

Company Registration No. 04078495

The Brand Union Worldwide Limited

Annual Report and financial statements

For the year ended 31 December 2014

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The Brand Union Worldwide Limited

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

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The Brand Union Worldwide Limited

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

Officers and professional advisers

Directors

S.G. Bolton
A.J. Spark

Company Secretary

A.J. Spark

Registered Office

6 Brewhouse Yard
London
England
EC1V 4DG

Bankers

HSBC Bank plc
69 Pall Mall
London
United Kingdom
SW1Y 5EY

Auditors

Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

The Brand Union Worldwide Limited

Strategic report for the year ended 31 December 2014

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 to provide stewardship and various operational functions to the Brand Union group of companies as the corporate centre for this group. The appropriate portion of the cost of providing these services is recovered through management fees to these companies.

The Directors are satisfied with 2014 performance. Turnover decreased 19% on last year to £2.1million (2013: £2.6 million). The decrease in revenues was mainly due to lower management fees.

Loss after tax increased 10.9 % on last year to £1.076 million (2013: £0.97 million). This was mainly driven by the decrease in management fees.

As at 31 December 2014 the Company had net liabilities of £6.6 m, which is a £1.1 m increase from the prior year net liability position of £5.5m.

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

Poor financial performance in the operating companies under management

This could lead to certain Brand Union group companies being unable to pay their management fees, which would adversely impact profit. The Company mitigates the risk by continuous financial oversight of Brand Union group companies. In particular, the Company reviews the budgets and forecasts of Brand Union group companies to identify areas of financial risk and develop plans to mitigate those risks. The Brand Union group companies are spread over a large geographic area, which spreads the risks of generalised poor performance. In addition, the companies under management are all owned by WPP plc and the majority have access to country cash pools with which to meet their obligations.

Liquidity risk

A liquidity risk exists where the Company does not have enough working capital to meet its day to day obligations. The Company mitigates this risk through participating in group banking arrangements with its ultimate parent, WPP plc and has access to a group cash management facility.

Foreign currency risk management

The Company has transactions with customers and suppliers outside the UK and, as such is exposed to movements in exchange rates. It is the Company's policy to restrict foreign transactions to Euros and US Dollars only, which are stable currencies and insists on prompt intercompany settlement of such amounts other than in exceptional circumstances. Financial risks are monitored on an ongoing basis and management is aware of hedging techniques available through WPP plc's treasury function should be considered necessary.

The Brand Union Worldwide Limited

Strategic report for the year ended 31 December 2014

FINANCIAL KEY PERFORMANCE INDICATORS

The key performance indicators for the business are:

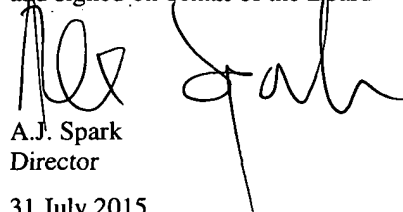
	2014	2013
	£	£
Turnover	2,110,102	2,569,901
Administrative expenses	(3,066,234)	(3,414,440)
Operating (loss)	(956,132)	(844,539)

FUTURE DEVELOPMENTS

The business will continue to operate under its current model for the foreseeable future. Turnover is made up of management fees and tax regulations will affect the the extent to which costs can be recharged. The administrative expenses are mainly comprised of employee costs and these are expected to remain stable in 2015.

The Company is well structured and managed and optimistic about achieving its future goals.

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



A.J. Spark
Director
31 July 2015

The Brand Union Worldwide Limited

Directors' Report for the year ended 31 December 2014

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

Results

The profit and loss account is set out on page 8 and shows a loss for the period of £1,076,411 (2013: £970,938).

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 Statement 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 the year were:

A.J. Spark

S.G. Bolton

Auditor

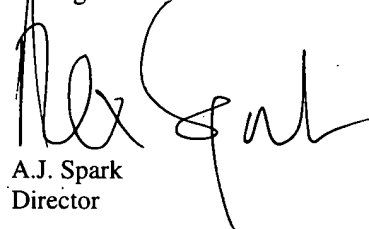
Each of the persons who is a director at the date of approval of this report confirms that:

- 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 section 418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board on 31 July 2015



A.J. Spark
Director

The Brand Union Worldwide 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 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 The Brand Union Worldwide Limited

We have audited the financial statements of The Brand Union Worldwide Limited for the year ended 31 December 2014 which comprise the Profit and Loss account, the Balance Sheet and the related notes 1 to 21. 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, 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, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully explained 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 the Company's 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 in the Companies Act 2006

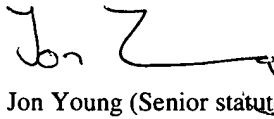
In our opinion the information in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

A handwritten signature in black ink, appearing to read 'Jon Young', with a long horizontal stroke extending to the right.

