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Registration number 3097778

DAS UK Investments Limited

Strategic Report, Directors' Report and Consolidated Financial Statements

for the Year Ended 31 December 2014

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DAS UK Investments Limited

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- DAS UK Investments Limited
Strategic Report for the Year Ended 31 December 2014

The directors present their strategic report for the year ended 31 December 2014

The purpose of this strategic report is to inform members of the group 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)

Development and performance of the business of the Group during the financial year

The key indicators that we review focus on revenue, staff costs and operating margin. Our revenue increased by 5.7% (2013: 0.6%).

Because we are a service business, we monitor expenses on a percentage of revenue basis. We measure expenses in two distinct cost categories: staff costs and all other operating expenses. Staff costs are primarily comprised of salaries, social security and employer pension contributions. Other operating expenses are primarily comprised of rent and occupancy costs, technology related costs and depreciation. Staff costs tend to fluctuate in conjunction with changes in revenue, whereas other operating costs tend to be relatively fixed in nature. Staff costs declined to 45.3% (2013: 50.3%) of revenue. Our operating margin decreased to 7.4% (2013: 8.9%).

Acquisitions

On 20 February 2014 the group acquired 14,310 (100%) Ordinary shares of MPMC Holdings Limited.

On 30 May 2014 the group acquired 76,350 (100%) Ordinary shares of Haygarth Enterprises Limited.

On 12 August 2014 the group acquired 62,659 (100%) Ordinary shares of The Planning Shop International Limited.

Position of the Group at the year end

At the end of the year the Group had net current assets of £36.3m (net current assets in 2013: £44.1m). The Directors consider that the Group has access to sufficient funds 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.

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, which could harm our reputation and result in a loss of clients, which could have a material adverse effect on our results of operations and financial position.

Our 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, or they could reduce future spending. 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 of operations and financial position.

DAS UK Investments Limited
Strategic Report for the Year Ended 31 December 2014

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.

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

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 of operations 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 favorable terms, if at all. Such circumstances could have a material adverse effect on our results of operations 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 of operations 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 of operations 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 of operations 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 of operations and financial position.

Approved by the Board on 1 December 2015 and signed on its behalf by

DAS UK Investments Limited
Strategic Report for the Year Ended 31 December 2014


P D Trueman
Director

DAS UK Investments Limited

Directors' Report for the Year Ended 31 December 2014

The directors present their report and the consolidated financial statements for the year ended 31 December 2014

Principal activity

The Company's business activity is that of a holding company and its subsidiaries are agencies providing advertising, marketing, research and communication services

Capital Contributions

The capital contributions received in 2014 were for the purpose of funding the payments for the 2014 acquisitions

Dividends

The Company paid dividends of £33,522,755 during 2014 (2013 £nil)

In February 2015 and in August 2015, the Company paid Interim Dividends of £18,178,000 and £8,960,000, respectively. These have not been included in the accounts, as required by FRS 21

Post balance sheet events

In April 2015, the Company received a capital investment from its parent, DAS Europe Limited of £183,323

In May 2015, the Company received a capital investment from its parent, DAS Europe Limited of £2,468,396

On 12 October 2015, the Company reallocated £500,000 from the Share Premium account to the Profit and Loss account and on 24 November 2015 made a further reallocation of £5,500,000

On 25 November 2015, the Company received a capital investment from its parent DAS Europe Limited of £455,445 and made a further payment of the same amount to the vendors of The Planning Shop International Limited

Political and charitable contributions

Neither the Company nor any of its subsidiaries made political contributions during the year (2013 £nil). Donations to charities amounted to £41,288 (2013 £34,663)

Directors of the Company

The directors who held office during the year were as follows

S G Price (resigned 31 March 2014)

P D Trueman (appointed 1 January 2014)

J M W Betts (appointed 31 March 2014)

Employment of disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of a member of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that training, career development and promotion of disabled person should, as far as possible, be identical with that of other employees

DAS UK Investments Limited
Directors' Report for the Year Ended 31 December 2014


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 each aware, there is no relevant audit information of which the Company's auditor is 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 auditor is aware of that information.

Auditor

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

Approved by the Board of Directors on 1 December 2015 and signed on its behalf by



P D Trueman
Director

239 Old Marylebone Road
London
NW1 5QT

DAS UK Investments Limited
Statement of Directors' Responsibilities in respect of the Strategic Report and the
Directors' Report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 parent company and of their profit and 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 parent company will continue in business

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

Independent Auditor's Report to the members of DAS UK Investments Limited

We have audited the financial statements of DAS UK Investments Limited (the Group) for the year ended 31 December 2014, set out on pages 9 to 46. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditor

As explained more fully in the Directors' Responsibility Statement (set out on page 6), 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.

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 group's and of the parent company's affairs as at 31 December 2014 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 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 DAS UK Investments Limited



Kevin Hall (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
Canary Wharf
London
E14 5GL

2 December 2015

DAS UK Investments Limited
Consolidated Profit and Loss Account for the Year Ended 31 December 2014

	Note	2014 £	2013 £
Gross billings		505,636,970	481,292,696
Rebillable costs		<u>(115,131,963)</u>	<u>(111,929,435)</u>
Revenue	2	390,505,007	369,363,261
Direct costs		<u>(140,749,635)</u>	<u>(129,779,185)</u>
Gross profit		249,755,372	239,584,076
Administrative expenses		(224,003,884)	(211,355,014)
Other operating income		<u>3,253,143</u>	<u>4,604,403</u>
Group operating profit	3	29,004,631	32,833,465
Other exceptional items	4	(8,186,603)	-
Income from participating interests		264,065	394,603
Other interest receivable and similar income	7	249,354	309,399
Interest payable and similar charges	8	<u>(1,617,162)</u>	<u>(1,376,129)</u>
Profit on ordinary activities before taxation		19,714,285	32,161,338
Tax on profit on ordinary activities	9	<u>(7,174,989)</u>	<u>(7,462,555)</u>
Profit on ordinary activities after taxation		12,539,296	24,698,783
Minority interest		<u>101,512</u>	<u>93,848</u>
Profit for the financial year attributable to members of the parent company	21	<u>12,640,808</u>	<u>24,792,631</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 total recognised gains and losses has not been prepared.

