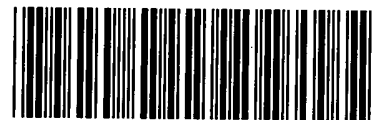


**Bell Pottinger (Services) Limited**  
**Annual report and financial statements**  
**for the year ended 31 December 2015**

Registered number: 8306152

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# **Bell Pottinger (Services) Limited**

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# **Bell Pottinger (Services) Ltd**

## **Directors**

David Beck

James Henderson

Greg Lake (resigned 4 September 2015)

Thomas Leigh

## **Company Secretary**

Thomas Tolliss

## **Registered Office**

6<sup>th</sup> Floor Holborn Gate

330 High Holborn

London

WC1V 7QD

## **Company Number**

08306152

## **Auditor**

Deloitte LLP

2 New Street Square

London

EC4A 3BZ

# **Bell Pottinger (Services) Limited**

## **Strategic report**

### **Principal activities**

The principal activity of Bell Pottinger (Services) Limited ("the Company"), a subsidiary of Bell Pottinger Private Limited ("the Group"), is to provide personnel and other services to Bell Pottinger LLP, a fellow subsidiary of the Group.

The company was incorporated on 23 November 2012 and began trading on 1 January 2013.

### **Business review, principal risks and uncertainties and KPI's**

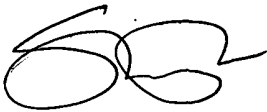
The Company is a wholly-owned subsidiary of Bell Pottinger Private Limited.

The principal risks and uncertainties of the Company are integrated with the principal risks and uncertainties of the Group and are not managed separately.

The matters required to be discussed in the Business Review, which include the Group's key performance indicators and principal risks and uncertainties, are set out in the Statutory Accounts of Bell Pottinger Private Limited on pages 1 to 3.

A copy of this is available from the Group Company Secretary, 6th Floor Holborn Gate, 330 High Holborn, London WC1V 7QD.

On behalf of the Board



Thomas Leigh

Director

30 September 16

6<sup>th</sup> Floor Holborn Gate

330 High Holborn

London

WC1V 7QD

# **Bell Pottinger (Services) Limited**

## **Directors' report**

The directors present their annual report together with the financial statements and auditor's report, for the year ended 31 December 2015.

### **Results and Dividends**

The profit for the year, after taxation, amounted to £1,062,070 (2014: £1,444,993).

The directors do not recommend the payment of a dividend for the year.

### **Going Concern**

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in note 1 of the financial statements.

### **Directors**

The directors, who served throughout the year except as noted, were as follows:

James Henderson

David Beck

Greg Lake (resigned 4 September 2015)

Thomas Leigh

### **Auditors**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte have been deemed re-appointed under section 487 of the 2006 Act.

# **Bell Pottinger (Services) Limited**

## **Directors' report (continued)**

### **Approval of reduced disclosures**

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholders have been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The Company also intend to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the Company by Bell Pottinger Private Ltd, as the immediate parent of the entity, or by a shareholder holding in aggregate 5 per cent or more of the total allocated shares in the Company or more than half of the allotted shares in the entity not held by Bell Pottinger Private Ltd as the immediate parent.

Approved by the Board and signed on its behalf by:



Thomas Leigh

Director

30 September 16

6<sup>th</sup> Floor Holborn Gate

330 High Holborn

London

WC1V 7QD

## **Bell Pottinger (Services) Limited**

### **Independent auditor's report to the members of Bell Pottinger (Services) Limited**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 then 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We have audited the financial statements of *Bell Pottinger (Services) Limited* for the year ended 31 December 2015 which comprise the Profit and Loss Account, The Balance Sheet and the related note 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, 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.

## **Bell Pottinger (Services) Limited**

### **Independent auditor's report to the members of Bell Pottinger (Services) Limited**

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2016 and of the Group's profit [loss] 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.

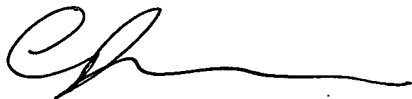
#### **Opinion on other matter prescribed by the Companies Act 2006**

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



Chris Donovan (Senior statutory auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, UK

20 September 16



## **Bell Pottinger (Services) Limited**

### **Profit and loss account**

**For the year ended 31 December 2015**

	Note	2015 £'000	2014 £'000
		£'000	£'000
Turnover		21,289	22,911
Cost of sales		<u>(19,792)</u>	<u>(21,417)</u>
Profit on ordinary activities before taxation	3	1,497	1,494
Tax on profit on ordinary activities	7	<u>(435)</u>	<u>(49)</u>
Profit for the financial year attributable to the equity shareholders of the Company		<u>1,062</u>	<u>1,445</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains or losses in either year other than the profit for that year. Accordingly no Statement of Comprehensive Income has been presented.

