Registration number: 4431736

Omnicom Media Group UK Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 December 2015

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Omnicom Media Group UK Limited

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Omnicom Media Group UK Limited

Strategic Report for the Year Ended 31 December 2015

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

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

Fair review of the business

Gross billings for the year were £2,100,127,471 (2014:£1,920,044,632), revenue £199,316,543 (2014: £162,951,375) and profit after tax £31,724,414 (£25,718,755). The profit and loss account is shown on page 7.

The key indicators that we review focus on revenue, administrative expenses and operating margin. Our revenue has grown by 22.2% as a group through a combination of new business wins and growing our share of existing clients' marketing budgets. This is through existing channels and specialist service offerings that add value to our clients marketing communications.

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 decreased to 50.1% (2014:52.9%) of revenue while other administrative costs decreased to 21.1% (2014:22.8%). Our operating margin decreased to 19.6% (2014:20.0%).

The balance sheet continues to be strong as the value of net assets has increased to £51,961,497 (2014: £43,341,102) even after paying a substantial dividend in the year.

The strict adherence to our credit policies and observance of good working capital management procedures has ensured that we have had minimal amounts of bad debts during the year and we expect this to continue.

We are confident in the group's financial position and future. Accordingly the directors have prepared the financial statements on a going concern basis.

Omnicom Media Group UK Limited

Strategic Report for the Year Ended 31 December 2015

Principal risks and uncertainties

The markets in which we participate are 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 service clients. While many of our client relationships are long-standing, companies put their marketing and communications services business up for competitive review from time to time. We have won and lost accounts in the past as a result of these reviews. To the extent that we are not able to remain competitive, our revenue may be adversely effected which could then affect our results and financial condition.

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 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 thus affect our results and financial position.

We rely on information technology systems and infrastructure to process transactions, summarize results and manage our business, including maintaining client marketing and advertising information. Our information technology systems are potentially vulnerable to system failures and network disruptions, malicious intrusion and random attack. Likewise, data security incidents and breaches by employees and others with or without permitted access to our systems may pose a risk that sensitive data may be exposed to unauthorized persons or to the public. Additionally, we utilize third parties 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.

Approved by the Board on 21/06/16 and signed on its behalf by:

M. Telling
Director

Omnicom Media Group UK Limited

Directors' Report for the Year Ended 31 December 2015

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

Principal activity
The principal activity of the company is to provide independent media planning and buying of advertising space and air time together with offering complimentary specialist marketing services.

Dividends
On 2 October 2015 the directors paid an interim dividend in respect of the year ended 31 December 2014 of £22,924,409 (2014: £20,300,782).

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

P. Brown

M. Telling

Political and charitable donations
During the year the Group made political donations of £nil (2014: £nil). Donations to charity amounted to £130,781 (2014: £156,178).

Employment of disabled persons
The group gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

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

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

Approved by the Board on 21/06/16 and signed on its behalf by:

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M. Telling
Director

239 Old Marylebone Road
London
NW1 5QT

Omnicom Media Group UK Limited

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice including FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the 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 Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Omnicom Media Group UK Limited

Independent Auditor's Report

We have audited the financial statements of Omnicom Media Group UK Limited for the year ended 31 December 2015, set out on pages 7 to 31. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), 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 web-site 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 the parent Company's affairs as at 31 December 2015 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

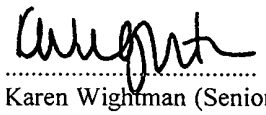
Matters on which we are required to report by exception

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

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

Omnicom Media Group UK Limited

Independent Auditor's Report



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

15 Canada Square
Canary Wharf
London
Canary Wharf
London
E14 5GL

Date: 24 June 2016

Omnicom Media Group UK Limited

Consolidated Profit and Loss Account for the Year Ended 31 December 2015

	Note	2015 £	2014 £
Gross billings		2,100,127,471	1,920,044,632
Rebillable costs		(1,900,810,928)	(1,757,093,257)
Revenue		199,316,543	162,951,375
Direct costs		(18,415,164)	(7,084,277)
Gross Profit		180,901,379	155,867,098
Administrative expenses		(141,793,717)	(123,329,897)
Operating Profit	2	39,107,662	32,537,201
Income from other fixed asset investments		227,905	-
Other interest receivable and similar income	6	507,450	1,109,979
Interest payable and similar charges	7	(69,957)	(236,995)
		665,398	872,984
Profit before tax		39,773,060	33,410,185
Taxation	8	(8,048,646)	(7,691,430)
Profit for the financial year		31,724,414	25,718,755
Profit/(loss) attributable to:			
Owners of the company		31,724,414	25,718,755

