

Registration number: 1064095

# Omnicom Finance plc

Annual Report and Financial Statements

for the Year Ended 31 December 2015



## **Omnicom Finance plc**

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## **Omnicom Finance plc**

### **Strategic Report for the Year Ended 31 December 2015**

The Directors present their strategic report for the year ended 31 December 2015.

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

#### **Fair review of the business**

The Company's operations developed satisfactorily during the year and the directors consider future trading prospects to be good given the continuing growth of the Omnicom Group.

On 10th July 2015, the Company redeemed at par 9,451,900 Cumulative Redeemable Preference Shares of £1 each in DDB UK Investments Limited, a fellow subsidiary undertaking.

In December 2015, the Company made an investment of 2 BRL in Omnicom Finance Brazil Limited in consideration for 2 Ordinary Shares of BRL 1.00 each.

The Company's key financial performance indicator during the year was net interest paid or received. Every month the net position by currency was reviewed by management and appropriate financing decisions taken to ensure that interest returns were maximised.

#### **Principal risks and uncertainties**

The directors consider the principal risks and uncertainties the company faces to be:

- the risk of a further downturn in the world economy
- the risk of a default on loan receivables.

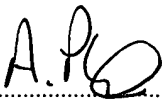
The directors believe that these risks are effectively managed through close monitoring of interest rates and a strong focus on credit limits.

#### **The main trends and factors likely to affect future development, performance and position of the Company's business**

As the Company provides treasury services to fellow subsidiaries of the Omnicom Group the performance of those agencies and the growth in the size of the Group are the factors most likely to affect future development and profitability. The success of the Group is dependent on the general economic environment and the ability of our agencies to retain and win new clients.

The Company is committed to the continuing development of its systems to provide improved services to its customers and to further increase the efficiency of its operations.

Approved by the Board on 30 September 2016 and signed on its behalf by:

  
.....  
A.P. Phipkin  
Director

## **Omnicom Finance plc**

### **Directors' Report for the Year Ended 31 December 2015**

The Directors present their report and the financial statements for the year ended 31 December 2015.

#### **Principal activity**

The principal activity of the Company is the borrowing and lending of money, at a margin, to group undertakings inside and outside the UK and the leasing of computer equipment and furniture to group undertakings in the UK.

#### **Dividends**

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2015 (2014: £nil).

#### **Directors of the Company**

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

D.E. Hewitt (USA)

S.C.N. Medhurst

A.P. Phipkin

J.S. Rodd

#### **Political and charitable donations**

The Company made no political donations during the year (2014: £ nil). Donations to charity amounted to £3,486 (2014: £1,804).

#### **Post balance sheet events**

In January 2016 the Company made a capital contribution of BRL 257,284,800 (£44,566,915) in Omnicom Finance Brazil Limited in consideration for the allotment of 2,573 Ordinary Shares of BRL 1.00 each.

In April 2016 the Company made a capital contribution of BRL 73,498,399 (£14,676,198) in Omnicom Finance Brazil Limited in consideration for the allotment of 735 shares of BRL 1.00 each.

In August 2016 the Company redeemed 13,138,231 cumulative redeemable preference shares of £1 each in TBWA UK Group Limited.

#### **Disclosure of information to the auditors**

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 auditors are aware of that information.

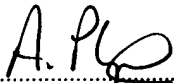
**Omnicom Finance plc**

**Directors' Report for the Year Ended 31 December 2015**

**Reappointment of auditors**

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 30 September 2016 and signed on its behalf by:



.....  
A.P. Phipkin  
Director

239 Old Marylebone Road  
London  
NW1 5QT

## **Omnicom Finance plc**

### **Statement of Directors' Responsibilities**

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), 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 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 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping 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.

## **Omnicom Finance plc**

### **Independent Auditor's Report**

We have audited the financial statements of Omnicom Finance plc for the year ended 31 December 2015, set out on pages 7 to 24. 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) including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 (set out on page 4), the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors to the financial statements.

