

Registration number 1952132

# CPM Field Marketing Limited

Directors' Report and Unaudited Financial Statements

for the Year Ended 31 December 2013



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## **CPM Field Marketing Limited**

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## **CPM Field Marketing Limited**

### **Strategic Report for the Year Ended 31 December 2013**

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 (duty to promote the success of the company)

#### **Development and performance of the business of the Company during the financial year**

While business prospects in our industry remain good, continued economic uncertainty and reductions in consumer spending has resulted in reductions in client spending levels that could adversely affect our results of operations and financial condition. We have and will continue to closely monitor economic conditions, client spending and other factors, and in response, have taken and will take actions available to us to reduce costs and manage working capital. In the current economic environment, there can be no assurance as to the effects of future economic circumstances, client spending patterns, client credit worthiness and other developments on us and whether and to what extent our efforts to respond to them will be effective.

The key indicators that we review focus on revenue/gross profit, operating profit and the operating margin of the business.

During the year revenue decreased by 11.6% (£27,883,749 v £31,554,796 - 2012) due to a reduction in client spend by our sole customer, this resulted in a 8.3% reduction in our operating profit (£1,329,208 v £1,450,182 -2012). However, our operating margin percentage improved slightly (4.7% v 4.5% 2012).

#### **Position of the Company at the year end**

Balance Sheet net assets of £3,834,046 (2012 £2,813,879)

#### **Principal risks and uncertainties**

The business is dependent upon the performance of its sole customer and therefore their risk factors are applicable to this company. We are aware that our sole customer, CPM United Kingdom Limited, is in a highly competitive market and we are informed that the risks appropriate to this company are as follows:

“The industry in which we operate is highly competitive. Key competitive considerations for keeping existing business and winning new business include our ability to develop creative solutions that meet client needs, the quality and effectiveness of the services we offer, and our ability to efficiently serve clients. While many of our client relationships are long-standing, a good number of these are in fast moving industries, which drive such clients to regularly review the scope and level of services which we provide. The consequences of reviewing our services within the competitive marketplace in which we operate, will always place at risk our existing revenue streams and our ability to grow and develop business.

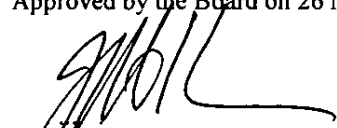
Our ability to retain key personnel is also a risk for the business. Our employees are our most important assets and our ability to retain key personnel is a key aspect of our competitiveness.

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

The clients of CPM United Kingdom Limited are generally able to reduce their sales and marketing expenditure or cancel projects at any time without reason by giving appropriate notice. Any of their clients could decide not to continue to utilise their services to the same extent in the future. A significant reduction in sales and marketing expenditure by their largest clients, or the loss of several of their largest clients, if not replaced by new accounts or an increase in business from existing clients, could adversely affect their revenue and consequently our financial performance.”

**CPM Field Marketing Limited**  
**Strategic Report for the Year Ended 31 December 2013**

Approved by the Board on 26 March 2014 and signed on its behalf by



J. Clarkson  
Director

**CPM Field Marketing Limited**  
**Directors' Report for the Year Ended 31 December 2013**

The directors present their report and the unaudited financial statements for the year ended 31 December 2013

**Principal activity**

The principal activity of the Company is the provision of field marketing staff

During the year the company continued to provide field marketing staff to CPM United Kingdom Limited, its sole customer

**Directors of the Company**

The directors who held office during the year were as follows

A J Stratton - Chairman (resigned 31 December 2013)

T W Preece (resigned 31 December 2013)

K Jackson (appointed 31 December 2013)

J Clarkson (appointed 31 December 2013)

**Political and charitable contributions**

The Company made no political contributions during the year (2012 £nil) Donations to charities amounted to £0 (2012 £nil)

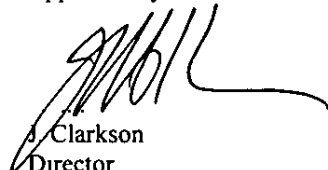
**Employee involvement**

During the Year the company employed 1,692 employees (2012 2,103)

The company's policy in respect of disabled people is to offer them suitable positions where possible, and to help any employees who become disabled by making reasonable adjustments to their employment or working conditions they consider would assist them in the performance of their duties. The company continues to keep employees informed on matters of concern to them as employees and on the various factors affecting the performance of the group through regular face to face briefings and company newsletters. The directors work with the employees in a number of ways to ensure their views can be taken into account in making decisions which are likely to affect their interest. This might include the use of focus groups, suggestion schemes, team meetings and feedback from briefings.