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

Omnicom Media Group UK Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2015

	Note	2015 £	2014 £
Profit for the year		31,724,414	25,718,755
Total comprehensive income for the year		31,724,414	25,718,755
Total comprehensive income attributable to:			
Owners of the company		31,724,414	25,718,755

The notes on pages 14 to 31 form an integral part of these financial statements.

Omnicom Media Group UK Limited

(Registration number: 4431736)
Consolidated Balance Sheet as at 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	10	859,737	1,634,791
Investments	11	382	-
		860,119	1,634,791
Current assets			
Debtors	12	617,748,791	562,191,313
Cash at bank and in hand		16,438	6,936
		617,765,229	562,198,249
Creditors: Amounts falling due within one year	13	(566,366,851)	(520,219,938)
Net current assets		51,398,378	41,978,311
Total assets less current liabilities		52,258,497	43,613,102
Provisions for liabilities	14	(297,000)	(272,000)
Net assets		51,961,497	43,341,102
Capital and reserves			
Called up share capital	15	6	6
Share premium reserve		62,073,999	62,073,999
Capital contribution reserve		1,079	1,079
Retained earnings		(22,370,909)	(30,991,304)
Merger reserve		12,257,322	12,257,322
Total equity		51,961,497	43,341,102

Approved and authorised by the Board on 21/06/2016 and signed on its behalf by:

M. Telling
Director

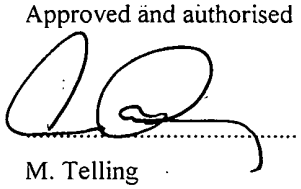
The notes on pages 14 to 31 form an integral part of these financial statements.

Omnicom Media Group UK Limited

(Registration number: 4431736)
Balance Sheet as at 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	10	147,558	368,160
Investments	11	62,074,487	62,074,105
		62,222,045	62,442,265
Current assets			
Debtors	12	48,371,840	33,061,216
Creditors: Amounts falling due within one year	13	(46,806,695)	(33,529,670)
Net current assets/(liabilities)		1,565,145	(468,454)
Net assets		63,787,190	61,973,811
Capital and reserves			
Called up share capital	15	6	6
Share premium reserve		62,073,999	62,073,999
Retained earnings		1,713,185	(100,194)
Total equity		63,787,190	61,973,811

Approved and authorised by the Board on 21/06/2016 and signed on its behalf by:



M. Telling

Director

The notes on pages 14 to 31 form an integral part of these financial statements.

Omnicom Media Group UK Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2015

	Share capital £	Share premium £	Capital contribution reserve £	Merger reserve £	Retained earnings £	Total £
At 1 January 2015	6	62,073,999	1,079	12,257,322	(30,991,304)	43,341,102
Profit for the year	-	-	-	-	31,724,414	31,724,414
Total comprehensive income	-	-	-	-	31,724,414	31,724,414
Dividends	-	-	-	-	(22,924,409)	(22,924,409)
Recharge from Omnicom Group Inc in respect of share based payments	-	-	-	-	(179,610)	(179,610)
At 31 December 2015	6	62,073,999	1,079	12,257,322	(22,370,909)	51,961,497

	Share capital £	Share premium £	Capital contribution reserve £	Merger reserve £	Other reserves £	Retained earnings £	Total £
At 1 January 2014	6	62,073,999	1,079	12,257,322	1,079	(36,356,065)	37,977,420
Profit for the year	-	-	-	-	-	25,718,755	25,718,755
Total comprehensive income	-	-	-	-	-	25,718,755	25,718,755
Dividends	-	-	-	-	-	(20,300,782)	(20,300,782)
Recharge from Omnicom Group Inc in respect of share based payments	-	-	-	-	-	(53,212)	(53,212)
Other reserve movements	-	-	-	-	(1,079)	-	(1,079)
At 31 December 2014	6	62,073,999	1,079	12,257,322	-	(30,991,304)	43,341,102

The notes on pages 14 to 31 form an integral part of these financial statements.