#### **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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

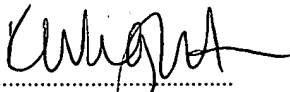
## **Omnicom Finance plc**

### **Independent Auditor's Report**

#### **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.



.....  
Karen Wightman (Senior Statutory Auditor)  
For and on behalf of KPMG LLP, Statutory Auditor

15 Canada Square  
Canary Wharf  
London  
London  
E14 5GL

30 September 2016



# **Omnicom Finance plc**

## **Profit and Loss Account for the Year Ended 31 December 2015**

	<b>Note</b>	<b>2015 £</b>	<b>2014 £</b>
Gross Profit/(loss)		-	-
Administrative expenses		(8,565,058)	(8,169,703)
Other operating income		<u>10,768,638</u>	<u>10,395,830</u>
Operating Profit	2	2,203,580	2,226,127
Other interest receivable and similar income	6	26,735,357	21,671,131
Interest payable and similar charges	7	<u>(6,238,864)</u>	<u>(6,172,372)</u>
Profit before tax		22,700,073	17,724,886
Taxation	8	<u>(3,605,571)</u>	<u>(1,642,651)</u>
Profit for the financial year		<u><u>19,094,502</u></u>	<u><u>16,082,235</u></u>

The results shown above are derived wholly from continuing operations. There were no recognised gains or losses in either the current or prior year except as shown above. Consequently, a statement of comprehensive income has not been prepared.

The notes on pages 10 to 24 form an integral part of these financial statements.

# Omnicom Finance plc

(Registration number: 1064095)  
Balance Sheet as at 31 December 2015

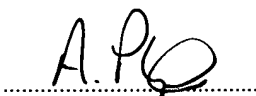
	Note	2015 £	2014 £
<b>Fixed assets</b>			
Intangible assets	9	17,913	2,951
Tangible assets	10	11,220,176	11,547,379
Investments	11	183,610,993	193,062,893
		<u>194,849,082</u>	<u>204,613,223</u>
<b>Current assets</b>			
Debtors	12	634,794,524	804,024,210
Cash at bank and in hand		267,970,140	167,943,755
		902,764,664	971,967,965
Creditors: Amounts falling due within one year	13	(724,460,773)	(822,522,717)
Net current assets		<u>178,303,891</u>	<u>149,445,248</u>
Net assets		<u>373,152,973</u>	<u>354,058,471</u>
<b>Capital and reserves</b>			
Called up share capital	14	167,266,808	167,266,808
Share premium reserve		93,909,277	93,909,277
Capital contribution reserve		32,258,500	32,258,500
Retained earnings		79,718,388	60,623,886
Total equity		<u>373,152,973</u>	<u>354,058,471</u>

Approved by the Board on 30 September 2016 and signed on its behalf by:



S.C.N. Medhurst

Director



A.P. Phipkin

Director

The notes on pages 10 to 24 form an integral part of these financial statements.

**Omnicom Finance plc**

**Statement of Changes in Equity for the Year Ended 31 December 2015**

	Share capital £	Share premium £	Capital contribution reserve £	Retained earnings £	Total £
At 1 January 2015	167,266,808	93,909,277	32,258,500	60,623,886	354,058,471
Profit for the year	-	-	-	19,094,502	19,094,502
Total comprehensive income	-	-	-	19,094,502	19,094,502
At 31 December 2015	167,266,808	93,909,277	32,258,500	79,718,388	373,152,973

	Share capital £	Share premium £	Capital Contribution reserve £	Other reserves £	Retained earnings £	Total £
At 1 January 2014	167,266,808	93,909,277	-	32,258,500	44,541,651	337,976,236
Profit for the year	-	-	-	-	16,082,235	16,082,235
Total comprehensive income	-	-	-	-	16,082,235	16,082,235
Other reserve movements	-	-	32,258,500	(32,258,500)	-	-
At 31 December 2014	167,266,808	93,909,277	32,258,500	-	60,623,886	354,058,471

The notes on pages 10 to 24 form an integral part of these financial statements.

