

Registration number: 1336553

Abbott Mead Vickers Group Limited

Strategic Report, Directors' Report and Financial Statements

for the Year Ended 31 December 2015

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Abbott Mead Vickers Group Limited

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Abbott Mead Vickers Group Limited

Company Information

Directors	J. Byrnes S. Carter P. Snowball
Company secretary	S.A. Bray
Registered office	239 Old Marylebone Road London NW1 5QT
Auditors	KPMG LLP 15 Canada Square Canary Wharf London E14 5GL

Abbott Mead Vickers Group Limited

Strategic Report for the Year Ended 31 December 2015

The Directors present their strategic report for the year ended 31 December 2015.

The purpose of this strategic report is to inform members of the company and help them assess how the directors have performed their duty under section 172 of the Companies Act 2006 (duty to promote the success of the company).

Fair review of the business development and performance during the financial year

The principal activity of the Company is to act as a holding company, and in addition to this, to provide services to BBDO UK subsidiaries, costs for which are recharged. A list of the Company's principal subsidiaries and associated undertakings is given in note 17 to the financial statements.

The company's key financial and other performance indicators during the year were as follows:

	Unit	2015	2014
Total administrative expenditure incurred	£	828,870	3,725,841

The key indicators that are reviewed for the operating subsidiaries focus on revenue, operating margin and administrative expenses excluding goodwill amortisation.

The decrease in administrative expenditure in 2015 is mainly due to change of group recharge basis to include overhead expenditure and additional people cost, not previously recharged.

Position of the Company at the year end

At the end of the year the Company had net current assets of £47,921,748 (2014: £38,904,504). The directors consider that the Company has access to sufficient funding to meet its needs for the reasons set out in note 1 to the financial statements. Accordingly, the directors have prepared the financial statements on a going concern basis.

Abbott Mead Vickers Group Limited

Strategic Report for the Year Ended 31 December 2015

Principal risks and uncertainties

Our employees are our most important assets and our ability to attract and retain key personnel is an important aspect of our competitiveness. If we are unable to attract and retain key personnel, including highly skilled technically proficient personnel, our ability to provide our services in the manner our customers have come to expect may be adversely affected. This could harm our reputation and result in a loss of clients, which could have a material adverse effect on our results and financial position.

Our subsidiaries' clients generally are able to reduce advertising and marketing spending or cancel projects at any time on short notice for any reason. It is possible that our clients could reduce spending in comparison to historical patterns. A significant reduction in advertising and marketing spending by our largest clients, or the loss of several of our largest clients, if not replaced by new clients or an increase in business from existing clients, would adversely affect our revenue and could have a material adverse effect on our results and financial position.

We rely on information technology systems and infrastructure to process transactions, summarize results and manage our business, including maintaining client marketing and advertising information. Our information technology systems are potentially vulnerable to system failures and network disruptions, malicious intrusion and random attack. Likewise, data security incidents and breaches by employees and others with or without permitted access to our systems may pose a risk that sensitive data may be exposed to unauthorized persons or to the public. Additionally, we utilize third parties, including cloud providers, to store, transfer or process data. While we have taken what we believe are prudent measures to protect our data and information technology systems, there can be no assurance that our efforts will prevent system failures or network disruptions or breaches in our systems, or in systems of third parties we use, that could adversely affect our reputation or business.

Brexit

The vote to leave the EU has brought about uncertainty affecting economic outlook in all sectors of the UK economy.

At these early stages of the leave process it is unclear what will be negotiated between the EU and the UK government and to what extent it will affect both economies, and media sector in particular. We are monitoring developments in this respect.

Abbott Mead Vickers Group Limited

Strategic Report for the Year Ended 31 December 2015

The main trends and factors likely to affect future development, performance and position of the Company's business

In the normal course of business, our agencies enter into contractual commitments with media providers and production companies on behalf of our clients at levels that can substantially exceed the revenue from our services. These commitments are included in accounts payable when the services are delivered by the media providers or production companies. If permitted by local law and the client agreement, many of our agencies purchase media and production services for our clients as an agent for a disclosed principal. In addition, while operating practices vary by country, media type and media vendor.