Omnicom Media Group UK Limited

Statement of Changes in Equity for the Year Ended 31 December 2015

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 January 2015	6	62,073,999	(100,194)	61,973,811
Profit for the year	-	-	24,821,711	24,821,711
Total comprehensive income	-	-	24,821,711	24,821,711
Dividends	-	-	(22,924,409)	(22,924,409)
Recharge from Omnicom Group Inc in respect of share based payments	-	-	(83,923)	(83,923)
At 31 December 2015	6	62,073,999	1,713,185	63,787,190

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 January 2014	6	62,073,999	(707,104)	61,366,901
Profit for the year	-	-	20,937,254	20,937,254
Total comprehensive income	-	-	20,937,254	20,937,254
Dividends	-	-	(20,300,782)	(20,300,782)
Recharge from Omnicom Group Inc in respect of share based payments	-	-	(29,562)	(29,562)
At 31 December 2014	6	62,073,999	(100,194)	61,973,811

The notes on pages 14 to 31 form an integral part of these financial statements.

Omnicom Media Group UK Limited

Consolidated Statement of Cash Flows for the Year Ended 31 December 2015

	Note	2015 £	2014 £
Cash flows from operating activities			
Profit for the year		31,724,414	25,718,755
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	2	1,001,544	989,508
Profit on disposal of tangible assets		-	(2,084)
Finance income		(735,355)	(1,109,979)
Finance costs	7	69,957	236,995
Share based payment transactions		397,528	385,353
Income tax expense	8	8,048,646	7,691,430
		40,506,734	33,909,978
Working capital adjustments			
(Increase)/decrease in debtors	12	(131,732,718)	2,303,175
Increase/(decrease) in creditors	13	45,665,508	(5,278,481)
Cash generated from operations		(45,560,476)	30,934,672
Income taxes paid		(7,965,419)	(6,424,459)
Net cash flow from operating activities		(53,525,895)	24,510,213
Cash flows from investing activities			
Acquisitions of tangible assets		(226,490)	(1,026,631)
Proceeds from sale of tangible assets		-	77,037
Dividend income from investment		227,905	-
Purchases of fixed asset investment		(382)	-
Net cash flows from investing activities	10	1,033	(949,594)
Cash flows from financing activities			
Dividends paid		(22,924,409)	(20,300,782)
Net finance costs		437,493	872,984
Movement in cash concentration arrangement		76,021,280	(4,135,778)
Net cash flows from financing activities		53,534,364	(23,563,576)
Net increase/(decrease) in cash and cash equivalents		9,502	(2,957)
Cash and cash equivalents at 1 January		6,936	9,893
Cash and cash equivalents at 31 December		16,438	6,936

The notes on pages 14 to 31 form an integral part of these financial statements.

1 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance
These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS102") as issued in August 2014. The amendments to FRS102 issued in July 2015 and effective immediately have been applied.

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

The company is a private company limited by share capital incorporated and domiciled in United Kingdom.

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

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement recognition adjustments.

The Company participates in a cash concentration arrangement with its fellow subsidiaries, Omnicom Finance plc/Omnicom Financial Services Limited, the group's UK treasury operation(s), under which bank balances are cleared to zero on a daily basis either by the Company depositing cash with Omnicom Finance plc/Omnicom Financial Services Limited or by Omnicom Finance plc/Omnicom Financial Services Limited 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.

Basis of consolidation
The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to December 31, 2015.

A subsidiary is an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the Group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the Company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Under Section 409 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

Summary of disclosure exemptions

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

Business combinations - Business combinations that took place prior to 1 January 2015 have not been restated.
Separate financial instruments - carrying amount of the Company's cost of investment in subsidiaries is its deemed cost at 1 January 2015.

Lease arrangements - in order to determine whether an arrangement contains a lease, the Company has analysed facts and circumstances existing at 1 January 2015 rather than commencement date of the arrangement.

