

Adelphi Group Limited

Directors' report and financial statements

Registered number 1975338

31 December 2010



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2010

Principal activities

The principal activities of the company are as follows

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

Adelphi Real World, a division of Adelphi Group Limited, 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 communication issues across the brand lifecycle

Business review

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

Adelphi Real World is in the business of developing, marketing and selling 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 a thorough evaluation of clinical practice, doctor evaluations and perceptions, patient motivation, level of knowledge and satisfaction. Market definitions, 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

In the year ended 31 December 2010, the company has reported a increase in gross profit from £4,798,000 to £6,689,000. The company has continued to invest strongly both in product development and the strengthening of its sales and marketing capabilities. The company remains committed to developing its business in both the US and European market. The company reported an operating profit of £2,482,000 up from £663,000 in the previous year. The company is expected to continue to report similar results whilst it continues with investment in Disease Specific Programmes and the sales and marketing of its subsidiary companies

Directors' report

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 we cannot control or predict. The key risks and uncertainties facing the business are

- Foreign currency gains and losses for the proportion of our business that is conducted in currencies other than sterling
- Mergers and takeovers of the pharmaceutical companies 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

Risks on movements in foreign currency are mitigated using forward exchange contracts held with Omnicom Finance

Dividends

On 25th February 2010 the directors paid an interim dividend in respect of the year ended 31 December 2010 of £1.01 per share totalling £1,080,000 and on the 4th March 2010 the directors paid an interim dividend in respect of the year ended 31 December 2010 of £0.15 per share totalling £160,000 (2009 £1,860,000)

The directors do not recommend the payment of a final dividend (2009 £nil)

On the 22nd February 2011 the directors paid an interim dividend of £2,000,400. This is not included in creditors as it was not approved before the year end.

Directors

The directors who held office during the year were as follows

E S Cooper

D G Harrison

J Hayes

L T Morgan

M Karavali

T L Harrison

D A Adams

Political and charitable contributions

The Company made no political or charitable contributions during the year (2009 £nil)

Directors' report

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are individually unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting

By order of the board



D G Harrison
Director

239 Old Marylebone Road
London
NW1 5QT

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable laws and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- 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.



KPMG Audit Plc

St James Square
Manchester
M2 6DS
United Kingdom

Independent Auditor's report to the members of Adelphi Group Limited

We have audited the financial statements of Adelphi Group Limited for the year ended 31 December 2010 set out on pages 7 to 26. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with UK 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's report to the members of Adelphi Group Limited *(continued)*

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



Michael Frankish (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
St James' Square
Manchester
M2 6DS

9 June 2011

Profit and loss account

for the year ended 31 December 2010

	Note	2010 £ 000	2009 £ 000
Revenue		13,011	9,629
Direct costs		<u>(6,322)</u>	<u>(4,831)</u>
Gross profit		6,689	4,798
Administrative expenses		(4,211)	(4,138)
Other operating income		<u>4</u>	<u>3</u>
Operating profit		2,482	663
Income from shares in group undertakings		1,659	-
Income from participating interests		11	886
Other interest receivable and similar income	5	47	12
Income from sale of shares in associated undertakings		-	1,019
Interest payable and similar charges	6	<u>(1)</u>	<u>-</u>
Profit on ordinary activities before taxation	2	4,198	2,580
Tax on profit or loss on ordinary activities	7	<u>(778)</u>	<u>(202)</u>
Profit for the financial year	15	<u>3,420</u>	<u>2,378</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.

The notes on pages 10 to 26 form an integral part of these financial statements.