## **Omnicom Finance plc**

### **Notes to the Financial Statements for the Year Ended 31 December 2015**

#### **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'.

##### **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 public limited company limited by share capital incorporated and domiciled in United Kingdom.

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

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.

The financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014.

The amendments to FRS102 issued in July 2015 and effective immediately have been applied

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement recognition adjustments.

The Company has net current assets of £178,303,891 at 31 December 2015 (2014: £149,445,248). 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 directors consider that the Company has access to sufficient funding to meet its liabilities as they fall due for the foreseeable future. The Company is able to make this commitment because it 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). Accordingly, the directors have prepared the financial statements on a going concern basis.

As the Company is a wholly owned subsidiary of Omnicom Group Inc., the Company has taken advantage of the exemption contained in FRS 102 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 437 Madison Avenue, New York, NY10022, USA.

## **Omnicom Finance plc**

### **Notes to the Financial Statements for the Year Ended 31 December 2015**

#### **Summary of disclosure exemptions**

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

- Separate financial instruments – carrying amount of the Company's cost of investment in subsidiaries is its deemed cost at 1 January 2015.
- Designation of previously recognised financial instruments – certain financial assets and liabilities were at the 1 January designated at fair value through profit or loss.

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 Omnicom Group Inc. include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosure:

- Certain disclosures required by FRS 102.26 Share Based Payments;

#### **Changes in accounting policy**

The accounting policies set out below have unless otherwise stated been applied consistently to all periods presented in these financial statements.

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Revenue**

In the opinion of the directors, revenue and particulars of revenue as required by Schedule 4, paragraph 55 of the Companies Act 2006, are not meaningful measures of activity in view of the nature of the business.

#### **Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

## **Omnicom Finance plc**

### **Notes to the Financial Statements for the Year Ended 31 December 2015**

#### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

#### **Fixed assets and depreciation**

Tangible fixed assets are stated at cost/deemed cost less accumulated depreciation and accumulated impairment losses. 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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leasehold improvements	life of lease
Computer and office equipment	3 to 5 years
Furniture and fittings	7 to 10 years

#### **Fixed asset investments**

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

#### **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.

## **Omnicom Finance plc**

### **Notes to the Financial Statements for the Year Ended 31 December 2015**

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Leases**

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease. The Company complies with the requirements of the Finance and Leasing Association Statement of Recommended Practice.

#### **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. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established.

#### **Defined contribution pension obligation**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

#### **Share based payments**

Omnicom Group Inc (the ultimate parent of the Company) runs a share ownership programme that allows group employees to acquire shares in Omnicom Group Inc.

The fair value of services received in return for shares granted to employees, is measured by reference to the fair value of shares granted. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the shares. As permitted by FRS 102, the Company has applied the requirements of this standard to all share based payment awards granted after 7 November 2002.

## **Omnicom Finance plc**

### **Notes to the Financial Statements for the Year Ended 31 December 2015**

#### **Financial instruments**

##### ***Classification***

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.



## Omnicom Finance plc

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 2 Operating profit

Arrived at after charging/(crediting)

	2015 £	2014 £
Depreciation and other assets written off tangible fixed assets: owned	5,367,706	5,279,455
Amortisation of software	8,923	9,575
Foreign exchange (gains) / losses	47,746	(142,146)
Hire of other assets - rentals payable under operating leases	133,361	112,914
Rental income	<u>(6,168,783)</u>	<u>(6,097,499)</u>

#### 3 Auditors' remuneration

	2015 £	2014 £
Audit of the financial statements	<u>40,800</u>	<u>40,000</u>
<b>Other fees to auditors</b>		
The audit of the company's subsidiaries' annual accounts	3,199	3,136
Audit-related assurance services	<u>23,347</u>	<u>22,889</u>
	<u>26,546</u>	<u>26,025</u>

