

**Adelphi Group Limited**

**Directors' report and financial  
statements**

**Registered number 1975338**

**31 December 2007**

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## Directors' Report

The directors present their annual report and the audited financial statements for the year ended 31 December 2007

### 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 Group Products, 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

### Statement of compliance

To comply with the Companies Act 1985, the company provides below a review of the development and performance of the business during the year, including key financial performance indicators, and a description of the principal risks and uncertainties facing the company

The Business review contains forward looking statements and opinions that involve risks and uncertainties. These risks and uncertainties could cause our results to differ materially from our expectations. The principal risk factors are discussed in more detail below

### 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 Group Products 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 (fees) and operating profit

In the year ended 31 December 2007, the company has reported an increase in gross profit from £5,704,000 to £5,875,000

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 £1,226,000 down from £1,838,000 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

The results for the year are shown in the profit and loss account on page 6

## Directors' Report (*continued*)

### Proposed dividends

Dividends paid during the year comprise a final dividend in respect of the year ended 31 December 2006 of £1 76 per share and an interim dividend in respect of the current year of £0 33 per share

The directors have proposed a final ordinary dividend in respect of the current financial year of £2 00 per share. This has not been included in creditors as it was not approved before the year end.

### 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:

We may experience foreign currency gains and losses because a proportion of our business is conducted in currencies other than sterling.

Mergers and takeovers of the pharmaceutical companies reduce the number of potential clients.

Disease Specific Programmes require large initial investment in order to cover external and internal costs in order to launch each new programme. This upfront investment risk is also linked to the normal selling risks in any competitive business to business market.

### 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  
D Adams  
B Emsell  
T Harrison  
A Wreford

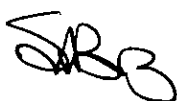
### Disclosure of information to auditors

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

### Auditors

In accordance with section 384 of the Companies Act 1985, 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



S A Bray  
Secretary

4th June, 2008  
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 law and regulations

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

The financial statements are required by law to 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 then apply them consistently,
- make judgments and 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. 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 2007 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholder's Funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on Page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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

### **Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985
- the information given in the Directors' Report is consistent with the financial statements

*KPMG Audit Plc*

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor  
*26 June 2008*

**Profit and loss account**  
*for year ended 31 December 2007*

	<i>Note</i>	<b>2007 £000</b>	<b>2006 £000</b>
<b>Revenue</b>	<i>1</i>	<b>8,948</b>	10,502
Direct costs	<i>1</i>	<b>(3,073)</b>	(4,798)
<b>Gross profit</b>		<b>5,875</b>	5,704
Administrative expenses		<b>(4,662)</b>	(3,889)
Other operating income		<b>13</b>	23
<b>Operating profit</b>		<b>1,226</b>	1,838
Income from shares in group undertakings		<b>3,000</b>	-
Income from shares in associated undertakings		<b>180</b>	65
Other interest receivable and similar income	<i>5</i>	<b>121</b>	129
<b>Profit on ordinary activities before taxation</b>	<i>2-5</i>	<b>4,527</b>	2,032
Tax on profit on ordinary activities	<i>6</i>	<b>(425)</b>	(578)
<b>Profit on ordinary activities after taxation</b>	<i>14</i>	<b>4,102</b>	1,454

The results shown above are derived wholly from continuing operations. There were no 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.



**Balance sheet**  
*at 31 December 2007*

	<i>Note</i>	2007	2006
		£000	£000
<b>Fixed assets</b>			
Tangible assets	8	842	900
Investments	9	58	128
		<u>900</u>	<u>1 028</u>
<b>Current assets</b>			
Debtors	10	6,848	9,846
Cash at bank and in hand		1,969	113
		<u>8,817</u>	<u>9,959</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(6,130)</u>	<u>(9,273)</u>
<b>Net current assets</b>		<u>2,687</u>	<u>686</u>
<b>Net assets</b>		<u>3,587</u>	<u>1,714</u>
<b>Capital and reserves</b>			
Called up share capital	13	277	277
Share premium account	14	378	378
Capital redemption reserve	14	95	95
Profit and loss account	14	2,837	964
<b>Equity shareholder's funds</b>		<u>3,587</u>	<u>1,714</u>

These financial statements were approved by the board of directors on 4<sup>th</sup> June, 2008 and were signed on its behalf by