Lease incentives for leases commenced before January 2015, the Group and Company continued to account for lease incentives under previous UK GAAP

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

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS102 in respect of certain disclsoures for the parent company financial statements have been applied:

• The reconciliation of the number of shares outstanding from beginning of the period has not been included a second time
• No separate parent company cash flow statement with related parties in included; and
• Key management personnel compensation has not been included for the company

Changes in accounting policy
The accounting policies set out below have unless otherwise stated been applied consistently to all periods presented in these 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.

Rebillable costs
Rebillable costs comprise media payments and third party production costs for those services that the Company is arranging for its clients in its capacity as an intermediary. The Company 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 Company acts as an intermediary, costs incurred with external suppliers are excluded from revenue.

Revenue
Consequently, revenue comprises 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 reached with each client.
Turnover is stated exclusive of VAT, sales taxation and trade discounts. Substantially all income occurs in the UK.

Foreign currency transactions and balances
Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax
The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

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

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

Fixed assets and depreciation
Tangible assets is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold improvements	Life of lease
Plant and Machinery	3 Years
Furniture, fittings, tools and equipment	3 Years

Fixed asset investments
Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors
Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital
Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

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

Share based payments
The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the entity. The fair value of the employee services received is measured by reference to the estimated fair value at the grant date of equity instruments granted and is recognised as an expense over the vesting period. The estimated fair value of the option granted is calculated using the Black Scholes option pricing model. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2 Operating profit

Arrived at after charging/(crediting)

	2015 £	2014 £
Depreciation and other assets written off tangible fixed assets: owned	1,001,544	989,508
Foreign exchange (gains) / losses	(101,007)	(185,879)
(Profit)/loss on disposal of property, plant and equipment	-	(2,084)
Hire of plant and machinery - rentals payable under operating leases	871,955	786,227
Hire of other assets - rentals payable under operating leases	4,712,943	4,446,619

3 Auditors' remuneration

	2015	2014
	£	£
Audit of these financial statements	125,539	122,900

4 Directors' remuneration

	2015	2014
	£	£
Directors' emoluments	1,095,299	1,077,927
Company contributions to money purchase pension schemes	52,155	53,350
	1,147,454	1,131,277

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

	2015	2014
	No.	No.
Received or were entitled to receive shares under long term incentive schemes	2	2
Exercised share options	1	-
Accruing benefits under money purchase pension scheme	2	2

In respect of the highest paid director:

	2015	2014
	£	£
Remuneration	678,559	656,664
Company contributions to money purchase pension schemes	30,030	31,225

The Company's directors participate in the restricted stock scheme operated by the Ultimate Parent Undertaking. Shares were received or receivable under this restricted share scheme by 2 directors (2014: 2)

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

5 Staff costs

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

	2015 £	2014 £
Wages and salaries	84,246,882	72,999,351
Share related awards	397,528	385,353
Social security costs	10,666,799	9,250,290
Pension and other post-employment benefit costs	4,442,293	3,583,543
Severance/loss of office	6,501	-
	99,760,003	86,218,537

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

	2015 No.	2014 No.
Other departments	1,767	1,575

6 Other interest receivable and similar income

	2015 £	2014 £
Receivable from group undertakings	507,450	1,109,979

7 Interest payable and similar charges

	2015 £	2014 £
Payable to group undertakings	69,946	236,951
Other interest payable	11	44
	69,957	236,995

8 Taxation

Tax charged/(credited) in the income statement

	2015 £	2014 £
Current taxation		
Current tax on income for the period	8,653,146	7,460,939
Adjustments in respect of previous periods	(181,322)	242,336
	8,471,824	7,703,275
Deferred taxation		
Origination and reversal of timing differences	(287,449)	(11,845)
Effect of increased/decreased tax rate on opening liability	15,925	-
Adjustment in respect of previous periods	(151,654)	-
Total deferred taxation	(423,178)	(11,845)
Tax expense in the income statement	8,048,646	7,691,430

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

The differences are reconciled below:

	2015 £	2014 £
Profit before tax	39,773,060	33,410,185
Corporation tax at standard rate	8,054,045	7,183,190
Effect of expense not deductible in determining taxable profit (tax loss)	311,652	265,904
Deferred tax expense (credit) relating to changes in tax rates or laws	15,925	-
Deferred tax expense (credit) from unrecognised temporary difference from a prior period	(151,654)	-
Increase (decrease) in UK and foreign current tax from adjustment for prior periods	(181,322)	242,336
Total tax charge	8,048,646	7,691,430

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

Deferred tax

Group
Deferred tax assets and liabilities

2015	**Asset £**
Difference between accumulated depreciation and amortisation and capital allowances	259,319
Other timing differences	211,887
	471,206

No deferred tax comparative for 2014.