Where purchases of media and production services are made by our agencies as a principal or are not subject to the theory of sequential liability, the risk of a material loss as a result of payment default by our clients could increase significantly and such a loss could have a material adverse effect on our results and financial position. In addition, methods of managing the risk of payment default, including obtaining credit insurance, requiring payment in advance, mitigating the potential loss in the marketplace or negotiating with media providers, may be less available or unavailable during a severe economic downturn.

Global economic conditions have a direct impact on our business and financial performance. In particular, current global economic conditions pose a risk that our clients may reduce future spending on advertising and marketing services which could reduce the demand for our services. If domestic or global economic conditions worsen or do not improve, our results and financial position could be adversely affected. We will continue to closely monitor economic conditions, client revenue levels and other factors and, in response to reductions in our client revenue, if necessary, we will take actions available to us to align our cost structure and manage working capital. There can be no assurance whether, or to what extent, our efforts to mitigate any impact of future economic conditions, reductions in our client revenue, changes in client creditworthiness and other developments will be effective.

Global economic uncertainty, turmoil in the credit markets or a contraction in the availability of credit may make it more difficult for businesses, including us, to meet their working capital requirements and could lead clients to seek to change their financial relationship with their vendors, including us, and could cause our clients to reduce spending on our services, delay the payment for our services or take additional actions that would negatively affect our working capital. We could need to obtain additional financing to fund our day-to-day working capital requirements in such circumstances. There is no assurance that such additional financing would be available on favourable terms, if at all. Such circumstances could have a material adverse effect on our results and financial position.

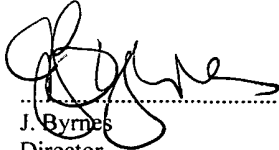
Government agencies and consumer groups directly or indirectly affect or attempt to affect the scope, content and manner of presentation of advertising, marketing and corporate communications services, through regulation or other governmental action. Any limitation on the scope or content of our services could affect our ability to meet our clients' needs, which could have a material adverse effect on our results and financial position. In addition, there has been a tendency on the part of businesses to resort to the judicial system to challenge advertising practices. Such actions by businesses or governmental agencies could have a material adverse effect on our results and financial position.

Additionally, government or legislative action may limit the tax deductibility of advertising expenditures by certain industries or for certain products and services. These actions could cause our clients affected by such actions to reduce their spending on our services which could have a material adverse effect on our results and financial position. Further, laws and regulations, related to user privacy, use of personal information and Internet tracking technologies have been proposed or enacted in the United States and certain international markets. These laws and regulations could affect the acceptance of new communications technologies and the use of current communications technologies as advertising mediums. These actions could affect our business and reduce demand for certain of our services, which could have a material adverse effect on our results and financial position.

Abbott Mead Vickers Group Limited

Strategic Report for the Year Ended 31 December 2015

Approved by the Board on 28 September 2016 and signed on its behalf by:


.....
J. Byrnes
Director

Abbott Mead Vickers Group Limited

Directors' Report for the Year Ended 31 December 2015

The Directors present their report and the financial statements for the year ended 31 December 2015.

Principal activity

The principal activity of the company is to act as a holding company, and in addition to this, to provide services to BBDO UK subsidiaries, costs for which are recharged. A list of the company's principal subsidiaries and associated undertaking is given in note 17 to the financial statements.

The profit on ordinary activities before taxation for the financial year was £1,218,967 (2014: loss of £16,349,182). The profit for the financial year was £1,303,235 (2014: loss of £15,673,724).

Investment Activity

In December 2015 the Company received £8,000,000 on redemption of preference shares from BBDO European Holdings Limited.

Dividends

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2015 (2014: £nil).

