

Registration number 2032678

Doremus & Company Limited

Directors' Report and Unaudited Financial Statements

for the Year Ended 31 December 2013

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Doremus & Company Limited
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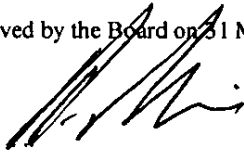
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Doremus & Company Limited
Strategic Report for the Year Ended 31 December 2013

The Company has met the requirements in Companies Act 2006 to obtain the exemption provided from the presentation of a strategic report

At the end of the year the Company had net current assets of £793,390 (2012 £785,353) The directors consider that the Company has access to sufficient funding to meet its funding requirements for the reasons set out in note 1 to the financial statements Accordingly the directors have prepared the financial statements on a going concern basis

Approved by the Board on 31 March 2014 and signed on its behalf by



A Morrison
Director

Doremus & Company Limited
Directors' Report for the Year Ended 31 December 2013

The directors present their report and the unaudited financial statements for the year ended 31 December 2013

Principal activity

The principal activity of the Company is that of a full service advertising agency specialising in business to business communication

Dividends

On 1 March 2013 the directors paid a dividend in respect of the year ended 31 December 2013 of £13.50 per share totalling £135,000. On 30 August 2013 the directors paid a further dividend in respect of the year ended 31 December 2013 of £5.80 per share totalling £58,000, making a total dividend for the year of £193,000 (2012 £135,000)

Directors of the Company

The directors who held office during the year were as follows

A Morrison

J C B Whitworth

Political and charitable contributions

The Company made no political contributions during the year (2012 £nil). Donations to charities amounted to £nil (2012 £91)

Approved by the Board on 31 March 2014 and signed on its behalf by



A Morrison

Director

239 Old Marylebone Road

London

NW1 5QT

Doremus & Company Limited
Statement of Directors' Responsibilities in respect of the Strategic Report and the
Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report and the Directors' 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 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.

Doremus & Company Limited
Profit and Loss Account for the Year Ended 31 December 2013

	Note	2013 £	2012 £
Gross billings		3,272,741	5,291,527
Rebillable costs		<u>(1,176,725)</u>	<u>(3,006,463)</u>
Revenue		2,096,016	2,285,064
Administrative expenses		(1,876,389)	(2,115,165)
Other operating income		<u>25,690</u>	<u>168,188</u>
Operating profit	3	245,317	338,087
Other interest receivable and similar income	6	4,285	10,693
Interest payable and similar charges	7	<u>(45)</u>	<u>-</u>
Profit on ordinary activities before taxation		249,557	348,780
Tax on profit on ordinary activities	8	<u>(69,530)</u>	<u>(91,814)</u>
Profit for the financial year	16	<u>180,027</u>	<u>256,966</u>

The results shown above are derived wholly from continuing operations. There were no recognised gains or losses in either the current or prior year except as shown above. Consequently, a statement of total recognised gains and losses has not been prepared.

Doremus & Company Limited
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Balance Sheet as at 31 December 2013

	Note	2013 £	2012 £
Fixed assets			
Intangible assets	10	5,410	11,051
Tangible assets	11	<u>26,390</u>	<u>41,759</u>
		<u>31,800</u>	<u>52,810</u>
Current assets			
Stocks	12	57,963	73,541
Debtors	13	2,171,808	2,700,276
Cash at bank and in hand		<u>492</u>	<u>494</u>
		2,230,263	2,774,311
Creditors Amounts falling due within one year	14	<u>(1,436,873)</u>	<u>(1,988,958)</u>
Net current assets		<u>793,390</u>	<u>785,353</u>
Net assets		<u>825,190</u>	<u>838,163</u>
Capital and reserves			
Called up share capital	15	10,000	10,000
Other reserves	16	162,500	162,500
Profit and loss account	16	<u>652,690</u>	<u>665,663</u>
Shareholders' funds		<u>825,190</u>	<u>838,163</u>

For the year ending 31 December 2013 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

Directors' responsibilities

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

Approved by the Board on 31 March 2014 and signed on its behalf by


A Morrison
Director

Doremus & Company Limited

Reconciliation of movement in shareholders' funds

for the year ended 31 December 2013

	2013 £	2012 £
Profit attributable to the members of the Company	180,027	256,966
Dividends	<u>(193,000)</u>	<u>(135,000)</u>
Net (reduction)/addition to shareholders funds	(12,973)	121,966
Shareholders' funds at 1 January	<u>838,163</u>	<u>716,197</u>
Shareholders' funds at 31 December	<u><u>825,190</u></u>	<u><u>838,163</u></u>

Doremus & Company Limited **Notes to the Financial Statements**

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The Company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare group accounts as the Company is included in the consolidated accounts of DAS UK Investments Limited, a parent undertaking established under the law of the United Kingdom. These financial statements present information about the Company as an individual undertaking and not about its group.

