Razorfish UK Limited

Report and Financial Statements

31 December 2013

Registered Number: 03547882

Directors

G Mears (appointed 27 December 2013)
J Tomasulo
C Mellish
S Beringer (resigned 29 November 2013)

Secretaries

S Bailey
R Basran

Auditor

Mazars LLP
Tower Bridge House
St Katharine's Way
London
E1W 1DD

Registered Office

Pembroke Building
Kensington Village
Avonmore Road
London
W14 8DG

Strategic Report

Principal activity and review of the business

The principal activity of the Company is the provision of digital marketing services.

The Company's key financial performance and other indicators during the year were as follows:

	2013 £000	2012 £000	Change %
Revenue	23,650	21,147	12%
Operating profit	2,359	2,197	7%
Profit after tax	1,822	1,689	8%
Shareholder's funds	1,894	1,717	10%
Current assets as a % of current liabilities	118%	119%	(1%)
Average number of employees	172	169	2%

Revenue has increased by 12% due to increased revenue from the current clients.

Operating profit has increased by 7% and profit after tax by 8% due to the increase in revenue and better controls on operating expenses.

Shareholder's funds have increased due to the profit retained for the year less the dividends paid.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company are broadly grouped as – competitive, financial instrument, credit, liquidity and cash flow risk.

- Competitive risks

The Company operates in a highly competitive market place where margins are continually under pressure. However, the Company is well positioned to maintain its market share.

- Financial instrument risks

The Company has established a risk and financial management framework whose primary objectives are to protect the Company from events that hinder the achievement of the Company's performance objectives.

The objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at a business unit level.

- Exposure to credit, liquidity and cash flow risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Our policies are aimed at minimising such losses and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. We aim to mitigate liquidity risk by managing cash generation by our operations and applying cash collection targets.

Cash flow risk is the risk that inflows and outflows of cash and cash equivalents will not be sufficient to finance the day-to-day operations. We manage cash flow risk by careful negotiation of terms with customers and suppliers.

On behalf of the board

G Mears
Director

18 June 2014

Directors' report

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

Results and dividends

The profit for the year, after taxation, amounted to £1,822,000 (2012: £1,689,000). Dividends of £1,717,000 were declared and paid during the year (2012: £1,497,000).

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report on page 2. These matters relate to the principal activity and financial risks.

Directors

The directors of the Company that served during the year are shown on page 1.

Future developments

The directors acknowledge that the Company faces a challenging 2014 due to the loss of an important client. However they aim to maintain tight cost controls to minimise the impact on profitability.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employees' involvement

The Company places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on various factors affecting the performance of the Company. Employees are consulted regularly on a wide range of matters affecting their current and future interests.

Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Going concern

The Company has access to considerable financial resources together with long standing relationships with key clients and suppliers. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully. 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 annual report and accounts.

On behalf of the board

G Mears
Director

18 June 2014

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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). The financial statements are required by law to 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 those 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, 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 proper 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 member of Razorfish UK Limited

We have audited the financial statements of Razorfish UK Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Reconciliation of Shareholder's Funds, the Balance Sheet and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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 (APB's) Ethical Standards for Auditors. This report is made solely to the company's member, 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 member those matters we are required to state to it 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 member for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the 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 the 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 member of Razorfish UK 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.

Claire Larquetoux (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

20 June 2014

Profit and loss account

for the year ended 31 December 2013

	Notes	2013 £000	2012 £000
Billings	1	43,056	39,979
Revenue	2	23,650	21,147
Other operating expenses		(21,291)	(18,950)
Operating profit	3	2,359	2,197
Interest receivable and similar income	7	4	7
Profit on ordinary activities before taxation		2,363	2,204
Tax on profit on ordinary activities	8	(541)	(515)
Profit for the financial year	14	1,822	1,689

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year and their historical cost equivalents.

The Company's revenue and operating profit all relate to continuing operations.

The Company has no recognised gains or losses other than those included above.

