

Hogarth Worldwide Limited (formerly De Facto 1690 Limited)

Annual report and financial statements
for the period from 7 April 2009 to 31 December 2009

Registered number: 06872427

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Hogarth Worldwide Limited (formerly De Facto 1690 Limited)

Report and financial statements 2009

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Hogarth Worldwide Limited (formerly De Facto 1690 Limited)

Report and financial statements 2009

Officers and professional advisors

Directors

Travers Smith Limited	(appointed 7 April 2009, resigned 2 July 2009)
Barry Jones	(appointed 2 July 2009)
Kevan Thorn	(appointed 2 July 2009)
Mark Rhys-Thomas	(appointed 3 July 2009, resigned 11 August 2010)
Chris Sweetland	(appointed 23 July 2009)
Paul Delaney	(appointed 23 July 2009)
Jonathan Eggar	(appointed 23 July 2009)
Andrew Scott	(appointed 23 July 2009)
Ruth Bracken	(appointed 7 April 2009, resigned 2 July 2009)

Secretary

WPP Group (Nominees) Limited
Travers Smith Limited (resigned 2 July 2009)

Registered Office

164 Shaftesbury Avenue
London, United Kingdom, WC2H 8HL

Bankers

Royal Bank of Scotland
49 Charing Cross
London, United Kingdom, SW1A 2DX

Solicitors

Addleshaw Goddard
Milton Gate, 60 Chiswell Street
London, United Kingdom, EC1Y 4AG

Auditors

Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

Hogarth Worldwide Limited (formerly De Facto 1690 Limited)

Directors' report

The directors present their annual report and the audited financial statements for the period ended 31 December 2009

This report has been prepared in accordance with the special provisions relating to small companies under Section 415A of the Companies Act 2006

Principal activities

The principal activity of the entity is advertising transcreation and implementation of print, TV and digital campaigns internationally

Business review

On 7 April 2009, the company was incorporated as De Facto 1690 Limited. The company name was changed on 2nd July 2009 to Hogarth Worldwide Limited, and on 23rd July 2009 the trade and assets of Hogarth Worldwide LLP were acquired by Hogarth Worldwide Limited in consideration for 5,000 Ordinary shares of 10 pence per share. On the same date, 5,000 shares were issued to WPP Group (UK) Limited for a consideration of £1,930,627. During the period, the business was able to grow its revenues significantly, as revenues from new clients came on stream. The costs of onboarding these clients was significant, however, and the business showed a loss for the period.

Results and dividends

The loss before tax for the period was £181,000. The directors do not recommend that a dividend is paid for the period ended 31 December 2009.

Future prospects

The directors can report that the business continued to grow in 2010, driven by revenues from new clients. The prospects for 2011 are favourable, with an expectation of ongoing growth for the business.

Going concern

The directors have every 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 these financial statements.

Financial Risk Assessment

The company's activities expose it to a number of financial risks, including credit risk and cash flow risk. The directors do not believe that the company is exposed to any liquidity risk. The company currently has sufficient cash to fund its activities.

Cash flow risk

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The company does not currently use financial derivatives on its financial activities. Owing to the project-based nature of the business, currency hedging on its financial activities is not currently undertaken. The directors keep the situation under review in the event that a practical means of hedging becomes available.

Credit risk

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

Directors

The director of the company who served during the period except as noted were as follows

Travers Smith Limited	(appointed 7 April 2009, resigned 2 July 2009)
Barry Jones	(appointed 2 July 2009)
Kevan Thorn	(appointed 2 July 2009)
Mark Rhys-Thomas	(appointed 3 July 2009, resigned 11th August 2010))
Chris Sweetland	(appointed 23 July 2009)
Paul Delaney	(appointed 23 July 2009)
Jonathan Eggar	(appointed 23 July 2009)
Andrew Scott	(appointed 23 July 2009)
Ruth Bracken	(appointed 7 April 2009, resigned 2 July 2009)

Statement on information given to auditors

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 auditors are 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 auditors are aware of that information.

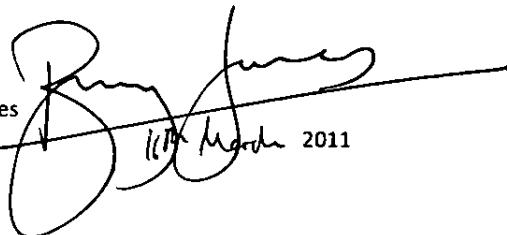
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Appointment of Auditors

As per the shareholders agreement a resolution to appoint Deloitte LLP as the auditors was passed and signed by all parties on the 23rd July 2009.