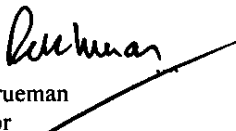
DAS UK Investments Limited
Consolidated Statement of Total Recognised Gains and Losses

	Note	2014 £	2013 £
Profit for the financial year		12,640,808	24,792,631
Actuarial (loss) on pension schemes		<u>(622,899)</u>	<u>(349,980)</u>
Total recognised gains and losses relating to the year		<u>12,017,909</u>	<u>24,442,651</u>

DAS UK Investments Limited
(Registration number: 3097778)
Consolidated Balance Sheet as at 31 December 2014

	Note	2014	2013
		£	£
Fixed assets			
Intangible assets	11	38,446,911	19,638,379
Tangible assets	12	<u>12,791,369</u>	<u>11,683,203</u>
		51,238,280	31,321,582
Other investments	13	<u>3,116,966</u>	<u>3,638,046</u>
		54,355,246	34,959,628
Current assets			
Stocks	15	8,681,267	6,664,645
Debtors	16	221,505,260	208,708,629
Cash at bank and in hand		<u>1,098,843</u>	<u>414,546</u>
		231,285,370	215,787,820
Creditors Amounts falling due within one year	17	<u>(194,995,724)</u>	<u>(171,727,295)</u>
Net current assets		<u>36,289,646</u>	<u>44,060,525</u>
Total assets less current liabilities		90,644,892	79,020,153
Creditors Amounts falling due after more than one year	18	(15,454,018)	(1,097,119)
Provisions for liabilities	19	<u>(68,352)</u>	<u>(497,108)</u>
Net assets		<u>75,122,522</u>	<u>77,425,926</u>
Capital and reserves			
Called up share capital	20	34	34
Share premium reserve	21	241,844,124	241,844,124
Capital contribution reserve	21	21,620,300	-
Other reserves	21	-	(924,228)
Profit and loss account	21	<u>(188,341,936)</u>	<u>(163,494,004)</u>
Shareholders' funds		<u>75,122,522</u>	<u>77,425,926</u>

Approved by Board of Directors on 1 December 2015 and signed on its behalf by


P D Trueman
Director

DAS UK Investments Limited
(Registration number: 3097778)
Company Company Balance Sheet as at 31 December 2014

	Note	2014 £	2013 £
Fixed assets			
Investments	13	271,750,169	241,844,155
Current assets			
Debtors	16	1,162,501	3
Creditors Amounts falling due within one year	17	<u>(2,522,388)</u>	<u>-</u>
Net current (liabilities)/assets		<u>(1,359,887)</u>	<u>3</u>
Total assets less current liabilities		270,390,282	241,844,158
Creditors Amounts falling due after more than one year	18	<u>(12,523,093)</u>	<u>-</u>
Net assets		<u>257,867,189</u>	<u>241,844,158</u>
Capital and reserves			
Called up share capital	20	34	34
Share premium reserve	21	241,844,124	241,844,124
Capital contribution reserve	21	21,620,300	-
Profit and loss account	21	<u>(5,597,269)</u>	<u>-</u>
Shareholders' funds		<u>257,867,189</u>	<u>241,844,158</u>

Approved by Board of Directors on 1 December 2015 and signed on its behalf by


P D Trueman
Director

DAS UK Investments Limited

Reconciliation of movement in shareholders' funds for the Year Ended 31 December 2014

Group

	2014 £	2013 £
Profit attributable to the members of the Company	12,640,808	24,792,631
Dividends	(34,548,595)	(33,268,827)
Recharge from Omnicom Group Inc in respect of share based payments	(804,501)	(2,434,951)
Actuarial gain on pension schemes	(622,899)	(349,980)
Other reserve movements	<u>21,031,783</u>	<u>4,871,046</u>
Net reduction to shareholders funds	(2,303,404)	(6,390,081)
Shareholders' funds at 1 January	<u>77,425,926</u>	<u>83,816,007</u>
Shareholders' funds at 31 December	<u><u>75,122,522</u></u>	<u><u>77,425,926</u></u>

Company

	2014 £	2013 £
Profit attributable to the members of the Company	27,925,486	-
Dividends	(33,522,755)	-
Other reserve movements	21,620,300	241,844,124
New share capital subscribed	<u>-</u>	<u>31</u>
Net addition to shareholders funds	16,023,031	241,844,155
Shareholders' funds at 1 January	<u>241,844,158</u>	<u>3</u>
Shareholders' funds at 31 December	<u><u>257,867,189</u></u>	<u><u>241,844,158</u></u>

DAS UK Investments Limited

Notes to 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 financial statements

Basis of preparation

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

On 31 December 2013, a group reconstruction took place resulting in the Company becoming the holding company for many of the DAS group of companies UK operations. This has been affected by merger accounting as permitted by FRS6 - Acquisition and Mergers

Under Financial Reporting Standard ("FRS") 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of Omnicom Group Inc, which includes the Company in its own published consolidated financial statements

The Company and certain of its subsidiaries participate 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

As the Company is a wholly owned subsidiary of Omnicom Group Inc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Omnicom Group Inc, within which this Company is included, can be obtained from the address given in note 26

DAS UK Investments Limited

Notes to the Financial Statements

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2014

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 £27,925,486 (2013 - £nil)

Entities in which the group holds an interest on a long-term basis and are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the gross equity method.

Entities, other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Merger accounting

As permitted by FRS 6, the group has accounted for the reconstruction of the group under merger accounting. In merger accounting the financial statements of the parties to the combination are aggregated, and presented as though the combining entities had always been part of the same reporting entity. Accordingly, although the merger may have taken place part of the way through the financial year, the results of the combining entities for the full financial year are reflected in the group accounts for the period and corresponding amounts are presented on the same basis. Under merger accounting, a difference may arise on consolidation between the nominal value of shares issued and the aggregate of the nominal value of shares received in exchange. Such difference is not goodwill and is shown as a merger reserve.

Acquisition accounting

Historical acquisitions within the group are included using the acquisition 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.

Goodwill arising on such acquisitions was amortised over a useful economic life of 10 years.

Goodwill

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable. Goodwill arising on historical acquisitions was amortised over a useful economic life of 10 years.

Intangible assets

Intangible assets are stated in the balance sheet at cost less accumulated amortisation and impairment. They are amortised on a straight line basis over their estimated useful lives.

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value.

Interest in associated undertakings

Associated undertakings are entities in which the Company has a participating interest and whose operating and financial policy the Company exercises a significant influence.

DAS UK Investments Limited

Notes to the Financial Statements

Fixed assets and depreciation

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 rate
Land and Buildings	Life of lease
Plant and Machinery	3 - 5 Years
Fixtures, fittings, tools and equipment	4 - 10 Years
Motor vehicles	4 - 5 Years
Office equipment	4 - 10 Years

No depreciation is provided on freehold land

Fixed assets are included in the balance sheet at revalued amounts

Foreign currency

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

Leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

Post-retirement benefits

For employees who joined the company before 1 January 1994, the company offered pension benefits through a final salary defined benefits scheme up until 30 April 1998.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme is recognised in full. The movement in the scheme deficit is between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

Thereafter, the company has offered pension benefits to employees through a money purchase scheme. The amount charged to the profit and loss account is the contributions payable in the year.

