

G Plus Limited

Directors' Report and Consolidated Financial Statements

Registered number 4085569

31 December 2011

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G Plus Limited
Company Information

Directors P W Guilford
T L Harrison
N J Taylor
P D Trueman
J C B Whitworth
A W Wreford (alternate to T Harrison)
D A Adams
K Comerford
G Kreuzhuber
T M Price

N J Taylor resigned on the 11th of August 2011

Company secretary S A Bray

Registered office 239 Old Marylebone Road
London
NW1 5QT

Auditors KPMG Audit Plc
15 Canada Square
London
United Kingdom
E14 5GL

Directors' report

The directors present their annual report and the audited consolidated financial statements for the year ended 31 December 2011

Principal activities

The principal activity of the company and the group is EU political strategy, policy development and media relations

Business review

2011 was a year of two halves. General economic sentiment in G Plus' principal markets in the first half of the year had returned to positive, with many politicians and company executives believing that the worst of the crisis had passed. This coincided with a feeling within G Plus of renewal, a new management team having been put in place in 2010 keen to take advantage of any economic up-turn.

A number of significant pieces of new work came on stream in the first 6 months, in both our core markets and in new disciplines. We were also successful in winning clients away from competitors. In June the management appointed a new Partner.

Yet as Europe began its annual summer break, dark clouds were forming on the horizon. The global economic outlook took a turn for the worse. The monetary crisis of confidence in the Euro which gathered steam in August soon translated into the real economy. The second half of the year therefore did not live up to expectations created in the first half.

Nevertheless, 2011 was another successful year for G Plus, with revenues and profit both exceeding the forecasts. Revenue was up 2.8% year on year to £12.7m, with overall profits also up, by 4.6% to £5m. The top line figures mask a noticeable shift in the origin of the company's clients. Revenues from the UK dropped, whereas revenue from non-UK European clients rose 15.9% and revenue from international clients outside of Europe rose 24.9%.

These positive results came about in spite of significant investments in two areas.

First of all, two new branches of G Plus Europe were established, in Berlin (from November 2011) and Paris (January 2012). Making a success of these ventures will be a priority for management in 2012, and one which will continue to need investment, both in financial and human resources.

Secondly, 2011 saw the realignment of the company's support structures. Our former COO moved on, as expected, giving us the opportunity to create a core Financial Director post and a separate Operations and Human Resources position. This marks the first time G Plus has employed a dedicated HR professional, thereby strengthening our commitment to staff welfare & development.

The two greatest risks facing the business remain the potential loss of clients and the potential loss of key staff and consultants. The majority of the company's revenues come from monthly retainers, the bulk of which have been in place for several years. This provides a relatively stable income base and a high level of visibility at least 3 months ahead. It must be said however that in 2011 the company secured a number of pieces of work on a project basis. These were lucrative in the short-term but made it more difficult to play through the end of the year.

Directors' report

The company's management regularly reviews both the health of its existing client relationships and the profitability of each client. In 2011 we reinforced systems to reduce systematic over-servicing in certain areas. We should start to see the fruits of that strategy in 2012.

The company's management is always seeking to diversify the client base. We have strategies in place both for maximising our ability to retain our bigger clients, and for diversifying the company's client base to reduce their dominance. The company is constantly re-evaluating its approach to new business and in 2011 made in particular one senior hire which was designed to give the company greater clout and respect in one sector, namely financial services. This strategy is already paying off.

The continued volatility in the currency markets also has an impact on the company's profits. The management entered into forward currency contracts to mitigate that risk in 2011, not always successfully it must be said, and will continue to seek out ways to reduce the risk of the market volatility, working in conjunction with our parent company's Treasury team.

Post balance sheet events

Dividends

An interim dividend in respect of the year 2011 was declared by the directors in April 2012. The dividend will be paid and recognized in the financial statements of 2012.

The dividends paid during the year comprise a final dividend of £3.36 per 'A' and 'B' ordinary shares in respect of the year ended 31 December 2010.

