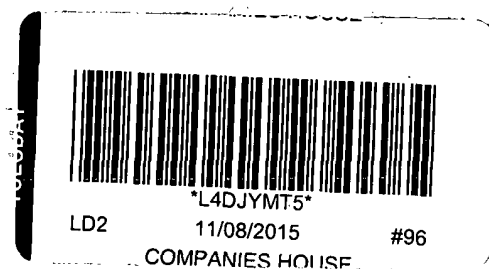


**Company Registration No. 02670637**

**SJS Management Services Limited**

**Annual Report and Financial Statements**

**For the year ended 31 December 2014**



# **SJS Management Services Limited**

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

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# **SJS Management Services Limited**

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

### **Officers and professional advisers**

#### **Directors**

A Spark  
A Delgado (appointed October 2014)  
A Dunderdale (resigned October 2014)

#### **Company Secretary**

WPP Group (Nominees) Limited

#### **Registered Office**

6 Brewhouse Yard  
London  
England  
EC1V 4DG

#### **Bankers**

HSBC  
69 Pall Mall  
London  
SW1Y 5EY

#### **Solicitors**

Squire Hammonds  
7 Devonshire Square  
Cutlers Garden  
London  
EC2M 4YH

#### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

# **SJS Management Services Limited**

## **Strategic report (continued)**

The purpose of the Strategic report is to inform members of the company and help them assess how the directors have performed their duty under section 172 (duty to promote success of the company). In preparing the strategic report Directors have complied with section 414 of the Companies Act 2006.

### **Business review**

The Company's principal activity is the management of real estate on a fee or contract basis. The company provides facilities and information technology (IT) services. The main facilities services provided are: office space, communal facilities, meeting rooms, security, cleaning and facilities maintenance. The main IT services provided are: networking, telephony and a helpdesk. The Company's tenants are fellow WPP plc undertakings.

The main objective of the business is to provide the above services at a high quality and more efficiently than could individual tenant companies. The company aims, with some exceptions, to recover all its costs without any mark-up. The recharge to the tenants is based on their floorspace and headcount.

The Directors are satisfied with 2014 performance. Revenue increased 20% on last year to £2.7 million (2013: £2.2million). The increase in revenues was mainly due to higher costs.

Loss after tax increased 16% on last year to £79k (2013: £68k). This was mainly due to higher interest charges.

As at 31 December 2014 the Company had net liabilities of £2.1m (2013: £2.0m). The bank overdraft has significantly increased from 2013 (£1.3m) to 2014 (£6.3m) due to costs related to the new offices at Brewhouse Yard in particular purchase of Fixed Assets.

### **Principal risks and uncertainties facing the company**

The directors have carried out a general risk assessment and consider the business to be low risk. The directors manage the business to minimise its costs and provide a high quality service level to its tenants.

The following risk areas are specific to the Company and could have a material impact on the Company's long term performance should they eventuate:

#### *Loss of tenants and credit risk*

The directors consider loss of tenants and failure of tenants to pay to be the key risks facing the business. Empty space leads to losses for the company or increased charges to the remaining tenants to recover the cost of the empty space. Failure of tenants to pay for their services and space is a possibility. These risks are mitigated by the Company leaving its current premises to manage a new building that is tenanted entirely by WPP plc undertakings that have an obligation to meet the costs of the building for the duration of the headlease.

The company currently meets its day-to-day working capital requirements through participating in group banking arrangements with its ultimate parent, WPP plc and has access to a group cash management facility.

In addition, the company's activities expose it to a number of financial risks including liquidity risk, and credit risk.

#### *Liquidity risk*

The company currently meets its day-to-day working capital requirements through participating in group banking arrangements with its ultimate parent, WPP plc and has access to a group cash management facility.

#### *Credit risk*

The company's principal financial assets are trade and other receivables. The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

# **SJS Management Services Limited**

## **Strategic report (continued)**

### **Financial key performance indicators**

The key performance indicators for the business are:

	<b>2014</b>	<b>2013</b>
Turnover	2,684,241	2,241,008
Administrative expenses	(2,684,513)	(2,289,240)
Operating loss	(272)	(48,232)

### **Future developments**

The director's financial objective in 2015 is to recover all of its costs so the operating loss is expected to be break-even. As of 1<sup>st</sup> Jan 2015, the building is fully let.