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

31 July 2015

The Brand Union Worldwide Limited

Profit and loss account

For the year ended 31 December 2014

	Notes	2014 £	2013 £
Turnover	1, 2	2,110,102	2,569,901
Administrative expenses		(3,066,234)	(3,414,440)
Operating (loss)/profit		(956,132)	(844,539)
Interest payable and similar charges:			
- Bank interest payable	3	(101,227)	(95,335)
- (Loss) on foreign exchange		(19,052)	(31,064)
Loss on ordinary activities before taxation	4	(1,076,411)	(970,938)
Tax on loss on ordinary activities	7	-	-
Loss for the year	15, 16	(1,076,411)	(970,938)

The accompanying notes form an integral part of this profit and loss account.

The operations of the Company all relate to continuing operations.

The Company has no recognised gains or losses or movements in shareholders' deficit during the current or prior year other than the profit for the year and the credit to reserves associated with share-based payments. Accordingly, no statement of total recognised gains or losses has been prepared.

The Brand Union Worldwide Limited

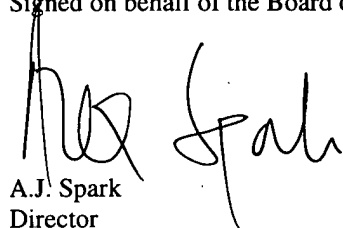
Balance sheet At 31 December 2014

	Notes	2014 £	2013 £
Fixed assets			
Tangible assets	9	8,591	6,963
Intangible assets	10	165,742	118,626
		<u>174,333</u>	<u>125,589</u>
Current assets			
Debtors	11	2,176,081	2,685,914
Work in progress		108,191	6,804
Cash at bank and in hand		-	353
		<u>2,284,272</u>	<u>2,693,071</u>
Creditors: amounts falling due within one year	12	<u>(9,010,750)</u>	<u>(8,346,598)</u>
Net current liabilities		<u>(6,726,478)</u>	<u>(5,653,527)</u>
Total assets less current liabilities		<u>(6,552,145)</u>	<u>(5,527,938)</u>
Capital and reserves			
"Called-up share capital"	14	1	1
Profit and loss account	16	(7,993,006)	(6,916,595)
Other reserves	17	1,440,860	1,388,656
Total shareholder's deficit	15	<u>(6,552,145)</u>	<u>(5,527,938)</u>

The accompanying notes form an integral part of this balance sheet.

These financial statements of The Brand Union Worldwide Limited, registered number 04078495, were approved by the Board of Directors and authorised for issue on 31 July 2015.

Signed on behalf of the Board of Directors


A.J. Spark
Director

The Brand Union Worldwide Limited

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

1. Accounting policies

The principal accounting policies adopted by the directors are described below. They have all been applied consistently throughout the current year and the prior year.

Accounting convention

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) under the historical cost convention.

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 financial accounts which are publicly available.

Basis of preparation

The financial statements are prepared under the historical cost convention.

Going concern

The Company's business activities are set out in the Strategic Report on pages 2-3.

The Company is exposed to a number of risks and uncertainties as outlined in the Strategic Report, including credit and liquidity risk. The Company has net liabilities of £6,552,145, net current liabilities of £6,726,478 as at 31 December 2014 and made a loss for the year of £1,076,411. The Company has made a loss in the period between 31 December 2014 and the date of authorisation of these financial statements.

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.

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.

The Brand Union Worldwide Limited

Notes to the financial statements (continued) For the year ended 31 December 2014

1. 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:

Leasehold Improvements	-	over the period of the lease
Computer equipment	-	33% per annum
Fixtures, fittings and equipment	-	25% 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.

Intangible fixed assets

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

Software development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets where and it is technically feasible to complete the software product so that it will be available for use and it can be demonstrated how the software product will generate probable future economic benefits.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed five years.

Development costs have been capitalised in accordance with SSAP 13 Accounting for research and development and are therefore not treated, for dividend purposes, as a realised loss.