Directors

The directors who held office during the year were as follows:

P W Guilford

T L Harrison

N J Taylor (resigned 11 August 2011)

P D Trueman

J C B Whitworth

A W Wreford (alternate to T Harrison) (resigned 31 December 2011)

D A Adams

K Comerford (resigned 31 December 2011)

G Kreuzhuber

T M Price

Political and charitable contributions

The Company made no political contributions during the year (2010: £nil). Donations to charities amounted to £21,524 (2010: £22,700).

Directors' report

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are individually unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of KPMG Audit Plc as auditors of the Company is to be proposed at the forthcoming Annual General Meeting

By order of the board



T M Price
Director
239 Old Marylebone Road
London
NW1 5QT

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the parent company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonable open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities

KPMG Audit Plc

15 Canada Square
London
E14 5GL
United Kingdom

Independent auditor's report to the members of G Plus Limited

We have audited the financial statements of G Plus Limited for the year ended 31 December 2011 set out on pages 8 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities in respect of the Directors' Report and the financial statements (set out on page 5), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with relevant law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent Company's affairs as at 31 December 2011 and of the group's profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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

K Wightman

Partner

For and on behalf of KPMG Audit Plc, Statutory Auditor

Date *29.05.2012*

Consolidated profit and loss account

for the year ended 31 December 2011

	Note	2011 £	2010 £
Gross billings		12,744,704	12,389,090
Direct costs		<u>(5,288,959)</u>	<u>(4,974,400)</u>
Gross profit		7,455,745	7,414,690
Administrative expenses		<u>(2,471,821)</u>	<u>(2,651,287)</u>
Group operating profit		4,983,924	4,763,403
Other interest receivable and similar income		<u>27,862</u>	<u>39,369</u>
Profit on ordinary activities before taxation	3	5,011,786	4,802,772
Tax on profit on ordinary activities	6	<u>(1,308,143)</u>	<u>(1,422,157)</u>
Profit for the financial year attributable to members of the parent company	13	<u><u>3,703,643</u></u>	<u><u>3,380,615</u></u>

The results shown above are derived wholly from continuing operations

Consolidated balance sheet

as at 31 December 2011

	Note	2011		2010	
		£	£	£	£
Fixed assets					
Tangible assets	8		152,793		158,371
Current assets					
Debtors	10	6,980,489		6,634,944	
Cash at bank and in hand		<u>239</u>		<u>1,810</u>	
		6,980,728		6,636,754	
Creditors Amounts falling due within one year	11	<u>(3,277,146)</u>		<u>(3,210,023)</u>	
Net current assets			<u>3,703,582</u>		<u>3,426,731</u>
Net assets			<u>3,856,375</u>		<u>3,585,102</u>
Capital and reserves					
Called up share capital	12	9,298		9,298	
Share premium account	13	18,489		18,489	
Other reserves	13	754		754	
Profit and loss account	13	<u>3,827,834</u>		<u>3,556,561</u>	
Equity shareholders' funds			<u>3,856,375</u>		<u>3,585,102</u>

These financial statements were approved by the board of directors on 25.05.2012 and were signed on its behalf by



T M Price
 Director

Company balance sheet

as at 31 December 2011

	Note	2011 £	2010 £
Fixed assets			
Tangible assets	8	7,259	14,604
Investments	9	<u>1</u>	<u>1</u>
		<u>7,260</u>	<u>14,605</u>
Current assets			
Debtors	10	5,419,399	4,259,410
Cash at bank and in hand		<u>-</u>	<u>694</u>
		5,419,399	4,260,104
Creditors Amounts falling due within one year	11	<u>(2,635,427)</u>	<u>(1,556,239)</u>
Net current assets		<u>2,783,972</u>	<u>2,703,865</u>
Net assets		<u>2,791,232</u>	<u>2,718,470</u>
Capital and reserves			
Called up share capital	12	9,298	9,298
Share premium account	13	18,489	18,489
Other reserves	13	754	754
Profit and loss account	13	<u>2,762,691</u>	<u>2,689,929</u>
Shareholders' funds		<u>2,791,232</u>	<u>2,718,470</u>

These financial statements were approved by the board of directors on 25 05 2012 and were signed on its behalf by



