

Registration number 6296542

# Virion Interactive Limited

Director's Report and Financial Statements

for the Year Ended 31 December 2013



## **Virion Interactive Limited**

### **Contents**

Strategic Report	1
Director's Report	2 to 5
Statement of Directors' Responsibilities in respect of the Strategic Report and the Directors' Report and the financial	3
Independent Auditor's Report	4
Profit and Loss Account	6
Balance Sheet	7
Reconciliation of movement in shareholders' funds	8
Notes to the Financial Statements	9 to 14

**Virion Interactive Limited**  
**Strategic Report for the Year Ended 31 December 2013**

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

At the end of the year the Company had net liabilities of £249,224 (2012 £251,176) The directors consider that the Company has access to sufficient funding to meet its funding requirements for the reasons set out in note 1 to the financial statements Accordingly the directors have prepared the financial statements on a going concern basis

Approved by the Board on 29 May 2014 and signed on its behalf by



S Watson  
Director

**Virion Interactive Limited**  
**Director's Report for the Year Ended 31 December 2013**

The director presents their report and the financial statements for the year ended 31 December 2013

**Principal activity**

The principal activity of the Company is The principal activity of the Company during the year was that of an interactive advertising agency

**Dividends**

The directors do not recommend the payment of a dividend (2012 £Nil)

**Directors of the Company**

The directors who held office during the year were as follows

P D Trueman (Resigned 6 June 2013)

S Watson (appointed 6 June 2013)

**Disclosure of information to the auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the 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 auditors are aware of that information

**Auditor**

Pursuant to Section 487 of the Companies Act 2006 the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office

Approved by the Board on 29 May 2014 and signed on its behalf by



S Watson  
Director

239 Old Marylebone Road  
London  
NW1 5QT

**Virion Interactive Limited**  
**Director's Report for the Year Ended 31 December 2013**

**Statement of Directors' Responsibilities in respect of the Strategic Report and the  
Directors' Report and the financial**

The director is responsible for preparing the Strategic Report and the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless she is 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 director is required to

- select suitable accounting policies and apply them consistently
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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 her to ensure that the financial statements comply with the Companies Act 2006. She is 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 Virion Interactive Limited**

We have audited the financial statements of Virion Interactive Limited (the Company) for the year ended 31 December 2013, set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 Statement of Directors' Responsibilities in respect of the Strategic Report and the Directors' Report and the financial (set out on page 3), the director is 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://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 UK 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 Director's 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
- the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report.

## **Independent Auditor's Report to the members of Virion Interactive Limited**

Andrew Turner (Senior Statutory Auditor)  
For and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*

15 Canada Square  
London  
United Kingdom  
E14 5GL

Date 13 June 2014

**Virion Interactive Limited**  
**Profit and Loss Account for the Year Ended 31 December 2013**

	Note	2013 £	2012 £
Gross billings		-	1,738,051
Rebillable costs		-	(491,059)
Revenue		-	1,246,992
Direct costs		-	(7,908)
Gross profit		-	1,239,084
Administrative expenses		(3,772)	(1,063,722)
Operating (loss)/profit	2	(3,772)	175,362
Other interest receivable and similar income	6	6,315	4,669
Interest payable and similar charges	7	-	(11,965)
Profit on ordinary activities before taxation		2,543	168,066
Tax on profit on ordinary activities	8	(591)	(42,306)
Profit for the financial year	13	1,952	125,760

The company has no recognised gains or losses for the year other than the results above




**Virion Interactive Limited**  
**Registration number: 6296542**

**Balance Sheet as at 31 December 2013**

	Note	2013 £	2012 £
<b>Current assets</b>			
Stocks	9	-	21 762
Debtors	10	1,657,864	2,042,006
		<u>1,657 864</u>	<u>2 063,768</u>
Creditors Amounts falling due within one year	11	(1 907 088)	(2,314,944)
Net liabilities		<u>(249,224)</u>	<u>(251,176)</u>
<b>Capital and reserves</b>			
Called up share capital	12	2	2
Profit and loss account	13	(249,226)	(251,178)
Shareholders' deficit		<u>(249 224)</u>	<u>(251 176)</u>

Approved by the director on *29 May 2014*

  
S. Watson  
Director

## Virion Interactive Limited

### Reconciliation of movement in shareholders' funds

*for the year ended 31 December 2013*

	2013 £	2012 £
Profit attributable to the members of the Company	<u>1 952</u>	<u>125,760</u>
Shareholders' deficit at 1 January	<u>(251 176)</u>	<u>(376,936)</u>
Shareholders' deficit at 31 December	<u><u>(249 224)</u></u>	<u><u>(251,176)</u></u>

## **Virion Interactive Limited**

### **Notes to the Financial Statements**

#### **1 Accounting policies**

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

##### **Basis of preparation**

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

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group accounts as the Company is included in the consolidated accounts of a larger group headed by Omnicom Group Inc a parent undertaking established under the law of the United States of America. These financial statements present information about the Company as an individual undertaking and not about its group