Company
Deferred tax assets and liabilities

2015	**Asset £**
Difference between accumulated depreciation and amortisation and capital allowances	67,166
Other timing differences	74,294
	141,460

No deferred tax comparative for 2014.

9 Dividends

	2015 £	**2014 £**
Interim dividend of £3,820,735.00 (2014 - £3,383,464.00) per ordinary share	22,924,409	20,300,782

10 Tangible fixed assets

Group

	Leasehold improvements £	Furniture, fittings and equipment £	Office equipment £	Total £
Cost or valuation				
At 1 January 2015	6,103,632	1,446,088	1,130,998	8,680,718
Additions	152,868	-	73,622	226,490
At 31 December 2015	6,256,500	1,446,088	1,204,620	8,907,208
Depreciation				
At 1 January 2015	4,842,410	1,384,852	818,665	7,045,927
Charge for the year	725,879	39,146	236,519	1,001,544
At 31 December 2015	5,568,289	1,423,998	1,055,184	8,047,471
Carrying amount				
At 31 December 2015	688,211	22,090	149,436	859,737
At 31 December 2014	1,261,222	61,236	312,333	1,634,791

Company

	Leasehold improvements £	Furniture, fittings and equipment £	Office equipment £	Total £
Cost or valuation				
At 1 January 2015	199,420	71,223	735,245	1,005,888
Additions	14,686	-	-	14,686
At 31 December 2015	214,106	71,223	735,245	1,020,574
Depreciation				
At 1 January 2015	47,161	65,036	525,531	637,728
Charge for the year	72,993	2,749	159,546	235,288
At 31 December 2015	120,154	67,785	685,077	873,016
Carrying amount				
At 31 December 2015	93,952	3,438	50,168	147,558
At 31 December 2014	152,259	6,187	209,714	368,160

11 Fixed assets investments

Group

	Other investments other than loans £	Total £
Cost		
Additions	382	382
Provision		
Carrying amount		
At 31 December 2015	382	382

Company

Subsidiaries	Shares in group undertakings £	Other investments other than loans £	Total £
Cost			
At 1 January 2015	62,074,105	-	62,074,105
Additions	-	382	382
At 31 December 2015	62,074,105	382	62,074,487
Provision			
Carrying amount			
At 31 December 2015	62,074,105	382	62,074,487
At 31 December 2014	62,074,105	-	62,074,105

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

12 Debtors

	Note	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Trade debtors		359,921,419	238,349,127	5,845,166	3,298,247
Amounts owed by group undertakings - trading balances		60,272,351	44,011,165	13,050,990	3,682,065
Amounts owed by group undertakings - loans and advances		160,441,073	236,462,353	27,605,462	21,870,263
Taxation and social security		-	1,579,320	-	-
Other debtors		18,041,963	7,376,842	632,805	94,511
Deferred tax assets	8	471,206	48,028	141,460	-
Prepayments and accrued income		18,600,779	34,364,478	1,095,957	4,116,130
		617,748,791	562,191,313	48,371,840	33,061,216

The Company participates in a cash concentration arrangement with its fellow subsidiaries, Omnicom Finance plc and Omnicom Financial Services Limited, the Omnicom Europe Limited group's UK treasury operation, under which bank balances are cleared to zero on a daily basis either by the Company depositing cash with Omnicom Finance plc/Omnicom Financial Services Limited or by Omnicom Finance plc/Omnicom Financial Services Limited depositing cash with the Company. Included in Amounts owed by group undertakings - loans and advances is £160,441,073 (2014: £236,462,353) representing cash deposited by the Company under these arrangements.