T M Price
 Director

Cash Flow Statement

for the year ended 31 December 2011

	2011	2010
	£	£
Operating profit	4,983,924	4,763,403
Depreciation charge	76,370	75,932
Increase in debtors	(1,293,482)	(9,315)
Increase in creditors	<u>113,498</u>	<u>960,300</u>
Net cash inflow from operating activities	<u>3,880,310</u>	<u>5,790,320</u>
Returns on investments and servicing of finance		
Interest received	27,862	39,369
Taxation	(1,354,620)	(2,278,604)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(74,521)	(51,632)
Equity dividends paid	(3,380,615)	(3,401,448)
Management of Liquid resources		
Decrease/(increase) in advances to the ultimate parent undertaing repayable on demand	<u>900,013</u>	<u>(140,872)</u>
Decrease in net cash	<u>(1,571)</u>	<u>(42,867)</u>
Reconciliation of net cash flow to movement in net debt		
(Decrease) in net cash	(1,571)	(42,867)
Cash used to (decrease)/increase liquid resources	<u>(900,013)</u>	<u>140,872</u>
(Decrease)/Increase in net funds resulting from cash flows	(901,584)	98,005
Exchange adjustments	<u>-</u>	<u>(1,995)</u>
(Decrease)/Increase in net funds in the year	(901,584)	96,010
Net funds at 1 January	<u>5,474,752</u>	<u>5,378,742</u>
Net funds at 31 December	<u>4,573,168</u>	<u>5,474,752</u>

Statement of total recognised gains and losses

for the year ended 31 December 2011

	Note	2011 £	2010 £
Group			
Profit for the financial year		3,703,643	3,380,615
Foreign currency translation differences		(51,755)	(36,642)
Capital reduction - share premium		-	754
Total recognised gains and losses relating to the financial year		<u>3,651,888</u>	<u>3,344,727</u>
	Note	2011 £	2010 £
Company			
Profit for the financial year		3,453,377	3,623,625
Capital reduction - other reserves		-	754
Total recognised gains and losses relating to the financial year		<u>3,453,377</u>	<u>3,624,379</u>

Reconciliation of movements in shareholders' funds

for the year ended 31 December 2011

Group

	2011	2010
	£	£
Profit attributable to the members of the group	3,703,643	3,380,615
Dividends	<u>(3,380,615)</u>	<u>(3,401,448)</u>
Retained profit/(loss)	<u>323,028</u>	<u>(20,833)</u>
Net exchange loss on foreign currency borrowings less deposits	(51,755)	(36,642)
Capital reduction	<u>-</u>	<u>754</u>
	(51,755)	(35,888)
Shareholders' funds at 1 January	<u>3,585,102</u>	<u>3,641,823</u>
Shareholders' funds at 31 December	<u><u>3,856,375</u></u>	<u><u>3,585,102</u></u>

Company

	2011	2010
	£	£
Profit attributable to the members of the company	3,453,377	3,623,625
Dividends	<u>(3,380,615)</u>	<u>(3,401,448)</u>
Retained profit	<u>72,762</u>	<u>222,177</u>
Capital reduction	<u>-</u>	<u>754</u>
	-	754
Shareholders' funds at 1 January	<u>2,718,470</u>	<u>2,495,539</u>
Shareholders' funds at 31 December	<u><u>2,791,232</u></u>	<u><u>2,718,470</u></u>

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to as at December 31 2011

Subsidiary undertakings are included using the acquisitions method of accounting Under this method the group profit and loss account and statement of cashflows include the results and cashflows of subsidiaries from the date of acquisition and to the date of sale outside the group in the case of disposals of subsidiaries The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition

No profit and loss account is presented for the company as permitted by Section 408 of the Companies Act 2006 Its profit for the financial year was £3,453,377 (2010 - £3,623,625)

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Furniture and equipment - 20% to 33% straight line

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Notes

(continued)

