

Company Registration No. 964286

Atlas Advertising Limited

**(formerly The Reality Shop London
Limited)**

Annual Report and Financial Statements

For the year ended 31 December 2013

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Atlas Advertising Limited

Report and financial statements 2013

Officers and professional advisers

Directors

P Delaney (resigned 29 August 2013)
A Scott
C Sweetland
C Van der Welle (appointed 31 March 2014)

Secretary

WPP Group Nominees Ltd

Registered Office

27 Farm Street
London
W1J 5RJ

Bankers

HSBC Bank PLC
The Cross
Gloucester
GL1 2AP

Solicitors

Squire Sanders (UK) LLP
7 Devonshire Square
London
EC2M 4YH

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
2 New Street Square
London
EC4A 3BZ

Atlas Advertising Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2013.

This Directors' report has been prepared in accordance with the special provisions relating to small companies under s415(a) of the Companies Act 2006. The company is also entitled to an exemption from preparing a strategic report under s414(b) of the Companies Act 2006.

Business review and principle activities

The company is a wholly owned subsidiary of WPP plc and operates as part of the group's Advertising and Media Investment Management sector.

The company changed its name from The Reality Shop London Limited to Atlas Advertising Limited on 4 April 2014. The principal activities of the company were to act as advertising agents and consultants in the UK and the rest of the world.

The profit and loss account on page 7 of the financial statements discloses a profit for the year after taxation of £56,256 (2012 £12,983).

The balance sheet on page 8 of the financial statements shows that the company is in a net current asset and net asset financial position at the year end; consistent with the prior year

No dividends were declared in the year ended 31 December 2013 (2012 £nil).

Future outlook

The Directors anticipate a comparable financial performance in 2014.

Directors

The directors of the company during the year and subsequent to the year end are set out on page 1.

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the financial statements.

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

Auditor

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

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

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

Atlas Advertising Limited

Directors' report (continued)

Auditor (continued)

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting:

Approved by the Board of Directors and signed on behalf of the Board



C Van der Welle

02/02/2014

Atlas Advertising Limited

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; 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 to 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.

Independent auditor's report to the members of Atlas Advertising Limited

We have audited the financial statements of Atlas Advertising Limited for the year ended 31 December 2013 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. 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 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 2013 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 in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Atlas Advertising Limited (continued)

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; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report.



Mark Tolley (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

02/07/ 2014

Atlas Advertising Limited
Profit and loss account
Year ended 31 December 2013

	Notes	2013 £	2012 £
Turnover	1,2	625,619	44,640
Cost of sales		(330,448)	(1,987)
Gross profit		295,171	42,653
Administrative expenses		(238,849)	(29,462)
Operating profit before interest and taxation	3	56,322	13,191
Interest payable and similar charges	6	(66)	(208)
Profit on ordinary activities before taxation		56,256	12,983
Tax on profit on ordinary activities	7	-	-
Profit on ordinary activities after taxation and profit for the financial year	11	56,256	12,983

There are no recognised gains or losses in either the current year or the previous year other than the profit for the financial years ended 31 December 2013 and 31 December 2012, respectively, as stated above, therefore no statement of total recognised gains and losses is required.

The accompanying notes are an integral part of the financial statements.

Atlas Advertising Limited

Balance sheet 31 December 2013

	Notes	2013 £	2012 £
Current assets			
Debtors	8	200,154	18,396
Cash at bank and in hand		3,031,975	3,032,041
		<u>3,232,129</u>	<u>3,050,437</u>
Creditors: amounts falling due within one year	9	(127,936)	(2,500)
Net current assets		<u>3,104,193</u>	<u>3,047,937</u>
Net assets		<u>3,104,193</u>	<u>3,047,937</u>
Capital and reserves			
Called up share capital	10	2,000	2,000
Profit and loss account	11	3,102,193	3,045,937
Shareholders' funds	12	<u>3,104,193</u>	<u>3,047,937</u>

The accompanying notes are an integral part of the financial statements.

The financial statements of Atlas Advertising Limited, registered number 964286 were approved by the Board of Directors on 02/07/2014.

Signed on behalf of the Board of Directors



C Van der Welle
Director

Atlas Advertising Limited

Notes to the accounts

Year ended 31 December 2013

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The accounts have been prepared under the historical cost convention.

Going concern

The company currently has cash and net assets of over £3 million. In determining if the business is a going concern, the directors have considered the Company's financial position, future prospects, cash flows, and liquidity. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the accounts.

Cash flow statement

The company has taken advantage of the exemption under Financial Reporting Standard 1 (revised 1996) not to prepare a cash flow statement as it is a wholly-owned subsidiary of WPP plc, which prepares consolidated financial statements, including a cash flow statement, which are publicly available.

Debtors

Debtors are stated net of provisions for bad and doubtful debts.

Current tax

Current tax is provided on 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

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date at rates expected to apply when they crystallise based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Turnover

Turnover comprises the gross amounts billable to clients (excluding VAT), in respect of fees and project based income. Turnover is recognised when services or projects are delivered in accordance with the terms of the contractual agreement. 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 a contract has only been partially completed at the balance sheet date turnover represents the value of the service provided to date based on a proportion of the total contract value. 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.