Directors of the Company

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

J. Byrnes

S. Carter

P. Snowball

Political and charitable donations

The Company made no political donations during the year (2014: £nil). Donations to charity amounted to £3,569 (2014: £3,345).

Post balance sheet events

The Company's wholly owned subsidiary, Weapon 7 Limited, was dissolved on 26 January 2016.

Disclosure of information to the auditors

Each Director who held office at the date of approval of this directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

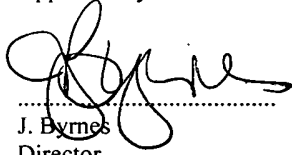
Reappointment of auditors

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

Abbott Mead Vickers Group Limited

Directors' Report for the Year Ended 31 December 2015

Approved by the Board on 28 September 2016 and signed on its behalf by:



.....
J. Byrnes
Director

239 Old Marylebone Road
London
NW1 5QT

Abbott Mead Vickers Group Limited

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has 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 Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the members of Abbott Mead Vickers Group Limited

We have audited the financial statements of Abbott Mead Vickers Group Limited for the year ended 31 December 2015, set out on pages 11 to 25. 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) including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 8), 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 applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors to the financial statements.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom 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 Strategic Report and 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent Auditor's Report to the members of Abbott Mead Vickers Group Limited



.....
Karen Wightman (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor

15 Canada Square
Canary Wharf
London
E14 5GL

Date: 29 September 2016

Abbott Mead Vickers Group Limited

Profit and Loss Account for the Year Ended 31 December 2015

	Note	2015 £	2014 £
Gross Profit/(loss)		-	-
Administrative expenses		(828,870)	(3,725,841)
Other operating income		-	118,302
Operating Loss	2	(828,870)	(3,607,539)
Income from shares in group undertakings		2,353,720	2,359,627
Income from other fixed asset investments		439,233	480,000
Other interest receivable and similar income	6	507,272	468,810
Gain/(loss) on disposal of fixed asset investments		-	75,242
Amounts written off investments		(932,403)	(15,827,000)
Interest payable and similar charges	7	(319,985)	(298,322)
Profit/(loss) before tax		1,218,967	(16,349,182)
Taxation	8	84,268	675,458
Profit/(loss) for the financial year		<u>1,303,235</u>	<u>(15,673,724)</u>

The results shown above are derived wholly from continuing operations. There were no recognised gains or losses in either the current or prior year except as shown above. Consequently, a statement of comprehensive income has not been prepared.

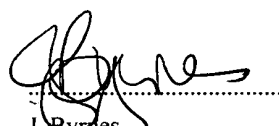
The notes on pages 14 to 25 form an integral part of these financial statements.

Abbott Mead Vickers Group Limited

(Registration number: 1336553)
Balance Sheet as at 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	9	13,395	37,454
Investments	10	142,208,661	149,772,221
		<u>142,222,056</u>	<u>149,809,675</u>
Current assets			
Debtors	11	139,179,108	124,784,304
Creditors: Amounts falling due within one year	12	(91,257,360)	(85,879,800)
Net current assets		<u>47,921,748</u>	<u>38,904,504</u>
Total assets less current liabilities		190,143,804	188,714,179
Creditors: Amounts falling due after more than one year	12	(401,671)	(275,281)
Net assets		<u>189,742,133</u>	<u>188,438,898</u>
Capital and reserves			
Called up share capital	13	3	3
Share premium reserve		1,027,402	1,027,402
Retained earnings		<u>188,714,728</u>	<u>187,411,493</u>
Total equity		<u>189,742,133</u>	<u>188,438,898</u>

Approved by the Board on 28 September 2016 and signed on its behalf by:


J. Byrnes
Director

Abbott Mead Vickers Group Limited

Reconciliation of movement in shareholder's funds for the Year Ended 31 December 2015

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 January 2015	3	1,027,402	187,411,493	188,438,898
Profit for the year	-	-	1,303,235	1,303,235
Total comprehensive income	-	-	1,303,235	1,303,235
At 31 December 2015	3	1,027,402	188,714,728	189,742,133
	Share capital £	Share premium £	Retained earnings £	Total £
At 1 January 2014	3	1,027,402	203,085,217	204,112,622
Loss for the year	-	-	(15,673,724)	(15,673,724)
Total comprehensive income	-	-	(15,673,724)	(15,673,724)
At 31 December 2014	3	1,027,402	187,411,493	188,438,898

The notes on pages 14 to 25 form an integral part of these financial statements.