2 Segmental information

An analysis of turnover by geographical location is given below

	2011	2010
	£	£
Sales - UK	9,092,199	9,313,894
Sales - Europe	2,409,433	2,079,767
Sales - Rest of world	<u>1,243,072</u>	<u>995,429</u>
	<u><u>12,744,704</u></u>	<u><u>12,389,090</u></u>

3 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated

after charging

	2011	2010
	£	£
Depreciation and other amounts written off tangible fixed assets owned	76,370	75,932
Exchange losses	4,155	-
Hire of other assets - rentals payable under operating leases	<u>121,170</u>	<u>118,296</u>

after crediting

Exchange gains	<u>-</u>	<u>(107,385)</u>
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Auditors' remuneration

	2011	2010
	£	£
Audit of these financial statements	<u>32,496</u>	<u>30,000</u>

Notes

(continued)

4 Remuneration of directors

The directors' remuneration for the year was as follows

	2011	2010
	£	£
Directors' emoluments	208,578	242,310
	<u>208,578</u>	<u>242,310</u>

5 Staff numbers and costs

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

	Number of employees	
	2011	2010
Consultants	33	32
Non-consultants	7	7
Executives	1	1
	<u>41</u>	<u>40</u>

The aggregate payroll costs of these persons were as follows

	2011	2010
	£	£
Wages and salaries	1,782,300	1,817,611
Social security costs	445,417	441,904
	<u>2,227,717</u>	<u>2,259,515</u>

Notes

(continued)

6 Taxation

Analysis of charge in period

	2011	2010
	£	£
Current tax		
Corporation tax charge	1,393,083	1,398,424
Adjustments in respect of prior periods	<u>(46,036)</u>	<u>3,120</u>
	1,347,047	1,401,544
Double taxation relief	(222,132)	(157,917)
Foreign tax		
Current tax on income for period	<u>222,132</u>	<u>157,917</u>
Total current tax	<u>1,347,047</u>	<u>1,401,544</u>
Deferred tax		
Origination and reversal of timing differences	<u>(38,904)</u>	<u>20,613</u>
Total deferred tax	<u>(38,904)</u>	<u>20,613</u>
Tax on profit on ordinary activities	<u><u>1,308,143</u></u>	<u><u>1,422,157</u></u>

Notes

(continued)

Factors affecting current tax charge for the year

The current tax charge for the period is higher than (2010 - higher than) the standard rate of corporation tax in the UK of 26.5% (2010 - 28%). The differences are explained below

	2011	2010
	£	£
Profit on ordinary activities before tax	<u>5,011,786</u>	<u>4,802,772</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.5% (2009 - 28%)	1,328,123	1,344,776
Capital allowances in excess of depreciation	6,445	9,956
Timing differences	(35,969)	32,059
Expenses not deductible for tax purposes	26,200	26,533
Adjustment for prior period	(46,036)	(1,808)
Effect of difference in foreign tax rates	<u>68,284</u>	<u>(9,972)</u>
Total current tax for the year	<u>1,347,047</u>	<u>1,401,544</u>

Accounting periods ending after the substantive enactment of the reduction to 26% and 25%

On 23 March 2011 the Chancellor announced the reduction in the main rate of UK corporation tax to 26 per cent with effect from 1 April 2011 and a further reduction to 25 per cent with effect from 1 April 2012. These changes became substantively enacted on 29 March 2011 and 5 July 2011 respectively and therefore the effect of these rate reductions creates a reduction in the deferred tax asset which has been included in the figures above.

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A further reduction to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012.

It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax asset accordingly.

7 Dividends and other appropriations

Dividends on shares classified as shareholders' funds

	2011	2010
	£	£
Interim dividend paid	<u>3,380,615</u>	<u>3,401,448</u>

Notes

(forming part of the financial statements)

8 Tangible fixed assets

Group

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
At 1 January 2011	207,322	268,186	475,508
Additions	23,125	48,703	71,828
Exchange differences	(4,883)	(5,187)	(10,070)
At 31 December 2011	<u>225,564</u>	<u>311,702</u>	<u>537,266</u>
Depreciation			
At 1 January 2011	148,308	168,829	317,137
Charge for the year	26,691	49,679	76,370
Exchange differences	(4,432)	(4,602)	(9,034)
At 31 December 2011	<u>170,567</u>	<u>213,906</u>	<u>384,473</u>
Net book value			
At 31 December 2011	<u>54,997</u>	<u>97,796</u>	<u>152,793</u>
At 31 December 2010	<u>59,014</u>	<u>99,357</u>	<u>158,371</u>

