

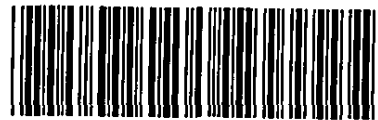
Registration number 01975338

Adelphi Group Limited

Strategic Report, Directors' Report and Unaudited Financial Statements

for the Year Ended 31 December 2014

THURSDAY



R4LFUPAX

RM

03/12/2015

#84

COMPANIES HOUSE

Adelphi Group Limited Contents

Strategic Report	1 to 2
Directors' Report	3 to 4
Statement of Directors' Responsibilities in respect of the Strategic Report and the Directors' Report and the financial statements	5
Profit and Loss Account	6
Balance Sheet	7
Reconciliation of movement in shareholders' funds	8
Notes to the Financial Statements	9 to 23

Adelphi Group Limited

Strategic Report for the Year Ended 31 December 2014

The directors present their strategic report for the year ended 31 December 2014

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)

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. 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 disease 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 measurable 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.

Our key financial performance indicators are gross profit and operating profit

Development and performance of the business of the Company during the financial year

In the year ending 31st December 2014, the Company has reported a Gross Profit of £8,155,105 compared to £6,720,527 in the previous year. The Company continues to invest in both product development and in the strengthening of its sales and marketing capabilities. The Company remains committed to developing its business and has reported an operating profit of £1,824,216 up from £1,339,674 in the previous year. 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.

Position of the Company at the year end

At the end of the year, the Company had net assets of £3,354,529 (2013: £3,530,018). The directors consider that the Company has access to sufficient funding to meet its need 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.

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
- Disease Specific Programmes - each new launch 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.

Adelphi Group Limited
Strategic Report for the Year Ended 31 December 2014

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

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 27 March 2015 and signed on its behalf by



D G Harrison
Director

Adelphi Group Limited
Directors' Report for the Year Ended 31 December 2014

The directors present their report and the unaudited financial statements for the year ended 31 December 2014

Principal activity

The principal activities of the Company are as follows

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 and decision areas to address customised strategic marketing, business intelligence, health outcomes, and value and communications issues across the brand lifecycle

Dividends

On 6 March 2014 the directors paid a dividend in respect of the year ended 31 December 2014 of £1.47 per share totalling £1,565,000 (2013 £2,350,000) and on the 11th August 2014 the directors paid an interim dividend in respect of the year ended 31 December 2014 of £0.05 per share totalling £55,000 (2013 £305,000)

The directors do not recommend the payment of a final dividend

On 25th February 2015 the directors paid an interim dividend of £1,812,000. This is not included in creditors as it was not approved before the year end.

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

T L Harrison (resigned 14 January 2014)

D A Adams

Political and charitable contributions

The Company made no political or charitable contributions during the year (2013 £nil)

Adelphi Group Limited
Directors' Report for the Year Ended 31 December 2014

Approved by the Board on 27 March 2015 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'D G Harrison', is written over the printed name.

D G Harrison
Director

239 Old Marylebone Road
London
NW1 5QT

Adelphi Group Limited
Statement of Directors' Responsibilities in respect of the Strategic Report and the
Directors' Report and the financial statements

The directors are responsible 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)

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
- 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 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.

Adelphi Group Limited
Profit and Loss Account for the Year Ended 31 December 2014

	Note	2014 £	2013 £
Revenue		17,007,354	13,238,480
Direct costs		<u>(8,852,249)</u>	<u>(6,517,953)</u>
Gross profit		8,155,105	6,720,527
Administrative expenses		<u>(6,330,889)</u>	<u>(5,380,853)</u>
Operating profit	2	1,824,216	1,339,674
Income from shares in group undertakings		-	2,650,000
Income from participating interests		-	75,000
Other interest receivable and similar income	5	42,707	67,717
Interest payable and similar charges	6	<u>-</u>	<u>(466)</u>
Profit on ordinary activities before taxation		1,866,923	4,131,925
Tax on profit on ordinary activities	7	<u>(417,424)</u>	<u>(16,151)</u>
Profit for the financial year	15	<u><u>1,449,499</u></u>	<u><u>4,115,774</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 total recognised gains and losses has not been prepared.