DAS UK Investments Limited

Notes to the Financial Statements

Shared-based payments

Omnicom Group Inc (the ultimate parent of the Company) runs a share ownership programme that allows group employees to acquire shares in Omnicom Group Inc

The fair value of services received in return for shares and share options granted to employees, is measured by reference to the fair value of shares and share options granted. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. As permitted by FRS 20, the Company has applied the requirements of this standard to all share based payment awards granted after 7 November 2002. The estimate of the fair value of the services received is measured based on the Black-Scholes formula.

The amount recognised as an expense is adjusted to reflect the actual numbers of share options that vest except where variations are due only to share prices not achieving the threshold for vesting.

Amounts reimbursed by the Company and its subsidiaries to Omnicom Group Inc in respect of these options are recognised as a distribution directly to equity.

Stock, work in progress and long term contracts

Stock and work in progress are valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Revenue from long term contracts is recognised by stage of completion. Stage of completion is measured by reference to costs incurred to date as a percentage of total estimated costs for each contract. Where the contract outcome cannot be measured reliably, revenue is measured only to the extent of the expenses recognised that are recoverable. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Taxation

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 required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Gross billings

Gross billings are recognised when the service is performed, in accordance with the terms and conditions of the contractual arrangement and when collection is reasonably assured.

Gross billings comprises the gross amounts billed to clients in respect of commission based income together with the total of other fees earned and amounts recharged to clients for rebillable costs.

DAS UK Investments Limited
Notes to the Financial Statements

Rebillable costs

Rebillable costs comprise media payments and third party production costs for those services that the Group is arranging for its clients in its capacity as an intermediary. The Group contracts directly with suppliers and is responsible for their payment, recharging its clients for all costs incurred. Although the Company bears credit risk in respect of these activities, the arrangements with its clients are such that, in effect it acts as an intermediary on behalf of its client. Where the Group acts as an intermediary, costs incurred with external suppliers are excluded from revenue.

Revenue

Consequently, revenue comprises of fees, and commissions earned in respect of gross billings and direct costs, which meet the Companies Act definition of turnover. Revenue is recognised when services are performed, in accordance with the terms of arrangements reach with each client. Gross billings are revenue are stated exclusive of VAT, sales taxes and trade discounts.

2 Turnover

The whole of the Group's gross billings, revenue and operating profit for the year related to its principal activity, which was the provision of advertising, marketing, research and communication services, and which was carried out in the United Kingdom.

An analysis of revenue by geographical location by destination is given below.

	UK £	Europe £	Americas £	Rest of World £	Total £
2014					
External turnover	<u>278,952,892</u>	<u>68,721,583</u>	<u>20,183,388</u>	<u>22,647,144</u>	<u>390,505,007</u>
	UK £	Europe £	Americas £	Rest of World £	Total £
2013					
External turnover	<u>261,982,342</u>	<u>63,760,001</u>	<u>23,526,234</u>	<u>20,094,684</u>	<u>369,363,261</u>

DAS UK Investments Limited
Notes to the Financial Statements

3 Operating profit

Operating profit is stated after charging/(crediting)

	2014 £	2013 £
Depreciation and other assets writted off tangible fixed assets owned	2,469,370	2,539,555
Amortisation of goodwill	5,566,758	5,239,098
Amortisation of concessions	84,270	97,887
Amortisation of software	338,173	328,793
Net exchange losses/(gains)	180,155	(1,184,693)
Loss/(profit) on sale of tangible fixed assets	86,502	(8,905)
Hire of plant and machinery - rentals payable under operating leases	3,957,781	5,299,577
Hire of other assets - rentals payable under operating leases	14,970,909	13,234,860
Rental income	<u>(26,834)</u>	<u>(25,690)</u>

	2014 £	2013 £
Audit of the financial statements	<u>377,500</u>	<u>518,500</u>
Fees payable to the company's auditor and its associates for other services:		
The audit of the company's subsidiaries' annual accounts	<u>-</u>	<u>12,500</u>

In addition, amounts payable to other auditors for audit of financial statements of certain subsidiaries of the Company was £63,559 (2013 £nil)

4 Exceptional items

	2014 £	2013 £
Other exceptional item	<u>8,186,603</u>	<u>-</u>

On 12 August 2014, the Company acquired the whole of the issued share capital of The Planning Shop International Limited. On the same day, The Planning Shop International Limited sold its wholly owned subsidiary The Planning Shop International Inc to a group undertaking for £6, being equal to the cost of this fixed asset investment. The Company has accounted for the purchase consideration due to the vendors of The Planning Shop International Limited based on the aggregated profits before tax of The Planning Shop International Limited and The Planning Shop International Inc. As a consequence of this disposal £8,186,603 of goodwill apportioned to The Planning Shop International Inc has been written off.

5 Directors' remuneration

The directors' remuneration costs are borne by other group companies. The directors are not remunerated specifically for their services to DAS UK Investments Limited.

DAS UK Investments Limited
Notes to the Financial Statements

6 Staff numbers and costs

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

	2014	2013
	No.	No
Production	348	307
Administration and support	1,198	986
Research and development	227	192
Sales, marketing and distribution	4,545	4,275
Marketing	44	70
	<u>6,362</u>	<u>5,830</u>

The aggregate payroll costs were as follows

	2014	2013
	£	£
Wages and salaries	152,966,498	161,236,494
Share related awards	1,357,749	887,775
Social security costs	16,306,423	16,243,239
Other pension schemes	5,031,436	5,683,576
Severance/loss of office	1,272,879	1,740,916
	<u>176,934,985</u>	<u>185,792,000</u>

7 Other interest receivable and similar income

	2014	2013
	£	£
Bank interest receivable	21,991	32,774
Receivable from group undertakings	227,363	270,905
Other interest receivable	-	5,720
	<u>249,354</u>	<u>309,399</u>

DAS UK Investments Limited
Notes to the Financial Statements

8 Interest payable and similar charges

	2014 £	2013 £
On bank loans and overdrafts	3	311
Payable to group undertakings	1,570,723	1,076,350
Interest payable on shares classified as liabilities	-	164,751
Other interest payable	44,851	134,717
Finance charges payable in respect of finance leases and hire purchase contracts	1,585	-
	<u>1,617,162</u>	<u>1,376,129</u>