Work in progress

Work in progress is stated at the lower of cost and net realisable value. Work in progress includes specific costs incurred on behalf of The Brand Union Worldwide group of companies which will be recharged to those companies. Cost is equal to the value of third party invoices.

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 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.

The Brand Union Worldwide Limited

Notes to the financial statements (continued) For the year ended 31 December 2014

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if payments are not made on such a 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

Revenue comprises the amounts billed to fellow group companies (excluding VAT and similar taxes). Revenue is recognised when the service is performed in accordance with the terms of the contractual arrangement. Excess billings are included in creditors as deferred income.

2. Turnover

All revenue arose from the principal activity in the UK. Turnover by destination was as follows:

	2014 £	2013 £
UK	798,545	930,266
Rest of Europe	540,100	544,558
Rest of the World	771,457	1,095,077
	<u>2,110,102</u>	<u>2,569,901</u>

3. Bank interest payable

	2014 £	2013 £
Bank interest payable	<u>101,227</u>	<u>95,335</u>

The Brand Union Worldwide Limited

Notes to the financial statements (continued) For the year ended 31 December 2014

4. Loss on ordinary activities before taxation

This is arrived at after charging:

	2014 £	2013 £
Depreciation – owned assets	5,128	8,833
Amortisation – intangible assets	34,140	6,210
Operating lease rentals – plant and machinery	-	5,126
Fees payable to Company's auditor for the audit of the Company's annual financial statements	9,600	9,200
	<u>9,600</u>	<u>9,200</u>

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

5. Employees

	2014 £	2013 £
Staff costs (including executive directors) consist of:		
Wages and salaries	1,450,752	1,546,965
Share-based payment charge	52,205	100,622
Social security costs	266,849	226,724
Staff pension costs	114,783	72,408
	<u>1,884,589</u>	<u>1,946,720</u>

The average monthly number of employees during the year, including executive directors, all employed in administration, was 11 (2013: 12).

6. Directors' remuneration

The remuneration of the directors was as follows:

	2014 £	2013 £
Emoluments	625,375	818,347
Amounts receivable under long-term incentive schemes	218,002	547,939
Company contributions to money purchase pension schemes	61,188	51,871
	<u>904,565</u>	<u>1,418,157</u>

The above amounts do not include any gains made on the exercise of share options or the value of any shares or share options received under long-term incentive schemes. The number of directors who exercised share options during the year was two (2013: two). The number of directors receiving restricted stock under long-term incentive schemes is two (2013: two).

The Brand Union Worldwide Limited

Notes to the financial statements (continued) For the year ended 31 December 2014

Pensions

The number of directors who were members of pension schemes were as follows:

	2014 No.	2013 No.
Money purchase schemes	<u>2</u>	<u>2</u>

Highest paid director

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

	2014 £	2013 £
Emoluments	413,500	550,500
Amounts receivable under long-term incentive schemes	163,107	489,385
Company contributions to money purchase pension schemes	<u>40,000</u>	<u>35,007</u>
	<u>616,607</u>	<u>1,074,892</u>

7. Tax on profit on ordinary activities

The corporation tax charge of £Nil (2013: £Nil) has been calculated using the UK corporation tax rate of 21.25% (2013: 23.25%)

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2014 £	2013 £
(Loss)/profit on ordinary activities before taxation	<u>(1,076,411)</u>	<u>(970,938)</u>
UK Corporation tax at 21.25 % (2013: 23.25%)	<u>(228,737)</u>	<u>(225,743)</u>
<i>Effects of:</i>		
Depreciation in excess of capital allowances	(1,090)	(1,588)
Expenses not deductible for tax purposes	(7,054)	(12,805)
Impact of share options	(57,419)	(150,783)
Non-deductible expenses	-	-
Adjustment in respect of group relief (surrendered) /claimed for £nil consideration	<u>(163,174)</u>	<u>(60,567)</u>
Current tax changes for the year	<u>-</u>	<u>-</u>

The Brand Union Worldwide Limited

Notes to the financial statements (continued) For the year ended 31 December 2014

7. Tax on profit on ordinary activities (continued)

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 of £194,728 (2013: £190,016) has not been recognised in respect of fixed asset timing differences and unexercised share options as it is uncertain that there will be sufficient taxable profits against which the assets will reverse in the foreseeable future.