Adelphi Group Limited
Registration number: 01975338

Balance Sheet as at 31 December 2014

	Note	2014 £	2013 £
Fixed assets			
Tangible assets	9	302,606	498,147
Investments	10	<u>1,155,391</u>	<u>1,155,391</u>
		<u>1,457,997</u>	<u>1,653,538</u>
Current assets			
Stocks	11	175,480	641,046
Debtors	12	10,733,113	9,707,012
Cash at bank and in hand		<u>151</u>	<u>5,268</u>
		10,908,744	10,353,326
Creditors Amounts falling due within one year	13	<u>(9,046,314)</u>	<u>(8,476,846)</u>
Net current assets		<u>1,862,430</u>	<u>1,876,480</u>
Net assets		<u>3,320,427</u>	<u>3,530,018</u>
Capital and reserves			
Called up share capital	14	276,998	276,998
Share premium reserve	15	378,176	378,176
Other reserves	15	-	95,148
Profit and loss account	15	<u>2,665,253</u>	<u>2,779,696</u>
Shareholders' funds		<u>3,320,427</u>	<u>3,530,018</u>

For the year ending 31 December 2014 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 27 March 2015 and signed on its behalf by



D G Harrison
Director

Adelphi Group Limited

Reconciliation of movement in shareholders' funds for the Year Ended 31 December 2014

	2014 £	2013 £
Profit attributable to the members of the Company	1,449,499	4,115,774
Dividends	(1,620,000)	(2,655,000)
Recharge from Omnicom Group Inc in respect of share based payments	<u>(39,090)</u>	<u>(593,060)</u>
Net (reduction)/addition to shareholders funds	(209,591)	867,714
Shareholders' funds at 1 January	<u>3,530,018</u>	<u>2,662,304</u>
Shareholders' funds at 31 December	<u><u>3,320,427</u></u>	<u><u>3,530,018</u></u>

Adelphi Group Limited

Notes to the Financial Statements

1 Accounting policies

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

Basis of preparation

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

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group accounts as the Company is included in the consolidated accounts of a larger group headed by 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.

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

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

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

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

As the Company is a wholly owned subsidiary of Omnicom Group Inc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Omnicom Group Inc, within which this Company is included, can be obtained from the address given in note 20.

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value.

Adelphi Group Limited

Notes to the Financial Statements

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Asset class	Depreciation method and rate
Leasehold Improvements	life of lease
Fixtures, fittings and equipment	10% per annum

Foreign currency

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.

Post-retirement benefits

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.

Shared-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 and share options granted to employees, is measured by reference to the fair value of shares and share options granted. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. As permitted by FRS 20, 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.

The amount recognised as an expense is adjusted to reflect the actual numbers of share options that vest except where variations are due only to share prices not achieving the threshold for vesting.

Amounts reimbursed by the Company to Omnicom Group Inc in respect of these options are recognised as a distribution directly to equity.

Taxation

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

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

Adelphi Group Limited Notes to the Financial Statements

Long term contracts

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

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

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.