The main objective of the business in 2015 remains the same as 2014: to provide the facilities management services at a high quality and at minimal cost to its tenants.

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



A Delgado  
Director

10<sup>th</sup> July 2015

# **SJS Management Services Limited**

## **Directors' report**

The Directors present their annual report and the audited financial statements for the year ended 31 December 2014.

The company's principal activity is the management of real estate on a fee or contract basis. The company's tenants are fellow WPP plc undertakings.

### **Results**

The profit and loss account is set out on page 9 and shows a loss after tax for the year of £79,194 (2013: loss of £68,455).

Turnover increased from £2,241,008 to £2,684,241.

### **Dividends**

The directors do not recommend the payment of a dividend for the year ended 31 December 2014 (2013: £nil).

### **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 continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statements of accounting policies in the financial statements.

### **Strategic report**

The strategic report is pages 2 to 3. The Company has chosen to set out certain matters in this strategic report that would otherwise be required to be disclosed in the directors' report. These matters include disclosures concerning likely future developments in the business (page 3).

### **Directors**

The directors who served throughout year and subsequent the year end are set out on page 1.

### **Auditors**

Deloitte LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

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

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves 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 section 418 of the Companies Act 2006.

Signed on behalf of the directors



A Delgado  
Director

Approved by the directors on 10<sup>th</sup> July 2015

# **SJS Management Services Limited**

## **Directors' responsibilities statement**

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 accounting 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.

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

## **Independent auditor's report to the members of SJS Management Services Limited**

We have audited the financial statements of SJS Management Services Limited for the year ended 31 December 2014 which comprise the profit and loss account, the balance sheet and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

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

### **Opinion on other matter prescribed by the Companies Act 2006**

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



## **Independent auditor's report to the members of SJS Management Services 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.



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

10 July 2015

## SJS Management Services Limited

### Profit and loss account For the year ended 31 December 2014

	Notes	2014 £	2013 £
<b>Turnover</b>	1, 2	2,684,241	2,241,008
Administrative expenses		(2,684,513)	(2,289,240)
<b>Operating loss</b>		(272)	(48,232)
Net interest payable	6	(78,922)	(20,223)
<b>Loss on ordinary activities before taxation</b>	5	(79,194)	(68,455)
Tax on loss on ordinary activities	7	-	-
<b>Loss on ordinary activities after taxation and for the financial year</b>	14, 15	(79,194)	(68,455)

The operations of the company all relate to continuing operations.

There were no recognised gains or losses in the year other than the loss for the financial year and the prior year. Accordingly no separate statement of total recognised gains and losses is presented.

# SJS Management Services Limited

## Balance sheet As at 31 December 2014

	Notes	2014 £	2013 £
<b>Fixed assets</b>			
<b>Tangible assets</b>	8	5,801,283	1,378,171
<b>Intangible assets</b>	9	3,467	-
		<u>5,804,750</u>	<u>1,378,171</u>
<b>Current assets</b>	10	436,285	286,642
<b>Creditors: amounts falling due within one year</b>	11	(7,868,678)	(3,104,890)
<b>Net current liabilities</b>		(7,432,393)	(2,818,248)
<b>Total assets less current liabilities</b>		(1,627,643)	(1,440,077)
<b>Provisions for liabilities</b>	12	(425,034)	(537,762)
<b>Net liabilities</b>		<u>(2,052,677)</u>	<u>(1,977,839)</u>
<b>Capital and reserves</b>			
<b>Called up share capital</b>	13	2	2
<b>Profit and loss account</b>	14	(2,065,024)	(1,985,830)
<b>Other reserves</b>	14	12,345	7,989
<b>Shareholder's deficit</b>	15	<u>(2,052,677)</u>	<u>(1,977,839)</u>

These financial statements of SJS Management Services Limited, registered number 02670637, were approved and authorised by the Board of Directors and authorised for issue on 10 July 2015.