8. Share-based payments

The Company charged the following amounts to the profit and loss account in 2014 and 2013 in relation to equity-settled share-based payments.

	2014 £	2013 £
Share Options		
WPP Worldwide Share Ownership Plan	544	163
Restricted Stock		
WPP Performance Share Awards	2,389	53,348
WPP Leaders, Partners and High Potential Group	49,272	47,111
	<u>52,205</u>	<u>100,622</u>

These amounts have been credited to Equity as a Parent Company Capital contribution in accordance with UITF 44 "Group and Treasury Share Transaction" (see note 17 Other Reserves).

Terms of share option plans

WPP Worldwide Share Ownership Plan

The Worldwide Share Ownership Programme is open to employees with at least two years employment in a Company owned by WPP plc. It is not available to those participating in other share-based incentive programmes or to executive directors. The vesting period for each grant is three years and there are no performance conditions other than continued employment with a WPP Company.

WPP Executive Share Option Plan

The Executive Stock Option Plan has historically been open for participation to members of the WPP Group Leaders, Partners and High Potential Group. The vesting period is three years and performance conditions include achievement of various TSR (Total Shareowner Return) and EPS (Earnings per share) objectives by WPP plc, as well as continued employment with a WPP Company. Since 2005, the Company has moved away from the issuance of stock options under this scheme, making grants of restricted stock instead.

Stock options for both plans have a life of ten years, including the vesting period. The terms of stock options with performance conditions are such that, if after nine years and eight months, the performance conditions have not been met, then the stock option will vest automatically. Stock options are satisfied out of newly issued shares in WPP plc.

The Brand Union Worldwide Limited

Notes to the financial statements (continued) For the year ended 31 December 2014

8. Share-based payments (continued)

Movement on stock options granted and weighted-average exercise price for stock options:

	At 1 January 2014	Granted	Exercised	Lapsed	Outstanding at 31 December 2014	Exercisable at 31 December 2014
No.	750	500	-	-	1,250	-
Price (£)	2.04	2.48	-	-	2.22	-

Outstanding options at 31 December 2014:

Weighted average exercise price: £2.27

Weighted average remaining contractual life: 35 months

The weighted average share price of WPP plc for the year ended 31 December 2014 was £12.65 (2013: £11.63).

Terms of restricted stock schemes

Certain employees participate in restricted stock schemes, which are in most cases satisfied by the delivery of stock from one of the WPP plc ESOP Trusts. The most significant schemes are:

Performance Share Awards (PSA)

Grants of stock under PSA are dependent upon annual performance targets, typically based on one or more of: operating profit, profit before taxation and operating margin. Grants are made in the year following the year of performance measurement, and will vest two years after grant provided the individual concerned is continually employed by a WPP Company throughout this time.

Long-Term Incentive Plans (LTIP)

Prior to the introduction of PSA, certain employees participated in long-term incentive plans, based on the achievement of three-year financial performance targets. These plans operated on a rolling three-year basis. The value of payments earned by executives over each performance period was typically based on the achievement of targeted improvements in the following performance measures over the relevant three-year period:

- (i) average operating profit or profit before taxation; and
- (ii) average operating margin.

Leaders, Partners and High Potential Group

Since 2005, restricted stock grants under this plan have effectively replaced executive stock options. Performance conditions include continued employment over a three-year vesting period.

The Brand Union Worldwide Limited

Notes to the financial statements (continued) For the year ended 31 December 2014

8. Share-based payments (continued)

The total restricted stock awards vested during the year ended 31 December 2014 and year ended 31 December 2013 is as follows;

	Grant Amount	Fair Value £	Total cost at 31 December 2014 £
WPP Performance Share Awards	8,172	8.34	68,114
WPP Leaders, Partners and High Potential Group	7,122	6.62	47,148

	Grant Amount	Fair Value £	Total cost at 31 December 2013 £
WPP Performance Share Awards	15,135	7.69	116,312
WPP Leaders, Partners and High Potential Group	6,453	7.25	46,784

Grant details

For restricted stock awards, the number of shares granted for the most significant schemes and the weighted average fair value of these grants was as follows:

	2014	2013
PSA		
Number of shares granted	6,025	Nil
Weighted average fair value at grant date	£12.89	£nil
Leaders, Partners and High Potential Group		
Number of shares granted	6,461	5,789
Weighted average fair value at grant date	£13.15	£13.51
Special Share Awards		
Number of shares granted	Nil	Nil
Weighted average fair value at grant date	£nil	£nil