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

Barry Jones
Director



16th March 2011

Hogarth Worldwide Limited (formerly De Facto 1690 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 judgments 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,
- 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.

Hogarth Worldwide Limited (formerly De Facto 1690 Limited)

Independent auditors' report to the members of Hogarth Worldwide Limited

We have audited the financial statements of Hogarth Worldwide Limited for the period from 7 April 2009 to 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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.

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.

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 2009 and of its loss for the period from 7 April 2009 to 31 December 2009,
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.

Hogarth Worldwide Limited (formerly De Facto 1690 Limited)

Independent auditors' report to the members of Hogarth Worldwide Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period 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

Sarah Shillingford

Sarah Shillingford (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

17th March 2011

Hogarth Worldwide Limited (formerly De Facto 1690 Limited)

Profit and loss account

For the period 7 April 2009 to 31 December 2009

	Notes	2009 £'000
Turnover	2	4,244
Cost of sales		<u>(780)</u>
Gross profit		<u>3,464</u>
Administrative expenses		(3,681)
Operating profit/(loss)	3	<u>(217)</u>
Interest payable and similar charges	6	<u>(20)</u>
Profit/(Loss) on ordinary activities before taxation		(237)
Tax benefit on loss on ordinary activities	7	<u>56</u>
Profit/(Loss) for the financial period		<u>(181)</u>
Retained profit/(loss) carried forward		<u><u>(181)</u></u>

Statement of recognised gains and losses

All results derive from continuing operations. There were no recognised gains or losses other than the profit for the period. Accordingly, no separate statement of recognised gains or losses is presented.

Hogarth Worldwide Limited (formerly De Facto 1690 Limited)

Balance sheet

As at 31 December 2009

	Notes	2009 £'000
Fixed assets		
Tangible fixed assets	8	2,004
Current assets		
Cash at bank and in hand		420
Debtor amounts falling due within 1 year	9	3,102
Debtor amounts falling due after 1 year	9	56
		<u>3,578</u>
Creditors amounts falling due within one year	10	<u>(1,927)</u>
Net current assets		<u>1,651</u>
Total assets less current liabilities		<u>3,655</u>
Creditors amounts falling due after more than one year		
Intercompany loans		(1,500)
Obligations under finance leases	11	(63)
		<u>(1,563)</u>
		<u>2,092</u>
Capital and reserves		
Called up share capital	12	2,273
Profit and loss account	13	(181)
Total shareholders' funds		<u>2,092</u>

These financial statements were approved by the Board of Directors on
Signed on behalf of the Board of Directors

Barry Jones
Director

16th March 2011

Hogarth Worldwide Limited (formerly De Facto 1690 Limited)

Cash flow statement

For the period from 7 April 2009 to 31 December 2009

	Notes	2009 £'000
Cash flows from operating activities		
Profit/(Loss) on ordinary activities before taxation		(237)
Income tax benefit recognised in profit or loss		56
Depreciation and amortisation of non-current assets		213
Finance Costs		20
		<u>52</u>
Movements in working capital		
Increase in trade and other receivables		(1,770)
Increase in trade and other payables		122
		<u>(1,648)</u>
Net cash inflow from operating activities		<u><u>(1,596)</u></u>
Returns on investments and servicing finance		
Intercompany loan with WPP Finance Co. Limited	6	(13)
Interest element on finance lease	6	(7)
		<u>(20)</u>
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	8	(1,394)
		<u>(1,394)</u>
Net cash inflow from capital expenditure and financial investment		<u><u>(1,414)</u></u>
Financing		
Proceeds from issue of equity shares	13	1,930
Proceeds from related party borrowings	17	1,500
		<u>3,430</u>
Net cash inflow by financing		<u><u>3,430</u></u>
Net increase in cash and cash equivalents		420
Cash and cash equivalents at the beginning of the period		<u>-</u>
Cash and cash equivalents at the end of the period		<u><u>420</u></u>

Hogarth Worldwide Limited (formerly De Facto 1690 Limited)

Notes to the financial statements

For the period from 7 April 2009 to 31 December 2009

Note 1 Statement of accounting policies

Accounting policies

The financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current period, are described below.

Accounting convention

The accounts are prepared under the historical cost convention.

Going concern

The Company is a subsidiary of WPP plc. Its business activities are set out in the business review on page 2.

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 these financial statements.