Notes

(continued)

Company

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
At 1 January 2011	8 413	56,902	65,315
Additions	-	2,365	2,365
At 31 December 2011	<u>8,413</u>	<u>59,267</u>	<u>67,680</u>
Depreciation			
At 1 January 2011	8,413	42,298	50,711
Charge for the year	-	9,710	9,710
At 31 December 2011	<u>8,413</u>	<u>52,008</u>	<u>60,421</u>
Net book value			
At 31 December 2011	<u>-</u>	<u>7,259</u>	<u>7,259</u>
At 31 December 2010	<u>-</u>	<u>14,604</u>	<u>14,604</u>

Notes

(forming part of the financial statements)

9 Investments

Company

Shares in group undertakings and participating interests

	Shares in group undertakings £	Total £
Cost		
At 1 January 2011	1	1
At 31 December 2011	1	1
Net book value		
At 31 December 2011	1	1
At 31 December 2010	1	1

Details of undertakings

The principal companies in which the Company's interest at the year end is more than 20% are as follows

Undertaking	Country of incorporation	Principal activity	Class of shares held	Percentage of shares held
Subsidiary undertakings				
G Plus Europe Limited	United Kingdom	European Communications Consultancy	Ordinary shares	100%

Notes

(continued)

10 Debtors

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	1,107,598	1,010,811	441,903	231,571
Amounts owed by group undertakings - trading balances	1,064,344	12,130	1,064,344	12,130
Amounts owed by group undertakings - loans and advances	4,572,929	5,472,943	3,850,228	3,989,391
Taxation and social security	56,019	40,356	-	-
Other debtors	14,667	7,893	-	-
Deferred tax	56,917	18,013	17,163	18,013
Prepayments and accrued income	108,015	72,798	45,761	8,305
	<u>6,980,489</u>	<u>6,634,944</u>	<u>5,419,399</u>	<u>4,259,410</u>

Deferred tax shown under debtors fall due for payment after more than one year. All other amounts shown under debtors fall due with one year.

The Company participates in a cash concentration arrangement with its fellow subsidiary, Omnicom Finance plc, the Omnicom Europe Limited group's UK treasury operation, under which bank balances are cleared to zero on a daily basis either by the Company depositing cash with Omnicom Finance plc or by Omnicom Finance plc depositing cash with the Company. Included in Amounts owed by group undertakings and representing cash deposited by the Company under these arrangements, is £4,572,929 (2010 £5,472,943) for the Group and £3,850,228 (2010 £3,989,391) for the Company.

Deferred tax

Analysis of deferred tax

Group

	2011	2010
	£	£
Other timing differences	<u>56,917</u>	<u>18,013</u>

Company

	2011	2010
	£	£
Other timing differences	<u>17,163</u>	<u>18,013</u>

Notes

(continued)

11 Creditors: amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade creditors	531,831	339,826	178,744	175,378
Amounts owed to group undertakings - trading balances	859	-	1,167,412	47,656
Taxation and social security	859,518	825,534	843,990	671,171
Accruals and deferred income	1,884,938	2,044,663	445,281	662,034
	<u>3,277,146</u>	<u>3,210,023</u>	<u>2,635,427</u>	<u>1,556,239</u>

12 Called up share capital

		2011	2010	2011	2010
		Number	Number	£	£
<i>Authorised</i>					
Equity	"A" ordinary shares of £ 0 005 each	150,800	150,800	754	754
Equity	"B" ordinary shares of £ 0 01 each	9,849,200	9,849,200	98,492	98,492
		<u>10,000,000</u>	<u>10,000,000</u>	<u>99,246</u>	<u>99,246</u>
<i>Allotted, called up and fully paid</i>					
Equity	"A" ordinary shares of £ 0 005 each	150,800	150,800	754	754
Equity	"B" ordinary shares of £ 0 01 each	854,400	854,400	8,544	8,544
		<u>1,005,200</u>	<u>1,005,200</u>	<u>9,298</u>	<u>9,298</u>