Balance sheet

as at 31 December 2010

	Note	2010 £ 000	2009 Restated £ 000
Fixed assets			
Tangible fixed assets	9	588	693
Investments	10	874	874
		<u>1,462</u>	<u>1,567</u>
Current assets			
Stocks	11	711	1,048
Debtors	12	9,722	5,684
Cash at bank and in hand		104	9
		<u>10,537</u>	<u>6,741</u>
Creditors Amounts falling due within one year	13	<u>(7,938)</u>	<u>(5,220)</u>
Net current assets		<u>2,599</u>	<u>1,521</u>
Net assets		<u>4,061</u>	<u>3,088</u>
Capital and reserves			
Called up share capital	14	277	277
Share premium account	15	378	378
Other reserves	15	(453)	(206)
Profit and loss account	15	3,859	2,639
Equity shareholders' funds		<u>4,061</u>	<u>3,088</u>

The notes on pages 10 to 26 form an integral part of these financial statements

These financial statements were approved by the board of directors on 27/5/2011 and were signed on its behalf by



D G Harrison
 Director

Reconciliation of movements in shareholders' funds

for the year ended 31 December 2010

	2010 £ 000	2009 £ 000
Profit attributable to the members of the company	3,420	2,378
Dividends on shares classified as shareholders' funds	(1,239)	(1,860)
Retained profit	2,181	518
Recharge from Omnicom Group Inc in respect of share based payments	(961)	-
Net exchange gain on foreign currency borrowings less deposit	-	83
Other reserves movement	(247)	(83)
	(1,208)	-
Shareholders' funds at 1 January	3,088	2,570
Shareholders' funds at 31 December	4,061	3,088

The notes on pages 10 to 26 form an integral part of these financial statements

Notes

(forming part of 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 in accordance with applicable accounting standards and under the historical cost accounting rules

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

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 directors consider that the company has access to sufficient funding to meet its needs for the reasons set out below Accordingly, the directors have prepared the financial statements on a going concern basis

The Company participates in a cash concentration arrangement with its fellow subsidiary, Omnicom Finance 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

Notes

(continued)

Restatement of comparative financial information

The comparative financial information as at 31 December 2009 has been restated in order to more appropriately classify long term contracts - work in progress of £1,048,106 within stock. This was previously presented within debtors.

This restatement does not impact reported net assets as at 31 December 2009 nor profit for the year ended 31 December 2009.

Fixed asset investments

Investments in subsidiary undertakings are stated at cost less provision for impairment.

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:

Plant and machinery	-	33% per annum
Furniture and equipment	-	10% per annum
Motor Vehicles	-	20% per annum

Foreign currencies

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.

Notes

(continued)

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 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.

Work in progress

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

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.

Dividends on shares presented within shareholders' funds

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.

Notes

(continued)

2 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated

after charging

	2010 £ 000	2009 £ 000
Depreciation and other amounts written off tangible fixed assets	171	219
Loss on disposal of tangible fixed assets	2	-
Hire of plant and machinery - rentals payable under operating leases	124	188
Hire of other assets - rentals payable under operating leases	476	357
	<u> </u>	<u> </u>

after crediting

Exchange gains	512	294
Profit on sale of tangible fixed assets	-	4
	<u> </u>	<u> </u>

Auditors' remuneration

	2010 £ 000	2009 £ 000
Audit of these financial statements	<u> 5 </u>	<u> 5 </u>

Notes

(continued)

3 Remuneration of directors

	2010 £ 000	2009 £ 000
Directors' emoluments	1,305	1,036
Company contributions to money purchase pension schemes	115	75
	<u>1,420</u>	<u>1,111</u>

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £470,978 (2009 £395,266), and company pension contributions of £18,458 (2009 £19,588) were made to a money purchase scheme. During the year, the highest paid director exercised share options and received shares under a long term incentive scheme.

The number of directors who exercised share options was 3 -

The number of directors in respect of whose services shares were received or receivable under long term incentive schemes was 5 5

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 5 directors (2009 5).

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 in return of the nominal price they paid for them at the time the award was granted, 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 £292,675 (2009 £488,566) in respect of unvested restricted share awards to directors.