#### 4 Directors' remuneration

	2015 £	2014 £
Directors' emoluments	343,557	341,115
Amounts receivable under long term incentive schemes	90,189	84,164
	<u>433,746</u>	<u>425,279</u>
Company contributions to money purchase pension schemes	27,979	27,781
	<u>461,725</u>	<u>453,060</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2015 No.	2014 No.
Received or were entitled to receive shares under long term incentive schemes	<u>2</u>	<u>2</u>

## Omnicom Finance plc

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 5 Staff costs

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

	2015 £	2014 £
Wages and salaries	961,942	985,151
Share related awards	130,070	115,123
Social security costs	137,695	133,444
Pension and other post-employment benefit costs	60,786	56,991
	<u>1,290,493</u>	<u>1,290,709</u>

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

	2015 No.	2014 No.
Administration and support	1	1
Other departments	14	14
	<u>15</u>	<u>15</u>

#### 6 Other interest receivable and similar income

	2015 £	2014 £
Bank interest receivable	4,099,705	4,014,031
Receivable from group undertakings	17,318,631	7,649,166
Dividends receivable from preference shares	5,317,021	10,007,934
	<u>26,735,357</u>	<u>21,671,131</u>

#### 7 Interest payable and similar charges

	2015 £	2014 £
On bank loans and overdrafts	2,246,301	2,900,406
Payable to group undertakings	3,990,277	3,263,129
Other interest payable	2,286	8,837
	<u>6,238,864</u>	<u>6,172,372</u>

## Omnicom Finance plc

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 8 Taxation

Tax charged/(credited) in the income statement

	2015 £	2014 £
<b>Current taxation</b>		
Current tax on income for the period	3,569,379	1,721,460
Adjustments in respect of previous periods	<u>(8,514)</u>	<u>(18,671)</u>
	<u>3,560,865</u>	<u>1,702,789</u>
<b>Deferred taxation</b>		
Origination and reversal of timing differences	(116,998)	(106,808)
Effect of increased/decreased tax rate on opening liability	93,541	-
Adjustment in respect of previous periods	<u>68,163</u>	<u>46,670</u>
Total deferred taxation	<u>44,706</u>	<u>(60,138)</u>
Tax expense in the income statement	<u><u>3,605,571</u></u>	<u><u>1,642,651</u></u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2014 - lower than the standard rate of corporation tax in the UK) of 20.25% (2014 - 21.5%).

The differences are reconciled below:

	2015 £	2014 £
Profit before tax	<u>22,700,073</u>	<u>17,724,886</u>
Corporation tax at standard rate	4,596,765	3,810,850
Effect of revenues exempt from taxation	(1,076,697)	(2,151,706)
Effect of expense not deductible in determining taxable profit (tax loss)	476	2,178
UK deferred tax expense (credit) relating to changes in tax rates or laws	93,541	-
Increase (decrease) in UK and foreign current tax from adjustment for prior periods	<u>(8,514)</u>	<u>(18,671)</u>
Total tax charge	<u><u>3,605,571</u></u>	<u><u>1,642,651</u></u>

Reductions in the UK corporation tax rate from 20% to 19% (effective 1 April 2017) and 19% to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future tax charge accordingly. The deferred tax asset at 31 December 2015 has been calculated based on the rates of 19% and 18% substantively enacted at the balance sheet date.

## Omnicom Finance plc

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### Deferred tax

Deferred tax assets and liabilities

#### 2015

	Asset £
Difference between accumulated depreciation and amortisation and capital allowances	1,815,131
Other timing differences	10,983
	<u>1,826,114</u>

#### 2014

	Asset £
Difference between accumulated depreciation and amortisation and capital allowances	1,860,464
Other timing differences	10,356
	<u>1,870,820</u>

#### 9 Intangible assets

	Software £
<b>Cost or valuation</b>	
At 1 January 2015	581,207
Additions	<u>23,885</u>
At 31 December 2015	<u>605,092</u>
<b>Amortisation</b>	
At 1 January 2015	578,256
Amortisation charge	<u>8,923</u>
At 31 December 2015	<u>587,179</u>
<b>Carrying amount</b>	
At 31 December 2015	<u>17,913</u>
At 31 December 2014	<u>2,951</u>

