Registration number: 07554778

Mobile5 Media Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018

Mobile5 Media Limited

Contents

Mobile5 Media Limited

Strategic Report for the year ended 31 December 2018

The Directors present their strategic report for the year ended 31 December 2018.

The purpose of this strategic report is to inform members of the company, and help them asses how the directors have performed their duty under section 172 of the Companies Act 2006 (duty to promote the success of the company).

Principal Activities

The company's principal activities are split into two business units, each operating within their own unique identity, proposition, resource, and client list. The two business units are; *Adylic* a programmatic creative agency and *Mobile5 Media* a digital production specialist.

Mobile5 Media

Mobile5 Media, a digital production specialist that focuses their work on creating products that can be deployed in any digital channel.

Mobile5 Media has a blue chip client base and generates around 75% of revenue from direct client relationships.

Mobile5 Media has refreshed its brand identity, refined its client proposition and enhanced its senior management team to deliver a structure that can absorb significant growth.

Adylic

Adylic is a new division established in 2017 that has achieved exponential growth servicing EMEA.

Last year was an incredibly busy yet rewarding one. By year end Adylic had built a substantial client base with a healthy pipeline, a clear proposition, and an incredible team to deliver it.

On 1 January 2018, Adylic changed its operating model. Costs incurred by Adylic are recharged to other Omnicom Media Group agencies.

Position of the company at year end

The company is reporting profit before tax of £690,829 (2017: £3,143,793). The primary reason behind the decrease in profits is due to the change in the Adylic structure where the revenue is held within other Omnicom Media Group agencies from 1st January 2018.

The main trends and factors likely to affect the future development and company's position

The businesses the company competes in are growing at an aggressive rate.

The company is going to see our current competition evolve quickly and new competitors appear at a rapid rate. Our biggest challenges in this sector will be; to maintain our point of differentiation, continue to improve our services, whilst expanding our offering and International reach.

Quality of work, expertise and our people are our most important assets. Keeping these as our focus will be key to our success in the coming year.

Mobile5 Media Limited

Strategic Report for the year ended 31 December 2018

On 23 June 2016, in a referendum the UK voted to leave the EU. Article 50 was triggered on 29 March 2017. The company continues to monitor the impact of this, in particular, in relation to the ability to continue to trade within the single market and the freedom of movement of staff in and out of the United Kingdom

Financial key performance indicators

The company is reporting gross revenue of £9,895,774 (2017: £8,896,106) resulting to a gross margin of 91% (2017: 87%).

The company reported operating profit of £704,382 (2017: £3,142,704) resulting to an operating profit margin of 7% (2017: 35%)

Approved by the Board on 18/7/19 and signed on its behalf by:

....
Mr P Poellbauer
Director

Mobile5 Media Limited

Directors' Report for the year ended 31 December 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Principal activity
The principal activity of the company is that of a mobile creative agency.

Dividends
There was no dividend paid in respect of the year ended 31 December 2018 (2017: NIL).

Directors of the company
The directors who held office during the year were as follows:

Mr G Marks

Mr C Gottlieb

Mr S Clarke (resigned 31 December 2018)

Mr P Poelzlbauer

Mr E Meyerowitz

Mr O Roxburgh

Going concern
At the end of the year the Company had net current assets of £3,150,006 (2017: £3,200,311). 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.

Disclosure of information to the auditor
Each director who held office at the date of approval of this directors' report confirms that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Reappointment of 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 18/7/19 and signed on its behalf by:

....
Mr P Poelzlbauer
Director

Bankside 3
90 - 100 Southwark Street
London
SE1 0SW

Mobile5 Media Limited

Statement of Directors' Responsibilities in Respect of the Strategic Report, the Directors Report and Financial Statements

The directors acknowledge their responsibilities for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 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
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of Mobile5 Media Limited

Opinion

We have audited the financial statements of Mobile5 Media Limited (the 'company') for the year ended 31 December 2018, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic Report and Directors' Report

The directors are responsible for the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic Report and the Directors' Report ;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent Auditor's Report to the Members of Mobile5 Media Limited