Notes

(continued)

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

	Number of employees	
	2010	2009
Sales and production	50	49
Administration	4	4
	<u>54</u>	<u>53</u>

The aggregate payroll costs of these persons were as follows

	2010 £ 000	2009 £ 000
Wages and salaries	1,975	1,810
Share related awards	196	71
Social security costs	585	425
Pension costs	337	289
	<u>3,093</u>	<u>2,595</u>

5 Other interest receivable and similar income

	2010 £ 000	2009 £ 000
Bank interest receivable	1	-
Receivable from group undertakings	46	12
	<u>47</u>	<u>12</u>

6 Interest payable and similar charges

	2010 £ 000	2009 £ 000
Payable to group undertakings	1	-

Notes

(continued)

7 Taxation

Analysis of charge in period

	2010 £ 000	2009 £ 000
UK corporation tax		
Current tax on income for the period	708	248
Adjustments in respect of prior periods	59	(5)
	<u>767</u>	<u>243</u>
	-	-
Total current tax	<u>767</u>	<u>243</u>
Deferred tax		
Origination/reversal of timing differences	11	(41)
Tax on profit on ordinary activities	<u>778</u>	<u>202</u>

Factors affecting current tax charge for the year

The current tax charge for the period is lower than (2009 - lower than) the standard rate of corporation tax in the UK of 28% (2009 - 28%)

The differences are explained below:

	2010 £ 000	2009 £ 000
Profit on ordinary activities before taxation	4,198	2,580
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 - 28%)	1,175	722
Expenses not deductible for tax purposes (including goods)	11	19
Profit on sale of investment exempt from tax	-	(285)
Income from shares in group undertakings and participating interests	(468)	(248)
Other timing differences	(11)	41
Adjustments to tax charge in respect of previous periods	59	(6)
Total current tax charge (see above)	<u>767</u>	<u>243</u>

Notes

(continued)

The elements of deferred taxation are as follows

	2010	2009
	£ 000	£ 000
Difference between accumulated depreciation and amortisation and capital allowances	18	(1)
Share based payments	18	48
Net deferred tax asset	<u>36</u>	<u>47</u>

8 Dividends and other appropriations

Dividends on shares classified as shareholders' funds

	2010	2009
	£ 000	£ 000
Interim dividend paid	<u>1,239</u>	<u>1,860</u>

Notes

(continued)

9 Tangible fixed assets

	Leasehold improvements £ 000	Fixtures, fittings, tools and equipment £ 000	Motor vehicles £ 000	Office equipment £ 000	Total £ 000
Cost or valuation					
At 1 January 2010	1,263	361	678	1,588	3,890
Additions	25	-	129	-	154
Disposals	-	-	(157)	-	(157)
At 31 December 2010	<u>1,288</u>	<u>361</u>	<u>650</u>	<u>1,588</u>	<u>3,887</u>
Depreciation					
At 1 January 2010	1,037	343	236	1,581	3,197
Charge for the year	27	6	131	7	171
Disposals	-	-	(69)	-	(69)
At 31 December 2010	<u>1,064</u>	<u>349</u>	<u>298</u>	<u>1,588</u>	<u>3,299</u>
Net book value					
At 31 December 2010	<u>224</u>	<u>12</u>	<u>352</u>	<u>-</u>	<u>588</u>
At 31 December 2009	<u>226</u>	<u>18</u>	<u>442</u>	<u>7</u>	<u>693</u>

Notes

(continued)

10 Fixed asset investments

Shares in group undertakings and participating interests

	Shares in group undertakings £ 000
Cost	
At 1 January 2010	939
At 31 December 2010	939
Provision for impairment	
At 1 January 2010 and at 31 December 2010	(65)
Net book value	
At 31 December 2010	874
At 31 December 2009	874

Details of undertakings

The principal companies in which the company's interest at the year end is more than 20% are as follows

Undertaking	Country of incorporation	Principal activity	Class of shares held	Percentage of shares held
Subsidiary undertakings				
Adelphi Communications Limited	England & Wales	Medical Publishing	Ordinary	100%
Adelphi International Research Limited	England & Wales	Market Research	Ordinary	100%
Mapi Values Limited	England & Wales	Health Outcome Research	Ordinary	86%

Notes

(continued)

Associates

Adelphi Targis S L	Spain	Health Outcome Research	Ordinary	36%
The Cinnamon Agency Limited	England & Wales	Meetings, Exhibitions & Multimedia Design	Ordinary	50%

All UK companies listed above are incorporated in England and Wales

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 Stock

	2010 £ 000	2009 Restated £ 000
Long term contracts - work in progress	<u>711</u>	<u>1,048</u>

Notes

(continued)

12 Debtors

	2010 £ 000	2009 Restated £ 000
Trade debtors	4,595	3,944
Amounts owed by associate undertakings	32	33
Amounts owed by group undertakings - trading balances	4,537	1,118
Other debtors	13	8
Deferred tax assets	36	47
Prepayments and accrued income	509	534
	<u>9,722</u>	<u>5,684</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 £3,141,854 (2009 £969,512) representing cash deposited by the Company under these arrangements.