9 Taxation

Tax on profit on ordinary activities

	2014 £	2013 £
Current tax		
Current tax on income for the period	7,379,948	7,795,621
Adjustments in respect of previous years	299,650	(756,936)
Group relief	(1,793)	-
UK income tax	101	-
Total current tax	<u>7,677,906</u>	<u>7,038,685</u>
Deferred tax		
Origination and reversal of timing differences	(617,764)	279,952
Effect of increased/decreased tax rate on opening liability	71,616	76,940
Changes in the amount of discount deducted	29,294	-
Adjustment in respect of previous years	2,989	(56,885)
Deferred tax relating to FRS 19	10,948	123,863
Total deferred tax	<u>(502,917)</u>	<u>423,870</u>
Total tax on profit on ordinary activities	<u>7,174,989</u>	<u>7,462,555</u>

DAS UK Investments Limited

Notes to the Financial Statements

Factors affecting current tax charge for the year

The tax on profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK (2013 - lower than the standard rate of corporation tax in the UK) of 21.5% (2013 - 23.25%)

The differences are reconciled below

	2014 £	2013 £
Profit on ordinary activities before tax	<u>19,714,285</u>	<u>32,161,338</u>
Corporation tax at standard rate	4,238,571	7,477,511
Capital allowances in excess of depreciation	181,116	247,464
Short term timing differences	-	(6,027)
Other timing differences	8,952	(1,264,768)
Non-taxable income	497,990	1,804,246
Expenses not deductible for tax purposes	213,493	194,555
Non-tax deductible amortisation of goodwill and impairment	2,956,973	-
Adjustment for prior periods	299,650	(756,936)
Changes in provisions	(12,528)	(985)
Tax deduction arising from exercise of employee options	(532,711)	-
Utilisation of tax losses	(15,380)	(15,225)
Other differences	(41,214)	(637,636)
Share based payment expense	<u>(117,006)</u>	<u>(3,514)</u>
Total current tax	<u>7,677,906</u>	<u>7,038,685</u>

Accounting periods ending after the substantive enactment of the reduction to 23% and 21%

Reductions in the UK corporation tax rate from 24% to 23% (effective 1 April 2013) and to 21% (effective from 1 April 2014) were substantively enacted on 3 July 2012 and 2 July 2013 respectively. A further reduction to 20% (effective from 1 April 2015) was also substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2014 has been calculated based on the rates of 20% and 21% substantively enacted at the balance sheet date.

DAS UK Investments Limited
Notes to the Financial Statements

10 Dividends

Group

	2014	2013
	£	£
Dividends paid		
Current year interim dividends paid	<u>34,548,595</u>	<u>33,268,827</u>

Company

	2014	2013
	£	£
Dividends paid		
Current year interim dividend paid	<u>33,522,755</u>	<u>-</u>

DAS UK Investments Limited
Notes to the Financial Statements

11 Intangible fixed assets

Group

	Goodwill	Software	Concessions, patents, licences, trade marks and similar rights and assets	Total
	£	£	£	£
Cost				
At 1 January 2014	55,353,538	3,639,467	2,627,105	61,620,110
Additions	32,506,236	357,869	122,081	32,986,186
Disposals	(8,186,603)	(440,732)	-	(8,627,335)
Exchange differences	-	(15,846)	-	(15,846)
Transfers between items	-	23,840	-	23,840
At 31 December 2014	<u>79,673,171</u>	<u>3,564,598</u>	<u>2,749,186</u>	<u>85,986,955</u>
Amortisation				
At 1 January 2014	36,357,131	3,084,182	2,540,418	41,981,731
Charge for the year	5,566,758	338,173	84,270	5,989,201
Disposals	-	(434,430)	-	(434,430)
Exchange differences	-	(15,391)	-	(15,391)
Transfers between items	-	18,933	-	18,933
At 31 December 2014	<u>41,923,889</u>	<u>2,991,467</u>	<u>2,624,688</u>	<u>47,540,044</u>
Net book value				
At 31 December 2014	<u>37,749,282</u>	<u>573,131</u>	<u>124,498</u>	<u>38,446,911</u>
At 31 December 2013	<u>18,996,407</u>	<u>555,285</u>	<u>86,687</u>	<u>19,638,379</u>

DAS UK Investments Limited
Notes to the Financial Statements

12 Tangible fixed assets

Group

	Land and buildings £	Leasehold improvements £	Fixtures, fittings, tools and equipment £	Motor vehicles £	Office equipment £	Total £
Cost						
At 1 January 2014	6,473,325	19,352,712	10,390,746	884,472	4,919,070	42,020,325
Additions	-	2,669,407	745,356	104,734	670,217	4,189,714
Exchange differences	-	-	(9,365)	(2,301)	(11,777)	(23,443)
Disposals	-	(1,585,606)	(201,786)	(519,380)	(412,940)	(2,719,712)
Transfers between items	-	123,643	1,141,664	-	(23,840)	1,241,467
At 31 December 2014	6,473,325	20,560,156	12,066,615	467,525	5,140,730	44,708,351
Depreciation						
At 1 January 2014	2,598,071	13,521,607	9,369,980	597,728	4,249,736	30,337,122
Charge for the year	151,180	1,391,674	629,872	85,734	463,662	2,722,122
Exchange differences	-	2	(6,605)	(2,301)	(11,384)	(20,288)
Disposals	-	(1,418,285)	(143,957)	(418,076)	(388,030)	(2,368,348)
Transfers between items	-	190,547	1,074,760	-	(18,933)	1,246,374
At 31 December 2014	2,749,251	13,685,545	10,924,050	263,085	4,295,051	31,916,982
Net book value						
At 31 December 2014	3,724,074	6,874,611	1,142,565	204,440	845,679	12,791,369
At 31 December 2013	3,875,254	5,831,105	1,020,766	286,744	669,334	11,683,203

DAS UK Investments Limited
Notes to the Financial Statements

Company

No tangible fixed assets are held in the Company

13 Fixed asset investment

Group

	Participating interests £	Total £
Cost		
At 1 January 2014	3,638,046	3,638,046
Share of income less dividends received	(17,504)	(17,504)
Exchange differences	<u>(503,576)</u>	<u>(503,576)</u>
At 31 December 2014	<u>3,116,966</u>	<u>3,116,966</u>
Net book value		
At 31 December 2014	<u>3,116,966</u>	<u>3,116,966</u>
At 31 December 2013	<u><u>3,638,046</u></u>	<u><u>3,638,046</u></u>

On 12 August 2014, the Company acquired the whole of the issued share capital of The Planning Shop International Limited for an initial consideration of £9,257,000. On the same day, The Planning Shop International Limited sold its wholly owned subsidiary The Planning Shop International Inc to a group undertaking for £6, being equal to the cost of this fixed asset investment. The Company has accounted for the purchase consideration due to the vendors of The Planning Shop International Limited based on the aggregated profits before tax of The Planning Shop International Limited and The Planning Shop International Inc. As a consequence of this disposal £8,186,603 of goodwill apportioned to The Planning Shop International Inc has been written off.