Revenue

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

2 Operating profit

Operating profit is stated after charging/(crediting)

	2014 £	2013 £
Depreciation and other assets written off tangible fixed assets owned	120,313	171,919
Net exchange gains	(170,004)	(225,621)
Loss/(profit) on sale of tangible fixed assets	9,744	(10,868)
Hire of plant and machinery - rentals payable under operating leases	266,460	187,690
Hire of other assets - rentals payable under operating leases	<u>442,670</u>	<u>443,415</u>
	2014 £	2013 £
Audit of the financial statements	<u>-</u>	<u>11,229</u>

Adelphi Group Limited

Notes to the Financial Statements

3 Directors' remuneration

	2014	2013
	£	£
Directors' emoluments	1,473,869	1,919,179
Amounts receivable under long term incentive schemes	562,675	1,626,113
Company contributions to money purchase pension schemes	84,585	125,297
	<u>2,121,129</u>	<u>3,670,589</u>

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

	2014 No.	2013 No.
Received or were entitled to receive shares under long term incentive schemes	4	4
Exercised share options	<u>1</u>	<u>3</u>

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 (2013: 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 if the director ceases employment prior to the end of the period of restriction.

Amounts recognised as long term incentives are in respect of restricted share awards vesting within the year. At the end of the year the Company had accrued £585,924 (2013: £866,064) in respect of unvested restricted share awards to directors.

In respect of the highest paid director

	2014 £	2013 £
Remuneration	804,420	912,182
Benefits under long-term incentive schemes (excluding shares)	144,627	468,367
Company contributions to money purchase pension schemes	<u>29,158</u>	<u>19,627</u>

During the year the highest paid director received or was entitled to receive shares under a long term incentive scheme.

Adelphi Group Limited
Notes to the Financial Statements

4 Staff numbers and costs

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

	2014	2013
	No.	No.
Administration and support	31	6
Sales	<u>60</u>	<u>57</u>
	<u><u>91</u></u>	<u><u>63</u></u>

During the year it was decided to include all employees employed by Adelphi Group Ltd within this note to bring reporting inline with Group reporting. Previously their recharge had been netted against payroll costs.

The aggregate payroll costs were as follows

	2014	2013
	£	£
Wages and salaries	5,003,726	2,291,823
Share related awards	280,140	294,607
Social security costs	625,622	672,274
Other pension schemes	350,099	276,435
Severance/loss of office	<u>7,000</u>	<u>98,563</u>
	<u><u>6,266,587</u></u>	<u><u>3,633,702</u></u>

5 Other interest receivable and similar income

	2014	2013
	£	£
Bank interest receivable	-	35
Receivable from group undertakings	<u>42,707</u>	<u>67,682</u>
	<u><u>42,707</u></u>	<u><u>67,717</u></u>

6 Interest payable and similar charges

	2014	2013
	£	£
Other interest payable	<u>-</u>	<u>466</u>

Adelphi Group Limited
Notes to the Financial Statements

7 Taxation

Tax on profit on ordinary activities

	2014	2013
	£	£
Current tax		
Current tax on income for the period	382,927	33,927
Adjustments in respect of previous years	63,464	-
UK Corporation tax	<u>446,391</u>	<u>33,927</u>
Deferred tax		
Origination and reversal of timing differences	(8,265)	(17,776)
Effect of increased/decreased tax rate on opening liability	2,474	-
Adjustment in respect of previous years	(23,176)	-
Total deferred tax	<u>(28,967)</u>	<u>(17,776)</u>
Total tax on profit on ordinary activities	<u><u>417,424</u></u>	<u><u>16,151</u></u>

Factors affecting current tax charge for the year

The current tax charge on profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK (2013 - lower than the standard rate of corporation tax in the UK) of 21.5% (2013 - 23.25%)

The differences are reconciled below

	2014	2013
	£	£
Profit on ordinary activities before tax	<u>1,866,923</u>	<u>4,131,925</u>
Corporation tax at standard rate	401,388	960,673
Capital allowances in excess of depreciation	9,405	15,327
Other timing differences	(28,847)	(259,467)
Expenses not deductible for tax purposes	981	(2,162)
Adjustment for prior periods	63,464	(46,881)
Income from shares in group undertakings and participating interests	<u>-</u>	<u>(633,563)</u>
Total current tax	<u><u>446,391</u></u>	<u><u>33,927</u></u>

Adelphi Group Limited
Notes to the Financial Statements

Accounting periods ending after the substantive enactment of the reduction to 23% and 21%

Reductions in the UK corporation tax rate from 24% to 23% (effective 1 April 2013) and to 21% (effective from 1 April 2014) were substantively enacted on 3 July 2012 and 2 July 2013 respectively. A further reduction to 20% (effective from 1 April 2015) was also substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2014 has been calculated based on the rates of 20% and 21% substantively enacted at the balance sheet date.