Pension costs

The company provides pension arrangements for some full-time employees through defined contribution scheme arrangements.

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.

Atlas Advertising Limited

Notes to the accounts

Year ended 31 December 2013

2. Turnover

The activities of the company from 25 September 2012 was principally to act as advertising agents and consultants. The turnover of the company in 2013 and 2012 arose from the principal activity of the company and was derived in the United Kingdom.

3. Operating profit before interest and taxation

Operating profit before interest and taxation is stated after (charging)/crediting:

	2013 £	2012 £
Fees payable to the company's auditor for the audit of the company's annual accounts	(5,500)	(5,500)
Intercompany Time of Staff Charge	107,469	27,125
Intercompany Facilities Recharge	(64,715)	-
	<u> </u>	<u> </u>

No amounts have been paid to the company's auditor in respect of non audit services in either year.

4. Directors' remuneration

All remuneration expenses in both 2013 and 2012 were borne by the ultimate parent company, WPP plc, and none of the directors' services were specifically attributable to the company.

5. Staff costs

Particulars of employees (excluding directors) are as shown below:

	2013 £'000	2012 £'000
Employee costs during the year amounted to:		
Wages and salaries	214,614	42,274
Social security costs	25,941	5,675
Employer contributions to Defined Contribution Pension Scheme	10,074	2,283
	<u>250,629</u>	<u>50,232</u>

The average number of persons employed by the company during the year was:

	2013 Number	2012 Number
Production	4	3
	<u>4</u>	<u>3</u>

Atlas Advertising Limited

Notes to the accounts Year ended 31 December 2013

6. Interest payable and similar charges

	2013 £	2012 £
Bank charges	66	208
	<u>66</u>	<u>208</u>

7. Taxation

i) Current taxation

There was no tax charge in either year.

Corporation tax is payable at 23.25% (2012: 24.5%) on taxable profits or losses for the period. However, losses are available from other group companies to reduce taxable profits under the group relief provisions. There is no corresponding payment by the claimant company for the losses.

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 23.25% (2012: 24.5%). A reconciliation of the tax charge calculated using this standard rate, and the actual charge, is shown below:

	2013 £	2012 £
Profit on ordinary activities before tax	56,256	12,983
Tax on profit on ordinary activities at standard rate of 23.25 % (2012: 24.5%)	(13,079)	(3,181)
Factors affecting charge for the year:		
Expenses not deductible for tax purposes	(227)	-
Group relief claimed at nil consideration	13,306	3,181
Current tax charge for the year	<u>-</u>	<u>-</u>

ii) Factors that may affect future tax charge

The Finance Act 2013, which received Royal Assent on 17 July 2013, includes legislation to reduce the main rate of corporation tax rate to 21% from 1 April 2014 and to 20% from 1 April 2015. The announcements were not substantively enacted at the balance sheet date and therefore have not been reflected in the financial statements.

Atlas Advertising Limited

Notes to the accounts

Year ended 31 December 2013

8. Debtors: amounts falling due within one year

	2013 £	2012 £
Trade debtors	200,154	-
Amounts owed by group undertakings	-	15,428
Other debtors	-	2,968
	<u>200,154</u>	<u>18,396</u>

9. Creditors: amounts falling due within one year

	2013 £	2012 £
Amounts owed to group undertakings	14,139	-
Accruals and deferred income	113,797	2,500
	<u>127,936</u>	<u>2,500</u>

10. Called up share capital

	2013 £	2012 £
Called up, allotted and fully paid 2,000 ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>

11. Profit and loss account

	Profit and loss account £
At 1 January 2013	3,045,937
Profit for the year	<u>56,256</u>
At 31 December 2013	<u>3,102,193</u>

12. Reconciliation of movement in shareholders' funds

	2013 £	2012 £
Profit for the financial year	56,256	12,983
Shareholders' funds at the beginning of the year	<u>3,047,937</u>	<u>3,034,954</u>
Shareholders' funds at the end of the year	<u>3,104,193</u>	<u>3,047,937</u>

Atlas Advertising Limited

Notes to the accounts

Year ended 31 December 2013

13. Related party transactions

The company has taken advantage of the exemption provided by paragraph 3(c) of FRS 8 (2008) Related Party Disclosures not to disclose the details of transactions with related parties. The company and all companies with whom related party transactions took place in the year are ultimately 100% owned by WPP plc, the consolidated accounts of which are publicly available.

14. Guarantees and charges

Atlas Advertising Limited participates in group banking arrangements with its parent company, WPP plc, and has access to a group cash management facility. The company guarantees the facility to the extent of its cash deposited in the United Kingdom with its clearing bank.

15. Ultimate parent company and controlling party

The directors regard Garrott Dorland Crawford Holdings Limited, a company incorporated in England and Wales, as the immediate parent company and WPP plc, a company registered in Jersey, as the ultimate parent company and the ultimate controlling party.

At the year end the parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the company is a member is WPP plc, incorporated in Jersey. The parent undertaking of the smallest such group is WPP Jubilee Limited, incorporated in England and Wales.

Copies of the financial statements of WPP plc are available at www.wppinvestor.com.

Copies of the financial statements of WPP Jubilee Limited can be obtained from 27 Farm Street, London W1J 5RJ.