Signed on behalf of the Board of Directors



A Delgado  
Director

# **SJS Management Services Limited**

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

### **1. Accounting policies**

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted by the directors are described below. They have all been applied consistently throughout the current year and the prior year.

#### **Basis of preparation**

The accounts are prepared under the historical cost convention.

#### **Going concern**

The company's business activities are set out in the strategic report on page 2.

The company is exposed to a number of risks and uncertainties as outlined in the Directors' Report, including credit and liquidity risk. The company has net liabilities of £2.1m, net current liabilities of £7.8m as at 31 December 2014 and made a loss for the year of £79,194. The company has continued to make a loss in the period between 31 December 2014 and the date of authorisation of these accounts.

The company currently meets its day-to-day working capital requirements through participating in group banking arrangements with its ultimate parent, WPP plc and has access to a group cash management facility. After making enquiries into the company's financial position and considering the financial performance, and future intentions of regional management, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The Company is a subsidiary of WPP plc and is therefore subject to the overall WPP plc financing arrangements. Accordingly, they continue to adopt the going concern basis.

#### **Cash flow**

The company has taken advantage of the exemption per FRS 1 (revised) from preparing a cash flow statement because it is a wholly owned subsidiary of WPP plc, which prepares consolidated accounts, which are publicly available.

#### **Share-based payments**

Certain employees of the Company benefit from equity-settled share-based payments through participation in stock option and restricted stock incentive schemes. Such awards are satisfied by the delivery of shares in WPP plc, the ultimate parent undertaking.

Equity-settled share-based payments are measured at fair value (excluding the impact of non-market-based vesting conditions) at the date of grant. Fair value is determined by the market price on that date or the application of a Black Scholes model, depending on the characteristics of the scheme concerned. For the years presented, the majority of the charge to the profit and loss account related to schemes where fair value equalled market price since the equity instrument had no restrictions that impact valuation. Market price on any given day is obtained from external, publicly available sources.

The fair value determined at the grant date is recognised in the profit and loss account as an expense on a straight-line basis over the relevant vesting period, based on the Company's estimate of the number of shares that will ultimately vest and adjusted for the effect of any other non-market based vesting conditions.

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, over their expected useful lives. It is calculated at the following rates:

Computer equipment	- 33% per annum
Fixtures, fittings and equipment	- 25% per annum
Leasehold improvements	- Over the term of the lease

# **SJS Management Services Limited**

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

### **1. Accounting policies (continued)**

#### **Intangible Assets**

Intangible assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, over their expected useful lives. It is calculated at the following rates:

Computer Software	- 20% per annum
-------------------	-----------------

#### **Leasehold improvements**

Leasehold improvement costs are capitalised where they can be reliably measured and are directly attributable towards the development of a leasehold property to a useable state (known as the "fitout" period).

Rent incurred during a fitout period is capitalised as leasehold improvements where works conducted are so fundamental to the structure of the building that the relevant space is rendered unsafe or unusable for its intended purpose as office space until the work has been completed

#### **Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted by the balance sheet date.

#### **Deferred taxation**

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 current tax rates and laws. 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.

Deferred tax is not provided on unremitted earnings where there is no binding commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### **Operating leases**

The company enters into operating leases and rentals are charged on a straight-line basis over the lease term. Where there is a rent-free period on property operating leases the aggregate benefit is recognised as a reduction of rental expense over the lease term on a straight line basis.

#### **Pension costs**

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### **Foreign currencies**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction, or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date, or, if appropriate, at the forward contract rate. Differences arising from movements in rates of exchange are dealt with in the profit and loss account.

#### **Turnover and revenue recognition**

Turnover comprises the gross amounts billed to clients (excluding trade discounts, VAT and similar taxes). Revenue is recognised when the service is performed in accordance with the terms of the contractual arrangement.

# SJS Management Services Limited

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

### 2. Turnover

All turnover is derived from the company's principal activity and arose in the UK. The destination of turnover was not materially different from the origin.