The accompanying notes are an integral part of this profit and loss account.

# Bell Pottinger (Services) Limited

## Balance Sheet

As at 31 December 2015

	Note	2015 £'000	2014 £'000
<b>Fixed assets</b>			
Intangible fixed assets	8	22	34
Tangible fixed assets	9	1,055	833
		<hr/>	<hr/>
		1,077	867
<b>Current assets</b>			
Work in progress	10	53	318
Debtors due in one year	11	3,660	3,313
Cash in bank and at hand		172	2
		<hr/>	<hr/>
		3,885	3,633
<b>Creditors: amounts falling due within one year</b>	12	(2,456)	(3,105)
		<hr/>	<hr/>
<b>Net current assets</b>		1,429	528
<b>Total assets less current liabilities</b>		2,506	1,395
<b>Deferred taxation</b>	13	51	100
		<hr/>	<hr/>
<b>Net assets</b>		2,557	1,495
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	14	-	-
Profit and loss account		2,557	1,495
		<hr/>	<hr/>
<b>Shareholders' funds</b>		2,557	1,495
		<hr/>	<hr/>

The financial statements of Bell Pottinger (Services) Limited (registered number 8306152) were approved by the board of directors and authorised for issue on 30 September 2016. They were signed on its behalf by:

Thomas Leigh



Director

## **Bell Pottinger (Services) Limited**

### **Statement of changes in equity** **As at 31 December 2015**

	<b>Profit and loss account</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>
<b>At 31 December 2013 as previously stated</b>	50	50
<b>At 1 January 2014 as restated</b>	<u>50</u>	<u>50</u>
Profit for the financial year	1,445	1,445
<b>At 31 December 2014</b>	<u>1,495</u>	<u>1,495</u>
Profit for the financial year	1,062	1,062
<b>Total comprehensive income</b>	<u>1,062</u>	<u>1,062</u>
<b>At 31 December 2015</b>	<u><u>2,557</u></u>	<u><u>2,557</u></u>

# **Bell Pottinger (Services) Limited**

## **Notes to the financial statements**

**For the year ended 31 December 2015**

### **1. Accounting policies**

A summary of the principal accounting policies are summarised below. They have all been applied consistently throughout the year.

#### **General information and basis of accounting**

Bell Pottinger (Services) Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on page 1.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. For more information see note 19.

The functional currency of Bell Pottinger (Services) Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Bell Pottinger (Services) Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Bell Pottinger (Services) Limited is consolidated in the financial statements of its parent, Bell Pottinger Private Limited (formerly BPP Communications Limited), which may be obtained at 6<sup>th</sup> Floor Holborn Gate, 330 High Holborn, London WC1V 7QD. Exemptions have been taken in these separate Company financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

#### **Going concern**

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report.

The Company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The Company participate in the Group's centralised treasury arrangement and so shares banking arrangements with its parent and fellow subsidiaries.

The directors, having assessed the responses of the directors of the Company's parent Bell Pottinger Private Limited to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Group to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Bell Pottinger Private Limited, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

# **Bell Pottinger (Services) Limited**

## **Notes to the financial statements (continued)**

**For the year ended 31 December 2015**

### **1. Accounting policies (continued)**

#### **Intangible fixed assets - Website development costs**

Design and content development costs are capitalised only to the extent that they lead to the creation of an enduring asset delivering benefits at least as great as the amount capitalised. If there is insufficient evidence on which to base reasonable estimates of the economic benefits that will be generated in the period until the design and content are next updated, the costs of developing the design and content are charged to the profit and loss account as incurred.

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Improvements to leasehold	20% per annum
Furniture & Fittings	25% per annum
Motor Vehicles	20% per annum

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

#### **Work in progress**

Work in progress is stated at the lower of invoiced cost and net realisable value, net of payments received on account and represents rechargeable expenses awaiting billing to the clients at the period end.

#### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

# **Bell Pottinger (Services) Limited**

## **Notes to the financial statements (continued)**

For the year ended 31 December 2015

### **1. Accounting policies (continued)**

#### **Taxation (continued)**

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### **Turnover**

Turnover represents amounts rechargeable to Bell Pottinger LLP, net of VAT, in respect of, rechargeable expenses and applicable mark-up.

#### **Employee benefits**

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### **Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

#### **Leases**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

#### **Financial instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

## **Bell Pottinger (Services) Limited**

### **Notes to the financial statements (continued)**

For the year ended 31 December 2015

#### **2. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### **Critical judgements in applying the Company's accounting policies**

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

#### **Revenue recognition**

In making its judgement, management considered the detailed criteria for the recognition of revenue from the sale of services set out in FRS 102 Section 23 Revenue and, in particular, whether the Company had transferred to the buyer the significant risks and rewards of ownership of the goods. Following the detailed quantification of the Company's liability in respect of rectification work, and the agreed limitation on the customer's ability to require further work or to require replacement of the goods, the directors are satisfied that the significant risks and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with recognition of an appropriate provision for the rectification costs.

#### **Key source of estimation uncertainty – impairment of intangible assets**

Determining whether intangible assets are impaired requires an estimation of their value in use to the Company. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the intangible asset and a suitable discount rate in order to calculate present value.

## Bell Pottinger (Services) Limited

### Notes to the financial statements (continued)

For the year ended 31 December 2015

#### 3. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2015 £'000	2014 £'000
Amortisation intangibles	12	13
Depreciation - owned assets	318	186
(Profit) / Loss on sale of property, plant and equipment	-	7
Operating lease expenses:		
- Plant and machinery	241	88
- Property	940	680
	<hr/>	<hr/>

#### 4. Auditor's remuneration

Fees payable to Deloitte and their associates for non-audit services to the company are not required to be disclosed because the consolidated financial statements of the parent company are required to disclose such fees on a consolidated basis.

#### 5. Staff number and costs

The average monthly number of employees was:

	2015	2014
Client services	30	37
Management and administration	131	120
	<hr/>	<hr/>
	161	157
	<hr/>	<hr/>

	2015 £'000	2014 £'000
Wages and salaries	6,746	6,993
Social security costs	791	821
Other pension costs (see note 16)	248	195
	<hr/>	<hr/>
	7,785	8,009
	<hr/>	<hr/>

'Other pension costs' includes only those items included within operating costs. Items reported elsewhere have been excluded.



# Bell Pottinger (Services) Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2015

### 6. Directors' remuneration and transactions

The directors do not receive remuneration from the Company. All directors are partners of Bell Pottinger LLP and remunerated within the LLP.

### 7. Tax on profit on ordinary activities

The tax charge comprises:

	2015 £'000	2014 £'000
<b>Current tax on profit on ordinary activities</b>		
UK corporation tax at 20.2%	371	149
Adjustment in respect of prior periods	15	-
	<b>386</b>	<b>149</b>
<b>Total current tax</b>	<b>386</b>	<b>149</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	49	(100)
Adjustments in respect of prior years	-	-
Effect of tax rate change on opening balance	-	-
	<b>49</b>	<b>(100)</b>
<b>Total deferred tax (see note 13)</b>	<b>49</b>	<b>(100)</b>
<b>Total tax on profit on ordinary activities</b>	<b>435</b>	<b>49</b>

The standard rate of tax applied to reported profit on ordinary activities is 20.2% per cent (2014: 20.53% per cent). The applicable tax rate has changed following the substantive enactment of the Finance Act 2014. During the year beginning 1 January 2015, the net reversal of deferred tax assets and liabilities is expected to increase the corporation tax charge for the year by £49,072. This is due to expenses not deductible for tax purposes and differences in capital allowances and depreciation.

There is no expiry date on timing differences, unused tax losses or tax credits.

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2015 £'000	2014 £'000
Profit on ordinary activities before tax	1,497	1,499
<b>Tax on profit on ordinary activities at standard UK corporation tax rate of 20.02 per cent (2014: 20.53%)</b>	<b>300</b>	<b>323</b>
<b>Effects of:</b>		
Expenses not deductible for tax purposes	228	77
Capital allowances in excess of depreciation	4	(59)
Surrender / Claim of group relief	-	(249)
Other deductions for tax purposes	(146)	-
Origination and reversal of temporary differences	49	-
<b>Total tax charge for period</b>	<b>435</b>	<b>91</b>