Reconciliation of shareholder's funds

for the year ended 31 December 2013

	Notes	2013 £000	2012 £000
Profit for the financial year		1,822	1,689
Share based payments transaction	15	72	28
Dividends declared and paid	14	(1,717)	(1,497)
Total movement during the year		177	220
Shareholder's funds at 1 January		1,717	1,497
Shareholder's funds at 31 December		1,894	1,717

Balance sheet

at 31 December 2013

	Notes	2013 £000	2012 £000
Fixed assets			
Tangible fixed assets	9	433	192
		433	192
Current assets			
Work in progress		279	276
Debtors: amounts falling due within one year	10	9,662	9,194
		9,941	9,470
Creditors: amounts falling due within one year	11	(8,437)	(7,945)
Net current assets		1,504	1,525
Total assets less current liabilities		1,937	1,717
Provision for liabilities and charges	12	(43)	-
Net assets		1,894	1,717
Capital and reserves			
Called up share capital	13	-	-
Profit and loss account	14	1,894	1,717
Shareholder's funds		1,894	1,717

The financial statements were approved and authorised for issue by the board and were signed on its behalf on the below date

G Mears
Director

18 June 2014

Notes to the financial statements

for the year ended 31 December 2013

1. Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year is set out below.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards. The financial statements have been prepared on a going concern basis.

In 2013 the Company has amended the way that it has disclosed billings, turnover and revenue to better reflect the fact that the Company operated as an agent rather than as a principal. This treatment is also to be consistent with other UK subsidiaries of the ultimate parent company.

Statement of cash flows

The Company is exempt from the requirement of Financial Reporting Standard 1 (Revised) "Cash Flow Statements" to include a statement of cash flows as part of its financial statements because its ultimate parent undertaking, Publicis Groupe S.A., prepares consolidated financial statements which include the financial statements of the Company for the year (see note 18).

Billings

Billings represent amounts billed to clients during the year, excluding advanced billings, and is stated net of allowances, VAT and other sales related taxes.

Revenue recognition

A written agreement with clients (purchase order, letter, contract, etc.) indicating the nature and the amount of the work to be performed is required for the recognition of revenue. The company's revenue recognition policies are summarised below:

- For commission-based customer arrangements (excluding production): revenue from media buying services is recognised on the date of publication or broadcast;
- project-based arrangements: revenue is recognised in the accounting period in which the service is rendered;
- fixed-fees: revenue is recognised on a straight-line basis, which reflects the nature and the scope of the services rendered;
- time-based fees: revenue is recognised on the basis of work done; and
- fees based on performance criteria: revenue is recognised when the performance criteria have been met and the customer has confirmed its agreement.

In most of its transactions, the Company acts as an agent for its clients. For these transactions, the Company recognises the net amount earned, and any expenses incurred with third-party suppliers are excluded from revenue. In certain instances, the Company acts as the principal, such as for example when the contract is signed directly with media suppliers. In these circumstances, the Company recognises the gross amount invoiced as revenue.

Interest income

Income is recognised as interest accrues using the effective interest method.

Notes to the financial statements

for the year ended 31 December 2013

1. Accounting policies (continued)

Leases

Rentals under operating leases are charged in the profit and loss account on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Pension costs

Pension costs represent contributions payable under a defined contribution scheme and contributions made by the Company to the personal pension plans of directors and certain employees. The contributions are charged to the profit and loss account in the period to which they relate.

Tangible fixed assets

Tangible fixed assets are shown at cost net of accumulated depreciation and accumulated impairment losses.

Depreciation is provided at rates calculated to write-off the cost, less estimated residual value, of fixed assets on a straight line basis over their estimated useful lives as follows:

- Leasehold improvements over the term of the lease
- Office equipment 20% per annum
- Computer equipment 33% per annum

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Effect of foreign currency

Transactions denominated in foreign currencies are translated into sterling at the actual exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is reported as an exchange gain or loss in the profit and loss account. The Company uses derivatives such as foreign currency hedges to hedge its current or future positions against foreign exchange rate risks. These derivatives are measured at fair value, determined by reference to observable market prices at the reporting date.

Taxation

UK corporation tax payable is provided on taxable profits at the current rate.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements

for the year ended 31 December 2013

1. Accounting policies (continued)

Share-based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined by an external valuer of Publicis Groupe S.A., Paris, using the Black-Scholes model.