Turnover

Turnover is stated net of VAT and trade discounts. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where a contract has only been partially completed at the balance sheet date, turnover represents the value of the service/product provided to date based on a proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected life, as follows:

Leasehold improvements	Over the period of the lease or 5 years, whichever is shorter
Computer equipment	33% on a straight line basis per annum
Fixtures, fittings and equipment	20% on a straight line basis per annum
Computer software	33% on a straight line basis per annum

Taxation

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

Deferred taxation

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred taxation

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as 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 not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Foreign currency transactions

Transactions in foreign currencies are recorded at the rate of exchange 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. Exchange differences are included in the profit and loss account.

Leases

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals under operating leases are charged 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, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

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.

Hogarth Worldwide Limited (formerly De Facto 1690 Limited)

Notes to the financial statements

For the period from 7 April 2009 to 31 December 2009

Note 2 Turnover

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and Value Added Tax. The turnover and pre-tax profit is attributable to advertising production.

The directors believe that the Company's activities, advertising, transcreation and implementation of print, TV and digital campaigns are all in one business segment. All operations take place in its UK office. Therefore no segmental analysis is required or provided.

Hogarth Worldwide Limited (formerly De Facto 1690 Limited)

Notes to the financial statements

For the period from 7 April 2009 to 31 December 2009

Note 3 Operating loss

	2009 £'000
Loss on ordinary activities before taxation is stated after (charging)/crediting	
Depreciation of tangible fixed assets	
- owned	(172)
- held under finance leases or hire purchase contracts	(41)
	<u>(213)</u>
Fees payable to the Company's auditors for the audit of the Company's annual accounts	<u>(42)</u>
Rental Income	<u>42</u>

Hogarth Worldwide Limited (formerly De Facto 1690 Limited)

Notes to the financial statements

For the period from 7 April 2009 to 31 December 2009

Note 4 Directors' remuneration

	2009 £'000
Remuneration	
The remuneration of the directors was as follows	
Emoluments	<u>249</u>
Highest paid director	
The above amounts for remuneration include the following in respect of the highest paid director	
	£'000
Emoluments	<u><u>83</u></u>

Directors' transactions

Details of transactions with directors during the period are disclosed in Note 17

The number of directors who are members of defined benefit pension scheme/money purchase pension scheme was nil

Hogarth Worldwide Limited (formerly De Facto 1690 Limited)

Notes to the financial statements

For the period from 7 April 2009 to 31 December 2009

Note 5 Staff costs

	2009 £'000
Wages and salaries	1,591
Social security costs	185
Other pension costs	<u>2</u>
	<u><u>1,778</u></u>

The average monthly number of persons employed by the company (including directors) during the period was

	2009 No
Production	45
Administration	<u>12</u>
	<u><u>57</u></u>

Hogarth Worldwide Limited (formerly De Facto 1690 Limited)

Notes to the financial statements

For the period from 7 April 2009 to 31 December 2009

Note 6 Interest payable and similar charges

	2009
	£'000
Intercompany loan with WPP Finance Co Limited	13
Finance charges payable under finance leases	<u>7</u>
	<u>20</u>

Hogarth Worldwide Limited (formerly De Facto 1690 Limited)

Notes to the financial statements

For the period from 7 April 2009 to 31 December 2009

Note 7 Tax on profit on ordinary activities	£'000	£'000
Analysis of charge/(credit) in period		
<i>Current Tax</i>		
UK corporation tax on profits of period	-	
Total current tax		-
<i>Deferred Tax</i>		
Current year	56	
Total deferred tax		56
Tax Benefit on profit on ordinary activities		<u><u>56</u></u>
Factors affecting charge in period		£'000
(Loss) on ordinary activities before tax		(237)
Tax charge/(credit) on profit on ordinary activities at standard rate (28%)		(66)
Factors affecting the charge in the year		
Depreciation in excess of capital allowances		2
Expenses not deductible for tax purposes		10
Losses carried forward		<u>54</u>
Total actual amount of current tax		<u><u>-</u></u>
The company earns its profits primarily in the UK. Therefore the tax rate used for tax on profit on ordinary activities is the standard rate for UK corporation tax, currently 28 per cent.		
The tax effect of timing differences on assets/liabilities due to		
Excess of tax allowance over depreciation		2
Trading Losses		<u>54</u>
		<u><u>56</u></u>
Credited to the Profit and Loss account in respect of deferred taxation		<u><u>56</u></u>
Amount falling due after more than one year (Note 9)		<u><u>56</u></u>

Hogarth Worldwide Limited (formerly De Facto 1690 Limited)

