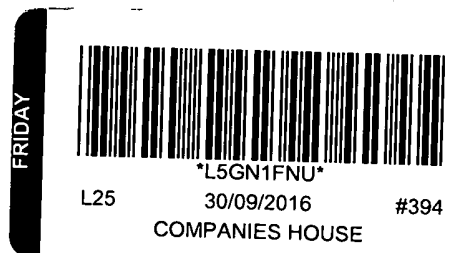


# **Bell Pottinger LLP**

## **Annual report and financial statements for the year ended 31 December 2015**

Registration number: OC380478



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**Registration number:** OC380478

### **Registered office**

330 High Holborn  
London  
WC1V 7QD

### **Auditor**

Deloitte LLP  
2 New Street Square  
London  
EC4A 3BZ

### **Designated members**

Bell Pottinger Private Limited  
David Beck  
James Henderson  
Thomas Leigh  
Thomas Tolliss

# **Bell Pottinger LLP**

## **Members' report**

The Management Board presents its annual report to the members together with the financial statements and auditor's report, for the year ended 31 December 2015.

### **Structure and Incorporation**

Bell Pottinger LLP (the "LLP") was incorporated on 23 December 2012 as a Limited Liability Partnership under the Limited Liability Partnerships Act 2000 and is a subsidiary of Bell Pottinger Private Limited, a company incorporated in the UK.

The LLP commenced trading on 1 January 2013 when the trade and assets of a number of UK subsidiaries of the Bell Pottinger Private Limited group ("the Group") hived up into the LLP. The companies were Pelham Bell Pottinger Limited, Bell Pottinger Public Affairs Limited, Bell Pottinger Public Relations Limited, Bell Pottinger Sans Frontiere Limited and Bell Pottinger Corporate and Financial Limited, "the UK subsidiaries".

The LLP is wholly-owned by its members, which includes the Corporate member Bell Pottinger Private Ltd and 50 individual members.

Bell Pottinger Services Ltd, a fellow subsidiary of Bell Pottinger Private Limited was incorporated on 23 November 2012 and began trading on 1 January 2013 by providing procurement and personnel services to the LLP. On the 1 January 2013 certain trade and assets in relation to procurement and personnel were transferred from Bell Pottinger LLP to Bell Pottinger (Services) Ltd.

These financial statements are the accounts of Bell Pottinger LLP and reflect the results for the year to 31 December 2015.

### **Principal activities**

The principal activity of the LLP during the year was the provision of public relations services across a wide range of sectors.

### **Business review and future developments**

The profit for the year, before members' remuneration, amounted to £11,028,134 (2014:£10,561,259).

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, 6<sup>th</sup> Floor Holborn Gate, 330 High Holborn, London WC1V 7QD.

### **Going Concern**

The Management Board has a reasonable expectation that the LLP have adequate resources to continue in operational existence for the foreseeable future. Thus, it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found at Note 1 in the Statement of accounting policies in the financial statements.

# Bell Pottinger LLP

## Members' report

### Designated members

The designated members (as defined in the Limited Liability Partnerships Act 2000) during the period were:

- Bell Pottinger Private Limited
- James Henderson
- David Beck
- Thomas Leigh
- Tom Tolliss

All the designated members served on the Management Board during the year.

### Members' drawings, profit share and repayment of capital

Members are permitted to take drawings in anticipation of profits which will be allocated to them. The amount of such drawings is set at the beginning of each fiscal period.

The income profits of the LLP for each financial period shall be shared as follows:

- a) First, a fixed profit share
- b) Second, a discretionary profit share which is anticipated to deliver 24% of the partners overall profit share
- c) Third, further profit shares at the discretion of the Management Board
- d) Fourth, the remaining income profit is allocated to Bell Pottinger Private Limited

Approved by the members and signed on their behalf by:



Thomas Leigh

Designated member

30 September 16

## **Bell Pottinger LLP**

### **Members' responsibilities statement**

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

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The financial statements are required by law to give a true and fair view of the state of affairs of the firm [and of the group] and of the profit or loss of the [firm/group] for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 firm will continue in business.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the firm and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships. They are also responsible for safeguarding the assets of the firm and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

# **Bell Pottinger LLP**

## **Independent auditor's report to the members of Bell Pottinger LLP**

We have audited the financial statements of Bell Pottinger LLP for the year ended 31 December 2015 which comprise the Balance Sheet, the Profit and Loss Account, the Reconciliation of Members Interest and the related notes 1 to 11. 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 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 31 December 2015 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.