8 Dividends

	2014 £	2013 £
Dividends paid		
Current year interim dividend paid	<u>1,620,000</u>	<u>2,655,000</u>

Adelphi Group Limited
Notes to the Financial Statements

9 Tangible fixed assets

	Leasehold improvements £	Fixtures, fittings, tools and equipment £	Motor vehicles £	Office equipment £	Total £
Cost					
At 1 January 2014	1,390,639	360,930	499,649	1,587,938	3,839,156
Additions	26,062	-	-	-	26,062
Disposals	-	-	(224,242)	-	(224,242)
At 31 December 2014	1,416,701	360,930	275,407	1,587,938	3,640,976
Depreciation					
At 1 January 2014	1,179,213	360,930	212,928	1,587,938	3,341,009
Charge for the year	47,009	-	73,304	-	120,313
Disposals	-	-	(122,952)	-	(122,952)
At 31 December 2014	1,226,222	360,930	163,280	1,587,938	3,338,370
Net book value					
At 31 December 2014	190,479	-	112,127	-	302,606
At 31 December 2013	211,426	-	286,721	-	498,147

Adelphi Group Limited
Notes to the Financial Statements

10 Fixed asset investment

	Shares in group undertakings £
Cost	
At 1 January 2014	<u>1,220,391</u>
At 31 December 2014	<u>1,220,391</u>
Depreciation	
At 1 January 2014	<u>65,000</u>
At 31 December 2014	<u>65,000</u>
Net book value	
At 31 December 2014	<u><u>1,155,391</u></u>
At 31 December 2013	<u><u>1,155,391</u></u>

Adelphi Group Limited

Notes to the Financial Statements

Investments held as fixed assets

Details of undertakings

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	Country of incorporation	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings				
Adelphi Communications Limited	England and Wales	Ordinary	100%	Medical Publishing
Adelphi International Research Limited	England and Wales	Ordinary	100%	Market Research
Adelphi Values Limited	England and Wales	Ordinary	100%	Health Outcome Research
Associates				
Adelphi Targis S L	Spain	Ordinary	58%	Health Outcome Research
The Cinnamon Agency Limited	England and Wales	Ordinary	50%	Meetings, Exhibitions & Multimedia Design

All UK companies listed above are incorporated in England and Wales. All of the above companies are unlisted.

Other indirect holdings of the Company have been excluded in accordance with the Companies Act s410 as they are not deemed to be significant to these accounts. A full list of the Company's subsidiaries will be included in the Company's next Annual Return.

11 Stocks

	2014 £	2013 £
Long term contracts	<u>175,480</u>	<u>641,046</u>

Adelphi Group Limited
Notes to the Financial Statements

12 Debtors

	2014	2013
	£	£
Trade debtors	6,651,045	5,307,043
Amounts owed by group undertakings - trading balances	2,187,245	995,688
Amounts owed by group undertakings - loans and advances	806,917	1,853,278
Other debtors	-	155,352
Deferred tax asset	80,914	51,947
Prepayments and accrued income	<u>1,006,992</u>	<u>1,343,704</u>
	<u><u>10,733,113</u></u>	<u><u>9,707,012</u></u>

The Company participates in a cash concentration arrangement with its fellow subsidiary, Omnicom Finance plc, the Omnicom Europe Limited group's UK treasury operation, under which bank balances are cleared to zero on a daily basis either by the Company depositing cash with Omnicom Finance plc or by Omnicom Finance plc depositing cash with the Company. Included in Amounts owed by group undertakings - loans and advances is £806,917 (2013 £1,853,278) representing cash deposited by the Company under these arrangements.

