% to 25.00% from 1 April 2023.

At 31 December 2022 there were unused trading losses and non-trading deficits of £nil (2021: £nil) that are available indefinitely for offset against the Company's future taxable profits, and capital losses of £nil (2021: £nil) that are available for offset indefinitely against the Company's future capital gains.

**Wellset Repro Limited****Notes to the financial statements for the year ended 31 December 2022** (continued)**12 Intangible assets**

|  | <b>Trademarks</b><br>£000's | <b>Customer lists</b><br>£000's | <b>Goodwill</b><br>£000's | <b>Total</b><br>£000's |
|--|-----------------------------|---------------------------------|---------------------------|------------------------|
| <b>At 31 December 2021</b>             |                             |                                 |                           |                        |
| Cost                                   | 3                           | 101                             | 228                       | 332                    |
| Accumulated amortisation               | (3)                         | (20)                            | (52)                      | (75)                   |
| <b>Net book value</b>                  | <b>-</b>                    | <b>81</b>                       | <b>176</b>                | <b>257</b>             |
| <b>Cost</b>                            |                             |                                 |                           |                        |
| At 1 January 2022 and 31 December 2022 | <b>3</b>                    | <b>101</b>                      | <b>228</b>                | <b>332</b>             |
| <b>Accumulated amortisation</b>        |                             |                                 |                           |                        |
| At 1 January 2022                      | (3)                         | (20)                            | (52)                      | (75)                   |
| Charge for the year                    | -                           | (10)                            | (25)                      | (35)                   |
| <b>At 31 December 2022</b>             | <b>(3)</b>                  | <b>(30)</b>                     | <b>(77)</b>               | <b>(110)</b>           |
| <b>Net book value</b>                  |                             |                                 |                           |                        |
| At 31 December 2022                    | <b>-</b>                    | <b>71</b>                       | <b>151</b>                | <b>222</b>             |

The Company's intangible assets arose following the Company's acquisition of the business and assets of Aqueduct Design and Advertising Limited on 10th January 2020.

The intangible assets are carried at £222,000 (2021: £257,000) and have a remaining amortisation period of 7 years (2021: 8 years).

**Wellset Repro Limited****Notes to the financial statements for the year ended 31 December 2022** (continued)**13 Tangible assets**

|                                 | <b>Computer<br/>equipment</b> | <b>Equipment,<br/>fixtures &amp;<br/>fittings</b> | <b>Total</b> |
|---------------------------------|-------------------------------|---|--------------|
|                                 | £000's                        | £000's  | £000's       |
| <b>At 31 December 2021</b>      |                               |   |              |
| <b>Cost</b>                     | 92                            | 10  | 102          |
| <b>Accumulated depreciation</b> | (50)                          | (10)  | (60)         |
| <b>Net book value</b>           | <b>42</b>                     | <b>-</b>  | <b>42</b>    |
| <b>Cost</b>                     |                               |   |              |
| 1 January 2022                  | 92                            | 10  | 102          |
| Additions                       | 46                            | -   | 46           |
| Disposals                       | (1)                           | -   | (1)          |
| <b>31 December 2022</b>         | <b>137</b>                    | <b>10</b>   | <b>147</b>   |
| <b>Accumulated depreciation</b> |                               |   |              |
| 1 January 2022                  | (50)                          | (10)  | (60)         |
| Charge for the year             | (31)                          | -   | (31)         |
| Disposals                       | 1                             | -   | 1            |
| <b>31 December 2022</b>         | <b>(80)</b>                   | <b>(10)</b>                                       | <b>(90)</b>  |
| <b>Net book value</b>           |                               |   |              |
| <b>31 December 2022</b>         | <b>57</b>                     | <b>-</b>  | <b>57</b>    |
| <b>Net book value</b>           |                               |   |              |
| <b>31 December 2021</b>         | <b>42</b>                     | <b>-</b>  | <b>42</b>    |

**Wellset Repro Limited****Notes to the financial statements for the year ended 31 December 2022** (continued)**14 Debtors****Debtors: amounts falling due within one year**

|                                    | <b>2022</b>   | 2021   |
|------------------------------------|---------------|--------|
|                                    | <b>£000's</b> | £000's |
| Trade debtors                      | <b>2,621</b>  | 2,449  |
| Amounts owed by group undertakings | <b>2,306</b>  | 1,909  |
| Other debtors                      | <b>23</b>     | 6      |
| Prepayments and accrued income     | <b>1,666</b>  | 1,686  |
| Deferred taxation (see below)      | <b>14</b>     | 19     |
|                                    | <b>6,630</b>  | 6,069  |

All amounts owed by group undertakings are unsecured, interest free and repayable on demand.

