

Bell Pottinger (Services) Limited
Annual report and financial statements
for the year ended 31 December 2014

Registered number: 8306152

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Bell Pottinger (Services) Limited

Contents

	Page
Directors' report	1
Strategic report	2
Directors' responsibilities statement	3
Independent auditor's report	4
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8

Bell Pottinger (Services) Ltd

Directors

J Henderson

D Beck

G Lake

R Prashar (appointed 26 February 2014, resigned 12 November 2014)

T Leigh (appointed 5 December 2014)

Company Secretary

T Tolliss

Registered Office

6th 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

Directors' report

The directors present their annual report together with the financial statements and auditor's report, for the year ended 31 December 2014.

Results and Dividends

The profit for the year, after taxation, amounted to £1,339,288 (2013: £50,000).

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:

J Henderson

D Beck

G Lake

R Prashar (appointed 26 February 2014, resigned 12 November 2014)

T Leigh (appointed 5 December 2014)

Auditors

Pursuant to Section 485 of the Companies Act 2006, the auditor Deloitte LLP has been appointed to office and will be deemed to continue in office.

On behalf of the Board



David Beck

Director

21 September 2015

6th Floor Holborn Gate

330 High Holborn

London

WC1V 7QD

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 3 to 6.

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

Bell Pottinger (Services) Limited

Directors' responsibilities statement

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 jurisdiction.

Bell Pottinger (Services) Limited

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

We have audited the financial statements of Bell Pottinger (Services) Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 17. 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.

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 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 company's affairs as at 31st December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

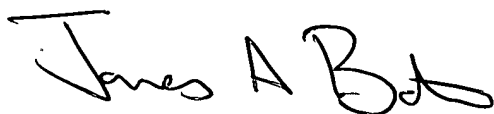
Bell Pottinger (Services) Limited

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

Matters on which we are required to report by exception

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

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



James Bates (Senior statutory auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, UK

24 September 2015

Bell Pottinger (Services) Limited

Profit and loss account

For the year ended 31 December 2014

	Note	2014 £'000	2013 £'000
		£'000	£'000
Turnover		22,911	20,282
Cost of sales		<u>(21,412)</u>	<u>(20,114)</u>
Profit on ordinary activities before taxation	2	1,499	168
Tax on profit on ordinary activities	5	<u>(49)</u>	<u>(118)</u>
Profit on ordinary activities after taxation		<u>1,450</u>	<u>50</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/loss for that year. Accordingly no Statement of Total Recognised Gains & Losses has been presented.

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

Bell Pottinger (Services) Limited

Balance Sheet

For the year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Fixed assets			
Intangible fixed assets	6	34	47
Tangible fixed assets	7	833	373
		<hr/>	<hr/>
		867	420
Current assets			
Work in progress	8	318	61
Debtors due in one year	9	3,313	4,627
Cash in bank and at hand		2	3
		<hr/>	<hr/>
		3,633	4,691
Creditors: amounts falling due within one year	10	(3,100)	(5,045)
		<hr/>	<hr/>
Net current assets		533	(354)
Total assets less current liabilities		1,400	66
Deferred taxation	11	100	(16)
		<hr/>	<hr/>
Net assets		1,500	50
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	12	-	-
Profit and loss account	13	1,500	50
		<hr/>	<hr/>
Shareholders' funds		1,500	50
		<hr/>	<hr/>

The financial statements of Bell Pottinger (Services) Limited were approved by the board of directors and authorised for issue on 21 September 2015. They were signed on its behalf by:

David Beck



Director

Bell Pottinger (Services) Limited

Notes to the financial statements **For the year ended 31 December 2014**

1. Accounting policies

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

Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards under the historical cost convention.

Cash flow statement

The Company has taken advantage of the exemption from preparing a cash flow statement as required by FRS1 (revised 1996) because it is a wholly-owned subsidiary of Bell Pottinger Private Limited (formerly BPP Communications Limited), which prepares consolidated accounts which are publicly available.

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.

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.

Bell Pottinger (Services) Limited

Notes to the financial statements **For the year ended 31 December 2014**

1. Accounting policies (continued)

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

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 Group'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.

A net deferred tax asset is regarded as recoverable and therefore 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.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities are not discounted.

Bell Pottinger (Services) Limited

Notes to the financial statements **For the year ended 31 December 2014**

1. Accounting policies (continued)

Turnover

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

Pension costs

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, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

2. Profit on ordinary activities before taxation

	2014	2013
	£'000	£'000
Amortisation of intangibles	13	1
Depreciation - owned assets	186	158
(Profit) / Loss on sale of property, plant and equipment	7	1
Operating lease expenses:		
- Plant and machinery	88	17
- Property	680	1,359

Bell Pottinger (Services) Limited

Notes to the financial statements For the year ended 31 December 2014

The analysis of auditors' remuneration is as follows:

	2014 £'000	2013 £'000
Fees payable to the Company's auditors for the audit of the Company's annual accounts	5	5
Total audit fees	5	5

3. Staff costs

The average monthly number of employees was:

	2014	2013
Client services	37	33
Management and administration	120	106
	157	139

	2014 £'000	2013 £'000
Wages and salaries	6,993	6,646
Social security costs	821	761
Other pension costs	195	165
	8,009	7,572

4. 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.