No expense is recognised for awards that do not ultimately vest.

At each balance sheet date before vesting, the cumulative expense is calculated representing the extent to which the vesting period has expired and Group management's best estimate of the achievement or otherwise of non-market conditions, the number of equity instruments that will ultimately vest or in case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period of the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the income statement for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense in the income statement.

2. Revenue

The geographical analysis of revenue by destination is as follows:

	2013 £000	2012 £000
United Kingdom	10,650	14,762
Europe	3,856	874
USA	9,080	5,148
Asia	64	358
Rest of the World	-	5
	23,650	21,147

Included in billings is media space sales of £16,469,000 (2012: £16,851,000), upon which no revenue is generated by the Company.

Notes to the financial statements
for the year ended 31 December 2013

3. Operating profit

This is stated after charging:

	2013 £000	2012 £000
Loss on transactions denominated in foreign currency	45	19
Depreciation of tangible fixed assets (see note 9)	135	215
Operating lease rentals - land and buildings	1,118	982
Staff costs (see note 5)	11,190	10,946
Auditor's remuneration (see note 4)	15	20

4. Auditor's remuneration

The remuneration of the auditor is further analysed as follows:

	2013 £000	2012 £000
Audit of the financial statements	15	20

5. Staff Costs

	2013 £000	2012 £000
Wages and salaries	9,918	9,668
Social security costs	1,064	1,072
Pension costs	208	206
	11,190	10,946

Included in total staff costs is £217,000 (2012: £211,000) in respect of directors' remuneration (see note 6), and £72,000 (2012: £28,000) in respect of share based payment plans (see note 15).

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

	2013 No.	2012 No.
Operational and administration staff	172	169

Notes to the financial statements

for the year ended 31 December 2013

6. Directors' emoluments

The staff costs shown in note 5 include the following remuneration in respect of directors of the Company:

	2013 £000	2012 £000
Emoluments	211	206
Company contributions to money purchase pension schemes	6	5
	217	211

1 director was a member of a money purchase pension scheme during the year (2012: 1).

Highest paid director

The above amounts for remuneration include the following in respect of the highest paid director:

	2013 £000	2012 £000
Emoluments	211	206
Company contributions to money purchase pension schemes	6	5
	217	211

7. Interest receivable and similar income

	2013 £000	2012 £000
Intercompany interest receivable	4	7
	4	7

8. Taxation

	2013 £000	2012 £000
(a) UK corporation tax		
Current tax:		
Corporation tax	503	527
Prior year adjustment	54	(14)
Total current tax (note 8(b))	557	513
Deferred tax:		
Origination & reversal of timing difference	44	36
Prior year adjustment	(54)	(44)
Rate change	(6)	10
Total deferred tax (note 8(c))	(16)	2
Tax on profit on ordinary activities	541	515

Notes to the financial statements

for the year ended 31 December 2013

8. Taxation (continued)

(b) Factors affecting tax charge for the year

The tax assessed on the profit on ordinary activities for the year differs to the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are reconciled below:

	2013 £000	2012 £000
Profit on ordinary activities before tax	2,363	2,204
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012: 24.5%)	549	540
Effects of:		
Expenses not deductible for tax purposes	21	42
Share based payments	(11)	(20)
Depreciation in excess of capital allowances	-	9
Other timing differences	(55)	(44)
Prior year adjustment	53	(14)
Total current tax (note 8(a))	557	513

(c) Deferred taxation

Deferred taxation recognised in the financial statements is as follows:

	2013 £000	2012 £000
Tax effect of timing differences:		
Decelerated capital allowances	99	98
Share based payments	15	-
	114	98

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

	£000
At 1 January 2013	98
Profit and loss account	16
At 31 December 2013	114

(d) Factors that may affect future tax charge

The UK corporation tax rate has decreased from 23% to 21% from 1 April 2014. The deferred tax balance has therefore been adjusted in the current year to reflect the change to 21%.

The main rate of Corporation Tax will be 20 % from 1 April 2015. These rate changes will affect the amount of future cash payments made by the company.