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in the Statement of Directors' Responsibilities in Respect of the Strategic Report, the Directors Report and Financial Statements set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Jeremy Hall (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

Date: 18 July 2019

Mobile5 Media Limited

Profit and Loss Account for the year ended 31 December 2018

	Note	2018 £	2017 £
Turnover	2	9,895,774	8,896,106
Direct costs		(937,693)	(1,115,916)
Gross profit		8,958,081	7,780,190
Administrative expenses		(8,253,699)	(4,637,486)
Operating profit	3	704,382	3,142,704
Other interest receivable and similar income	7	-	1,089
Interest payable and similar charges	8	(13,553)	-
Profit before taxation		690,829	3,143,793
Tax on profit	9	(151,817)	(590,726)
Profit for the financial year		539,012	2,553,067

The results shown above are derived wholly from continuing operations.

Mobile5 Media Limited

Statement of Comprehensive Income for the year ended 31 December 2018

	Note	2018 £	2017 £
Profit for the year		539,012	2,553,067
Total comprehensive income for the year		539,012	2,553,067

The notes on pages 11 to 23 form an integral part of these financial statements.

Mobile5 Media Limited

(Registration number: 07554778)
Balance Sheet as at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	11	550,865	-
Tangible assets	12	130,480	90,214
		681,345	90,214
Current assets			
Debtors	13	6,182,439	5,459,185
Creditors: Amounts falling due within one year	14	(3,032,433)	(2,258,874)
Net current assets		3,150,006	3,200,311
Total assets less current liabilities		3,831,351	3,290,525
Provisions for liabilities		(1,814)	-
Net assets		3,829,537	3,290,525
Capital and reserves			
Called up share capital	15	1,226	1,226
Capital redemption reserve		36	36
Retained earnings		3,828,275	3,289,263
Total equity		3,829,537	3,290,525

Approved by the Board on 18/7/19 and signed on its behalf by:

....
Mr P Hoelzlbauer
Director

The notes on pages 11 to 23 form an integral part of these financial statements.

Mobile5 Media Limited

Statement of Changes in Equity for the year ended 31 December 2018

	Share capital £	Capital redemption reserve £	Retained earnings £	Total £
At 1 January 2017	1,226	36	2,163,282	2,164,544
Profit for the year	-	-	2,553,067	2,553,067
Total comprehensive income	-	-	2,553,067	2,553,067
Dividends	-	-	(1,427,086)	(1,427,086)
At 31 December 2017	1,226	36	3,289,263	3,290,525

	Share capital £	Capital redemption reserve £	Retained earnings £	Total £
At 1 January 2018	1,226	36	3,289,263	3,290,525
Profit for the year	-	-	539,012	539,012
Total comprehensive income	-	-	539,012	539,012
At 31 December 2018	1,226	36	3,828,275	3,829,537

Mobile5 Media Limited

Notes to the Financial Statements for the year ended 31 December 2018

1 Accounting policies

Statement of compliance
These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The following accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the Company's financial statements.

Basis of preparation
The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company is a private company limited by share capital incorporated and domiciled in United Kingdom.

The financial statements are presented in sterling the Company's functional currency.

Summary of disclosure exemptions
In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

• Reconciliation of the number of shares outstanding from the beginning to end of the period;

• Cash Flow Statement and related notes; and

• Key Management Personnel compensation.

As the consolidated financial statements of ultimate parent undertaking include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

• The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

Related party transactions: As a 100% owned subsidiary of Omnicom Group Inc. the Company has taken advantage of the exemption available under FRS 102 Section 33. 1A: Related Party Disclosures, which enable it to exclude disclosure of transactions with Omnicom Group Inc., and its wholly owned subsidiaries.

1 Accounting policies (continued)

Going concern

The Company is not loss making and had net current assets of £3,150,006 at 31 December 2018 (2017: £3,200,311). 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 Limited, 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 Limited or by Omnicom Finance Limited 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 Limited, is able to make this commitment because Omnicom Finance Limited 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.

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.

Turnover

Turnover represents amounts receivable for services net of VAT and trade discounts.

Turnover is recognised when services are delivered to the customer and 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.