Under Financial Reporting Standard ("FRS") 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of Omnicom Group Inc, which includes the Company in its own published consolidated financial statements.

The directors consider that the Company has access to sufficient funding to meet its needs for the reasons set out below. Accordingly, the directors have prepared the financial statements on a going concern basis.

The Company participates in a cash concentration arrangement with its fellow subsidiary, Omnicom Finance plc, the group's UK treasury operation, under which bank balances are cleared to zero on a daily basis either by the Company depositing cash with Omnicom Finance plc or by Omnicom Finance plc depositing cash with the Company. The Company's access to borrowings under the cash concentration arrangement is not limited as long as these borrowings are required in the normal course of business and are made in accordance with the Omnicom Group Inc Grant of Authority.

Omnicom Finance plc, is able to make this commitment because Omnicom Finance plc is a co-borrower with Omnicom Finance Inc and Omnicom Capital Inc under certain group bank facilities which are more fully described in the Omnicom Group Inc financial statements filed on Form 10-K and available at www.OmnicomGroup.com

The directors consider the combination of the group facilities and expected funding requirements of the Omnicom Group Inc and its subsidiaries provides sufficient access to funding to ensure that the Company is able to meet its liabilities as they fall due for the foreseeable future. Accordingly, the directors have prepared the financial statements as a going concern.

As the Company is a wholly owned subsidiary of Omnicom Group Inc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Omnicom Group Inc, within which this Company is included, can be obtained from the address given in note 19.

Intangible assets

Intangible assets are stated in the balance sheet at cost less accumulated amortisation and impairment. They are amortised on a straight line basis over their estimated useful lives.

Doremus & Company Limited

Notes to the Financial Statements

Fixed assets and depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Fixtures, fittings, tools and equipment	33% per annum
Office equipment	33% per annum
Leasehold improvements	life of lease

Foreign currency

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

Leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Post-retirement benefits

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Work in progress

Work in progress is stated at the lower of cost and net realisable value. Cost consists of direct expenses incurred on unbilled work. Net realisable value is based on estimated sales value less further costs to completion.

Work in progress consists of amounts spent by the Company on behalf of its clients which have not been recharged to clients by the end of the year.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Doremus & Company Limited
Notes to the Financial Statements

Gross billings

Gross billings are recognised when the service is performed, in accordance with the terms and conditions of the contractual arrangement and when collection is reasonably assured

Gross billings comprises the gross amounts billed to clients in respect of commission based income together with the total of other fees earned and amounts recharged to clients for rebillable costs

Rebillable costs

Rebillable costs comprise media payments and third party production costs for those services that the Company is arranging for its clients in its capacity as an intermediary. The Company contracts directly with suppliers and is responsible for their payment, recharging its clients for all costs incurred. Although the Company bears credit risk in respect of these activities, the arrangements with its clients are such that, in effect it acts as an intermediary on behalf of its client. Where the Company acts as an intermediary, costs incurred with external suppliers are excluded from revenue.

Revenue

Consequently, revenue comprises fees, and commissions earned in respect of gross billings and direct costs, which meet the Companies Act definition of turnover. Revenue is recognised when services are performed, in accordance with the terms of arrangements reached with each client. Gross billings and revenue are stated exclusive of VAT, sales taxes and trade discounts. Substantially all income occurs in the UK.

2 Segmental information

The whole of the Company's Gross billings, revenue and operating profit for the year related to its principal activity, which was that of an advertising agency, and which was carried out in the United Kingdom.