## Bell Pottinger (Services) Limited

### Notes to the financial statements (continued)

For the year ended 31 December 2015

#### 8. Intangible fixed assets – website development costs

	2015 £'000	2014 £'000
<b>Cost</b>		
Balance at 1 January 2015	48	48
Additions	-	-
<b>Balance at 31 December 2015</b>	<b>48</b>	<b>48</b>
<b>Amortisation</b>		
Balance at 1 January 2015	(14)	(1)
Amortisation for the period	(12)	(13)
<b>Balance at 31 December 2015</b>	<b>(26)</b>	<b>(14)</b>
<b>Balance at 1 January 2015</b>	<b>34</b>	<b>47</b>
<b>Balance at 31 December 2015</b>	<b>22</b>	<b>34</b>

#### 9. Tangible fixed assets

	Improvements to leasehold £'000	Furniture & fittings £'000	Motor Vehicles £'000	Total £'000
<b>Cost</b>				
At 1 January 2015	526	1,024	105	1,655
Additions	269	271	-	540
	<b>795</b>	<b>1,295</b>	<b>105</b>	<b>2,195</b>
<b>Depreciation</b>				
At 1 January 2015	(148)	(589)	(85)	(822)
Charge for the year	(121)	(192)	(5)	(318)
	<b>(269)</b>	<b>(781)</b>	<b>(90)</b>	<b>(1,140)</b>
<b>Net book value</b>				
At 1 January 2015	378	435	20	833
<b>At 31 December 2015</b>	<b>526</b>	<b>514</b>	<b>15</b>	<b>1,055</b>

# **Bell Pottinger (Services) Limited**

## **Notes to the financial statements (continued)**

For the year ended 31 December 2015

### **10. Work in progress**

	2015 £'000	2014 £'000
Work in progress	53	318

### **11. Debtors**

	2015 £'000	2014 £'000
Amounts falling due within one year:		
Amounts owed by Group undertakings	1,193	2,455
Other debtors	22	338
Deferred tax	-	-
Other tax and social security	1,864	164
Prepayments and accrued income	581	356
	<u>3,660</u>	<u>3,313</u>

### **12. Creditors – amounts falling due within one year**

	2015 £'000	2014 £'000
Bank loans and other overdrafts	-	527
Trade creditors	810	1,770
Corporation tax	371	85
Other taxation and social security	-	-
Other creditors	(50)	16
Accruals and deferred income	1,264	656
Defined contribution pension accrual	61	51
	<u>2,456</u>	<u>3,105</u>

## Bell Pottinger (Services) Limited

### Notes to the financial statements (continued)

For the year ended 31 December 2015

#### 13. Deferred taxation

Deferred tax is provided for as follows:

	2015 £'000	2014 £'000
At 1 January	(100)	(16)
Transfers in from group undertakings	-	16
Charge to profit and loss account	49	(100)
<b>At 31 December</b>	<b>(51)</b>	<b>(100)</b>
	(51)	(100)
	£'000	£'000
Deferred tax is provided as follows:	(100)	(16)
Accelerated capital allowances	51	125
Other timing differences	(2)	(9)
	<b>(51)</b>	<b>(100)</b>

Deferred tax assets and liabilities are offset only where the Company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the Company.

#### 14. Called-up share capital

	2015 £'000	2014 £'000
<b>Allotted, called up and fully paid</b>		
1 ordinary shares of £1 each	-	-

The Company has one class of ordinary shares which carry no right to fixed income.

The Company's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses, including unrealised profit on the remeasurement of investment properties, net of dividends paid and other adjustments.

## Bell Pottinger (Services) Limited

### Notes to the financial statements (continued)

For the year ended 31 December 2015

#### 15. Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2015		2014	
	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
within one year	940	241	940	241
between one and five years	4,154	210	4,776	451
after five years	900	-	1,218	-
	<b>5,994</b>	<b>451</b>	<b>6,934</b>	<b>692</b>

#### 16. Employee benefits

##### Defined contribution schemes

The Company operates defined contribution retirement benefit schemes on behalf of its employees. All employees are eligible to join the pension plan after completing their probationary period. The Company contributes a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The employee has a choice of contributing additional funds to the scheme.

The total cost charged to income of £248,161 (2014: £195,343) represents contributions payable to these schemes by the Company. As at 31 December 2015, contributions of £60,763 (2014: £50,842) due in respect of the current reporting period had not been paid over to the schemes.