13 Creditors

	Note	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Due within one year					
Trade creditors		446,036,280	434,417,999	-	117,294
Amounts owed to group undertakings - trading balances		69,309,600	38,448,136	27,529,062	22,409,497
Taxation and social security		12,528,493	6,925,883	3,760,952	2,724,862
Accruals and deferred income		38,492,478	40,427,920	15,516,681	8,278,017
		566,366,851	520,219,938	46,806,695	33,529,670

14 Deferred tax and other provisions

Group

	Other provisions £	Total £
At 1 January 2015	272,000	272,000
Increase (decrease) in existing provisions	25,000	25,000
At 31 December 2015	297,000	297,000

Our office leases require premises to be returned to their original condition on expiry of the leases. It is currently estimated that our outstanding liability is approximately £297,000 but the exact amount can only be confirmed when the leases have expired and agreement has been reached with the landlord.

15 Share capital

Allotted, called up and fully paid shares

	2015		2014	
	No.	£	No.	£
Ordinary A shares of £1 each	6	6	6	6

16 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £4,442,293 (2014 - £3,583,543).

Contributions amounting to £504,356 (2014: £430,152) were payable to the scheme and are included in creditors.

17 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 and December 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 102 Section 26, 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 2015, the Company recognised an expense of £nil (2014: £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 such conditions are not taken into account in the grant date fair value measurement of the services received. There are no market conditions associated with the share option grants.

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

	2015 Weighted average exercise price $	2015 Number of options	2014 Weighted average exercise price $	2014 Number of options
At beginning of year	23.40	13,500	23.40	13,500
Granted	23.40	-	23.40	-
Exercised	23.40	2,500	23.40	-
Lapsed	23.40	-	23.40	-
Forfeited	23.40	-	23.40	-
Outstanding options at end of the year	23.40	11,000	23.40	13,500
Exercisable at end of the year	23.40	11,000	23.40	13,500

The liability arising in relation to the linked recharge from Omnicom Group Inc in relation to these share options for the year was £179,790 (2014: £68,368).

The weighted average share price at the date of exercise of share options exercised during the year was $77.30. (2014: $nil).

18 Commitments

Group

Operating leases

The total of future minimum lease payments is as follows:

	2015	2014
	£	£
Not later than one year	3,005,931	2,986,187
Later than one year and not later than five years	7,557,696	8,299,078
Later than five years	2,289,107	4,521,437
	12,852,734	15,806,702

Company

Operating leases

The total of future minimum lease payments is as follows:

	2015	2014
	£	£
Not later than one year	335,782	330,517
Later than one year and not later than five years	1,259,129	1,223,720
Later than five years	380,224	751,415
	1,975,135	2,305,652

19 Related party transactions

Group

Key management personnel

Key management personnel are considered to be the senior leadership management across the group, agencies and specialist services with responsibility for planning, directing and controlling the activities of the group. Total remuneration in respect of these individuals is £4,628,484 (2014 - £4,411,631).

Summary of transactions with other related parties
Mobile5 Media Limited

Income and receivables from related parties

	Other related parties
2015	**£**
Sale of goods	95,352
Amounts receivable from related party	32,500

	Other related parties
2014	**£**
Sale of goods	2,700
Amounts receivable from related party	2,700

Expenditure with and payables to related parties

	Other related parties
2015	**£**
Purchase of goods	1,895,884
Amounts payable to related party	624,846

	Other related parties
2014	**£**
Purchase of goods	1,512,329
Amounts payable to related party	475,523

20 Parent and ultimate parent undertaking

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

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

No other group accounts include the results of the Company.

21 Details of undertakings

Details of all the investments in which the company holds share capital are as follows:

Undertaking	Company number	Country of incorporation	Holding	Proportion of voting rights and shares held	Principle activity
Subsidiary undertakings					
M2M International Limited	3802728	England	Ordinary	100%	Dormant
OMD Group Limited	2078820	England	Ordinary	100%	Media Buying Company
PHD Media Limited	2423952	England	Ordinary	100%	Media Buying Company
Talon Outdoor Limited	6347960	England	Ordinary	19%	Outdoor Media Services
Drum OMG Limited	2904456	England	Ordinary	100%	Branded Content
Goodstuff Communications LLP	OC307839	England	Membership Interest	35%	Strategic Communications
OMD International Limited	4094368	England	Ordinary	100%	Media Buying Company