DAS UK Investments Limited
Notes to the Financial Statements

Company

	Shares in group undertakings £	Total £
Cost		
At 1 January 2014	241,844,155	241,844,155
Additions	<u>36,529,123</u>	<u>36,529,123</u>
At 31 December 2014	<u>278,373,278</u>	<u>278,373,278</u>
Impairment		
Impairment losses	<u>6,623,109</u>	<u>6,623,109</u>
At 31 December 2014	<u>6,623,109</u>	<u>6,623,109</u>
Net book value		
At 31 December 2014	<u>271,750,169</u>	<u>271,750,169</u>
At 31 December 2013	<u>241,844,155</u>	<u>241,844,155</u>

In January 2014, the Company transferred its entire interest in Weapon 7 Limited to Abbott Mead Vickers Group Limited for the consideration of £1

In February 2014, Interbrand U K Limited acquired the whole of issued share capital of MPMC Holdings Limited for an initial consideration of £3,148,000

In May 2014, the Company acquired the whole of the issued share capital of Haygarth Enterprises Limited for an initial consideration of £6,369,000

In July 2014, the Company received a dividend in specie of £1,025,840 from its subsidiary Experience Worldwide Limited for the whole of its business and net assets

In July 2014, the Company made a capital contribution of £1,025,840 for the business and net assets of Experience Worldwide Limited to its subsidiary GMR Marketing Limited

On 12 August 2014, the Company acquired the whole of the issued share capital of The Planning Shop International Limited for an initial consideration of £9,257,000. On the same day, The Planning Shop International Limited sold its wholly owned subsidiary The Planning Shop International Inc to a group undertaking for £6, being equal to the cost of this fixed asset investment. The Company has accounted for the purchase consideration due to the vendors of The Planning Shop International Limited based on the aggregated profits before tax of The Planning Shop International Limited and The Planning Shop International Inc and has taken an impairment charge of £5,374,318 against the purchase consideration in recognition of the disposal of The Planning Shop International Inc.

In September 2014, the Company made a further payment of £3,043,000 in respect of the acquisition of the whole of the issued share capital of Haygarth Enterprises Limited.

In September 2014, the Company made a final earnout payment of £2,474,744 to Hornall Anderson Limited which was £500,000 in excess of previous estimates.

DAS UK Investments Limited

Notes to the Financial Statements

On 23 October 2014, Bernard Hodes Group Limited sold its entire marketing and communications business and ceased to trade. The Company has written off its entire investment in Bernard Hodes Group Limited for an impairment charge of £1,248,791.

In November 2014, the Company made a working capital excess payment of £845,130 to The Planning Shop International Limited.

In December 2014, the Company made a further payment of £380,000 in respect of the purchase of Haygarth Enterprises Limited.

Additions in investments also includes deferred consideration in respect of The Planning Shop International Limited and Haygarth Enterprises Limited as detailed in note 14.

Details of undertakings

All of the UK subsidiaries of the Group, having met the criteria set out in sections 479A-479C of the Companies Act 2006 are claiming exemptions from the audit of the individual accounts afforded by those sections for the year ended 31 December 2014.

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

DAS UK Investments Limited
Notes to the Financial Statements

Undertaking	Company Number	Country of incorporation	Holding	Proportion of voting rights and shares held	Principal activity
239 OMR Limited*	1835151	UK	Ordinary	100%	Dormant
Adelphi Group Limited*	1975338	UK	Ordinary	100%	Pharmaceutical Market Research
Agency Republic Limited*	4146951	UK	Ordinary	100%	Digital Advertising
CDM Europe Limited*	1077287	UK	Ordinary	51%	Media Services
Cedar Communications Limited*	2709621	UK	Ordinary	100%	Contract Publishing
Cosine uk Limited*	1811431	UK	Ordinary	100%	Field Marketing & Direct Sales
CPM Field Marketing Limited*	1952132	UK	Ordinary	100%	Field & Telephone Marketing
CPM United Kingdom Limited*	1757157	UK	Ordinary	100%	Field Marketing
Diversified Energy Communications Limited*	1885562	UK	Ordinary	100%	Public Relations
Doremus & Company Limited*	2032678	UK	Ordinary	100%	Financial Advertising Services
Emanate Europe Limited*	02809649	UK	Ordinary	100%	Public Relations
Experience Worldwide Limited*	3389679	UK	Ordinary	100%	Marketing
Flamingo Research Limited*	02735873	UK	Ordinary	100%	Marketing
GMR Marketing Limited*	7729752	UK	Ordinary	100%	Marketing
Hall & Partners Europe Limited*	2733595	UK	Ordinary	100%	Brand & Communications Research
Haygarth Enterprises Limited*	6692583	UK	Ordinary	100%	Marketing
Hornali Anderson Limited*	2549329	UK	Ordinary	100%	Advertising

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Inspired Science Limited*	7140900	UK	Ordinary	100%	Medical Education
Interbrand U K Limited*	1703469	UK	Ordinary	100%	Branding Consultancy
Ketchum Limited*	1733060	UK	Ordinary	100%	Public Relations
Medi Cine International Limited*	2072694	UK	Ordinary	100%	Pharmaceutical Communications & Education
Paradigm Communications Limited*	7211813	UK	Ordinary	100%	Public relations
Porter Novelli Limited*	1101649	UK	Ordinary	100%	Public Relations
Promise Corporation Limited*	4905383	UK	Ordinary	100%	Marketing
Radiate Europe Limited*	6502262	UK	Ordinary	100%	Experiential Marketing
Rapp Limited*	1581935	UK	Ordinary	100%	Advertising & Direct Marketing
Siegel+Gale Limited*	4725268	UK	Ordinary	100%	Strategic Branding Consultancy
Specialist Publications (UK) Limited*	964145	UK	Ordinary	100%	Contract Publishing
Targetbase Claydon Heeley Limited*	2421407	UK	Ordinary	100%	Advertising
The Planning Shop International Limited*	3037899	UK	Ordinary	100%	Market Research
TogoRun Limited*	3732121	UK	Ordinary	100%	Public Relations
Wolff Olins Limited*	1945130	UK	Ordinary	100%	Brand Consultancy
Adelphi Communications Limited	2761321	UK	Ordinary	100%	Medical Publishing
Adelphi International Research Limited	2419446	UK	Ordinary	100%	Market Research
Adelphi Targis S L	B62628813	Spain	Ordinary	58.2%	Healthcare Research
Adelphi Values Limited	2761308	UK	Ordinary	100%	Health Economics