**D G Harrison**  
*Director*

**Reconciliation of movements in shareholder's funds**  
*for the year ended 31 December 2007*

	<i>Note</i>	<b>2007</b> <b>£000</b>	<b>2006</b> <b>£000</b>
<b>Profit for the financial year</b>		<b>4,102</b>	<b>1,454</b>
Dividends on shares classified in shareholder's funds	7	(2,229)	(3,233)
<b>Net addition to/(reduction in) shareholder's funds</b>		<b>1,873</b>	<b>(1,779)</b>
Opening shareholder's funds		1,714	3,493
<b>Closing shareholder's funds</b>		<b>3,587</b>	<b>1,714</b>

## **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 s228 of the Companies Act 1985 from the requirement to prepare group accounts as the company is included in the consolidated accounts of a larger group headed by Omnicom Europe Limited, a parent undertaking established under the law of a member state of the European Union. These financial statements present information about the company as an individual undertaking and not about its group.

Under 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.

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 19.

#### ***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	-	20% to 33% per annum
Furniture and equipment	-	10% to 20% per annum
Motor Vehicles	-	20% to 30% per annum

#### ***Investments***

Shares in group undertakings are included in the accounts at cost, less amounts written off for impairment.

#### ***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.

#### ***Leases***

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

#### ***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)

### 1 Accounting policies (continued)

#### **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

#### **Revenue**

Revenue comprises fees, and commissions earned. Revenue is recognised when services are performed, in accordance with the terms of arrangements reached with each client. Performance based incentives are recognised when specified quantitative goals are achieved, or when the client determines performance against qualitative goals.

Gross billings and revenue are stated exclusive of VAT, sales taxes and trade discounts. A geographical analysis of revenue is not disclosed as, in the opinion of the directors, this would be seriously prejudicial to the interests of the company.

#### **Direct costs**

Direct costs include amounts payable to external suppliers where they are retained at the company's discretion to perform part of a specific client project or service where the company has full exposure to the benefits and risks of the contract with the client.

#### **Dividends on shares presented with shareholder's 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.

#### **Classification of financial instruments issued by the company**

Following the adoption of FRS25, financial instruments issued by the company are treated as equity (ie forming part of shareholder's funds) only to the extent that they meet the following two conditions

- a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company, and
- b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

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

## Notes (continued)

### Share based payments

The share option programme allows employees to acquire shares of the ultimate parent company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using an option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

## 2 Profit on ordinary activities before taxation

	2007 £000	2006 £000
<i>Profit on ordinary activities before taxation is stated after charging/(crediting)</i>		
Depreciation and other amounts written off tangible fixed assets		
Owned	268	351
Amounts written off fixed asset investments	20	-
Hire of plant and machinery - rentals payable under operating leases	124	42
Hire of other assets - operating leases	303	303
Exchange (gains)/losses	(27)	162
Profit on disposal of fixed assets	(22)	(25)
	<hr/>	<hr/>
<i>Auditor's Remuneration</i>		
Audit of these financial statements	5	5
	<hr/>	<hr/>

Amounts receivable by the company's auditor in respect of services to the company and its associates, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the company's parent, Omnicom Europe Limited.

## Notes (continued)

### 3 Remuneration of directors

	2007 £000	2006 £000
Directors' emoluments	1,165	867
Company contributions to money purchase pension schemes	199	192
	<u>1,364</u>	<u>1,059</u>

The aggregate of emoluments of the highest paid director was £564,538 (2006 £308,092), and company pension contributions of £19,095 (2006 £18,334) were made to a money purchase scheme on his behalf. During the year, the highest paid director exercised share options and received shares under a long term incentive scheme.

	Number of directors 2007	2006
Retirement benefits are accruing to the following number of directors under		
Money purchase schemes	<u>4</u>	<u>4</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 5 directors (2006 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 £83,190 (2006 £84,382) in respect of unvested restricted share awards to directors.

### 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 2007	2006
Sales and production	49	52
Administration	7	7
	<u>56</u>	<u>59</u>

## Notes (continued)

### 4 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows

	2007 £000	2006 £000
Wages and salaries	2,731	1,837
Share related awards	41	56
Social security costs	248	204
Other pension costs (note 17)	212	168
	<u>3,232</u>	<u>2,265</u>

### 5 Other interest receivable and similar income

	2007 £000	2006 £000
Receivable from third party	8	13
Receivable from group undertakings	113	116
	<u>121</u>	<u>129</u>

### 6 Taxation

Analysis of charge in year

	2007 £000	£000	2006 £000	£000
<i>UK corporation tax</i>				
Current tax on income for the year	433		589	
Adjustments in respect of prior years	-		(11)	
	<u>433</u>		<u>578</u>	
Total current tax		433		578
<i>Deferred tax (note 12)</i>				
Origination/reversal of timing differences	(8)		-	
	<u>(8)</u>		<u>-</u>	
		<u>425</u>		<u>578</u>
Tax on profit on ordinary activities		425		578

