

Bell Pottinger LLP

Annual report and financial statements
for the year ended 31 December 2014

Registration number: OC380478

WEDNESDAY



A4GKVYN4

A22

23/09/2015

#109

COMPANIES HOUSE

CONTENTS

	Page
Members' report	3
Members' responsibilities statement	5
Independent auditor's report	6
Profit and loss account	8
Balance sheet	9
Reconciliation of members' interests	10
Notes to the financial statements	11

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
James Henderson
David Beck
Roopesh Prashar (resigned 12th November 2014)
Thomas Leigh (appointed 12th November 2014)
David Wilson
Tom Tolliss

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 2014.

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 in the prior year, 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 56 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 2014.

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

The profit for the year, before members' remuneration, amounted to £10,561,259 (2013:£10,465,973). The members are confident that this is an increasingly strong business that has performed well in, for the most part, challenging market conditions.

Our positioning as a 'full service communications company' has been enhanced and we continue to work hard to promote ourselves as a market leader to a very broad range of potential clients across a wide range of sectors.

A key focus for any PR business is the pursuit of new business and this has of course been a priority. We have worked hard to control our cost base, this including the restructuring costs and exit of one of our UK properties. Both of these items had an attractive return on investment as they have both resulted in long term savings.

The directors expect the current level of business to continue going forward.

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 in the Statement of accounting policies in the financial statements.

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
- Roopesh Prashar (resigned 12th November 2014)
- Thomas Leigh (appointed 12th November 2014)
- David Wilson
- 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

Auditor

Pursuant to Section 485 of the Companies Act 2006, the auditor Deloitte LLP has been appointed to office.

Approved by the members and signed on their behalf by:



David Beck

Designated member

21 September 2015

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). The financial statements are required by law to give a true and fair view of the state of affairs of the firm LLP and of the profit of the LLP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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;
- 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.

These responsibilities are exercised by the Management Board on behalf of the members.

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 2014 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).

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Members' Responsibilities Statement, the members 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 limited liability partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the designated members; 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:

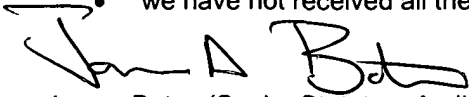
- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

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 as applied to limited liability partnerships 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
- 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

21 September 2015

Profit and loss account

For the year ended 31 December 2014

	Note	2014	2013
		£'000	£'000
Turnover	1	33,447	30,258
Cost of sales		(6,021)	(6,185)
Gross profit		27,426	24,073
Operating expenses	2	(16,865)	(13,607)
Profit for the financial year before members' remuneration and profit share		10,561	10,466
Members' remuneration charged as an expense	3	(8,067)	(8,798)
Profit for the financial year available for discretionary division among members		2,494	1,668

Balance sheet
At 31 December 2014

		2014	2013
	Note	£'000	£'000
Fixed assets			
Intangible assets	4	2,164	2,885
		<hr/> 2,164	<hr/> 2,885
Current assets			
Debtors due in one year	6	10,364	6,113
Cash in bank and at hand		540	1,307
		<hr/> 10,904	<hr/> 7,420
Creditors: amounts falling due within one year	7	(7,776)	(5,298)
		<hr/> 3,128	<hr/> 2,122
Net current assets		3,128	2,122
Total assets less current liabilities		5,292	5,007
Provisions	8	-	(200)
		<hr/> 5,292	<hr/> 4,807
Net assets attributable to members		<hr/> <hr/> 5,292	<hr/> <hr/> 4,807
Represented by:			
Members capital classified as equity	9	3,378	3,378
Loans and other debts due to members	9	120	138
Other reserves	9	1,794	1,291
		<hr/> 5,292	<hr/> 4,807
		<hr/> <hr/> 5,292	<hr/> <hr/> 4,807

The financial statements of Bell Pottinger LLP (registered number OC380478) were approved by the members and authorised for issue on 21 September 2015. They were signed on the members' behalf by:

David Beck



Designated member

Reconciliation of members' interests

At 31 December 2014

Group	Members equity classified as equity £'000	Other reserves £'000	Loans and other debts due to members £'000	Total Members' interests £'000
As at 1 January 2014	3,378	1,291	138	4,807
Profit for the financial year available for discretionary division among members	-	2,494	-	2,494
Members loans repaid in the year	-	-	(18)	(18)
Other divisions of profit	-	(1,991)	-	(1,991)
As at 31 December 2014	3,378	1,794	120	5,292

Notes to the financial statements

For the year ended 31 December 2014

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 under the historical cost convention, and in accordance with applicable United Kingdom accounting standards and the requirements of the Statement of Recommended Practice Accounting by Limited Liability Partnerships (issued March 2010).

Cash flow statement

The LLP has taken advantage of the exemption from preparing a cash flow statements 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 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.

Notes to the financial statements

For the year ended 31 December 2014

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.

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. 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.

Members' remuneration

Per the members report member's remuneration consists of non-discretionary fixed profit shares, discretionary profit shares, and discretionary further profit shares.

A division of profits that is non-discretionary is recognised as an expense in the profit and loss account as incurred, under the heading 'Members' remuneration charged as an expense'.

Any unallocated profit for the financial year, after deduction of member's remuneration charged as an expense, is transferred to equity and included in other reserves.

A division of profits that is discretionary on the part of the LLP is recognised as an appropriation of equity when the division occurs.

Notes to the financial statements

For the year ended 31 December 2014

1 Segment information

	2014 £'000	2013 £'000
Turnover by sector:		
Financial and Corporate	14,382	12,746
Business & Brand	5,352	7,694
Geo Political	3,679	7,023
Political	10,034	2,795
Total	33,447	30,258

	2014 £'000	2013 £'000
Turnover by geographical destination:		
United Kingdom	23,153	15,769
European Union	2,864	2,339
Rest of world	7,430	12,150
Total	33,447	30,258

2 (Loss)/ Profit on ordinary activities before taxation

(Loss)/Profit on ordinary activities before taxation is stated after charging:

	2014 £'000	2013 £'000
Impairment of intangibles	-	1,267
Amortisation of intangibles	721	721
Credit in respect of vacant rental property	-	(1,878)

Notes to the financial statements

For the year ended 31 December 2014

2 (Loss) / Profit on ordinary activities before taxation (continued)

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

Auditor's remuneration in respect of audit services is borne by the Bell Pottinger (Services) Limited. The details of which are disclosed in the accounts of Bell Pottinger Private Limited.

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 58 (2013:52)

Notes to the financial statements

For the year ended 31 December 2014

4 Intangible fixed assets – goodwill

	Goodwill £'000
Cost	
Balance brought forward	4,873
Transferred in	-
	<hr/>
Balance at 31 December 2014	4,873 <hr/>
Amortisation	
Balance brought forward	(1,988)
Amortisation for the year	(721)
Impairment	-
	<hr/>
Balance at 31 December 2014	(2,709) <hr/>
Net Book Value	
Balance at 1 January 2014	<hr/> 2,885
Balance at 31 December 2014	<hr/> 2,164 <hr/>

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 (note 5).

5 2013 Acquisition of trade and assets from the UK subsidiaries of Bell Pottinger Private Limited

On 1 January 2013 the LLP acquired the trade and assets of the following UK subsidiaries of Bell Pottinger Private Limited (formerly BPP Communications Ltd);

Pelham Bell Pottinger Limited
Bell Pottinger Public Relations Limited
Bell Pottinger Public Affairs Limited
Bell Pottinger Sans Frontieres Limited
Bell Pottinger Corporate and Financial Limited

Notes to the financial statements

For the year ended 31 December 2014

5 2013 Acquisition of trade and assets from the UK subsidiaries of Bell Pottinger Private Limited (continued)

The trade and assets were transferred at book value in accordance with the merger accounting principles of FRS 6.