Abbott Mead Vickers Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

1 Accounting policies

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules and the Companies Act 2006.

The financial statements are presented in sterling which is the Company's functional currency.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group accounts as the Company is included in the consolidated accounts of a larger group headed by Omnicom Group Inc., parent undertaking established under the law of the United States of America. These financial statements present information about the Company as an individual undertaking and not about its group.

The financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied.

These financial statements are the first financial statements prepared under FRS 102. In the transition to FRS 102, The Company has made no measurement recognition adjustments.

The Company participates in a cash concentration arrangement with its fellow subsidiary, Omnicom Finance plc, the 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. The Company's access to borrowings under the cash concentration arrangement is not limited as long as these borrowings are required in the normal course of business and are made in accordance with the Omnicom Group Inc Grant of Authority.

Omnicom Finance plc, is able to make this commitment because Omnicom Finance plc is a co-borrower with Omnicom Finance Inc. and Omnicom Capital Inc. under certain group bank facilities which are more fully described in the Omnicom Group Inc. financial statements filed on Form 10-K and available at www.OmnicomGroup.com.

The directors consider the combination of the group facilities and expected funding requirements of the Omnicom Group Inc. and its subsidiaries provides sufficient access to funding to ensure that the Company is able to meet its liabilities as they fall due for the foreseeable future. Accordingly, the directors have prepared the financial statements as a going concern.

Abbott Mead Vickers Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

Summary of disclosure exemptions

In these financial statements, the company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Related party transactions with other group companies that are wholly-owned by Omnicom Group Inc.;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the closing rates at balance sheet date. All exchange differences are included in the profit and loss account.

Tax

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Office Equipment	5 Years
Furniture, Fittings, Tools and Equipment	5 Years

Fixed asset investments

Investments in subsidiary undertaking are stated at cost less provision for impairment.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Abbott Mead Vickers Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

Dividends

Dividend income is recognised in the profit and loss accounts on the date the Company's right to receive payments is established.

Dividend distribution to the Company's shareholders is recognised as the liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

The Company operates a defined contribution pension plan under which it pays fixed contributions into a separate entity. Once the contributions have been paid, the Company has no further obligations. The contributions are recognised as an expense when they are due. The assets of the plan are held separately from the Group in independently administered funds.

2 Operating loss

Arrived at after charging

	2015 £	2014 £
Depreciation and other assets written off tangible fixed assets: owned	38,205	26,510
Foreign exchange losses	2,917	1,082
Hire of plant and machinery - rentals payable under operating leases	9,846	16,264
Hire of other assets - rentals payable under operating leases	<u>479,040</u>	<u>330,078</u>

During the year group recharges basis changed to include overhead expenditure and additional people cost.

3 Auditors' remuneration

	2015 £	2014 £
Audit of the financial statements	<u>26,265</u>	<u>25,750</u>

No other fees were paid to the auditor (2014: £nil).

Abbott Mead Vickers Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

4 Directors' remuneration

	2015	2014
	£	£
Directors' emoluments	453,896	477,334
Company contributions to money purchase pension schemes	41,401	46,498
	<u>495,297</u>	<u>523,832</u>

The aggregate emoluments of the highest paid director was £357,225 (2014: £352,416) and Company pension contributions of £37,961 (2014: £39,271) were made to a money purchase scheme.

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2015 No.	2014 No.
Received or were entitled to receive shares under long term incentive schemes	1	1
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>3</u>

The Company's directors participate in the restricted stock scheme operated by the Ultimate Parent Undertaking. Shares were received or receivable under this restricted share scheme by 1 director (2014: 1).