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Notes to the Financial Statements

The Cinnamon Agency Limited	5556304	UK	Ordinary	50%	Events & Sponsoring
Counter Products Marketing (Ireland) Limited	116133	Ireland	Ordinary	99%	Merchandising
Contract Personnel Limited	102618	Ireland	Ordinary	99%	Field Marketing
TRO Group Limited	2361809	UK	Ordinary	100%	Advertising
Hall & Partners Open Mind Pty Ltd	130 990 288	Australia	Ordinary	33 33%	Advertising
CDS EMEA Limited	5174106	UK	Ordinary	100%	Media Services
Haygarth Group Limited	2496952	UK	Ordinary	100%	FMCG & Retail Marketing
Octarine Print Solutions Limited	4572452	UK	Ordinary	100%	Non-Trading
POD Staffing Limited	7420729	UK	Ordinary	100%	Staffing Agency
Toast Marketing Limited	4254423	UK	Ordinary	100%	Marketing Communications
Hosker Moore Kent Media	4197028	UK	Ordinary	100%	Consultancy
MPMC Holdings Limited	7255692	UK	Ordinary	100%	Consultancy & Design
TPN Marketing UK Limited	9185763	UK	Ordinary	50%	Shopper Marketing

All of the above companies are unlisted

*Direct subsidiaries of DAS UK Investments Limited

In July 2015 Agency Republic Limited changed its name to Code Worldwide Limited

Impairment of investments / Reversal of impairment of investments

The directors have reviewed the carrying value of its investment for impairment. The total net impairment of the Company's investments in 2014 amounted to £1,248,791 (2013: £ nil)

Subsidiary Exemption

The UK subsidiaries of the Company, having met the criteria set out in sections 479A-479C of the Companies Act 2006, are claiming exemptions from the audit of the individual accounts afforded by those sections for the year ended 31 December 2014

DAS UK Investments Limited
Notes to the Financial Statements

14 Acquisitions

Analysis of the acquisition of Haygarth Enterprises Limited*

On 30 May 2014 the group acquired 76,350 (100%) Ordinary shares of Haygarth Enterprises Limited*

	Book value	Revaluation	Fair value	Accounting	Other	Fair value
	£	adjustment	adjustment	policy	adjustment	£
		£	£	adjustment	£	
				£		
Intangible fixed assets	3,437	-	-	-	-	3,437
Tangible fixed assets	301,474	-	-	-	-	301,474
Stocks	77,657	-	-	-	-	77,657
Debtors	5,058,106	-	-	-	-	5,058,106
Cash	3,026,923	-	-	-	-	3,026,923
Creditors	(4,502,506)	-	-	-	-	(4,502,506)
	<u>3,965,091</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,965,091</u>
Goodwill arising on acquisition						<u>15,171,205</u>
						<u>19,136,296</u>
Discharged by						
Cash						9,792,370
Deferred consideration						<u>9,343,926</u>
						<u>19,136,296</u>

Analysis of the acquisition of The Planning Shop International Limited*

On 12 August 2014 the group acquired 62,659 (100%) Ordinary shares of The Planning Shop International Limited*

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	Book value	Revaluation	Fair value	Accounting	Other	Fair value
	£	adjustment	adjustment	policy	adjustment	£
	£	£	£	£	£	£
Intangible fixed assets	132,195	-	-	-	-	132,195
Stocks	4,247	-	-	-	-	4,247
Tangible fixed assets	-	-	-	-	-	-
Cash	3,503,776	-	-	-	-	3,503,776
Debtors	2,085,457	-	-	-	-	2,085,457
Creditors	(1,092,898)	-	-	-	-	(1,092,898)
	<u>4,632,777</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,632,777</u>
Goodwill arising on acquisition						<u>11,170,908</u>
						<u>15,803,685</u>
Discharged by						
Cash						10,102,130
Deferred consideration						<u>5,701,555</u>
						<u>15,803,685</u>

Analysis of the acquisition of MPMC Holdings Limited

On 20 February 2014 the group acquired 14,310 (100%) Ordinary shares of MPMC Holdings Limited

	Book value	Revaluation	Fair value	Accounting	Other	Fair value
	£	adjustment	adjustment	policy	adjustment	£
	£	£	£	£	£	£
Tangible fixed assets	139,718	-	-	-	-	139,718
Stocks	15,610	-	-	-	-	15,610
Debtors	965,312	-	-	-	-	965,312
Cash	1,512,031	-	-	-	-	1,512,031
Creditors	(702,586)	-	-	-	-	(702,586)
	<u>1,930,085</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,930,085</u>
Goodwill arising on acquisition						<u>5,522,429</u>
						<u>7,452,514</u>
Discharged by						
Cash						4,828,893
Deferred consideration						<u>2,623,621</u>
						<u>7,452,514</u>

DAS UK Investments Limited
Notes to the Financial Statements

15 Stocks

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Stocks	653,677	532,197	-	-
Work in progress	7,312,531	4,980,977	-	-
Long term contract	715,059	1,151,471	-	-
	<u>8,681,267</u>	<u>6,664,645</u>	<u>-</u>	<u>-</u>

16 Debtors

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	106,427,717	91,795,813	-	-
Amounts recoverable on contract	234,725	140,458	-	-
Amounts owed by group undertakings				
- trading balances	20,626,736	18,441,366	3	3
Amounts owed by group undertakings				
- loans and advances	52,770,349	59,603,563	1,162,498	-
Taxation and social security	547,887	1,732,115	-	-
Other debtors	7,558,345	14,545,077	-	-
Deferred tax asset	1,203,108	683,113	-	-
Prepayments and accrued income	30,484,102	21,467,815	-	-
Accrued revenue	1,652,291	299,309	-	-
	<u>221,505,260</u>	<u>208,708,629</u>	<u>1,162,501</u>	<u>3</u>

The Company and its subsidiaries participate 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 and its subsidiaries depositing cash with Omnicom Finance plc or by Omnicom Finance plc depositing cash with the Company and its subsidiaries. Included in Amounts owed by group undertakings - loans and advances is £51,607,851 (2013 £59,603,563) representing cash deposited by the Company and its subsidiaries under these arrangements.