#### 17. Related party transactions

The company has taken advantage of the FRS102 section 33 exemption and has not disclosed related party transactions and balances with other wholly-owned undertakings in the Group.

During the year the Company had a trading relationship with Chime Communications plc and its subsidiaries. Chime Communications plc holds a 24.5% share in the parent, Bell Pottinger Private Limited. All transactions were conducted at normal commercial rates.

- During the year the Company paid £63,047 (2014: £195,339) to Chime Communications plc for property and services charges. The Company had an outstanding creditor balance of £75,868 at 31 December 2015 (2014: £35,627).
- During the year the Company paid £nil (2014: £305,139) to Chime Communications plc for the provision of information technology services. The Company had an outstanding creditor balance of £nil at 31 December 2015 (2014: £nil).
- During the year the Company paid £264,059 (2014: £346,783) to Chime Communications plc and its subsidiaries for the provision of public relations consultancy and other services. The Company had an outstanding creditor balance of £42,492 at 31 December 2015 (2014: £183,863).

## Bell Pottinger (Services) Limited

### Notes to the financial statements (continued)

For the year ended 31 December 2015

- d) During the year the Company had a trading relationship with Bell Pottinger Pte Limited, a non-wholly owned Singapore based company. The parent company, Bell Pottinger Private Limited holds a 90% share in Bell Pottinger Pte Limited. All transactions were conducted at normal commercial rates.

During the period the Company paid £228,242 (2014: £380,761) to Bell Pottinger Pte Limited for the provision of public relations consultancy and other services. The Company had an outstanding creditor balance of £34,948 (2014: £301,609) at 31 December 2015.

#### 18. Ultimate parent undertaking and controlling party

The Directors regard Bell Pottinger Private Limited (formerly BPP Communications Ltd), a company incorporated in Great Britain and registered in England and Wales, as the Company's ultimate parent undertaking and ultimate controlling party.

The largest and smallest group in which the results of the Company are consolidated is that headed by the ultimate parent company which is incorporated in Great Britain. The consolidated financial statements of this company are available to the public and may be obtained from Companies House.

#### 19. Explanation of transition to FRS 102

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard. We have reviewed the two property leases held by the Company. It has been confirmed that they have been correctly treated as Operating Leases and so no update is required to that effect. We have also considered the lease incentives in line with updated narrative in section 20.15A which now requires the recognition of any "Rent free period" over the life of the lease rather than to the break clause. We have two leasehold properties, Charles Street and Holborn Gate, of which we only have a rent free period on one (Charles Street).

#### Reconciliation of profit or loss for 2014

##### Note

	£'000
Profit for the financial year under previous UK GAAP	1,450
1 Adjustment for lease incentive	(5)
Profit for the financial year under FRS 102	1,445

# Bell Pottinger (Services) Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2015

### Reconciliation of profit or loss for 2015

Note

	£'000
<b>Profit for the financial year under previous UK GAAP</b>	<u>1,094</u>
1 Adjustment for lease incentive	(32)
<b>Profit for the financial year under FRS 102</b>	<u><u>1,062</u></u>

### Reconciliation of balance sheet for 2014

Note

	At 1 January 2015 £'000	Change on transition to FRS102 £'000	At 31 Dec 2014 as previous stated £'000
<b>Fixed assets</b>			
Intangible fixed assets	34	-	34
Tangible fixed assets	833	-	833
	<u>867</u>	<u>-</u>	<u>867</u>
<b>Current assets</b>			
Work in progress	318	-	318
Debtors due in one year	3,313	-	3,313
Cash in bank and at hand	2	-	2
	<u>3,633</u>	<u>-</u>	<u>3,633</u>
<b>Creditors: amounts falling due within one year</b>	<u>(3,105)</u>	<u>(5)</u>	<u>(3,100)</u>
<b>Net current assets</b>	<u>528</u>	<u>(5)</u>	<u>533</u>
<b>Total assets less current liabilities</b>	<u>1,395</u>	<u>(5)</u>	<u>1,400</u>
<b>Deferred taxation</b>	<u>100</u>	<u>-</u>	<u>100</u>
<b>Net assets</b>	<u><u>1,495</u></u>	<u><u>(5)</u></u>	<u><u>1,500</u></u>
<b>Capital and reserves</b>			
Called up share capital	-	-	-
Profit and loss account	1,495	(5)	1,500
<b>Shareholders' funds</b>	<u><u>1,495</u></u>	<u><u>(5)</u></u>	<u><u>1,500</u></u>