

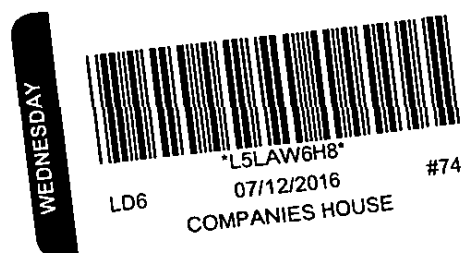
Registration number 01975338

Adelphi Group Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2015

Registered office
239 Old Marylebone Road
London
NW1 5QT



Adelphi Group Limited

Contents

Strategic Report	1 to 2
Directors' Report	3
Statement of Directors' Responsibilities	4
Profit and Loss Account	5
Balance Sheet	6
Statement of Changes in Equity	7
Notes to the Financial Statements	8 to 20

Adelphi Group Limited

Strategic Report for the Year Ended 31 December 2015

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

Fair review of the business

The Company results are the combination of the results of the holding company plus the results of Adelphi Real World. The Company currently works with international pharmaceutical companies, providing a full range of lifecycle solution services

Adelphi Real World develops, markets and sells Disease Specific Programmes, consultancy and bespoke research through primary and secondary data collection. The Company's solutions enable customers to have a better understanding and enhanced expertise which are critical in ever more challenging therapeutic areas. Holistic benchmarks of diseases are a pre-requisite to define and assess independently, the real dynamics of the disease as well as opportunities and the impact of medico-marketing strategies. Unmet therapeutic needs can be defined and monitored through the evaluation of clinical practice, doctor evaluations and perceptions, patient motivation, level of knowledge and satisfaction. Market recognition, brand performance and potential, rely on precise measureable and disease specific indicators. Based on up to 12,000 patients and 1,000 doctors worldwide and repeated at regular intervals, the Disease Specific Programmes constitute a 'Gold Standard' reference in the industry in challenging therapeutic areas such as CNS, pain, inflammatory, cardiovascular, respiratory and metabolic diseases.

The Company continues to invest in both product development and in the strengthening of its sales and marketing capabilities. The Company expects to continue to report operating profits whilst it continues to invest in Disease Specific Programmes and the sales and marketing of its subsidiary companies.

Our key financial performance indicators are gross profit and operating profit

	Unit	2015	2014
Gross Profit	£	8,986,226	8,155,105
Operating Profit	£	2,543,251	1,866,923

Adelphi Group Limited

Strategic Report for the Year Ended 31 December 2015

Principal risks and uncertainties

The Company operates in a rapidly changing economic and technological environment that presents numerous risks, many of which are driven by factors that are out of our control and difficult to predict. The key risks facing the business are ,

- foreign currency gains and losses for the proportion of our business that is conducted in currencies other than sterling
- the mergers and takeovers of the pharmaceutical companies that can reduce the number of potential clients
- each new launch of a Disease Specific Programmes requires large initial investment in order to cover external and internal costs. The upfront investment risk is also linked to the normal selling risks in any competitive business to business market

The pharmaceutical industry is dependent on the introduction of new drugs and treatments and the ability of the purchasers of new and existing treatments to afford them

Hence the major factors are ,

- the pipeline within the pharmaceutical industry for new drugs and treatments
- global regulatory and budgetary environment as they relate to the access to new therapies
- individual country and regional economic growth

Approved by the Board on 29 March 2016 and signed on its behalf by



D G Harrison
Director

Adelphi Group Limited

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 holding company of a group whose activities include medical communications, outcomes, marketing research, business intelligence and medico-marketing consultancy

Adelphi Real World, a division of Adelphi Group Ltd, provides multi-sponsored Disease Specific Programmes which provide global in-depth understanding of the dynamics in distinct disease areas to address customised strategic marketing, business intelligence, health outcomes, and value and communications issues across the brand lifecycle

Dividends

On 25 February 2015 the directors paid an interim dividend in respect of the year ended 31 December 2014 of £1 70 per share totalling £1,812,000 (2014 £1,565,000) and on the 26 August 2015 the directors paid an interim dividend in respect of the year ended 31 December 2015 of £0 68 per share totalling £723,000 (2014 £55,000)

Directors of the Company

The directors who held office during the year were as follows

E S Cooper

D G Harrison

L T Morgan

M Karavali

D A Adams

Political and charitable donations

During the year the Company made no charitable or political donations (2014 £Nil)

Post balance sheet events

On 26 February 2016 the directors paid an interim dividend of £2,778,000 This is not included in creditors as it was not approved before the year end

Approved by the Board on 29 March 2016 and signed on its behalf by



D G Harrison
Director

Adelphi Group Limited

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 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 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.