### 3. Staff costs

	2014 £	2013 £
Employee costs during the year amounted to:		
Wages and salaries	420,218	436,345
Social security costs	47,508	49,224
Pensions costs (see note 18)	23,087	16,282
Share-based payment charge	4,356	4,357
	<u>495,169</u>	<u>506,208</u>

The average monthly number of persons employed by the company during the year, excluding directors, was:

	2014 Number	2013 Number
Administration	<u>10</u>	<u>11</u>

### 4. Directors' remuneration

None of the directors received emoluments in respect of their services as directors of SJS Management Services Limited in either the current or the prior year.

### 5. Loss on ordinary activities before taxation

	2014 £	2013 £
Loss on ordinary activities before taxation is stated after charging:		
Depreciation – owned assets	319,166	73,559
Fees payable to company's auditor for the audit of the company's annual accounts	12,300	12,300
Operating lease rentals		
- land and buildings	826,205	786,992
- plant and machinery	1,683	3,908
	<u>849,354</u>	<u>886,759</u>

No amounts for other services have been paid to the auditor.

### 6. Net interest payable

	2014 £	2013 £
Bank interest payable	(78,922)	(20,223)
	<u>(78,922)</u>	<u>(20,223)</u>

# SJS Management Services Limited

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

### 7. Tax on loss on ordinary activities

The corporation tax charge of £nil (2013: £nil) has been calculated using a UK corporation tax rate of 21.5 % (2013: 23.25%).

	2014 £	2013 £
Loss on ordinary activities before tax	(79,194)	(68,455)
Tax at 21.5 % thereon (2013: 23.25%)	17,027	15,916
<i>Factors affecting the tax credit for the period:</i>		
Expenses not deductible for tax purposes	(47,372)	(1,788)
Movement in short term timing differences	(937)	(3,773)
Depreciation in excess of capital allowances	(21,256)	(11,571)
Adjustment in respect of group relief claimed for £nil consideration	52,538	1,216
	-	-

*Factors that may affect the future tax charge.*

### Budget announcements

The Finance Act 2012 provided for a reduction in the main rate of UK corporation tax from 24% to 23% effective from 1 April 2013. Further reductions to the main rate of UK corporation tax to 21% from 1 April 2014 and 20% from 1 April 2015 were enacted in Finance Act 2013 in July 2013. The reduced rate of 20% has therefore been reflected in the calculation of deferred tax as it had been substantively enacted at the balance sheet date. A deferred tax asset has not been recognised in respect of timing differences relating to fixed assets as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £278,037 (2013: £265,233).

# SJS Management Services Limited

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

### 8. Tangible fixed assets

	Leasehold improvements £	Computer equipment £	Fixtures, fittings, and equipment £	Total £
<b>Cost</b>				
At 1 January 2014	3,873,438	197,581	45,621	4,116,640
Additions	4,074,991	204,089	463,198	4,742,278
Disposals	(2,535,317)	(105,641)	(32,738)	(2,673,696)
At 31 December 2014	5,413,112	296,029	476,081	6,185,222
<b>Depreciation</b>				
At 1 January 2014	2,535,318	163,543	39,608	2,738,469
Charge for the year	220,301	44,553	54,312	319,166
Disposals	(2,535,317)	(105,641)	(32,738)	(2,673,696)
At 31 December 2014	220,302	102,455	61,182	383,939
<b>Net book value</b>				
At 31 December 2014	5,192,810	193,574	414,899	5,801,283
At 31 December 2013	1,338,120	34,038	6,013	1,378,171

### 9. Intangible fixed assets

	Total £
<b>Cost</b>	
At 1 January 2014	-
Additions	4,000
Disposals	-
At 31 December 2014	4,000
<b>Depreciation</b>	
At 1 January 2014	-
Charge for the year	533
Disposals	-
At 31 December 2014	533
<b>Net book value</b>	
At 31 December 2014	3,467
At 31 December 2013	-



# **SJS Management Services Limited**

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

### **10. Debtors: amounts falling due within one year**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Intercompany Debtors	405,775	5,964
VAT debtors	-	174,114
Other debtors	15,712	7,533
Prepayments and accrued income	14,798	99,031
	<u>436,285</u>	<u>286,642</u>