DAS UK Investments Limited
Notes to the Financial Statements

Analysis of deferred tax

Group

	2014 £	2013 £
Difference between accumulated depreciation and amortisation and capital allowances	191,931	207,881
Other timing differences	957,497	403,252
Tax losses available	53,680	71,980
	<u>1,203,108</u>	<u>683,113</u>

17 Creditors: Amounts falling due within one year

	Group 2014 £	2013 £	Company 2014 £	2013 £
Bank loans and overdrafts	2,542	5,566	-	-
Obligations under finance lease and hire purchase contracts	15,080	-	-	-
Payments received on account	10,580,401	12,250,900	-	-
Trade creditors	23,707,647	23,826,915	-	-
Amounts owed to group undertakings - trading balances	25,395,472	22,885,298	-	-
Amounts owed to group undertakings - loans and advances	38,004,212	22,576,203	-	-
Taxation and social security	19,780,403	20,578,555	-	-
Other creditors	3,125,532	1,106,236	-	-
Accruals and deferred income	71,862,047	68,018,622	-	-
Deferred consideration	2,522,388	479,000	2,522,388	-
	<u>194,995,724</u>	<u>171,727,295</u>	<u>2,522,388</u>	<u>-</u>

The Company and its subsidiaries participate 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 and its subsidiaries depositing cash with Omnicom Finance plc or by Omnicom Finance plc depositing cash with the Company and its subsidiaries. Included in Amounts owed to group undertakings is £38,004,212 (2013 £22,576,203) representing amounts borrowed by the Company and its subsidiaries under these arrangements.

DAS UK Investments Limited
Notes to the Financial Statements

18 Creditors: Amounts falling due after more than one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Other creditors	2,930,925	1,097,119	-	-
Deferred consideration	12,523,093	-	12,523,093	-
	<u>15,454,018</u>	<u>1,097,119</u>	<u>12,523,093</u>	<u>-</u>

Creditors falling due after more than one year includes £830,715 (2013 £932,227) for minority interest. This has been included in Creditors on the grounds of materiality.

19 Provisions

Group

	Other provision	Total
	£	£
At 1 January 2014	497,108	497,108
Credited to the profit and loss account	(57,924)	(57,924)
Decrease from reclassifications	(376,829)	(376,829)
Increase from transfers from investments	<u>5,997</u>	<u>5,997</u>
At 31 December 2014	<u>68,352</u>	<u>68,352</u>

20 Share capital

Allotted, called up and fully paid shares

	2014		2013	
	No.	£	No.	£
Ordinary shares of £ 0.01 each	<u>3,400</u>	<u>34</u>	<u>3,400</u>	<u>34</u>

DAS UK Investments Limited
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21 Reserves

Group

	Share premium account £	Capital contribution reserve £	Other reserves £	Profit and loss account £	Total £
At 1 January 2014	241,844,124	-	(924,228)	(163,494,004)	77,425,892
Profit for the year	-	-	-	12,640,808	12,640,808
Dividends	-	-	-	(34,548,595)	(34,548,595)
Recharge from Omnicon Group Inc in respect of share based payments	-	-	-	(804,501)	(804,501)
Actuarial gain on pension schemes	-	-	-	(622,899)	(622,899)
Other reserve movements	-	21,620,300	924,228	(1,512,745)	21,031,783
At 31 December 2014	241,844,124	21,620,300	-	(188,341,936)	75,122,488

DAS UK Investments Limited
Notes to the Financial Statements

Company

	Share premium account £	Capital contribution reserve £	Profit and loss account £	Total £
At 1 January 2014	241,844,124	-	-	241,844,124
Profit for the year	-	-	27,925,486	27,925,486
Dividends	-	-	(33,522,755)	(33,522,755)
Other reserve movements	-	21,620,300	-	21,620,300
At 31 December 2014	<u>241,844,124</u>	<u>21,620,300</u>	<u>(5,597,269)</u>	<u>257,867,155</u>

In May 2014, the Company received a capital investment from its parent DAS Europe Limited of £6,369,000

In August 2014, the Company received a capital investment from DAS Europe Limited of £9,257,000

In September 2014, the Company received a capital investment from DAS Europe Limited of £3,043,370

In September 2014, the Company received a capital investment from DAS Europe Limited of £1,725,800

In November 2014, the Company received a capital investment from DAS Europe Limited of £845,130

In December 2014, the Company received a cash capital investment from DAS Europe Limited of £380,000

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Notes to the Financial Statements

22 Commitments

Group

- a) Amounts contracted for but not provided in the financial statements amounted to £Nil (2013 £Nil)
- b) In addition to the above at the end of the financial year the Group had entered into commitments amounting to £15,080 (2013 £0) in respect of finance leases and similar hire purchase contracts, the inception of which occurs after the year end
- c) Annual commitments under non-cancellable operating leases are as follows

Non cancellable operating leases

	2014		2013	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Within 1 year	4,773,686	1,012,062	2,076,885	1,187,803
2 to 5 years	4,618,963	2,890,340	5,420,283	2,708,347
Over 5 years	2,240,428	27,495	3,308,844	27,216
	<u>11,633,077</u>	<u>3,929,897</u>	<u>10,806,012</u>	<u>3,923,366</u>

Group

Amounts repayable under finance leases and hire purchase contracts:

	Group	
	2014	2013
	£	£
Within one year	15,080	-
In two to five years	-	-
	<u>15,080</u>	<u>-</u>

Company

No such commitments for the Company

DAS UK Investments Limited

Notes to the Financial Statements

23 Pension schemes

Defined contribution pension scheme

The group operates several defined contribution pension schemes. The pension cost charge for the year represents contributions payable by the group to the schemes and amounted to £5,031,436 (2013 - £5,683,576)

Defined benefit pension schemes

Countrywide Communications Group Limited Staff Benefits Plan

The company operates a defined contribution pension scheme

Contributions payable to the pension scheme at the end of the year are £456,000 (2013 - £456,000)

The total contributions in the next year are expected to be £456,000

Principal actuarial assumptions

The principal actuarial assumptions at the balance sheet date are as follows

	2014 %	2013 %
Discount rate	3.60	4.60
Future pension increases	2.10	2.60
Inflation	3.10	3.60

Post retirement mortality assumptions

	2014 Years	2013 Years
Current pensioners at retirement age - male	87.00	87.00
Current pensioners at retirement age - female	90.00	89.00
Future pensioners at retirement age - male	89.00	89.00
Future pensioners at retirement age - female	91.00	91.00

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Scheme assets

Changes in the fair value of scheme assets are as follows

	2014	2013
	£	£
Fair value at start of year	5,987,186	5,306,919
Expected return on assets	418,304	235,533
Actuarial gains and losses	165,541	111,610
Employer contributions	456,000	456,000
Benefits paid	<u>(46,957)</u>	<u>(122,876)</u>
Fair value at end of year	<u><u>6,980,074</u></u>	<u><u>5,987,186</u></u>