When a contract has only been partially completed at the balance sheet date turnover represents the value of the services provided to the date based on the proportion of the expected consideration at completion. Where payments are received from customers in advance of services performed, the amounts are recorded as deferred income and included as part of Creditors due within one year.

Foreign currency transactions and balances

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Foreign exchange movements that arise on consolidation of foreign operations are recognised in the Statement of Comprehensive Income.

Tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

1 Accounting policies (continued)

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Fixed assets and depreciation
Tangible fixed assets are stated at cost/deemed cost less accumulated depreciation. Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	**Depreciation method and rate**
Leasehold improvements	Life of lease (12 years)
Furniture, fittings, and office equipment	3 years straight line

Intangible assets
Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation
Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	**Amortisation method and rate**
Software	5 years

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

1 Accounting policies (continued)

Trade and other debtors
Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Provisions
Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Trade and other creditors
Trade and other creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade and other creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital
Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends
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.

Defined contribution pension obligation
A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees

1 Accounting policies (continued)

Financial Instruments

Classification

Financial Instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than [investment property, stocks and deferred tax assets], are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

1 Accounting policies (continued)

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

2 Turnover

The whole of the Company's turnover and operating profit for the year related to its principal activity, which was that of an advertising agency, and which was carried out in the United Kingdom.

The analysis of the company's turnover for the year from continuing operations for rendering of services is as follows:

	2,018	**2,017**
	£	**£**
UK	7,195,092	7,995,241
Europe	1,645,958	829,973
Americas	993,207	46,913
Asia	61,516	23,979
	9,895,774	8,896,106

3 Operating profit

Arrived at after charging/(crediting)

	2018	**2017**
	£	**£**
Depreciation and other amounts written off tangible fixed assets: owned	59,224	35,258
Amortisation of software	34,033	-
Foreign exchange (gains) / losses	29,370	(67,672)
Hire of other assets - rentals payable	816,937	48,405
Operating lease expense - property	-	122,338

4 Auditor's remuneration

	2018	**2017**
	£	**£**
Audit of the financial statements	9,180	9,000

5 Directors' remuneration

	2018	2017
	£	£
Directors' emoluments	492,044	400,567

In respect of the highest paid director:

	2018	2017
	£	£
Directors' emoluments	253,822	134,147

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2018	2017
	£	£
Wages and salaries	5,157,124	3,169,596
Social security costs	579,360	373,173
Pension and other post-employment benefit costs	274,301	92,753
	6,010,785	3,635,522

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2018	2017
	No.	No.
Administration and support	117	71

7 Other interest receivable and similar income

	2018	2017
	£	£
Receivable from group undertakings	-	1,089

8 Interest payable and similar charges

	2018	2017
	£	£
Payable to group undertakings	13,553	-

9 Taxation

Tax charged in the income statement

	2018 £	2017 £
Current taxation		
Current tax on income for the period	143,977	625,277
Foreign tax adjustment to prior periods	-	(33,215)
Total current income tax	143,977	592,062
Deferred taxation		
Origination and reversal of timing differences	8,802	(1,513)
Effect of increased/decreased tax rate on opening liability	(927)	177
Adjustment in respect of previous periods	(35)	-
Total deferred taxation	7,840	(1,336)
Tax expense in the income statement	151,817	590,726

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2017 - lower than the standard rate of corporation tax in the UK) of 19% (2017 - 19.25%).

The differences are reconciled below:

	2018 £	2017 £
Profit before tax	690,829	3,143,793
Corporation tax at standard rate	131,258	605,180
Effect of expense not deductible in determining taxable profit	21,521	18,584
Increase (decrease) in UK deferred tax from prior periods	(927)	177
Other tax effects for reconciliation between accounting profit and tax (income)	(35)	(33,215)
Total tax charge	151,817	590,726

Reductions in the UK corporation tax rate to 19% (effective 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future tax charge accordingly. The deferred tax liability at 31 December 2018 has been calculated based on these rates.