### **11. Creditors: amounts falling due within one year**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Bank overdraft	6,305,618	1,251,751
Trade creditors	23,694	847,739
Amounts due to other group undertakings	16,904	509,312
VAT creditors	126,469	-
Other taxation and social security	13,728	13,543
Accruals and deferred income	665,450	108,498
Other creditors	716,815	374,047
	<u>7,868,678</u>	<u>3,104,890</u>

# SJS Management Services Limited

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

### 12. Provisions for liabilities

	<b>Dilapidation provision £</b>	<b>Total £</b>
At 1 January 2014	537,762	537,762
Charged to the profit and loss account	(112,728)	(112,728)
At 31 December 2014	<u>425,034</u>	<u>425,034</u>

### 13. Called-up equity share capital

	<b>2014 £</b>	<b>2013 £</b>
<b>Called-up, allotted and fully paid</b>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

### 14. Reserves

	<b>Other reserves £</b>	<b>Profit and loss account £</b>
At 1 January 2014	7,989	(1,985,830)
Loss for the financial year	-	(79,194)
Parent company capital contribution for share based payments	4,356	-
At 31 December 2014	<u>12,345</u>	<u>(2,065,024)</u>

#### *UITF 44 Group and Treasury Share Transactions*

The ultimate parent company, WPP plc, has granted rights to its equity instruments to certain employees of the company. This share-based compensation is accounted for as equity-settled in the consolidated financial statements of the parent. UITF 44 requires the company to record an expense for such compensation in accordance with FRS 20 (Share-Based payments) with a corresponding increase in equity as a contribution from the parent.

### 15. Reconciliation of movements in shareholder's deficit

	<b>2014 £</b>	<b>2013 £</b>
Loss for the financial year	(79,194)	(68,455)
Parent company capital contribution for share-based payments	4,356	4,357
Net movement in shareholder's deficit	(74,838)	(64,098)
Opening shareholder's deficit	<u>(1,977,839)</u>	<u>(1,913,741)</u>
Closing shareholder's deficit	<u>(2,052,677)</u>	<u>(1,977,839)</u>

# SJS Management Services Limited

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

### 16. Operating lease commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating leases expiring as follows:

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Operating leases which expire:				
- Within one year	-	198,750	-	-
- In two to five years	1,760,000	880,000	1,788	1,788
- In over five years	6,820,000	7,700,000	-	-
	<u>8,580,000</u>	<u>8,580,000</u>	<u>1,788</u>	<u>1,788</u>

### 17. Financial guarantees

SJS Management Services Limited participates in group banking arrangements with its parent company, WPP plc, and has access to a group cash management facility. SJS Management Services Limited guarantees the facility to the extent of its cash deposit in the UK with its clearing bank. The company, together with its parent, WPP plc, and certain other subsidiary undertakings, is a party to the group's syndicated banking arrangements. SJS Management Services Limited has jointly and severally guaranteed the borrowings under these arrangements. Details of these arrangements are included in the financial statements of WPP plc.

### 18. Pension schemes

Where employees wish to make personal pension plan arrangements, the company may make direct contributions to such plans or provide a supplement to salary.

The pension cost charge for the year for defined contribution schemes was £23,087 (2013: £16,282).

### 19. Related party transactions

The company has taken advantage of the exemption under FRS 8 not to disclose the details of transactions with other WPP Group companies, as it is ultimately 100% owned by WPP plc, the consolidated financial statements of which are publicly available.

### 20. Ultimate parent undertaking and controlling party

The directors regard The Brand Union Limited, a company incorporated in the United Kingdom and registered in England and Wales, as the immediate parent company and WPP plc, a company incorporated 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, registered in Jersey. The parent undertaking of the smallest such group is Lexington International B.V., registered in the Netherlands.

Copies of the financial statements of WPP plc are available at [www.wppinvestor.com](http://www.wppinvestor.com). Copies of the financial statements of Lexington International B.V. can be obtained from Laan op Zuid 167, 3072 DB Rotterdam, Netherlands or 27 Farm Street, London, W1J 5RJ, UK.