## **Bell Pottinger LLP**

### **Independent auditor's report to the members of Bell Pottinger LLP**

#### **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.



Chris Donovan ACA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, UK

30 September 2016

## Bell Pottinger LLP

### Profit and loss account

For the year ended 31 December 2015

	Note	2015	2014
		£'000	£'000
Turnover		33,255	33,447
Cost of sales		(5,331)	(6,021)
Gross profit		27,924	27,426
Operating expenses		(16,895)	(16,865)
Profit for the financial year before members' remuneration and profit share	2	11,029	10,561
Members' remuneration charged as an expense	3	(7,766)	(8,067)
Profit for the financial year available for discretionary division among members		3,263	2,494

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 Comprehensive Income has been presented.

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



# Bell Pottinger LLP

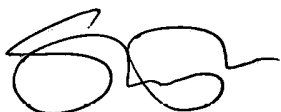
## Balance sheet

At 31 December 2015

		2015	2014
	Note	£'000	£'000
<b>Fixed assets</b>			
Intangible assets	4	1,443	2,164
		<hr/>	<hr/>
		1,443	2,164
<b>Current assets</b>			
Debtors due within one year	5	9,848	10,364
Cash in bank and at hand		2,222	540
		<hr/>	<hr/>
		12,070	10,904
<b>Creditors: amounts falling due within one year</b>	6	(7,564)	(7,776)
		<hr/>	<hr/>
<b>Net current assets</b>		4,506	3,128
<b>Total assets less current liabilities</b>		5,949	5,292
		<hr/>	<hr/>
<b>Net assets attributable to members</b>		5,949	5,292
		<hr/>	<hr/>
<b>Represented by:</b>			
Members capital classified as equity		3,378	3,378
Loans and other debts due to members		103	120
Other reserves		2,468	1,794
		<hr/>	<hr/>
		5,949	5,292
		<hr/>	<hr/>

The financial statements of Bell Pottinger LLP (registered number OC380478) were approved by the members and authorised for issue on 30 September 16. They were signed on the members' behalf by:

Thomas Leigh



Designated member

# Bell Pottinger LLP

## Statement of changes in members' interests At 31 December 2015

	Members equity classified as equity £'000	Other reserves £'000	Loans and other debts due to members £'000	Total £'000
Members' interest at 31 December 2013 as previously stated	3,378	1,291	138	4,807
Members' interest at 1 January 2014 as restated	3,378	1,291	138	4,807
Profit for the financial year available for discretionary division among members	-	2,494	-	2,494
Members' interest after profit for the year	3,378	3,785	138	7,301
Total comprehensive income available for discretionary division among members	3,378	3,785	138	7,301
Drawings	-	(1,991)	-	(1,991)
Transfer of capital to former members' balances	-	-	(18)	(18)
As at 31 December 2014	3,378	1,794	120	5,292

	Members equity classified as equity £'000	Other reserves £'000	Loans and other debts due to members £'000	Total £'000
Members' interest at 1 January 2015	3,378	1,794	120	5,292
Profit for the financial year available for discretionary division among members	-	3,263	-	3,263
Members' interest after profit for the year	3,378	5,057	120	8,555
Total comprehensive income available for discretionary division among members	3,378	5,057	120	8,555
Drawings	-	(2,589)	-	(2,589)
Transfer of capital to former members' balances	-	-	(17)	(17)
As at 31 December 2015	3,378	2,468	103	5,949

# **Bell Pottinger LLP**

## **Notes to the financial statements** **For the year ended 31 December 2015**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

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

Bell Pottinger LLP ("the Partnership") is incorporated in the United Kingdom under the Limited Liability Partnership Act 2000. The address of the registered office is given on page 2. The nature of the group's operations and its principal activities are set out in the members' report on pages 3 to 4.