The Brand Union Worldwide Limited

Notes to the financial statements (continued) For the year ended 31 December 2014

9. Tangible fixed assets

	Leasehold improvements £	Computer equipment £	Fixtures, fittings, and equipment £	Total £
Cost				
At 1 January 2014	45,251	34,246	205	79,702
Additions	0	6,240	518	6,759
Disposals	(45,251)	(9,431)	-	(54,682)
At 31 December 2014	-	31,055	723	31,778
Accumulated depreciation				
At 1 January 2014	45,251	27,385	103	72,739
Charge for the year	0	5,061	67	5,128
Disposals	(45,251)	(9,429)	-	(54,679)
At 31 December 2014	-	23,017	170	23,188
Net book value				
At 31 December 2014	-	8,038	553	8,591
At 31 December 2013	-	6,861	102	6,963

10. Intangible assets

	Software Development costs £	Total £
Cost		
At 1 January 2014	124,638	124,638
Additions	78,796	78,796
At 31 December 2014	203,434	203,434
Accumulated amortisation		
At 1 January 2014	6,012	6,012
Charge for the year	31,680	31,680
At 31 December 2014	37,692	37,692
Net book value		
At 31 December 2014	165,742	165,742
At 31 December 2013	118,626	118,626

The Brand Union Worldwide Limited

Notes to the financial statements (continued) For the year ended 31 December 2014

11. Debtors: amounts due within one year

	2014 £	2013 £
Trade debtors	-	889
Amounts owed by group undertakings	18,343	183,862
Other debtors	19,085	108,456
Other taxation and social security	9,066	26,242
Prepayments and accrued revenue	2,129,587	2,366,465
	<u>2,176,081</u>	<u>2,685,914</u>

12. Creditors: amounts falling due within one year

	2014 £	2013 £
Bank overdraft	8,149,883	7,353,006
Trade creditors	44,745	77,306
Other creditors	30,343	28,217
Amounts owed to group undertakings	77,188	172,525
Other taxation and social security	128,011	106,896
Accruals and deferred income	580,580	608,648
	<u>9,010,750</u>	<u>8,346,598</u>

13. Financial commitments

At 31 December 2014, the Company had no annual commitments under non-cancellable operating leases expiring.

14. "Called-up equity share capital"

	2014 £	2013 £
"Called-up, allotted and fully paid"		
1 ordinary share of £1	1	1
	<u>1</u>	<u>1</u>

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Notes to the financial statements (continued) For the year ended 31 December 2014

15. Reconciliation of movements in shareholder's deficit

	2014 £	2013 £
Loss for the year	(1,076,411)	(970,938)
Parent Company capital contribution for share-based payments	52,205	100,622
Opening shareholder's deficit	<u>(5,527,938)</u>	<u>(4,657,622)</u>
Closing shareholder's deficit	<u><u>(6,552,144)</u></u>	<u><u>(5,527,938)</u></u>

16. Profit and loss account

	£
At 1 January 2014	(6,916,595)
Loss for the financial year	<u>(1,076,411)</u>
At 31 December 2014	<u><u>(7,993,006)</u></u>

17. Other reserves

	£
At 1 January 2014	1,388,655
Parent Company capital contribution	<u>52,205</u>
At 31 December 2014	<u><u>1,440,860</u></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 (see notes 7) in accordance with FRS 20 (Share-Based payments) with a corresponding increase in equity as a contribution from the parent.

18. Financial guarantees

The Brand Union Worldwide Limited participates in group banking arrangements with its parent Company, WPP plc, and has access to a group cash management facility. The Brand Union Worldwide 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. The Brand Union Worldwide Limited has jointly and severally guaranteed the borrowings under these arrangements. Details of these arrangements are included in the financial statements of WPP plc.

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Notes to the financial statements (continued) For the year ended 31 December 2014

19. Pensions

The Company operates no pension scheme but does make direct contributions into the personal pension plans of eligible employees. The pension charge for the year for money purchase schemes was £114,783 (2013: £72,408).

20. Related party disclosures

As a subsidiary undertaking of WPP plc, the Company has taken advantage of the exemption in FRS 8 "Related party disclosures" from disclosing transactions with other members of the group headed by WPP plc.

21. Ultimate parent Company

The directors regard WPP Group (UK) Limited, a Company incorporated in the United Kingdom, 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. 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.