Notes to the financial statements

For the period from 7 April 2009 to 31 December 2009

Note 8 Tangible fixed assets

	Equipment £'000	Software £'000	Furniture & Fittings £'000	Leasehold improvements £'000	Total £'000
Cost					
At 7 April 2009	-	-	-	-	-
Acquisitions	293	206	84	240	823
Additions	614	294	154	332	1,394
Disposals	-	-	-	-	-
At 31 December 2009	907	500	238	572	2,217
Accumulated depreciation					
At 7 April 2009	-	-	-	-	-
Charge for the year	105	57	15	36	213
Disposals	-	-	-	-	-
At 31 December 2009	105	57	15	36	213
Net book value					
At 31 December 2009	802	443	223	536	2,004
Leased assets included above					
Net book value					
At 31 December 2009	143	22	-	7	173

Hogarth Worldwide Limited (formerly De Facto 1690 Limited)

Notes to the financial statements

For the period from 7 April 2009 to 31 December 2009

Note 9 Debtors

	2009 £'000
Trade debtors	1,380
Amounts owed by Group undertakings	262
Other debtors	67
Prepayments and accrued income	<u>1,393</u>
Amounts falling due within one year	<u><u>3,102</u></u>
Deferred Tax (note 7)	<u>56</u>
Amounts falling due after more than one year	<u><u>56</u></u>

Amounts owed by group companies as at 31st December 2009 can be broken down as follows

	£'000
J Walter Thompson Group Limited	104
J Walter Thompson Company	10
Grey Advertising Ltd (T/A Grey London)	143
Grey Worldwide Istanbul Reklamcılık Ltd Sti	<u>5</u>
	<u><u>262</u></u>

Hogarth Worldwide Limited (formerly De Facto 1690 Limited)

Notes to the financial statements

For the period from 7 April 2009 to 31 December 2009

Note 10 Creditors: amounts falling due within one year

	2009 £'000
Trade creditors	690
Amounts owed to Group undertakings	45
Amounts owed to related parties	50
Other creditors	4
Taxation and social security	337
Obligations under finance leases and hire purchase contracts	96
Accruals and deferred income	705
	<u>1,927</u>

Amounts repayable to related parties - relates to Barry Jones, a director of the company, who loaned £50,000 as a deposit against finance leases in a personal capacity. This deposit was repaid to the company by the financing company in 2010, and the related party creditor was paid at that time.

Amounts owed to group companies as at 31st December 2009 can be broken down as follows

	£'000
WPP Finance Co Limited	13
WPP 2005 Limited	29
Grey Paris	2
J Walter Thompson Group Limited	1
	<u>45</u>

Hogarth Worldwide Limited (formerly De Facto 1690 Limited)

Notes to the financial statements

For the period from 7 April 2009 to 31 December 2009

Note 11 Creditors: amounts falling due after more than one year

	2009 £'000
Intercompany loan with WPP Finance Co Ltd	1,500
Finance lease obligations over 1 year	<u>63</u>
Creditors amounts falling due after more than 1 year	<u>1,563</u>
Borrowings are repayable as follows	
Intercompany loans	
Between two and five years	<u>1,500</u>
Finance leases	
Between one and two years	<u>63</u>
Total borrowings including finance leases	
Between one and two years	63
Between two and five years	<u>1,500</u>
	<u>1,563</u>

The intercompany loan is repayable to WPP Finance Co Ltd Interest at 5.0% per annum above the Bank of England Base Rate is charged on a monthly basis on the outstanding balance This loan is due for repayment by 23rd July 2012

Hogarth Worldwide Limited (formerly De Facto 1690 Limited)

Notes to the financial statements

For the period from 7 April 2009 to 31 December 2009

Note 12 Called up share capital

	2009 £
Authorised	
10,000 ordinary shares of £0 10 each	<u>1,000</u>
Called up, allotted and fully paid	
10,000 ordinary shares of £0 10	<u>1,000</u>
Share premium account	
Share premium fully paid	<u>2,272,100</u>

The authorised share capital of Hogarth Worldwide Limited was subdivided into 10,000 shares of £0 10 each on 23 July 2009

Hogarth Worldwide Limited (formerly De Facto 1690 Limited)

Notes to the financial statements

For the period from 7 April 2009 to 31 December 2009

Note 14 Financial commitments

	2009 £'000
Annual commitments under non-cancellable operating leases are as follows	
Expiry date	
- within one year	90
- between two and five years	90
- after five years	-
	<u>180</u>

Hogarth Worldwide Limited (formerly De Facto 1690 Limited)

Notes to the financial statements

For the period from 7 April 2009 to 31 December 2009

Note 13 Reserves

	Share premium account £'000	Share capital account £'000	Own shares £'000	Profit and loss account £'000	Total £'000
Company					
At 7 April 2009	-	-	-	-	-
Share issues	2,272	1	-	-	2,273
Profit/(Loss) for the financial year	-	-	-	(181)	(181)
At 31 December 2009	2,272	1	-	(181)	2,092