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 and the requirements of the Statement of Recommended Practice Accounting by Limited Liability Partnerships (issued July 2014).

The prior year financial statements were restated for any material adjustments on adoption of FRS 102 in the current year. For more information see note 10.

The functional currency of Bell Pottinger LLP is considered to be pounds sterling because that is the currency of the primary economic environment in which the Partnership operates.

Bell Pottinger LLP 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 LLP is consolidated in the financial statements of its parent, Bell Pottinger Private Limited (formerly BPP Communications Limited), which may be obtained at 6th Floor Holborn Gate, 330 High Holborn, London WC1V 7QD. Exemptions have been taken in these separate LLP financial statements in relation to share-based payments, financial instruments, and presentation of a cash flow statement and remuneration of key management personnel.

### **Going concern**

The LLP's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review which form part of the members' report. The LLP is expected to continue to generate positive cash flows on its own account for the foreseeable future. The company participates in the group's centralised treasury arrangement and so shares banking arrangements with its parent and fellow subsidiaries.

The Board, having assessed the responses of the directors of the LLP's parent Bell Pottinger Private Limited (formerly BPP Communications Limited) to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Bell Pottinger 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 LLP's financial position and of the enquiries made of the directors of Bell Pottinger Private Limited, the Board has a reasonable expectation that the LLP 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 assets – goodwill**

Goodwill arising on the acquisition of the trade and assets of businesses has been capitalised and written off on a straight-line basis over its useful economic life, which is 5 years. Provision is made for any impairment.

# **Bell Pottinger LLP**

## **Notes to the financial statements (continued)** **For the year ended 31 December 2015**

### **Taxation**

The taxation payable on profits of the Limited Liability Partnership is the personal liability of the partners and is not dealt with in these financial statements.

### **Divisible profits and members' remuneration**

The SORP recognises that the basis of calculating profits for allocation may differ from the profits reflected through the financial statements prepared in compliance with recommended practice, given the established need to seek to focus profit allocation on ensuring equity between different generations and populations of members.

Consolidation of the results of certain subsidiary undertakings, the provision for annuities to current and former members, pension scheme charges, the spreading of acquisition integration costs and the treatment of long leasehold interests are all items which may generate differences between profits calculated for the purpose of allocation and those reported within the financial statements. Where such differences arise, they have been included within other amounts in the balance sheet.

Members' fixed shares of profits (excluding discretionary fixed share bonuses) and interest earned on members' balances are automatically allocated and, are treated as members' remuneration charged as an expense to the profit and loss account in arriving at profit available for discretionary division among members.

The remainder of profit shares, which have not been allocated until after the balance sheet date, are treated in these financial statements as unallocated at the balance sheet date and included within other reserves.

### **Turnover**

Turnover represents amounts receivable from clients net of VAT, in respect of charges for fees, rechargeable expenses and commission with relation to public consultancy services.

Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due.

Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year.

### **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. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction or from the translation of monetary assets or liabilities at the rate prevailing on the balance sheet date is reported as an exchange gain or loss in the profit and loss account.

### **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 LLP

## Notes to the financial statements (continued)

For the year ended 31 December 2015

### 1 Critical accounting judgements and key sources of estimation uncertainty

#### Critical judgements in applying the Group's accounting policies

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

#### Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Partnership's activities. Turnover is shown net of sales/value added tax, returns rebates and discounts and after eliminating sales with the company.

The partnership recognises revenue when the amount of revenue can be reliably measured, it is probably that the future economic benefits will flow to the entity and specific criteria have been met for each of the Partnership's activities.