**Deferred taxation**

|                                     | <b>2022</b>   | 2021   |
|-------------------------------------|---------------|--------|
|                                     | <b>£000's</b> | £000's |
| Accelerated capital allowances      | <b>5</b>      | 12     |
| Other short term timing differences | <b>9</b>      | 7      |
| <b>Total deferred tax asset</b>     | <b>14</b>     | 19     |

The movement in deferred taxation can be summarised as follows:

|   | <b>£000's</b> |
|---|---------------|
| At 1 January 2022                             | 19            |
| Credited to statement of comprehensive income | (5)           |
| <b>At 31 December 2022</b>                    | <b>14</b>     |

The amount of the net reversal of deferred tax expected to occur in 2023 is £4,000 (2022: £nil).

**Wellset Repro Limited****Notes to the financial statements for the year ended 31 December 2022** (continued)**15 Creditors: amounts falling due within one year**

|  | <b>2022</b>   | 2021   |
|--|---------------|--------|
|  | <b>£000's</b> | £000's |
| Bank loans and overdrafts                              | <b>1,450</b>  | 874    |
| Trade creditors  | <b>313</b>    | 252    |
| Amounts owed to group undertakings                     | <b>731</b>    | 1,340  |
| Corporation Tax  | <b>1,407</b>  | 997    |
| Other creditors including taxation and social security | <b>691</b>    | 511    |
| Acquisition earn out / deferred consideration payable  | <b>-</b>      | 168    |
| Accruals and deferred income                           | <b>2,186</b>  | 1,611  |
|  | <b>6,778</b>  | 5,753  |

Amounts owed to group undertakings are unsecured, repayable on demand and do not accrue interest.

The Group participates in The Interpublic Group of Companies, Inc. pooling arrangement with 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.

**16 Creditors: amounts falling due after more than one year**

|                              | <b>2022</b>   | 2021   |
|------------------------------|---------------|--------|
|                              | <b>£000's</b> | £000's |
| Incentive compensation plans | <b>1</b>      | -      |
|                              | <b>1</b>      | -      |



## Wellset Repro Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 17 Called up share capital

|                                 | 2022<br>Number | 2021<br>Number | 2022<br>£ | 2021<br>£ |
|---------------------------------|----------------|----------------|-----------|-----------|
| <b>Allotted and fully paid:</b> |                |                |           |           |
| A ordinary shares of £0.01 each | 15,980         | 9,303          | 160       | 93        |
| B ordinary shares of £0.01 each | 2,818          | 6,677          | 28        | 67        |

There are two classes of ordinary shares - Ordinary A shares and Ordinary B shares.

Each Ordinary A share is entitled to one vote in any circumstances. The holders of the A shares at any time are entitled to receive a preference dividend in accordance with Clause 39 of the Articles. Thereafter, each share is entitled, pari passu, to any other distribution, and to participate pari passu in a distribution arising on a winding up of the Company. The shares were not issued as redeemable shares, nor do they confer any rights of redemption.

Each Ordinary B share is entitled to one vote in any circumstances. On the acquisition of any B shares by the holder of the A shares, those shares shall be deemed to be re-designated as A shares in accordance with Clause 28 of the Articles. Each share is entitled, pari passu, to dividend payments or any other distribution, and to participate pari passu in a distribution arising on a winding up of the Company provided that the holder of the A shares has been paid the preference dividend in full in accordance with Clause 39 of the Articles. The shares were not issued as redeemable shares, nor do they confer any rights of redemption.

On 10 February 2022 the Company redesignated its 6,667 ordinary B shares of £0.01 each into ordinary A shares of £0.01 each ranking pari passu with the existing 9,303 ordinary A shares.

On 10 February 2022 the Company issued and allotted a total of 2,818 ordinary B shares of £0.01 each, amounting to 15.00% of the total share capital of the Company. The shares were issued to two employees for total consideration of £231,000.

#### 18 Capital and other commitments

|  | 2022<br>£000's | 2021<br>£000's |
|--|----------------|----------------|
|--|----------------|----------------|

##### Operating lease commitment

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

##### Payments due:

|   |            |            |
|---|------------|------------|
| - Not later than one year                           | 70         | 70         |
| - Later than one year and not later than five years | 52         | 122        |
| <b>Total minimum lease commitments</b>              | <b>122</b> | <b>192</b> |

## Wellset Repro Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 19 Contingent liabilities

The Company is not party to any commitments or guarantees including composite cross guarantees between banks and fellow subsidiaries except for The Interpublic Group of Companies, Inc. pooling arrangements with HSBC Bank Plc. The interest rate is linked to a variable base rate and borrowings are secured by parent company guarantees.