Under this scheme, certain directors have been awarded restricted units in the ultimate parent undertaking, Omnicom Group Inc. The restricted units typically vest in 20% annual increments provided the director remains an employee of the Omnicom group. Restricted units may not be sold, transferred, pledged or otherwise encumbered until the restrictions lapse. Under most circumstances, the director forfeits the units still subject to restriction if the director ceases employment prior to the end of the period of restriction.

Abbott Mead Vickers Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2015 £	2014 £
Wages and salaries	3,332,933	2,630,001
Share related awards	357,875	335,392
Social security costs	453,290	688,225
Pension and other post-employment benefit costs	127,155	124,433
	<u>4,271,253</u>	<u>3,778,051</u>

Included with the above staff costs are £2,429,319 (2014: £2,426,150) in relation to BBDO UK wide projects that were incurred in this entity and subsequently recharged out to the relevant companies.

The average number of persons employed by the Company during the year, analysed by category was as follows:

	2015 No.	2014 No.
Administration and support	<u>38</u>	<u>33</u>

6 Other interest receivable and similar income

	2015 £	2014 £
Receivable from group undertakings	<u>507,272</u>	<u>468,810</u>

7 Interest payable and similar charges

	2015 £	2014 £
Payable to group undertakings	<u>319,985</u>	<u>298,322</u>

Abbott Mead Vickers Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

8 Taxation

Tax charged/(credited) in the income statement

	2015 £	2014 £
Current taxation		
Current tax on income for the period	(103,349)	(748,545)
Adjustments in respect of previous periods	20,866	69,495
	<u>(82,483)</u>	<u>(679,050)</u>
Deferred taxation		
Origination and reversal of timing differences	(5,795)	(6,749)
Effect of increased/decreased tax rate on opening liability	4,010	3,288
Adjustment in respect of previous periods	-	7,053
Total deferred taxation	<u>(1,785)</u>	<u>3,592</u>
Tax receipt in the income statement	<u>(84,268)</u>	<u>(675,458)</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2014: lower than the standard rate of corporation tax in the UK) of 20.25% (2014: 21.5%).

The differences are reconciled below:

	2015 £	2014 £
Profit/(loss) before tax	<u>1,218,967</u>	<u>(16,349,182)</u>
Corporation tax at standard rate	246,841	(3,515,074)
Effect of expense not deductible in determining taxable profit (tax loss)	(355,985)	2,766,833
Deferred tax expense relating to changes in tax rates or laws	4,010	3,288
Increase in UK and foreign current tax from adjustment for prior periods	20,866	69,495
Total tax credit	<u>(84,268)</u>	<u>(675,458)</u>

Reductions in the UK corporation tax rate from 20% to 19% (effective 1 April 2017) and 19% to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future tax charge accordingly. The deferred tax asset at 31 December 2015 has been calculated based on the rates of 19% and 18% substantively enacted at the balance sheet date.

Abbott Mead Vickers Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

Deferred tax

Deferred tax assets and liabilities

	Asset £
2015	
Difference between accumulated depreciation and amortisation and capital allowances	10,143
Other timing difference	64,689
	<u>74,832</u>
2014	
Difference between accumulated depreciation and amortisation and capital allowances	5,968
Other timing difference	67,078
	<u>73,047</u>

9 Tangible fixed assets

	Furniture, fittings and equipment £	Office equipment £	Total £
Cost			
At 1 January 2015	98,677	32,370	131,047
Additions	-	14,146	14,146
Disposals	(98,677)	(2,164)	(100,841)
At 31 December 2015	<u>-</u>	<u>44,352</u>	<u>44,352</u>
Depreciation			
At 1 January 2015	71,595	21,998	93,593
Charge for the year	27,082	11,123	38,205
Disposal	(98,677)	(2,164)	(100,841)
At 31 December 2015	<u>-</u>	<u>30,957</u>	<u>30,957</u>
Carrying amount			
At 31 December 2015	<u>-</u>	<u>13,395</u>	<u>13,395</u>
At 31 December 2014	<u>27,082</u>	<u>10,372</u>	<u>37,454</u>