#### Key source of estimation uncertainty - impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

### 2 Profit on ordinary activities before taxation and members' remuneration and profit shares

Profit on ordinary activities before taxation and members' remuneration and profit shares is stated after charging:

	2015	2014
	£'000	£'000
Amortisation intangibles	721	721

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

# Bell Pottinger LLP

## Notes to the financial statements (continued) For the year ended 31 December 2015

### 3 Members' remuneration

The amount of profits to be distributed is determined after the financial statements have been finalised and approved by the members. The members are allocated a non-discretionary fixed profit share in accordance with their individual member's agreements. Only those profits payable to members which are non-discretionary under their members' agreement are recognised as an expense in the profit and loss account as members' remuneration.

Members do not receive any interest on their capital contributions or any remuneration other than their share of profits in accordance with Member's agreements.

The average number of members during the year was 55 (2014:58).

### 4 Intangible fixed assets – goodwill

	Goodwill £'000
<b>Cost</b>	
Balance brought forward 1 January 2015	4,873
Balance at 31 December 2015	<u>4,873</u>
<b>Amortisation</b>	
Balance brought forward 1 January 2015	(2,709)
Amortisation for the year	(721)
Balance at 31 December 2015	<u>(3,430)</u>
<b>Net Book Value</b>	
Balance at 1 January 2015	<u>2,164</u>
Balance at 31 December 2015	<u>1,443</u>

Goodwill relates to purchase goodwill on historic acquisitions which was subsequently transferred into the LLP on the 1st January 2013 as part of the acquisition of trade and assets from the UK subsidiaries of Bell Pottinger Private Limited. All intangibles existed at 'transition date' and the option of grandfathering was taken under FRS 102.

# Bell Pottinger LLP

## Notes to the financial statements (continued) For the year ended 31 December 2015

### 5 Debtors

	2015 £'000	2014 £'000
Amounts falling due within one year:		
Trade debtors	5,076	6,395
Amounts owed from Group undertakings	4,513	3,867
Other debtors	14	34
Prepayments and accrued income	245	68
	<b>9,848</b>	<b>10,364</b>

### 6 Creditors – amounts falling due within one year

	2015 £'000	2014 £'000
Other creditors	2,545	4,366
Other taxation and social security	2,422	906
Accruals and deferred income	2,597	2,504
	<b>7,564</b>	<b>7,776</b>

### 7 Related party transactions

The LLP has taken advantage of the FRS 102 section 33 exemption and has not disclosed related party transactions and balances with other wholly-owned undertakings in the Group.

During the year the LLP 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 LLP received £218,978 (2014: £178,656) from Chime Communications plc and its subsidiaries for the provision of public relations consultancy. The LLP had an outstanding debtor balance of £272,820 at 31 December 2015 (2014: £74,966).

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 received £108,716 (2014: £77,669) from Bell Pottinger Pte Limited for the provision of public relations consultancy and other services. The Company had an outstanding debtor balance of £42,671 (2014: £35,044) at 31 December 2015.

## **Bell Pottinger LLP**

### **Notes to the financial statements (continued)** **For the year ended 31 December 2015**

The LLP is also related to Komixx Entertainment Limited by way of one of our designated members being a non-executive director of Komixx Entertainment Limited. During the year end the LLP received £100,624 (2014: £56,033) for sub-letting floor space and ad hoc public relations consultancy. The company had an outstanding debtor balance of £15,896 (2014: £28,800) at 31 December 2015.

#### **8 Ultimate Parent company and controlling party**

As at 31 December 2015 Bell Pottinger Private Limited (formerly BPP Communications Limited) a company incorporated in England and Wales is the ultimate parent undertaking and ultimate controlling party, in which the results of the partnership are consolidated.

The largest and smallest group in which the results of the company are consolidated is that headed by the ultimate parent company. The consolidated financial statements of the ultimate parent company are available from Companies House.

#### **9 Explanation of transition to FRS 102**

This is the first year that the Partnership has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. 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 2015. As a consequence of adopting FRS 102, there have been a number of presentational changes to comply with that standard however no material restatements of profit and loss or equity are required. We have reviewed goodwill as a consequence of adopting FRS 102 and it was confirmed that 5 year amortisation was agreed on acquisition and is confirmed to be still appropriate.