Notes
 (continued)

13 Share premium and reserves

Group

	Share premium account £	Other reserves £	Profit and loss account £	Total £
At 1 January 2011	18,489	754	3,556,561	3,575,804
Profit for the year	-	-	3,703,643	3,703,643
Dividends	-	-	(3,380,615)	(3,380,615)
Net exchange loss on foreign currency borrowings less deposit	-	-	(51,755)	(51,755)
At 31 December 2011	<u>18,489</u>	<u>754</u>	<u>3,827,834</u>	<u>3,847,077</u>

Company

	Share premium account £	Other reserves £	Profit and loss account £	Total £
At 1 January 2011	18,489	754	2,689,929	2,709,172
Profit for the year	-	-	3,453,377	3,453,377
Dividends	-	-	(3,380,615)	(3,380,615)
At 31 December 2011	<u>18,489</u>	<u>754</u>	<u>2,762,691</u>	<u>2,781,934</u>

Notes

(continued)

14 Commitments

Annual commitments under non-cancellable operating leases are as follows

	2011		2010	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Operating leases which expire				
Within one year	-	4,454	-	2,698
In the second to fifth years inclusive	41,754	-	100,598	-
Over five years	59,114	-	-	-
	<u>100,868</u>	<u>4,454</u>	<u>100,598</u>	<u>2,698</u>

15 Related party disclosures

The immediate holding company is DAS Europe Limited ("DAS") and the ultimate parent company is Omnicom Group Inc

During the year, Diversified Agency Services Ltd and Omnicom Group Inc recharged rent, insurance and other expenses to the company totalling £174,684 (2010 £53,688) The balances owed to these companies at the year end in respect of these costs amounted to £Nil (2010 - £Nil)

At the year end the company and its subsidiary were owed £4,572,929 (2010 - £5,472,943) by Omnicom Group Inc in respect of intra company loans

During the year the company and its subsidiary provided consultancy services in the normal course of business to companies ultimately controlled by Omnicom Group Inc The names of related parties, the aggregate value of the transactions, and the amounts outstanding at the year end were as follows

	2011	2011	2010	2010
	Value of transactions	Receivable at year end	Value of transactions	Due to/Due from at year end
	£	£	£	£
Ketchum Ltd	2,793,140	322,141	2,880,472	-
Ketchum Inc	-	-	-	12,130
Diversified Energy Communications Ltd	5,559,930	742,203	5,616,137	-

Notes

(continued)

During the year DAS France Limited, a company ultimately controlled by Omnicom Group Inc, provided consultancy services amounting to £157,616 (2010 - £158,545) in the normal course of business to the group. There was no outstanding balance at the year end (2010 - £Nil)

During the year Batten & Company, a company ultimately controlled by Omnicom Group Inc, recharged rent and other expenses to the company totalling £3,046 (2010 - £NIL) in the normal course of business to the company. There was no outstanding balance at the year end (2010 - £Nil)

During the year, fees of £130,752 (2010 - £109,525) were paid to Moathouse Communications SPRL, a company controlled by P W Guildford, in respect of consultancy services. The balance outstanding at year end amounted to £14,440. Fees of £294,862 (2010 - £234,274) were paid to Kika Consulting, a company controlled by T M Price. There was no outstanding balance at year end. Fees of £381,969 (2010 - £292,781) were paid to Soluzione Settembrini, a company controlled by G Kreuzhuber. There was no outstanding balance at year end.

16 Ultimate parent company and parent undertaking of larger group of which the company is a member

The Company is a subsidiary undertaking of Omnicom Group Inc incorporated in the United States of America.

The largest group in which the results of the company are consolidated is that headed by Omnicom Group Inc. The consolidated accounts of this company are available to the public and may be obtained from Omnicom Group Inc, 437 Madison Avenue, New York, NY10022, USA. No other group accounts include the results of the company.