# Omnicom Finance plc

## Notes to the Financial Statements for the Year Ended 31 December 2015

### 10 Tangible fixed assets

	Furniture, fittings and equipment £	Office equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2015	2,702,052	17,303,944	20,005,996
Additions	148,923	4,891,580	5,040,503
Disposals	<u>(868,437)</u>	<u>(3,378,944)</u>	<u>(4,247,381)</u>
At 31 December 2015	<u>1,982,538</u>	<u>18,816,580</u>	<u>20,799,118</u>
<b>Depreciation</b>			
At 1 January 2015	1,595,997	6,862,620	8,458,617
Charge for the year	326,280	5,041,426	5,367,706
Disposal	<u>(868,437)</u>	<u>(3,378,944)</u>	<u>(4,247,381)</u>
At 31 December 2015	<u>1,053,840</u>	<u>8,525,102</u>	<u>9,578,942</u>
<b>Carrying amount</b>			
At 31 December 2015	<u>928,698</u>	<u>10,291,478</u>	<u>11,220,176</u>
At 31 December 2014	<u>1,106,055</u>	<u>10,441,324</u>	<u>11,547,379</u>

## Omnicom Finance plc

### Notes to the Financial Statements for the Year Ended 31 December 2015

Substantially all fixed assets are leased under operating leases to fellow group undertakings.

Assets held for use in operating leases:	2015	2014
	£	£
Cost	20,416,483	19,624,439
Depreciation	(9,207,152)	(8,093,538)
Net Book Value	<u>11,209,331</u>	<u>11,530,901</u>

Operating Lease Residual Value	Furniture & Fittings	Office Equipment
	£	£
Within 1 year	25,900	633,283
Between 1 and 2 years	33,702	912,228
Between 2 and 5 years	192,910	607,269
More than 5 years	50,121	-
Total	<u>302,633</u>	<u>2,152,780</u>

#### 11 Fixed Asset Investments

Subsidiaries	Shares in group undertakings	Loans to group undertakings	Total
	£	£	£
<b>Cost</b>			
At 1 January 2015	98,524,662	94,538,231	193,062,893
Repayments	<u>-</u>	<u>(9,451,900)</u>	<u>(9,451,900)</u>
At 31 December 2015	<u>98,524,662</u>	<u>85,086,331</u>	<u>183,610,993</u>
<b>Provision</b>			
<b>Carrying amount</b>			
At 31 December 2015	<u>98,524,662</u>	<u>85,086,331</u>	<u>183,610,993</u>
At 31 December 2014	<u>98,524,662</u>	<u>94,538,231</u>	<u>193,062,893</u>

## Omnicom Finance plc

### Notes to the Financial Statements for the Year Ended 31 December 2015

The loans are in respect of preference shares issued by fellow group undertakings.

On 10th July 2015 the Company redeemed at par 9,451,900 Cumulative Redeemable Preference Shares of £1 each in Omnicom Management Europe, a fellow subsidiary undertaking.

On 11th December 2015 the Company acquired 2 Ordinary Shares of BRL 1.00 in Omnicom Finance Brazil Limited.

For the details of undertakings please see the note at the end of these statutory accounts.

#### 12 Debtors

	Note	2015 £	2014 £
Amounts owed by group undertakings - loans and advances		628,423,844	797,427,524
Other debtors		4,197,369	4,445,820
Deferred tax assets	8	1,826,114	1,870,820
Prepayments and accrued income		347,197	280,046
		<u>634,794,524</u>	<u>804,024,210</u>

#### 13 Creditors

	Note	2015 £	2014 £
<b>Due within one year</b>			
Bank loans and overdrafts		18,735,380	163,879,859
Amounts owed to associate undertakings		47,914	9,098,619
Amounts owed to group undertakings - loans and advances		705,073,872	648,985,652
Accruals and deferred income		603,607	558,587
		<u>724,460,773</u>	<u>822,522,717</u>

## Omnicom Finance plc

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 14 Share capital

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

	2015		2014	
	No.	£	No.	£
Ordinary shares of £1 each	<u>167,266,808</u>	<u>167,266,808</u>	<u>167,266,808</u>	<u>167,266,808</u>

#### 15 Pension and other schemes

##### Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £60,786 (2014 - £56,991).