An analysis of revenue by geographical location by destination is given below

	UK £	Europe £	Americas £	Rest of World £	Total £
2013					
External revenue	<u>723,268</u>	<u>835,563</u>	<u>534,453</u>	<u>2,732</u>	<u>2,096,016</u>
2012					
External revenue	<u>1,247,019</u>	<u>616,331</u>	<u>413,060</u>	<u>8,654</u>	<u>2,285,064</u>

Doremus & Company Limited
Notes to the Financial Statements

3 Operating profit

Operating profit is stated after charging/(crediting)

	2013 £	2012 £
Depreciation and other assets written off tangible and intangible fixed assets owned	24,728	28,925
Loss on sale of tangible fixed assets	-	140
Hire of other assets - rentals payable under operating leases	74,928	173,796
Rental income	<u>(25,690)</u>	<u>(168,188)</u>
	2013 £	2012 £
Audit of these financial statements	<u>-</u>	<u>12,557</u>

4 Directors' remuneration

	2013 £	2012 £
Directors' emoluments	157,210	176,577
Amounts receivable under long term incentive schemes	2,183	-
	<u>159,393</u>	<u>176,577</u>
Company contributions to money purchase pension schemes	5,462	3,186
	<u>164,855</u>	<u>179,763</u>

The company has entered into contracts with certain Directors of the Company under which long term bonuses may become payable. These Directors are only entitled to bonuses at the end of the periods, which extend for several years. Any amounts payable to Directors are included in the remuneration of the Directors at the time such bonuses crystallise. An amount of £3,434 (2012 £5,617) has been accrued in these financial statements in respect of these agreements.

Doremus & Company Limited
Notes to the Financial Statements

5 Staff numbers and costs

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

	2013	2012
	No.	No.
Production	10	13
Administration and support	4	3
Sales, marketing and distribution	1	1
	<u>15</u>	<u>17</u>

The aggregate payroll costs were as follows

	2013	2012
	£	£
Wages and salaries	945,098	1,183,462
Social security costs	113,114	175,897
Other pension schemes	32,486	19,175
Severance/loss of office	2,796	-
	<u>1,093,494</u>	<u>1,378,534</u>

6 Other interest receivable and similar income

	2013	2012
	£	£
Receivable from group undertakings	<u>4,285</u>	<u>10,693</u>

7 Interest payable and similar charges

	2013	2012
	£	£
Other interest payable	<u>45</u>	<u>-</u>

Doremus & Company Limited
Notes to the Financial Statements

8 Taxation

Tax on profit on ordinary activities

	2013 £	2012 £
Current tax		
Current tax on income for the period	58,877	77,809
Adjustments in respect of previous years	20,228	(33,366)
Total current tax	<u>79,105</u>	<u>44,443</u>
Deferred tax		
Origination and reversal of timing differences	5,834	31,514
Adjustment in respect of previous years	(15,409)	15,857
Total deferred tax	<u>(9,575)</u>	<u>47,371</u>
Total tax on profit on ordinary activities	<u>69,530</u>	<u>91,814</u>

Factors affecting current tax charge for the year

The current tax charge for the period is higher (2012 lower) than the standard rate of corporation tax in the UK (23.25%, 2012 : 24.5%) The differences are explained below

	2013 £	2012 £
Profit on ordinary activities before tax	<u>249,557</u>	<u>348,780</u>
Corporation tax at standard rate	58,022	85,451
Capital allowances in excess of depreciation	645	1,106
Other timing differences	(3,850)	(13,860)
Expenses not deductible for tax purposes	4,060	5,112
Adjustment for prior periods	20,228	(33,366)
Total current tax	<u>79,105</u>	<u>44,443</u>

Accounting periods ending after the substantive enactment of the reduction to 24% and 23%

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2013 has been calculated based on the rates of 20% and 21% substantively enacted at the balance sheet date.