Analysis of assets

The major categories of scheme assets are as follows

	2014	2013
	£	£
Equity instruments	5,028,185	4,429,523
Debt instruments	1,403,704	1,216,530
Other assets	<u>548,185</u>	<u>341,133</u>
	<u><u>6,980,074</u></u>	<u><u>5,987,186</u></u>

DAS UK Investments Limited
Notes to the Financial Statements

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the balance sheet are as follows

	2014	2013
	£	£
Fair value of scheme assets	6,980,074	5,987,186
Present value of scheme liabilities	<u>(7,137,654)</u>	<u>(5,529,935)</u>
	(157,580)	457,251
Amounts not recognised as an asset under FRS 17 paragraph 41	<u>-</u>	<u>(457,251)</u>
Net liability in the balance sheet	<u><u>(157,580)</u></u>	<u><u>-</u></u>

Scheme liabilities

Changes in the present value of scheme liabilities are as follows

	2014	2013
	£	£
Present value at start of year	5,529,935	5,127,124
Actuarial gains and losses	1,401,416	289,247
Interest cost	253,260	235,533
Benefits paid	<u>(46,957)</u>	<u>(122,876)</u>
Present value at end of year	<u><u>7,137,654</u></u>	<u><u>5,529,028</u></u>
Analysed as:		
Present value arising from wholly or partly funded schemes	<u><u>7,137,654</u></u>	<u><u>5,529,028</u></u>

Actual return on scheme's assets

	2014	2013
	£	£
Actual return on scheme assets	<u><u>583,845</u></u>	<u><u>347,143</u></u>

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company

The overall expected return on assets assumption is derived as the weighted average of the expected returns from each of the main asset classes

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Amounts recognised in the profit and loss account

	2014 £	2013 £
Amounts recognised in operating profit		
Recognised in arriving at operating profit	-	-
Amounts recognised in other finance costs		
Interest (income)/cost	253,260	235,533
Expected return on scheme assets	(418,304)	(235,533)
Recognised in other finance cost	(165,044)	-
Total recognised in the profit and loss account	(165,044)	-

Amounts recognised in the statement of total recognised gains and losses

	2014 £	2013 £
Actual return less expected return on scheme assets	165,541	111,610
Changes in assumptions	(1,116,554)	(289,247)
Other actuarial gains/(losses)	(284,862)	(907)
Actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses	(1,235,875)	(178,544)

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and (losses) since 1 January 2002 is £2,815,150 (2013 - £3,293,951)

History of experience adjustments on scheme assets and liabilities

Amounts for the current and previous 4 periods are as follows

	2014 £	2013 £	2012 £	2011 £	2010 £
Fair value of scheme assets	6,980,074	5,987,186	5,306,919	4,702,203	4,340,077
Present value of scheme liabilities	(7,137,654)	(5,529,935)	(5,127,124)	(4,751,066)	(4,036,878)
(Deficit)/surplus in scheme	(157,580)	457,251	179,795	(48,863)	303,199
Experience adjustments					
	2014 £	2013 £	2012 £	2011 £	2010 £
Experience adjustments arising on scheme liabilities	(284,862)	(907)	7,630	45,335	(2,781)

Comparative figures have not been restated as permitted by FRS 17

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24 Post balance sheet events

In April 2015, the Company received a capital investment from its parent, DAS Europe Limited of £183,323

In May 2015, the Company received a capital investment from its parent, DAS Europe Limited of £2,468,396

On 12 October 2015, the Company reallocated £500,000 from the Share Premium account to the Profit and Loss account and on 24 November 2015 made a further reallocation of £5,500,000

On 25 November 2015, the Company received a capital investment from its parent DAS Europe Limited of £455,445 and made a further payment of the same amount to the vendors of The Planning Shop International Limited

25 Related party transactions

	2014	2014	2014	2013	2013	2013
	Value of purchases	Value of sales	Due to/Due from at year end	Value of purchases	Value of sales	Due to/Due from at year end
	£	£	£	£	£	£
The Cinnamon Agency Ltd	17,364	511,175	-	11,912	473,911	-
Open Mind Pty	-	-	10,563	(8,428)	-	-

The above companies are associate undertakings and the transactions are at arm's length in the ordinary course of business

The above companies are both associate undertakings and the transactions are at arms length in the ordinary course of business

DAS UK Investments Limited

Notes to the Financial Statements

26 Share-based payments

Omnicom Group Inc (the ultimate parent of the Company) runs a share ownership programme that allows group employees to acquire shares in Omnicom Group Inc. Options were awarded in March 2009. It is anticipated that the full vesting period for options will be three years. The option grants become exercisable 30% on each of the first two anniversary dates of the grant date with the final 40% becoming exercisable three years from the grant date.

The fair value of services received in return for shares and share options granted to employees, is measured by reference to the fair value of shares and share options granted. As permitted by FRS 20, the Company has applied the requirements of this standard to all share based payment awards granted after 7 November 2002. The estimate of the fair value of the services received is measured based on the Black-Scholes formula.

During the year ended 31 December 2014, the Company recognised an expense of £nil (2013: £nil) in respect of outstanding share awards.

The options outstanding at the year end have an exercise price of \$23.40 and a weighted average contractual life of 10 years.

	2009
Fair value at measurement date \$	3.51
Weighted average share price \$	23.40
Exercise price \$	23.40
Expected volatility (expressed as 5 year historical monthly used in the modelling under Black Scholes model)	19.61%
Option life in years (expressed as weighted average life used in the modelling under binomial lattice model)	5
Expected dividends	2.458%
Risk-free interest rate (based on national government bonds)	1.67%

The expected volatility is wholly based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

Share options are granted under a service condition and a non-market performance condition. Such conditions are not taken into account in the grant date fair value measurement of the services received.

The number and weighted average exercise prices of share options in Omnicom Group Inc held by DAS UK Investments Ltd company employees are as follows:

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	2014	2014	2013	2013
	Weighted average exercise price \$	Number of options	Weighted average exercise price \$	Number of options
At beginning of year	\$23 40	132,000	\$23 40	253,250
Granted	-	-	-	-
Exercised	\$23 40	(36,750)	\$23 40	(121,250)
Lapsed	-	-	-	-
Forfeited	-	-	-	-
Outstanding options at end of the year	\$23 40	95,250	\$23 40	132,000
Exercisable at end of the year	\$23 40	95,250	\$23 40	132,000

The liability arising in relation to the linked recharge from Omnicom Group Inc in relation to these share options for the year was £356,737 (2013 £2,715,041)

The weighted average share price at the date of exercise of share options exercised during the year was \$74 05 (2013 \$60 53)

27 Ultimate parent company

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.