Abbott Mead Vickers Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

10 Fixed Asset Investments

Subsidiaries	Shares in group undertakings £	Other investments other than loans £	Total £
Cost			
At 1 January 2015	157,599,221	8,000,000	165,599,221
Additions	1,368,843	-	1,368,843
Disposals	-	(8,000,000)	(8,000,000)
At 31 December 2015	<u>158,968,064</u>	<u>-</u>	<u>158,968,064</u>
Adjustments			
At 1 January 2015	15,827,000	-	15,827,000
Impairment	932,403	-	932,403
At 31 December 2015	<u>16,759,403</u>	<u>-</u>	<u>16,759,403</u>
Carrying amount			
At 31 December 2015	<u>142,208,661</u>	<u>-</u>	<u>142,208,661</u>
At 31 December 2014	<u>141,772,221</u>	<u>8,000,000</u>	<u>149,772,221</u>

Additions relate to capital contributions made to DLV BBDO S.P.A and Weapon 7 Limited and included £932,403 contribution to Weapon 7 Limited to settle obligations prior to liquidation which was therefore written off immediately.

In December 2015, the Company received £8,000,000 on redemption of preference shares from BBDO Europe Holding Limited.

For the details of other undertakings, please see the note at the end of the statutory accounts.

11 Debtors

	Note	2015 £	2014 £
Amounts owed by group undertakings - trading balances		4,151,060	1,333,330
Amounts owed by group undertakings - loans and advances		134,928,510	123,154,034
Taxation and social security		-	285,698
Other debtors		23,639	(88,366)
Deferred tax assets	8	74,832	73,047
Prepayments and accrued income		1,067	26,561
		<u>139,179,108</u>	<u>124,784,304</u>

Abbott Mead Vickers Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

The Company participates in a cash concentration arrangement with its fellow subsidiaries, 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 - loans and advances is £54,612,341 (2014: £48,275,286) representing cash deposited by the Company under these arrangements.

12 Creditors

	2015 £	2014 £
Due within one year		
Amounts owed to group undertakings - trading balances	8,250,964	8,930,929
Amounts owed to group undertakings - loans and advances	80,316,169	74,878,748
Taxation and social security	149,171	69,083
Accruals and deferred income	2,541,056	2,001,040
	<u>91,257,360</u>	<u>85,879,800</u>
Due after one year		
Other creditors	<u>401,671</u>	<u>275,281</u>

13 Share capital

Allotted, called up and fully paid shares

	2015		2014	
	No.	£	No.	£
Ordinary shares of £0.05 each	<u>60</u>	<u>3</u>	<u>60</u>	<u>3</u>

14 Post balance sheet events

The Company's wholly owned subsidiary, Weapon 7 Limited, was dissolved on 26 January 2016.

15 Related party transactions

Summary of transactions with subsidiaries

At 31 December 2015, the Company's ultimate parent undertaking was Omnicom Group Inc. The shareholders of the Company have interest directly or indirectly in certain other companies which are considered to give rise to related party disclosures under FRS 102 Section 33.

As a 100% owned indirect subsidiary of Omnicom Group Inc., the Company has taken advantage of the exemption under FRS 102 Section 33.1A: Related Party Disclosures, which enable it to exclude disclosure of transactions with Omnicom Group Inc. and its wholly owned subsidiaries.

Abbott Mead Vickers Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

16 Parent and ultimate parent undertaking

The ultimate parent is Omnicom Group Inc., incorporated in the United States of America.

These Financial Statements are available upon request from Omnicom Group Inc., 437 Madison Avenue, New York, NY10022, USA, or at www.omnicomgroup.com.

No other group accounts include the results of the Company.