#### 20 Share based payments

##### Long term incentive plans

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., along with other companies in the Interpublic group, participates in The Interpublic Group of Companies, Inc. long term incentive plans. Refer to The Interpublic Group of Companies, Inc. 2022 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

|  | 2022<br>£000's | 2021<br>£000's |
|--|----------------|----------------|
| Total expense recognised for equity-settled share based transactions         | 771            | -              |
| Total expense recognised for share based transactions                        | 771            | -              |
| Closing liability/other reserves for equity-settled share based transactions | 2              | -              |

##### 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.

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 ranges from 0.00% to 300.00% of the target amount of units originally granted. Stock-based compensation expense is amortised 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.

## Wellset Repro Limited

### Notes to the financial statements for the year ended 31 December 2022 (continued)

#### 20 Share based payments (continued)

##### Share Settled Performance Related Restricted Stock Units

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

|                            | 2022<br>No. of<br>units | 2022<br>Weighted<br>average fair<br>value (£) | 2021<br>No. of<br>units | 2021<br>Weighted<br>average fair<br>value (£) |
|----------------------------|-------------------------|---|-------------------------|---|
| Granted during the year    | 227                     | 27.45   | -                       | -   |
| Outstanding at 31 December | 227                     | 27.67   | -                       | -   |

|   | 2022<br>£000's | 2021<br>£000's |
|---|----------------|----------------|
| Compensation expense in connection with the restricted stock awards | 2              | -              |

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.

##### Share Settled Time Based Restricted Stock Units

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

|                            | 2022<br>No. of<br>units | 2022<br>Weighted<br>average fair<br>value (£) | 2021<br>No. of<br>units | 2021<br>Weighted<br>average fair<br>value (£) |
|----------------------------|-------------------------|---|-------------------------|---|
| Granted during the year    | 227                     | 27.45   | -                       | -   |
| Outstanding at 31 December | 227                     | 27.67   | -                       | -   |

|   | 2022<br>£000's | 2021<br>£000's |
|---|----------------|----------------|
| Compensation expense in connection with the restricted stock awards | 2              | -              |

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.

##### Company allotted share based payments

On 10 February the Company allotted a total of 2,818 ordinary B shares of £0.01 each to two employees as part of an equity settled share based payment arrangement. 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.

|                            | 2022<br>No. of units | 2022<br>Weighted average<br>fair value (£) | 2021<br>No. of units | 2021<br>Weighted average<br>fair value (£) |
|----------------------------|----------------------|--|----------------------|--|
| Granted during the year    | 2,818                | 707.33                                     | -                    | -  |
| Outstanding at 31 December | 2,818                | 707.33                                     | -                    | -  |

Compensation expense in connection with the shared based payment options was £767,000 in 2022 (2021: £nil)

## **Wellset Repro Limited**

### **Notes to the financial statements for the year ended 31 December 2022** (continued)

#### **21 Pensions**

##### **Defined contributions scheme**

The Company participates in a number of defined contribution pension schemes. The assets of the schemes are held separately from those of the Company in an independently administered fund. The pension cost represents contributions payable by the Company to the fund and amounted to £147,000 (2021: £103,000). At 31 December 2022, £12,000 remained unpaid and accrued (2021: £10,000).

#### **22 Related party transactions**

M Dyer jointly owns and controls Fulshire Limited, a property management company. Fulshire Limited leases the property at 116 High Street, Cranleigh, Surrey to the Company. During 2022 the Company made purchases of £70,000 (2021: £70,000) from Fulshire Limited. As at 31 December 2022, the Company owed £nil to Fulshire Limited (2021: £nil). All transactions are at market rate.

#### **23 Events after the reporting period**

No material events post statement of financial position have occurred.

#### **24 Company information**

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

#### **25 Ultimate parent undertaking and controlling party**

The immediate parent undertaking is IPG DXTRA (UK) Limited, a company registered in England and Wales. Copies of its financial statements are available from 135 Bishopsgate, London, EC2M 3AN.

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

The Interpublic Group of Companies, Inc. is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2022, and the smallest group of undertakings to consolidate these financial statements at 31 December 2022 is IPG Holdings (UK) Limited.

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

The consolidated financial statements for IPG Holdings (UK) Limited can be obtained from 135 Bishopsgate, London, United Kingdom, EC2M 3TP.