13 Creditors: Amounts falling due within one year

	2014	2013
	£	£
Payments received on account	5,357,279	4,983,771
Trade creditors	204,021	307,603
Amounts owed to group undertakings - trading balances	1,542,405	1,798,645
Taxation and social security	621,391	-
Accruals and deferred income	<u>1,321,218</u>	<u>1,386,827</u>
	<u><u>9,046,314</u></u>	<u><u>8,476,846</u></u>

Adelphi Group Limited
Notes to the Financial Statements

14 Share capital

Allotted, called up and fully paid shares

	2014		2013	
	No.	£	No.	£
'A' Ordinary shares of £1 00 each	21,177	21,177	21,177	21,177
'B' Ordinary shares of £1 00 each	217,155	217,155	217,155	217,155
'B1' Ordinary shares of £0 01 each	796,600	7,966	796,600	7,966
'C' Ordinary shares of £1 00 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 Reserves

	Share premium account	Other reserves	Profit and loss account	Total
	£	£	£	£
At 1 January 2014	378,176	95,148	2,779,696	3,253,020
Profit for the year	-	-	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	<u>378,176</u>	<u>-</u>	<u>2,665,253</u>	<u>3,043,429</u>

Adelphi Group Limited
Notes to the Financial Statements

16 Commitments

Capital commitments

Annual commitments under non-cancellable operating leases are as follows

Non cancellable operating leases

	2014		2013	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
Within 1 year	-	36,410	-	72,551
2 to 5 years	442,322	65,187	-	76,787
Over 5 years	-	-	443,416	-
	<u>442,322</u>	<u>101,597</u>	<u>443,416</u>	<u>149,338</u>

17 Pension 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 £350,099 (2013 £276,435)

There were no outstanding or prepaid contributions at either the beginning or end of the financial year (2013 £nil)

18 Related party transactions

	2014	2014	2014	2013	2013	2013
	Value of purchases	Value of sales	Due to/Due from at year end	Value of purchases	Value of sales	Due to/Due from at year end
	£	£	£	£	£	£
The Cinnamon Agency Ltd	17,364	511,175	-	11,912	473,911	-

Adelphi Group Limited Notes to the Financial Statements

19 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 20, 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.

The options outstanding at the year end have an exercise price of \$23.40 and 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 (expressed as weighted average life used in the modelling under binomial lattice model)	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. Such conditions are not taken into account in the grant date fair value measurement of the services received. There are no market conditions associated with the share option grants.

The number and weighted average exercise prices of share options in Omnicom Group Inc held by Adelphi Group Ltd company employees are as follows:

Adelphi Group Limited
Notes to the Financial Statements

	2014	2014	2013	2013
	Weighted average exercise price \$	Number of options	Weighted average exercise price \$	Number of options
At beginning of year	23 40	15,000	23 40	65,000
Granted	-	-	-	-
Exercised	23 40	(3,000)	23 40	(50,000)
Lapsed	-	-	-	-
Forfeited	-	-	-	-
Outstanding options at end of the year	<u>23 40</u>	<u>12,000</u>	<u>23 40</u>	<u>15,000</u>
Exercisable at end of the year	<u>23 40</u>	<u>12,000</u>	<u>23 40</u>	<u>15,000</u>

The liability arising in relation to the linked recharge from Omnicom Group Inc in relation to these share options for the year was £39,090 (2013 £593,060)

The weighted average share price at the date of exercise of share options exercised during the year was \$70 40 (2013 \$61 14)

20 Ultimate parent company

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

The largest group in which the results of the Company are consolidated is that headed by Omnicom Group Inc. The consolidated accounts of this company are available to the public and may be obtained from Omnicom Group Inc, 437 Madison Avenue, New York, NY 10022, USA