#### 16 Post balance sheet events

In January 2016 the Company made a capital contribution of BRL 257,284,800 (£44,566,915) in Omnicom Finance Brazil Limited in consideration for the allotment of 2,573 Ordinary Shares of BRL 1.00 each.

In April 2016 the Company made a capital contribution of BRL 73,498,399 (£14,676,198) in Omnicom Finance Brazil Limited in consideration for the allotment of 735 shares of BRL 1.00 each.

In August 2016 the Company redeemed 13,138,231 cumulative redeemable preference shares of £1 each in TBWA UK Group Limited.

#### 17 Commitments

During the year the Company entered into spot and forward contracts to buy and sell foreign currencies for hedging intercompany loans receivable and payable.

At the end of the year the Company had borrowing and foreign exchange facilities supported by Omnicom Group Inc. guarantees amounting to £63,487,543 (2014: £65,752,781).

In July 2015 Omnicom Group Inc. entered into a credit facility for US\$2.5 billion, expiring in July 2020. The facility provides credit support for Omnicom Group Inc.'s US\$1.5 billion commercial paper programme under which Omnicom Capital Inc. and Omnicom Finance Plc may issue commercial paper and it is also available to those companies to draw down if required. The credit agreement provides committed funds and is supported by an Omnicom Group Inc. guarantee.



## Omnicom Finance plc

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 18 Related party transactions

##### Summary of transactions with subsidiaries

At 31 December 2015, the Company's ultimate parent undertaking was Omnicom Group Inc. The shareholders of the Company have interest directly or indirectly in certain other companies which are considered to give rise to related party disclosures under FRS 102 Section 33.

As a 100% owned indirect subsidiary of Omnicom Group Inc., the Company has taken advantage of the exemption 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.

#### 19 Financial instruments

##### 19 (a) Categorisation of financial instruments

	2015 £	2014 £
Financial assets measured at fair value through profit or loss	37,998	236,439
Financial assets that are debt instruments measured at amortised cost	981,480,315	1,059,909,510
Financial assets that are equity instruments measured at cost less impairment	98,524,662	98,524,662
	<u>1,080,042,975</u>	<u>1,158,670,611</u>
Financial liabilities measured at fair value through profit or loss	208,601	239,855
Financial liabilities measured at amortised cost	723,809,252	812,865,513
	<u>724,017,853</u>	<u>813,105,368</u>

##### 19 (b) Financial Instruments Measured At Fair Value

All financial assets and liabilities carried at fair value through profit or loss in the current and previous financial year are forward foreign exchange derivatives.

The fair value of forward foreign exchange contracts is based on their listed market price.

#### 20 Parent and ultimate parent undertaking

The ultimate parent is Omnicom Group Inc., incorporated in the United States of America.

These Financial Statements are available upon request from Omnicom Group Inc., 437 Madison Avenue, New York, NY 10022, USA.

No other group accounts include the results of the Company and these accounts may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ, Wales.

## Omnicom Finance plc

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 21 Details of undertaking

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Company number	Country of incorporation	Holding	Proportion of voting rights and shares held	Principle activity
<b>Subsidiary undertakings</b>					
OFP Finance Africa (Pty) Limited	K2011/112565/07	South Africa	Common	100	Treasury Centre
Omnicom Finance Brazil Limited	9913603	England	Ordinary	100	Treasury Centre
Omnicom Pacific Finance Limited	7496844	England	Ordinary	100	Treasury Centre