Adelphi Group Limited

Profit and Loss Account for the Year Ended 31 December 2015

	Note	2015 £	2014 £
Gross billings		15,686,137	17,007,354
Direct costs		<u>(6,717,911)</u>	<u>(8,852,249)</u>
Gross Profit		8,968,226	8,155,105
Administrative expenses		<u>(7,462,439)</u>	<u>(6,330,889)</u>
Operating Profit	2	1,505,787	1,824,216
Income from shares in group undertakings		1,009,325	-
Other interest receivable and similar income	5	58,693	42,707
Gain/(loss) on disposal of fixed asset investments		(30,199)	-
Interest payable and similar charges	6	<u>(355)</u>	<u>-</u>
Profit before tax		2,543,251	1,866,923
Taxation	7	<u>(259,861)</u>	<u>(417,424)</u>
Profit for the financial year		<u><u>2,283,390</u></u>	<u><u>1,449,499</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.

Adelphi Group Limited
(Registration number: 01975338)
Balance Sheet as at 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	9	183,645	302,606
Investments	10	<u>1,120,359</u>	<u>1,155,391</u>
		<u>1,304,004</u>	<u>1,457,997</u>
Current assets			
Stocks	11	262,891	175,480
Debtors	12	11,625,525	10,733,113
Cash at bank and in hand		<u>16,101</u>	<u>151</u>
		11,904,517	10,908,744
Creditors Amounts falling due within one year	13	<u>(10,303,667)</u>	<u>(9,046,314)</u>
Net current assets		<u>1,600,850</u>	<u>1,862,430</u>
Net assets		<u>2,904,854</u>	<u>3,320,427</u>
Capital and reserves			
Called up share capital	14	276,998	276,998
Share premium reserve		378,176	378,176
Retained earnings		<u>2,249,680</u>	<u>2,665,253</u>
Total equity		<u>2,904,854</u>	<u>3,320,427</u>

For the year ending 31 December 2015 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

Directors' responsibilities

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476,
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

Approved by the Board on 29 March 2016 and signed on its behalf by



D G Harrison
Director

Adelphi Group Limited

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

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 January 2015	276,998	378,176	2,665,253	3,320,427
Profit for the year	-	-	2,283,390	2,283,390
Total comprehensive income	-	-	2,283,390	2,283,390
Dividends	-	-	(2,535,000)	(2,535,000)
Recharge from Omnicom Group Inc in respect of share based payments	-	-	(163,963)	(163,963)
At 31 December 2015	276,998	378,176	2,249,680	2,904,854
	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 January 2014	276,998	378,176	2,779,696	3,530,018
Profit for the year	-	95,148	1,449,499	1,449,499
Total comprehensive income	-	-	1,449,499	1,449,499
Dividends	-	-	(1,620,000)	(1,620,000)
Recharge from Omnicom Group Inc in respect of share based payments	-	-	(39,090)	(39,090)
Other reserve movements	-	(95,148)	95,148	-
At 31 December 2014	276,998	378,176	2,665,253	3,320,427

Adelphi Group Limited

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 private 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 DAS UK Investments Limited, a parent undertaking established under the law of the United Kingdom. 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 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(ies), Omnicom Finance plc and Omnicom Financial Services Limited, the group's UK treasury operations, under which bank balances are cleared to zero on a daily basis either by the Company depositing cash with Omnicom Finance plc and/or Omnicom Financial Services Limited or by Omnicom Finance plc and/or Omnicom Financial Services 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 plc, is able to make this commitment because Omnicom Finance plc is a co-borrower with Omnicom Finance Inc and Omnicom Capital Inc under certain group bank facilities which are more fully described in the Omnicom Group Inc financial statements filed on Form 10-K and available at www.OmnicomGroup.com

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.