17 Details of undertaking

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Company number	Country of incorporation	Holding	Proportion of voting rights and shares held	Principle activity
Subsidiary undertakings					
AMV BBDO Investments Limited	1699246	England	Ordinary	100.00	Holding Company
Candover Company	288237	Ireland	Ordinary and	100.00	Holding Company
DLVBBDO S.p.A.	1535220	Italy	Ordinary	100.00	Advertising
Touch Italy Srl	05061640966	Italy	Ordinary	100.00	CRM
Weapon 7 Ltd	4280065	England	Ordinary	100.00	Advertising
Abbott Mead Vickers.BBDO Limited	1935786	England	Ordinary	100.00	Advertising
Drury Communications Limited	139459	Ireland	IR£0.01 10p	100.00	Public Relations
Omnicom Media Group s.r.l.	1324735	Italy	Ordinary	34.83	Media Agency
Proximity London Limited	2617496	England	Ordinary	100.00	Direct Marketing
ProximityBBDO S.r.l.	Mi. N. 1685449	Italy	Ordinary	100.00	CRM
Redwood Publishing Limited	03582472	England	Ordinary	100.00	Marketing

Abbott Mead Vickers Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

Tramway Investment Holdings Limited	145570	Ireland	Ordinary	100.00	Holding Company
Abbott Mead Vickers Group Pension Trustee Limited	3276270	England	Ordinary	100.00	Dormant
Formation Design and Marketing Limited	207836	Ireland	Ordinary	100.00	Sales Promotion
Irish International Communications Group Limited	23626 C	Ireland	Ordinary	100.00	Media Buying Company
Omnicom Media Group Holding Oy	0943535-0	Finland	Ordinary	13.00	Media Planning & Buying
Optimum Media Direction s.r.l.	1533070	Italy	Ordinary	100.00	Media Company
PHD s.r.l.	1613675	Italy	Ordinary	100.00	Media Agency
TecnoMedia s.r.l.	16511843	Italy	Ordinary	100.00	Media Company
Irish International Production Limited	193432	Ireland	Ordinary	100.00	Advertising
OmnicomMediaGroup (Ireland) Limited	312627	Ireland	Ordinary	50.00	Media Agency
Ainoa Helsinki Oy	2192580-3	Finland	Ordinary	100.00	Marketing
Omnicom Media Group Estonia OÜ	10116962	Estonia	Ordinary	90.00	Media Buying Company
Omnicom Media Group Finland Oy	1952418-9	Finland	Ordinary	77.29	Advertising
Omnicom Media Group SIA	40003856164	Latvia	Capital	66.32	Advertising
Omnicom Media Group UAB	111632739	Lithuania	Ordinary	85.00	Media Advertising Services
Banner Suite Oy	2448473-2	Finland	Ordinary	100.00	Media Agency
OMD Estonia OU	11242255	Estonia	Common	100.00	Media Buying Company

Abbott Mead Vickers Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

OMD Finland Oy	2049047-3	Finland	Ordinary	100.00	Media Buying Company
OMD Latvia SIA	40003386291	Latvia	Ordinary	100.00	Advertising services
OMD, UAB	300631883	Lithuania	Ordinary	100.00	Advertising
Optimum Media Direction (Ireland) Limited	456210	Ireland	Ordinary	100.00	Advertising
PHD Estonia OU	11241770	Estonia	Common	100.00	Media Buying Company
PHD Latvia SIA	40003861324	Latvia	Capital	100.00	Advertising
PHD Media (Ireland) Limited	456209	Ireland	Ordinary	100.00	Media Agency
PHD, UAB	300631890	Lithuania	Ordinary	100.00	Advertising
Toinen PHD Oy	2516734-1	Finland	Ordinary	100.00	Marketing
Kopla Helsinki Oy	2439374-2	Finland	Ordinary	41.00	Marketing
Viestintatoimisto Myy Oy	2383448-9	Finland	Ordinary	20.00	Marketing
Vilja Helsinki Oy	2413895-2	Finland	Ordinary	30.00	Marketing