Notes to the financial statements

for the year ended 31 December 2013

9. Tangible fixed assets

	Leasehold improvements £000	Office equipment £000	Computer equipment £000	Total £000
Cost:				
At 1 January	289	321	1,047	1,657
Additions	111	162	103	376
At 31 December	400	483	1,150	2,033
Depreciation:				
At 1 January	263	269	933	1,465
Charge for the year	27	22	86	135
At 31 December	290	291	1,019	1,600
Net book value:				
At 31 December 2013	110	192	131	433
At 1 January 2013	26	52	114	192

10. Debtors

	2013 £000	2012 £000
Trade debtors	3,845	3,468
Amounts owed by group undertakings	2,321	2,341
Prepayments and accrued income	3,351	3,231
Other debtors	31	56
Deferred taxation	114	98
	9,662	9,194

11. Creditors

	2013 £000	2012 £000
Bank overdraft	13	23
Trade creditors	3,306	3,150
Amounts owed to group undertakings	803	410
Other taxation and social security costs	477	623
Accruals and deferred income	2,647	2,484
Payments on account	723	833
Corporation tax	445	402
Other creditors	23	20
	8,437	7,945

Notes to the financial statements

for the year ended 31 December 2013

12. Provision for liabilities and charges

	2013
	£
At 1 January 2013	-
Dilapidation provision	43
At 31 December 2013	43

The dilapidation provision has been made during 2013 in relation to the space the Company has moved into that was previously occupied by a fellow subsidiary of the immediate parent undertaking. The expected costs of the restoration are £212,500 at the date of survey and the lease's first break clause is in January 2018.

13. Allotted and issued share capital

	2013	2012
	£	£
Allotted, called up and fully paid:		
10,000 Ordinary 'A' shares of 0.5 pence each	50	50
10,000 Ordinary 'B' shares of 0.5 pence each	50	50
	100	100

14. Reserves

	Profit and loss account £000
At 1 January 2013	1,717
Profit for the year	1,822
Dividends paid	(1,717)
Share based payments transaction	72
At 31 December 2013	1,894

Notes to the financial statements

for the year ended 31 December 2013

15. Share-based payments

The total expense recognised for share-based payments in respect of employee services received during the year to 31 December 2013 is £72,000 (2012: £28,000).

Free share plans (all employees):

International Free Share Scheme 2011

Under this plan, the ultimate parent company, Publicis Groupe S.A. has awarded free shares to all eligible individuals within the Company under the condition that they remain continuously employed by the Publicis Groupe S.A. or certain of its subsidiaries during the vesting period of 4 years until the delivery date. Under this plan, each beneficiary will be entitled to receive:

- 50 free Shares if the employee is regularly scheduled to work 21 hours or more per week;

- 25 free Shares if the employee is regularly scheduled to work less than 21 hours per week.

Free share plan (senior employees):

Free shares are granted to senior employees of the Company at the discretion of the Management Board of the ultimate parent company Publicis Groupe S.A. The free share plans outstanding at 31 December 2013 have the following characteristics:

Long Term Incentive Plan (LTIP) 2013

Under this plan, the ultimate parent company, Publicis Groupe S.A. has awarded free shares to senior individuals within the Company under two conditions.

First of all, the shares are subject to a condition of presence during the period of acquisition for a period of 4 years. The shares are also subject to criteria of additional performance, so that the total number of shares delivered will depend on the level of achievement of objectives of growth and profitability for the year 2013. The award, made in April 2013, will become effective in April 2017.

Long Term Incentive Plan (LTIP) 2012

Under this plan, the ultimate parent company, Publicis Groupe S.A. has awarded free shares to senior individuals within the Company under two conditions.

First of all, the shares are subject to a condition of presence during the period of acquisition for a period of 4 years. The shares are also subject to criteria of additional performance, so that the total number of shares delivered will depend on the level of achievement of objectives of growth and profitability for the year 2012. The award, made in April 2012, will become effective in April 2016

Long Term Incentive Plan (LTIP) 2011

Under this plan, the ultimate parent company, Publicis Groupe S.A. has awarded free shares to individuals within the Company under two conditions.

First of all, the shares are subject to a condition of presence during the period of acquisition for a period of 4 years. The shares are also subject to criteria of additional performance, so that the total number of shares delivered will depend on the level of achievement of objectives of growth and profitability for the year 2011. The award, made in April 2011, will become effective in April 2015.