Adelphi Group Limited

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/associates, is its deemed cost at 1 January 2015
- Lease arrangements – in order to determine whether an arrangement contains a lease, the Company has analysed facts and circumstances existing at 1 January 2015 rather than commencement date of the arrangement

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 DAS UK Investments Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102 26 Share Based Payments

These financial statements are consolidated in the financial statements of DAS UK Investments Limited

The financial statements of DAS UK Investments Limited may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ, Wales

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

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.

Gross Billings

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

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

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.

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.

Adelphi Group Limited

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

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:

Asset class	Depreciation method and rate
Leasehold Improvements	life of lease
Furniture, fittings, tools and equipment	10% per annum
Motor vehicles	20% per annum

Fixed asset investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest in associated undertakings

Associated undertakings are entities in which the Company has a participating interest and over whose operating and financial policy the Company exercises a significant influence.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand that is readily convertible to a known amount of cash and is subject to an insignificant risk of change in value.

Trade debtors

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

Long term contracts

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

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.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Adelphi Group Limited

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

Share based payments

The Company operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the entity. The fair value of the employee services received is measured by reference to the estimated fair value at the grant date of equity instruments granted and is recognised as an expense over the vesting period. The estimated fair value of the option granted is calculated using the Black Scholes option pricing model. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

2 Operating profit

Arrived at after charging/(crediting)

	2015 £	2014 £
Depreciation and other assets written off tangible fixed assets owned	82,870	120,313
Foreign exchange (gains) / losses	(531,215)	(170,004)
(Profit)/loss on disposal of property, plant and equipment	(12,059)	9,744
Hire of plant and machinery - rentals payable under operating leases	246,033	266,460
Hire of other assets - rentals payable under operating leases	<u>442,422</u>	<u>442,670</u>

3 Directors' remuneration

	2015 £	2014 £
Directors' emoluments	1,503,873	1,473,868
Amounts receivable under long term incentive schemes	576,255	562,676
Company contributions to money purchase pension schemes	72,941	84,585
	<u>2,153,069</u>	<u>2,121,129</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	4	4
Exercised share options	<u>1</u>	<u>1</u>

In respect of the highest paid director

	2015 £	2014 £
Remuneration	746,414	804,420
Benefits under long-term incentive schemes (excluding shares)	151,120	144,627
Company contributions to money purchase pension schemes	<u>47,441</u>	<u>29,158</u>

Adelphi Group Limited

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

During the year the highest paid director exercised share options and also received or was entitled to receive shares under a long term incentive scheme

The Company's directors participate in the restricted stock scheme operated by the Ultimate Parent Undertaking. Shares were received or receivable under this restricted share scheme by 4 directors (2014: 4)

Under this scheme, certain directors have been awarded restricted shares in the ultimate parent undertaking, Omnicom Group Inc. The restricted shares typically vest in 20% annual increments provided the director remains an employee of the Omnicom group. Restricted shares may not be sold, transferred, pledged or otherwise encumbered until the restrictions lapse. Under most circumstances, the director forfeits the shares still subject to restriction, the director ceases employment prior to the end of the period of restriction.

4 Staff costs

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

	2015 £	2014 £
Wages and salaries	5,998,101	5,003,726
Share related awards	280,140	280,140
Social security costs	702,249	625,622
Pension and other post-employment benefit costs	354,839	350,099
Severance/loss of office	-	7,000
	<u>7,335,329</u>	<u>6,266,587</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.
Production	66	60
Administration and support	29	31
	<u>95</u>	<u>91</u>

5 Other interest receivable and similar income

	2015 £	2014 £
Bank interest receivable	9	-
Receivable from group undertakings	58,684	42,707
	<u>58,693</u>	<u>42,707</u>