Bell Pottinger (Services) Limited

Notes to the financial statements **For the year ended 31 December 2014**

5. Tax on profit on ordinary activities

	2014 £'000	2013 £'000
Current tax		
UK corporation tax at 21.5%	149	74
	149	74
Total current tax	149	74
Deferred tax		
Origination and reversal of temporary differences	(100)	36
Adjustments in respect of prior years	-	6
Effect of tax rate change on opening balance	-	2
	(100)	44
Total deferred tax (see note 10)	(100)	44
Total tax on profit on ordinary activities	49	118

	2014 £'000	2013 £'000
Reconciliation of effective tax rate		
Profit on ordinary activities before tax	1,499	168
Tax on profit on ordinary activities at 21.5%	323	34
Effects of:		
Expenses not deductible	77	72
Capital allowances in excess of depreciation	(59)	(32)
Surrender / Claim of group relief	(249)	-
	92	74

Bell Pottinger (Services) Limited

Notes to the financial statements For the year ended 31 December 2014

6. Intangible fixed assets – website development costs

	2014 £'000	2013 £'000
Cost		
Balance at 1 January	48	-
Additions	-	48
	<hr/>	<hr/>
Balance at 31 December	48	48
	<hr/>	<hr/>
Amortisation		
Balance at 1 January	(1)	-
Amortisation for the period	(13)	(1)
	<hr/>	<hr/>
Balance at 31 December	(14)	(1)
	<hr/>	<hr/>
Balance at 1 January	47	-
	<hr/>	<hr/>
Balance at 31 December	34	47
	<hr/>	<hr/>

Bell Pottinger (Services) Limited

Notes to the financial statements For the year ended 31 December 2014

7. Tangible fixed assets

	Improvements to leasehold £'000	Furniture & fittings £'000	Motor Vehicles £'000	Total £'000
Cost				
At 1 January 2014	226	755	105	1,086
Additions	315	338	-	653
Disposals	(15)	(69)	-	(84)
				-
	526	1,024	105	1,655
Depreciation				
At 1 January 2014	(119)	(530)	(64)	(713)
Charge for the year	(43)	(122)	(21)	(186)
Disposals	14	63		77
				-
	(148)	(589)	(85)	(822)
Net book value				
At 1 January 2014	107	225	41	373
At 31 December 2014	378	435	20	833

Bell Pottinger (Services) Limited

Notes to the financial statements

For the year ended 31 December 2014

8. Work in progress

	2014 £'000	2013 £'000
Work in progress	318	61

9. Debtors

	2014 £'000	2013 £'000
Amounts falling due within one year:		
Amounts owed by Group undertakings	2,455	4,193
Other debtors	338	61
Other tax and social security	164	-
Prepayments and accrued income	356	373
	3,313	4,627

10. Creditors – amounts falling due within one year

	2014 £'000	2013 £'000
Bank loans and other overdrafts	527	798
Trade creditors	1,770	1,211
Corporation tax	85	332
Other taxation and social security	-	1,995
Other creditors	16	42
Accruals and deferred income	651	619
Defined contribution pension accrual	51	48
	3,100	5,045

Bell Pottinger (Services) Limited

Notes to the financial statements **For the year ended 31 December 2014**

11. Deferred taxation

	2014 £'000	2013 £'000
At 1 January 2014	(16)	-
Transfers in from group undertakings	16	(28)
Charge/(credit) to profit and loss account	(100)	44
	<hr/>	<hr/>
At 31 December 2014	(100)	16
	<hr/>	<hr/>
	£'000	£'000
Deferred tax is provided as follows:	(16)	
Accelerated capital allowances	125	22
Other timing differences	9	(6)
	<hr/>	<hr/>
	(100)	16
	<hr/>	<hr/>

12. Called-up share capital

	2014 £'000	2013 £'000
Allotted, called up and fully paid		
1 ordinary shares of £1 each	-	-
	<hr/>	<hr/>

Bell Pottinger (Services) Limited

Notes to the financial statements For the year ended 31 December 2014

13. Reserves

	Profit and Loss account £'000	Total £'000
Balance at 1 January 2014	50	50
Profit for the financial period	1,450	1,339
Balance at 31 December 2014	1,500	1,389

14. Reconciliation of movements in Company shareholders' funds

	2014 £'000	2013 £'000
Profit for the financial period	1,450	50
Net addition to shareholders' funds	1,450	50
Opening shareholders' funds	50	-
Closing shareholders' funds	1,500	50

15. Defined contribution schemes

The Company operates defined contribution 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 £195,343 (2013: £164,604) represents contributions payable to these schemes by the Company. As at 31 December 2014, contributions of £50,842 (2013: £48,338) due in respect of the current reporting period had not been paid over to the schemes.

Bell Pottinger (Services) Limited

Notes to the financial statements **For the year ended 31 December 2014**

16. Related party transactions

The company has taken advantage of the FRS8 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.

- a) During the year the Company paid £195,339 (2013: £2,171,789) to Chime Communications plc for property and services charges. The Company had an outstanding creditor balance of £35,627 at 31 December 2014 (2013: £28,500).
- b) During the year the Company paid £305,139 (2013: £286,049) to Chime Communications plc for the provision of information technology services. The Company had an outstanding creditor balance of £nil at 31 December 2014 (2013: £11,649).
- c) During the year the Company paid £346,783 (2013: £629,226) 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 £183,863 at 31 December 2014 (2013: £205,097).
- 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 £380,761 (2013: £113,431) to Bell Pottinger Pte Limited for the provision of public relations consultancy and other services. The Company had an outstanding creditor balance of £301,609 (2013: £99,232) at 31 December 2014.

17. 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.