The company is committed to the principle of equal opportunity in employment. Training, career development and promotional opportunities will be made available to all employees through various programmes, initiatives and assessment schemes used by the company.

Approved by the Board on 26 March 2014 and signed on its behalf by



J. Clarkson  
Director

239 Old Marylebone Road  
London  
NW1 5QT

**CPM Field Marketing Limited**  
**Statement of Directors' Responsibilities in respect of the Strategic Report and the**  
**Directors' Report and the financial**

The directors are responsible for preparing the Strategic Report and 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 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 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.

**CPM Field Marketing Limited**  
**Profit and Loss Account for the Year Ended 31 December 2013**

|   | Note | 2013<br>£               | 2012<br>£               |
|---|------|-------------------------|-------------------------|
| Revenue                                       |      | 27,883,749              | 31,554,796              |
| Direct costs                                  |      | (26,204,068)            | (29,653,976)            |
| Administrative expenses                       |      | <u>(350,473)</u>        | <u>(450,638)</u>        |
| Operating profit                              | 2    | <u>1,329,208</u>        | <u>1,450,182</u>        |
| Profit on ordinary activities before taxation |      | 1,329,208               | 1,450,182               |
| Tax on profit on ordinary activities          | 5    | <u>(309,041)</u>        | <u>(355,295)</u>        |
| Profit for the financial year                 | 9    | <u><u>1,020,167</u></u> | <u><u>1,094,887</u></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.

The company has no recognised gains or losses for the year other than the results above.

**CPM Field Marketing Limited**  
**Registration number: 1952132**

**Balance Sheet as at 31 December 2013**

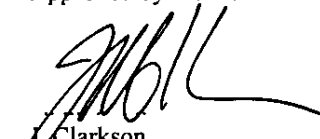
|   | Note | 2013<br>£        | 2012<br>£        |
|---|------|------------------|------------------|
| <b>Current assets</b>                         |      |                  |                  |
| Debtors                                       | 6    | 4,540,441        | 3,467,052        |
| Creditors Amounts falling due within one year | 7    | <u>(706,395)</u> | <u>(653,173)</u> |
| Net assets                                    |      | <u>3,834,046</u> | <u>2,813,879</u> |
| <b>Capital and reserves</b>                   |      |                  |                  |
| Called up share capital                       | 8    | 2                | 2                |
| Profit and loss account                       | 9    | <u>3,834,044</u> | <u>2,813,877</u> |
| Shareholders' funds                           |      | <u>3,834,046</u> | <u>2,813,879</u> |

For the year ending 31 December 2013 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

**Directors' responsibilities**

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

Approved by the Board on 26 March 2014 and signed on its behalf by

  
J. Clarkson  
Director



## CPM Field Marketing Limited

### Reconciliation of movement in shareholders' funds

*for the year ended 31 December 2013*

|   | 2013<br>£               | 2012<br>£               |
|---|-------------------------|-------------------------|
| Profit attributable to the members of the Company | <u>1,020,167</u>        | <u>1,094,887</u>        |
| Shareholders' funds at 1 January                  | <u>2,813,879</u>        | <u>1,718,992</u>        |
| Shareholders' funds at 31 December                | <u><u>3,834,046</u></u> | <u><u>2,813,879</u></u> |

## **CPM Field Marketing 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 Company's financial statements

##### **Basis of preparation**

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

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 DAS UK Investments Limited, a parent undertaking established under the law of the United Kingdom. These financial statements present information about the Company as an individual undertaking and not about its group.