9 Taxation (continued)

Deferred tax

Deferred tax assets and liabilities

2018	Liability £
Difference between accumulated depreciation and amortisation and capital allowances	1,814

2017	Asset £
Difference between accumulated depreciation and amortisation and capital allowances	6,026

10 Dividends

	2018 £	2017 £
Interim dividend of £- (2017 - £116) per ordinary share	-	1,427,086

11 Intangible assets

	Software £	Total £
Cost or valuation		
Additions	584,898	584,898
At 31 December 2018	584,898	584,898
Amortisation		
Amortisation charge	34,033	34,033
At 31 December 2018	34,033	34,033
Carrying amount		
At 31 December 2018	550,865	550,865

The aggregate amount of research and development expenditure recognised as an expense during the period is £Nil (2017 - £Nil).

12 Tangible fixed assets

	Leasehold improvements £	Furniture, fittings and equipment £	Office equipment £	Total £
Cost or valuation				
At 1 January 2018	20,258	84,576	129,413	234,247
Additions	-	13,910	85,580	99,490
At 31 December 2018	20,258	98,486	214,993	333,737
Depreciation				
At 1 January 2018	20,258	44,070	79,705	144,033
Charge for the year	-	18,139	41,085	59,224
At 31 December 2018	20,258	62,209	120,790	203,257
Carrying amount				
At 31 December 2018	-	36,277	94,203	130,480
At 31 December 2017	-	40,506	49,708	90,214

13 Debtors

	Note	2018 £	2017 £
Trade and other debtors and accrued revenue		3,752,362	2,609,177
Amounts owed by group undertakings - trading balances		1,465,082	2,690,547
Amounts owed by group undertakings - loans and advances		9,434	27,094
Other debtors		921,948	107,016
Deferred tax assets	9	-	6,026
Prepayments and accrued income		33,613	19,325
		6,182,439	5,459,185

The Company participates in a cash concentration arrangement with its fellow subsidiary, Omnicom Finance Limited, 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 Limited or by Omnicom Finance Limited depositing cash with the Company. Included in Amounts owed by group undertakings - loans and advances is £9,434 (2017: £99,043) representing cash deposited by the Company under these arrangements.

14 Creditors

	2018 £	2017 £
Due within one year		
Trade and other creditors	346,376	299,269
Amounts owed to group undertakings - trading balances	1,085,957	727,469
Amounts owed to group undertakings - loans and advances	534,791	126,137
Taxation and social security	681,316	904,623
Accruals and deferred income	383,993	201,376
	3,032,433	2,258,874

The Company participates in a cash concentration arrangement with its fellow subsidiary, Omnicom Finance Limited, 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 Limited or by Omnicom Finance Limited depositing cash with the Company. Included in Amounts owed to group undertakings - loans and advances is £534,791 (2017: £126,137) representing cash advanced to the Company under these arrangements.

15 Share capital

Allotted, called up and fully paid shares

	2018 No.	2018 £	2017 No.	2017 £
Ordinary shares of £0.10 each	12,260	1,226.00	12,260	1,226.00

16 Related party transactions

Summary of transactions with entities with joint control or significant interest and other related parties

Income and receivables from related parties

2018	Entities with joint control or significant influence £	Other related parties £
Sale of services	91,012	2,115,633
Amounts receivable from related party	170,585	955,010

2017	Entities with joint control or significant influence £	Other related parties £
Sale of services	-	3,912,116
Amounts receivable from related party	116,554	2,613,071

Expenditure with and payables to related parties

2018	Entities with joint control or significant influence £	Other related parties £
Purchase of services	446,232	1,034,122
Amounts payable to related party	794,647	330,401

16 Related party transactions (continued)

2017	Entities with joint control or significant influence £	Other related parties £
Purchase of services	169,469	582,624
Amounts payable to related party	259,169	557,311

Transactions with key management personnel
Key management personnel received remuneration of £492,044 (2017: £402,076).

17 Parent and ultimate parent undertaking

The Company is a subsidiary undertaking of Omnicom Group Inc incorporated in the United States of America and is the largest group in which the results are consolidated.

These financial statements are available upon request from Omnicom Group Inc, 437 Madison Avenue, New York, NY10022, USA.

No other group accounts include the results of the Company.