During the period 5,000 shares were issued in consideration for the trade and assets of Hogarth World Wide LLP
See Note 15

A Further 5,000 Shares were issued for cash consideration of £1,930,126

Hogarth Worldwide Limited (formerly De Facto 1690 Limited)

Notes to the financial statements

For the period from 7 April 2009 to 31 December 2009

Note 15 Transfer of trade and assets/liabilities

On 23 July 2009, the trade and assets/liabilities of Hogarth Worldwide LLP were acquired by Hogarth Worldwide Limited

Net assets and liabilities were transferred at fair value and the associated consideration was as follows

	Total £
Tangible fixed assets	822,882
Trade debtors	621,120
Other debtors	559,241
Prepayments and other accrued income	206,645
Cash bank and in hand	575
Trade creditors	(396,329)
Other taxation and social security	(27,636)
Accruals and deferred income	(353,569)
Other creditors	(1,089,955)
Fair Value of Net Assets	<u>342,974</u>
Consideration	<u>342,974</u>

Consideration for the trade and assets transferred from Hogarth Worldwide LLP was in the form of 5,000 issued shares, see note 13

Hogarth Worldwide Limited (formerly De Facto 1690 Limited)

Notes to the financial statements

For the period from 7 April 2009 to 31 December 2009

Note 16 Ultimate parent and controlling parent undertaking

The directors regard WPP Group (UK) Limited, a company incorporated in Great Britain, as the immediate parent company and WPP plc, a company incorporated in Jersey, as the ultimate parent company and the ultimate controlling party

The parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which company is a member is WPP plc, incorporated in Jersey. The parent undertaking of the smallest such group is Lexington International BV, registered in the Netherlands

Copies of the financial statements of WPP plc are available at www.wpp.com. Copies of the financial statements of WPP Group (UK) Limited can be obtained from 27 Farm Street, London, W1J 5RJ. Copies of the financial statements of Lexington International BV can be obtained from Wilhelminalplein 10, 3072 DE Rotterdam, Netherlands

Hogarth Worldwide Limited (formerly De Facto 1690 Limited)

Notes to the financial statements

For the period from 7 April 2009 to 31 December 2009

Note 17 Related party transactions

Hogarth Worldwide Limited is a 50% owned subsidiary of WPP plc. During the year the company provided services to the value of £392,107 to J. Walter Thompson Group Limited, a fellow WPP plc subsidiary, and received management services to the value of £27,000.

During the year the company provided services to the value of £281,182 to Grey Advertising Ltd (T/A Grey London), a fellow WPP plc subsidiary, and received management services to the value of £23,000.

During the year the company provided services to the value of £6,940 to J. Walter Thompson Company (New York), a fellow WPP plc subsidiary.

During the year the company provided services to the value of £4,656 to Grey Worldwide Istanbul Reklamcılık Ltd Sti, a fellow WPP plc subsidiary.

During the year the company received services to the value of £2,284 from Grey Paris, a fellow WPP plc subsidiary.

During the year the company received services to the value of £28,130 from WPP 2005 Limited, a fellow WPP plc subsidiary.

Barry Jones, Kevan Thorn and Mark Rhys-Thomas are partners of Hogarth Worldwide LLP, which held leases relating to the 4th and 6th floors of the property occupied by the company at 164 Shaftesbury Avenue, London WC2H 8HL. The company made all payments relating to these leases in the period, to the value of £209,153.98. No amounts were outstanding at the year end in relation to this.

During the year WPP 2005 Limited, a fellow WPP plc subsidiary held leases relating to the 1st and 2nd floors of the property occupied by the company at 164 Shaftesbury Avenue, London WC2H 8HL. The company made all payments relating to these leases in the period, to the value of £29,316.10.

During the year the company received loan financing from WPP Finance Co. Limited, a fellow WPP plc subsidiary. Amounts owed to WPP Finance Co. Limited are disclosed in note 11. The interest payable on the loan balances during the period was £13,485.

Barry Jones, a director of the company, was owed £522,083 by the company following the transfer of the trade and assets/liabilities of Hogarth Worldwide LLP to Hogarth Worldwide Limited. Following repayments totalling £472,083 in the period, he was owed £50,000 by the company at 31st December 2009.

Barry Jones, Kevan Thorn and Mark Rhys-Thomas are partners of Hogarth Worldwide LLP, which transferred its trade and those assets and liabilities detailed in note 15 to Hogarth Worldwide Limited on 23rd July 2009.

Amounts owed to and from related parties are disclosed in notes 9 and 10.