All debtors are due in less than one year.

13 Creditors. Amounts falling due within one year

	2010 £ 000	2009 £ 000
Payments received on account	3,691	2,639
Trade creditors	143	270
Amounts owed to group undertakings - trading balances	1,957	1,306
Taxation and social security	1,051	234
Other creditors	-	69
Accruals and deferred income	1,096	702
	<u>7,938</u>	<u>5,220</u>

Notes

(continued)

14 Called up share capital

	2010	2009
	£ 000	£ 000
<i>Allotted, called up and fully paid</i>		
21,177 'A' Ordinary shares of £1 each	21	21
217,155 'B' Ordinary shares of £1 each	217	217
796,600 'B1' Ordinary shares of 0.01 each	8	8
30,700 'C' Ordinary shares of £1 each	31	31
	<u>277</u>	<u>277</u>

All of the ordinary shares rank *pari passu* in all respects as if they constituted one class of share

15 Reserves

	Share premium account £ 000	Other reserves £ 000	Profit and loss account £ 000
At 1 January 2010	378	(206)	2,639
Profit for the year	-	-	3,420
Dividends	-	-	(1,239)
Recharge from Omnicom Group Inc in respect of share based payments	-	-	(961)
Other reserves movement	-	(247)	-
At 31 December 2010	<u>378</u>	<u>(453)</u>	<u>3,859</u>

Notes

(continued)

16 Commitments

Annual commitments under non-cancellable operating leases are as follows

	2010		2009	
	Land and buildings	Other	Land and buildings	Other
	£ 000	£ 000	£ 000	£ 000
Operating leases which expire				
Within one year		54		46
In the second to fifth years inclusive		30		67
Over five years	453		453	
	<u>453</u>	<u>84</u>	<u>453</u>	<u>113</u>

17 Pension schemes

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £337,000 (2009 £288,919).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

Notes

(continued)

18 Related party disclosures

Related party transactions

During the year the Company entered into the following transactions, in the normal course of business, to companies who were not considered to be subsidiaries of Omnicom Group Inc. The names of the related parties, the aggregate value of the transactions, and the amounts outstanding at the year end were as follows

	2010	2010	2010	2009	2009
	Value of	Value of	Balance	Value of	Balance
	purchases	sales	outstanding	purchases	outstanding
	£000	£ 000	at year end	£ 000	at year end
			£ 000		£ 000
The Cinnamon Agency Ltd	175	400	-	720	33
Map1 Values Netherlands B V	-	11	7	-	-
Map1 Values Ltd	-	91	-	-	-
Map1 Values USA LLC	-	15	-	-	-

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.

During the year ended 31 December 2010, the Company recognised an expense of £110,496 (2009 £82,890) in respect of outstanding share awards.

The options outstanding at the year end have an exercise price in the range of \$23.40 and a weighted average contractual life of 10 years.

Notes

(continued)

	2010
Fair value at measurement date	\$3 511
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 (expressed as weighted average life used in the modelling under binomial lattice model)	5 years
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 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 Adelphu Group Limited company employees are as follows

	2010	2010	2009	2009
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
At beginning of year	\$23 40	150,000	-	-
Granted	-	-	\$23 40	150,000
Exercised	\$23 40	(45,000)	-	-
Lapsed	-	-	-	-
Forfeited	-	-	-	-
Outstanding options at end of the year	\$23 40	105,000	\$23 40	150,000
Exercisable at end of the year	\$23 40	105,000	\$23 40	150,000

Notes

(continued)

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, NY10022, USA. No other group accounts include the results of the company.