The consideration of £3,378,187 was equal to the book value of the Net assets transferred to the LLP. The hive up resulted in a capital contribution from Bell Pottinger Private Ltd to the LLP equal to the £3,378,187 consideration which was presented as equity in the reserves of the LLP.

The following table sets out the book values of the identifiable assets and liabilities acquired:

	Book value £'000
Fixed assets	
Tangible	244
Intangible	4,873
Current assets	
Work in progress	94
Debtors	8,209
Cash	1,583
Total assets	15,003
Creditors	
Trade creditors	(2,783)
Accruals and deferred income	(3,997)
Other creditors	(1,985)
Provisions	(2,860)
Total liabilities	(11,625)
Net assets	3,378

Notes to the financial statements

For the year ended 31 December 2014

6 Debtors

	2014 £'000	2013 £'000
Amounts falling due within one year:		
Trade debtors	6,395	5,668
Amounts owed from Group undertakings	3,867	-
Other taxation and social security	-	164
Other debtors	34	25
Prepayments and accrued income	68	256
	<hr/>	<hr/>
	10,364	6,113
	<hr/>	<hr/>

7 Creditors – amounts falling due within one year

	2014 £'000	2013 £'000
Amounts due to Group undertakings	-	435
Other creditors	4,366	2,644
Other taxation and social security	906	-
Accruals and deferred income	2,504	2,219
	<hr/>	<hr/>
	7,776	5,298
	<hr/>	<hr/>

Notes to the financial statements

For the year ended 31 December 2014

8 Provisions for liabilities

	Vacant property £'000	Total £'000
Brought forward	200	200
Transferred in	-	-
Utilisation of provision	(200)	(200)
Released, unused	-	-
	<hr/>	<hr/>
At 31 December 2014	-	-
	<hr/>	<hr/>

Vacant property

The vacant property provision relates to a lease that was onerous as at 1 January 2013 and was transferred into the LLP. £382,000 of the provision was utilised in the year up to October 2013 when the LLP exited the lease at a cost of £600,000, of which £400,000 was paid during the period, resulting in further utilisation of the provision, and the remaining £200,000 was paid in early 2014.

9 Members' interests

Group	Members equity classified as equity £'000	Other reserves £'000	Loans and other debts due to members £'000	Total Members' interests £'000
Capital introduced by members	3,378	1,291	138	4,807
Profit for the financial year available for discretionary division among members	-	2,494	-	2,494
Members loans repaid in the year	-	-	(18)	(18)
Other divisions of profit	-	(1,991)	-	(1,991)
	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2014	3,378	1,794	120	5,292
	<hr/>	<hr/>	<hr/>	<hr/>

Under the Statement of Recommended Practice Accounting by Limited Liability Partnerships (issued March 2010), the £1,990,772 other division of profit in the year relates to discretionary payments made to partners which is debited direct to equity.

The £120,000 (2013: £138,000) loans and other debts due to members relates to capital contributions from the members which is presented as a liability as it is repayable to members on exit or retirement from the partnership. £18,000 of capital contributions were repaid to members who exited the partnership during the year.

Notes to the financial statements

For the year ended 31 December 2014

10 Related party transactions

The LLP has taken advantage of the FRS 8 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 £178,656 (2013: £232,823) from Chime Communications plc and its subsidiaries for the provision of public relations consultancy. The LLP had an outstanding debtor balance of £74,966 at 31 December 2014 (2013: £124,366).

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 £77,669 (2013: £78,027) from Bell Pottinger Pte Limited for the provision of public relations consultancy and other services. The Company had an outstanding debtor balance of £35,044 (2013: £61,871) at 31 December 2014.

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 £56,033 (2013: £54,913) for sub-letting floor space and adhoc public relations consultancy. The company had an outstanding debtor balance of £28,800 at 31 December 2014.

11 Ultimate Parent company and controlling party

As at 31 December 2014 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.