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

The Company has net liabilities of £249,224 at 31 December 2013 (2012 £251,176). The directors consider that the Company has access to sufficient funding to meet its needs for the reasons set out below. Accordingly, the directors have prepared the financial statements on a going concern basis

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

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

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

As the Company is a wholly owned subsidiary of Omnicom Group Inc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Omnicom Group Inc within which this Company is included, can be obtained from the address given in note 14

##### **Foreign currency**

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

## **Virion Interactive Limited**

### **Notes to the Financial Statements**

#### **Stock, work in progress and long term contracts**

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

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

#### **Taxation**

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

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

#### **Dividends on shares presented within shareholders' funds**

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

#### **Gross billings**

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

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

#### **Rebillable costs**

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

#### **Turnover**

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

**Virion Interactive Limited**  
**Notes to the Financial Statements**

**2 Operating (loss)/profit**

Operating (loss)/profit is stated after charging/(crediting)

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Net exchange (gains)/losses	(3,319)	2,693
Hire of plant and machinery - rentals payable under operating leases	-	22 634
Hire of other assets - rentals payable under operating leases	-	33,498
	<u>                    </u>	<u>                    </u>

**3 Auditor's remuneration**

The audit fee for the Company was £6 500 (2012 £6,500) which has been borne by DDB UK Limited. No other fees were paid to the auditor (2012 £Nil).

**4 Directors' remuneration**

No directors were employed by or received fees from the Company during the year.

**5 Staff numbers and costs**

No staff were employed by the Company during the year.

The aggregate payroll costs were as follows:

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Wages and salaries	-	668 520
Social security costs	-	93 375
	<u>                    </u>	<u>                    </u>
	-	761,895
	<u>                    </u>	<u>                    </u>

**6 Other interest receivable and similar income**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Receivable from group undertakings	<u>6 315</u>	<u>4 669</u>

**7 Interest payable and similar charges**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Payable to group undertakings	<u>-</u>	<u>11,965</u>

**Virion Interactive Limited**  
**Notes to the Financial Statements**

**8 Taxation**

**Tax on profit on ordinary activities**

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
<b>Current tax</b>		
Current tax on income for the period	591	42 107
Adjustments in respect of previous years	-	199
Total current tax	<u>591</u>	<u>42 306</u>

**Factors affecting current tax charge for the year**

The current tax charge for the period is the same as (2012 higher) the standard rate of corporation tax in the UK of 23.25% (2012 24.5%). The differences are explained below

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
Profit on ordinary activities before tax	<u>2,543</u>	<u>168 066</u>
Corporation tax at standard rate	591	41,176
Expenses not deductible for tax purposes	-	931
Adjustment for prior periods	-	199
Total current tax	<u>591</u>	<u>42,306</u>

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

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

**9 Stocks**

	<b>2013</b> <b>£</b>	<b>2012</b> <b>£</b>
Stocks	<u>-</u>	<u>21,762</u>

**Virion Interactive Limited**  
**Notes to the Financial Statements**

**10 Debtors**

	2013 £	2012 £
Trade debtors	15,126	403,256
Amounts owed by group undertakings - loans and advances	1,642,738	1 521 724
Prepayments and accrued income	-	117,026
	<u>1 657,864</u>	<u>2,042,006</u>

The Company participates in a cash concentration arrangement with its fellow subsidiary, Omnicom Finance plc the Omnicom Europe Limited group's UK treasury operation, under which bank balances are cleared to zero on a daily basis either by the Company depositing cash with Omnicom Finance plc or by Omnicom Finance plc depositing cash with the Company. Included in Amounts owed by group undertakings - loans and advances is £1 642 737 (2012 £1,521 724) representing cash deposited by the Company under these arrangements.

**11 Creditors Amounts falling due within one year**

	2013 £	2012 £
Trade creditors	2,077	2,077
Amounts owed to group undertakings - loans and advances	1 862,310	2,158,207
Taxation and social security	42,701	55,659
Accruals and deferred income	-	99 001
	<u>1,907,088</u>	<u>2,314,944</u>

**12 Share capital**

**Allotted, called up and fully paid shares**

	2013		2012	
	No.	£	No.	£
Ordinary shares of £1.00 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

**Virion Interactive Limited**  
**Notes to the Financial Statements**

**13 Reserves**

	<b>Profit and loss account £</b>
At 1 January 2013	(251,178)
Profit for the year	<u>1,952</u>
At 31 December 2013	<u><u>(249 226)</u></u>

**14 Ultimate parent company**

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

The largest group in which the results of the Company are consolidated is that headed by Omnicom Group Inc. The consolidated accounts of this company are available to the public and may be obtained from Omnicom Group Inc 437 Madison Avenue, New York NY10022 USA. No other group accounts include the results of the Company.