6 Interest payable and similar charges

	2015 £	2014 £
Other interest payable	355	-

Adelphi Group Limited

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

7 Taxation

Tax charged/(credited) in the income statement

	2015 £	2014 £
Current taxation		
Current tax on income for the period	314,666	382,927
Adjustments in respect of previous periods	<u>(38,843)</u>	<u>63,464</u>
	<u>275,823</u>	<u>446,391</u>
Deferred taxation		
Origination and reversal of timing differences	(15,962)	(8,265)
Effect of increased/decreased tax rate on opening liability	-	2,474
Adjustment in respect of previous periods	<u>-</u>	<u>(23,176)</u>
Total deferred taxation	<u>(15,962)</u>	<u>(28,967)</u>
Tax expense in the income statement	<u>259,861</u>	<u>417,424</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2014 - higher 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>2,543,251</u>	<u>1,866,923</u>
Corporation tax at standard rate	515,008	401,388
Effect of expense not deductible in determining taxable profit (tax loss)	-	981
Increase (decrease) in UK and foreign current tax from adjustment for prior periods	(38,843)	63,464
Tax increase (decrease) from effect of capital allowances and depreciation	(4,158)	9,405
Tax increase (decrease) from other short-term timing differences	(7,758)	(57,814)
Tax increase (decrease) from effect of dividends from UK companies	<u>(204,388)</u>	<u>-</u>
Total tax charge	<u>259,861</u>	<u>417,424</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.

Adelphi Group Limited

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	14,136
Share Based Payments	<u>48,581</u>
	<u>62,717</u>
2014	Asset £
Difference between accumulated depreciation and amortisation and capital allowances	24,125
Share Based Payments	<u>56,789</u>
	<u>80,914</u>

8 Dividends

	2015 £	2014 £
Interim dividend of £2 38 (2014 - £1 52) per ordinary share	<u>2,535,000</u>	<u>1,620,000</u>

Adelphi Group Limited

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

9 Tangible fixed assets

	Leasehold improvements £	Furniture, fittings and equipment £	Motor vehicles £	Office equipment £	Total £
Cost or valuation					
At 1 January 2015	1,416,701	360,930	275,407	1,587,938	3,640,976
Additions	48,906	-	-	-	48,906
Disposals	-	(360,930)	(260,909)	(1,587,938)	(2,209,777)
At 31 December 2015	1,465,607	-	14,498	-	1,480,105
Depreciation					
At 1 January 2015	1,226,222	360,930	163,280	1,587,938	3,338,370
Charge for the year	59,846	-	23,024	-	82,870
Disposal	-	(360,930)	(175,912)	(1,587,938)	(2,124,780)
At 31 December 2015	1,286,068	-	10,392	-	1,296,460
Carrying amount					
At 31 December 2015	179,539	-	4,106	-	183,645
At 31 December 2014	190,479	-	112,127	-	302,606

Adelphi Group Limited

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

10 Fixed Asset Investments

Subsidiaries	Shares in group undertakings £	Total £
Cost		
At 1 January 2015	1,220,391	1,220,391
Disposals	<u>(35,032)</u>	<u>(35,032)</u>
At 31 December 2015	1,185,359	1,185,359
Provision		
At 1 January 2015	<u>65,000</u>	<u>65,000</u>
Carrying amount		
At 31 December 2015	<u>1,120,359</u>	<u>1,120,359</u>
At 31 December 2014	<u>1,155,391</u>	<u>1,155,391</u>

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

11 Stocks

	2015 £	2014 £
Long term contracts	<u>262,891</u>	<u>175,480</u>

12 Debtors

	Note	2015 £	2014 £
Trade debtors		7,381,097	6,651,045
Amounts owed by group undertakings - trading balances		407,886	2,187,245
Amounts owed by group undertakings - loans and advances		3,094,116	806,917
Deferred tax assets	7	62,717	80,914
Prepayments and accrued income		<u>679,709</u>	<u>1,006,992</u>
		<u>11,625,525</u>	<u>10,733,113</u>

The Company participates in a cash concentration arrangement with its fellow subsidiaries, Omnicom Finance plc and Omnicom Financial Services 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 plc and/or Omnicom Financial Services Limited or by Omnicom Finance plc and/or Omnicom Financial Services Limited depositing cash with the Company. Included in Amounts owed by group undertakings - loans and advances is £3,094,116 (2013 £806,917) representing cash deposited by the Company under these arrangements.