Doremus & Company Limited
Notes to the Financial Statements

9 Dividends

	2013 £	2012 £
Dividends paid		
Current year interim dividend paid	<u>193,000</u>	<u>135,000</u>

10 Intangible fixed assets

	Software £
Cost	
At 1 January 2013	29,127
Disposals	<u>(1,688)</u>
At 31 December 2013	<u>27,439</u>
Amortisation	
At 1 January 2013	18,076
Charge for the year	5,641
Disposals	<u>(1,688)</u>
At 31 December 2013	<u>22,029</u>
Net book value	
At 31 December 2013	<u>5,410</u>
At 31 December 2012	<u>11,051</u>

Doremus & Company Limited
Notes to the Financial Statements

11 Tangible fixed assets

	Leasehold improvements £	Fixtures, fittings, tools and equipment £	Office equipment £	Total £
Cost				
At 1 January 2013	36,216	1,114	90,974	128,304
Additions	-	-	3,718	3,718
Disposals	-	(435)	(22,980)	(23,415)
At 31 December 2013	<u>36,216</u>	<u>679</u>	<u>71,712</u>	<u>108,607</u>
Depreciation				
At 1 January 2013	19,402	1,114	66,029	86,545
Charge for the year	5,174	-	13,913	19,087
Disposals	-	(435)	(22,980)	(23,415)
At 31 December 2013	<u>24,576</u>	<u>679</u>	<u>56,962</u>	<u>82,217</u>
Net book value				
At 31 December 2013	<u>11,640</u>	<u>-</u>	<u>14,750</u>	<u>26,390</u>
At 31 December 2012	<u>16,814</u>	<u>-</u>	<u>24,945</u>	<u>41,759</u>

12 Stocks

	2013 £	2012 £
Work in progress	<u>57,963</u>	<u>73,541</u>

Doremus & Company Limited
Notes to the Financial Statements

13 Debtors

	2013	2012
	£	£
Trade debtors	576,234	832,155
Amounts owed by group undertakings - trading balances	351,514	389,087
Amounts owed by group undertakings - loans and advances	1,108,277	1,404,462
Other debtors	2,961	3,438
Deferred tax asset	21,380	11,805
Prepayments and accrued income	111,442	59,329
	<u>2,171,808</u>	<u>2,700,276</u>

Debtors include deferred tax assets of £21,380 (2012 £11,805) due after more than one year

The Company participates in a cash concentration arrangement with its fellow subsidiary, Omnicom Finance plc, the Omnicom Europe Limited group's UK treasury operation, under which bank balances are cleared to zero on a daily basis either by the Company depositing cash with Omnicom Finance plc or by Omnicom Finance plc depositing cash with the Company Included in Amounts owed by group undertakings - loans and advances is £1,108,277 (2012 £1,404,462) representing cash deposited by the Company under these arrangements

Deferred tax

The movement in the deferred tax asset in the year is as follows

	Deferred tax
	£
At 1 January 2013	11,805
Credited to the profit and loss account	<u>9,575</u>
At 31 December 2013	<u>21,380</u>

Analysis of deferred tax

	2013	2012
	£	£
Difference between accumulated depreciation and amortisation and capital allowances	19,774	11,805
Other timing differences	<u>1,606</u>	<u>-</u>
	<u>21,380</u>	<u>11,805</u>

Doremus & Company Limited
Notes to the Financial Statements

14 Creditors: Amounts falling due within one year

	2013 £	2012 £
Trade creditors	539,048	579,100
Amounts owed to group undertakings - trading balances	39,236	-
Taxation and social security	159,055	210,401
Accruals and deferred income	699,534	1,199,457
	<u>1,436,873</u>	<u>1,988,958</u>

15 Share capital

Allotted, called up and fully paid shares

	2013		2012	
	No	£	No.	£
Ordinary shares of £1 00 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

16 Reserves

	Capital reserve £	Profit and loss account £	Total £
At 1 January 2013	162,500	665,663	828,163
Profit for the year	-	180,027	180,027
Dividends	-	(193,000)	(193,000)
At 31 December 2013	<u>162,500</u>	<u>652,690</u>	<u>815,190</u>

17 Pension schemes

Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £32,486 (2012 £19,175)

Contributions amounting to £2,561 (2012 £2,788) were payable to the scheme at the end of the year and are included in creditors

18 Post balance sheet events

On 3 March 2014, the Company declared £122,000 in dividends. These have not been included in the accounts, as required by FRS21

Doremus & Company Limited
Notes to the Financial Statements

19 Ultimate parent company

The Company is a subsidiary undertaking of Omnicom Group Inc incorporated in the United States of America

The largest group in which the results of the Company are consolidated is that headed by Omnicom Group Inc
The consolidated accounts of this company are available to the public and may be obtained from Omnicom Group Inc, 437 Madison Avenue, New York, NY 10022, USA