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 directors consider that the Company has access to sufficient funding to meet its needs for the reasons set out below. Accordingly, the directors have prepared the financial statements on a going concern basis.

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](http://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 11.

##### **Post-retirement benefits**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

# CPM Field Marketing Limited

## Notes to the Financial Statements

### Dividends on shares presented within shareholders' funds

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.

### 2 Operating profit

|                                     | 2013<br>£ | 2012<br>£    |
|-------------------------------------|-----------|--------------|
| Audit of these financial statements | <u>-</u>  | <u>3,126</u> |

### 3 Directors' remuneration

The directors were not remunerated specifically for their services to CPM Field Marketing Ltd in the current or prior year.

### 4 Staff numbers and costs

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

|                            | 2013<br>No.  | 2012<br>No.  |
|----------------------------|--------------|--------------|
| Administration and support | 546          | 623          |
| Other departments          | <u>1,146</u> | <u>1,480</u> |
|                            | <u>1,692</u> | <u>2,103</u> |

The aggregate payroll costs were as follows:

|                       | 2013<br>£         | 2012<br>£         |
|-----------------------|-------------------|-------------------|
| Wages and salaries    | 22,964,139        | 25,761,522        |
| Social security costs | 1,634,467         | 1,885,793         |
| Other pension schemes | <u>152,883</u>    | <u>88,080</u>     |
|                       | <u>24,751,489</u> | <u>27,735,395</u> |

**CPM Field Marketing Limited**  
**Notes to the Financial Statements**

**5 Taxation**

**Tax on profit on ordinary activities**

|                                      | 2013<br>£      | 2012<br>£      |
|--------------------------------------|----------------|----------------|
| <b>Current tax</b>                   |                |                |
| Current tax on income for the period | <u>309,041</u> | <u>355,295</u> |

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

The current tax charge for the period is the same as (2012 same) the standard rate of corporation tax in the UK (23 25%, 2012 24 5%)

|  | 2013<br>£        | 2012<br>£        |
|--|------------------|------------------|
| Profit on ordinary activities before tax | <u>1,329,208</u> | <u>1,450,182</u> |
| Corporation tax at standard rate         | <u>309,041</u>   | <u>355,295</u>   |
| Total current tax                        | <u>309,041</u>   | <u>355,295</u>   |

**Accounting periods ending after the substantive enactment of the reduction to 24% and 23%**

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013 This will reduce the company's future current tax charge accordingly

**6 Debtors**

|   | 2013<br>£        | 2012<br>£        |
|---|------------------|------------------|
| Amounts owed by group undertakings - trading balances | <u>4,540,441</u> | <u>3,467,052</u> |

**7 Creditors: Amounts falling due within one year**

|                              | 2013<br>£      | 2012<br>£      |
|------------------------------|----------------|----------------|
| Taxation and social security | 684,244        | 650,774        |
| Other creditors              | <u>22,151</u>  | <u>2,399</u>   |
|                              | <u>706,395</u> | <u>653,173</u> |

**CPM Field Marketing Limited**  
**Notes to the Financial Statements**

**8 Share capital**

**Allotted, called up and fully paid shares**

|                               | <b>2013</b> |          | <b>2012</b> |          |
|-------------------------------|-------------|----------|-------------|----------|
|                               | <b>No</b>   | <b>£</b> | <b>No.</b>  | <b>£</b> |
| Ordinary shares of £1 00 each | <u>2</u>    | <u>2</u> | <u>2</u>    | <u>2</u> |

**9 Reserves**

|                     | <b>Profit and loss<br/>account<br/>£</b> |
|---------------------|--|
| At 1 January 2013   | 2,813,877                                |
| Profit for the year | <u>1,020,167</u>                         |
| At 31 December 2013 | <u>3,834,044</u>                         |

**10 Pension schemes**

**Defined contribution pension scheme**

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £152,883 (2012 - £88,080).

Contributions totalling £22,151 (2012 - £2,399) were payable to the scheme and are included in creditors.

**11 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.