Adelphi Group Limited

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

13 Creditors

	Note	2015 £	2014 £
Due within one year			
Payments received on account		5,325,654	5,357,279
Trade creditors		432,308	204,021
Amounts owed to group undertakings - trading balances		1,179,891	1,542,405
Taxation and social security		1,242,837	621,391
Accruals and deferred income		2,122,977	1,321,218
		<u>10,303,667</u>	<u>9,046,314</u>

14 Share capital

Allotted, called up and fully paid shares

	No.	2015 £	No.	2014 £
Ordinary A shares of £1 each	21,177	21,177	21,177	21,177
Ordinary B shares of £1 each	217,155	217,155	217,155	217,155
Ordinary B1 shares of £0.01 each	796,600	7,966.00	796,600	7,966.00
Ordinary C shares of £1 each	30,700	30,700	30,700	30,700
	<u>1,065,632</u>	<u>276,998</u>	<u>1,065,632</u>	<u>276,998</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 £354,839 (2014 - £350,099).

16 Post balance sheet events

On 26 February 2016 the directors paid an interim dividend of £2,778,000. This is not included in creditors as it was not approved before the year end.

Adelphi Group Limited

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

17 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. Options were awarded in March and December 2009. It is anticipated that the full vesting period for options will be three years. The option grants become exercisable 30% on each of the first two anniversary dates of the grant date with the final 40% becoming exercisable three years from the grant date.

The fair value of services received in return for shares and share options granted to employees, is measured by reference to the fair value of shares and share options granted. As permitted by FRS 102 Section 26, the Company has applied the requirements of this standard to all share based payment awards granted after 7 November 2002. The estimate of the fair value of the services received is measured based on the Black-Scholes formula.

There were no new share options awarded during the year and any options outstanding at the year-end have a weighted average contractual life of 10 years.

	2009
Fair value at measurement date \$	3.51
Weighted average share price \$	23.40
Exercise price \$	23.40
Expected volatility (expressed as 5 year historical monthly used in the modelling under Black Scholes model)	19.61%
Option life in years	5
Expected dividends	2.458%
Risk-free interest rate (based on national government bonds)	1.67%

The expected volatility is wholly based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

Share options are granted under a service condition and a non-market performance condition. Such conditions are not taken into account in the grant date fair value measurement of the services received.

	2015	2015	2014	2014
	Weighted average exercise price \$	Number of options	Weighted average exercise price \$	Number of options
At beginning of year	23.40	12,000	23.40	15,000
Granted	23.40	-	23.40	-
Exercised	23.40	(2,000)	23.40	(3,000)
Lapsed	23.40	-	23.40	-
Forfeited	23.40	-	23.40	-
Outstanding options at end of the year	23.40	10,000	23.40	12,000
Exercisable at end of the year	23.40	10,000	23.40	12,000

Adelphi Group Limited

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

18 Commitments

Non-cancellable operating lease rentals are payable as follows

Operating leases

The total of future minimum lease payments is as follows

	2015	2014
	£	£
Not later than one year	769,839	756,568
Later than one year and not later than five years	<u>1,244,072</u>	<u>1,953,990</u>
	<u><u>2,013,911</u></u>	<u><u>2,710,558</u></u>

The amount of operating lease payments recognised as an expense during the year was £688,455 (2014 - £708,882)

19 Related party transactions

Summary of transactions with subsidiaries

At 31 December 2014, 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.

Income from shares in group undertakings Adelphi Targis S L in 2015 £9,325 (2014 £nil)

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.

Adelphi Group Limited

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
Subsidiary undertakings					
Adelphi Communications Limited	2761321	England	Ordinary	100 00	Medical Education
Adelphi International Research Limited	2419446	England	Ordinary	100.00	Research
Adelphi Targis S L	B62628813	Spain	Ordinary	48 20	Healthcare Research
Adelphi Values Limited	2761308	England	Ordinary	100 00	Health Economics
The Cinnamon Agency Limited	5556304	England	Ordinary	50 00	Event Management