Free share plan – Razorfish employees

On December 1, 2009 a new Publicis Groupe S.A. free share plan was implemented for employees who had received Microsoft Restricted Share Units between 2007 and 2009 from the former ultimate shareholder. The number of restricted shares of Microsoft stock acquired was converted into Publicis Groupe S.A. shares, using the existing ratio of the average Microsoft price over the last 20 trading days and the Publicis Groupe S.A. share price on the acquisition date (October 13, 2009). The vesting period remained unchanged.

It should be noted that the only adjustment made in the fair value of the free shares was for lost dividends during the vesting period; excluded was any non-transferability discount, the effect having been considered not material.

Notes to the financial statements

for the year ended 31 December 2013

15. Share-based payments (continued)

Scheme name	LTIP 2011	LTIP 2012	LTIP 2013	Razorfish employees	International 2011
Date of Management Board meeting:	19-Apr-11	17-Apr-12	16-Apr-13	30-Dec-09	21-Nov-11
Date award effective:	Apr-15	Apr-16	Apr-17	Dec-09	Dec-15
Number of shares granted	500	3,375	3,925	27,528	6,100
Initial valuation of shares granted	€34.60	€37.53	€47.17	€25.31	€32.04
Assumptions:					
Share price on the date of grant	*€37.71*	*€40.69*	*€51.53*	*€25.91*	*€35.47*
Vesting period (in years)	*4 years*	*4 years*	*4 years*	*0.5 to 4.5 years*	*4 years*
Likelihood of achievement of objectives	*90%*	*90%*	*90%*	-	*75%*
Movements in share plan:					
Outstanding as at 1 January 2012	500	3,375	-	17,969	6,100
Granted during the year	-	-	-	-	-
Group transfer	-	-	-	104	(50)
Forfeited	-	-	-	(1,224)	(1,400)
Exercised	-	-	-	-	-
Outstanding at 31 December 2012	***500***	***3,375***	-	***16,849***	***4,650***
Granted during the year	-	-	3,925	-	-
Group transfer	-	-	-	-	-
Forfeited	-	-	-	(1,224)	(1,650)
Exercised in the current year	-	-	-	(2,702)	-
Exercised in the prior year's	-	-	-	(10,320)	-
Outstanding at 31 December 2013	**500**	**3,375**	**3,925**	**2,603**	**3,000**
Exercisable at 31 December 2013	-	-	-	2,603	-
Exercisable at 31 December 2012	-	-	-	5,201	-

Notes to the financial statements

for the year ended 31 December 2013

16. Related party transactions

The Company has taken advantage of the exemption under Financial Reporting Standard 8, "Related Party Disclosures", not to disclose transactions with group undertakings as it is a subsidiary undertaking which is 100% controlled by the ultimate parent undertaking.

For the year ended 31 December 2013 the Company had the following transactions with other subsidiaries of Publicis Groupe S.A that are not 100% owned.

	Creditors		Debtors		Services		Billings	
Related Party	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Global Event Management	(89)	-	-	-	(75)	-	-	-

17. Other financial commitments

The Company had the following commitments to buy or sell foreign currency contracts:

Currency	Buy / Sell	Contract Rate	2013 Principle	2013 Fair Value	2012 Currency	2012 Fair Value
			EUR'000	**£000**	**EUR'000**	**£000**
EUR	Sell	0.8337 - 0.8424	488	3	-	-
EUR	Buy	0.8061 - 0.8087	217	2	-	-
EUR	Buy	0.8350 - 0.8403	-	-	674	(3)
			USD'000	**£000**	**USD'000**	**£000**
USD	Sell	1.6342 - 1.6542	-	-	1,959	14

18. Ultimate parent undertaking and controlling party

The immediate parent undertaking is MMS UK Holdings Limited, a company registered in England and Wales.

The ultimate parent undertaking, controlling party and the parent undertaking of the largest and smallest group to include the Company in its group financial statements is Publicis Groupe S.A., incorporated in France. Copies of its consolidated financial statements are available from 133 avenue des Champs Elysees, 75008 Paris, France.