## Notes (Continued)

### 6 Taxation (continued)

#### *Factors affecting the tax charge for the current period*

The current tax charge for the year is lower (2006 lower) than the standard rate of corporation tax in the UK (30%, 2006 30%). The differences are explained below

	2007 £000	2006 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	4,102	2,032
	<hr/>	<hr/>
Current tax at 30% (2006 30%)	1,230	610
<i>Effects of</i>		
Expenses not deductible for tax purposes	144	1
Capital allowances for period less than/(in excess of) depreciation	19	(11)
Franked investment income	(954)	-
Other timing differences	(6)	(11)
Adjustments to tax charge in respect of previous periods	-	(11)
	<hr/>	<hr/>
Total current tax charge (see above)	433	578
	<hr/>	<hr/>

It has been announced that the corporation tax rate applicable to the company will change from 30% to 28% from 1 April 2008. The deferred tax asset has been calculated at 28% in accordance with FRS 19. Any timing differences which reverse before 1 April 2008 will be relieved at 30%, any timing differences which exist at 1 April 2008 will reverse at 28% and, because of the uncertainty of when the deferred tax asset will reverse, it is not possible to calculate the full financial impact of this change.

### 7 Dividends and other appropriations

The aggregate amount of dividends comprises

	2007 £000	2006 £000
Final dividends paid in respect of prior years but not recognised as liabilities in that year	1,878	2,602
Interim dividends paid in respect of the current year	351	631
	<hr/>	<hr/>
Aggregate amount of dividends paid in the financial year	2,229	3,233
	<hr/>	<hr/>

The directors have proposed a final ordinary dividend in respect of the current financial year of £2,129,000 (2006 £1,878,000)



## Notes (continued)

### 8 Tangible fixed assets

	Motor vehicles £000	Plant and machinery £000	Fixtures, fittings, tools and equipment £000	Total £000
<b>Cost</b>				
At beginning of year	733	1,554	1,561	3 848
Additions	242	-	44	286
Disposals	(272)	-	-	(272)
At end of year	703	1,554	1,605	3,862
<b>Depreciation</b>				
At beginning of year	276	1,529	1,143	2,948
Charge for year	153	21	94	268
Disposals	(196)	-	-	(196)
At end of year	233	1,550	1,237	3,020
<b>Net book value</b>				
At 31 December 2007	470	4	368	842
At 31 December 2006	457	25	418	900

### 9 Fixed asset investments

	Total £000
<b>Cost</b>	
At beginning of year	173
Disposals	(50)
At end of year	123
<b>Provisions</b>	
At beginning of year	45
Additional charge in year	70
Disposals	(50)
At end of the year	65
<b>Net book value</b>	
At 31 December 2007	58
At 31 December 2006	128

## Notes (continued)

### 9 Fixed asset investments (continued)

The above investments all relate to shares in group undertakings. The principal companies in which the company's interest at the year end is more than 20% are as follows:

	Country of incorporation	Principal activity	Class and percentage of shares held
<b>Subsidiary undertakings</b>			
Adelphi Communications Limited	England & Wales	Medical Publishing	Ordinary 100%
Adelphi International Research Limited	England & Wales	Market Research	Ordinary 100%
Adelphi Group Products Limited	England & Wales	Dormant	Ordinary 100%
<b>Participating interests</b>			
MAPI Values Sarl	France	Health Outcome Research	Ordinary 50%
MAPI Values Limited	England & Wales	Health Outcome Research	Ordinary 48%
MAPI Values Netherlands B V	Netherlands	Health Outcome Research	Ordinary 41%
Adelphi Targis S L	Spain	Health Outcome Research	Ordinary 30%
The Cinnamon Agency Ltd	England & Wales	Meetings, Exhibitions & Multimedia Design	Ordinary 50%
PHIMAP SAS	France	Health Outcome Research	Ordinary 50%

The holding in MAPI Value Netherlands B V is held indirectly by way of MAPI Values Limited holding 85% of its ordinary share capital.

During the year, 100% of the company's holding in Adelphi Lifelong Learning Limited was sold to Adelphi Communications Limited.

Additional provisions in the year relate to the write down of investments in Adelphi Lifelong Learning Limited, Adelphi Targis S L and PHIMAP SAS to £nil.

### 10 Debtors

	2007 £000	2006 £000
Trade debtors	2,601	4,639
Amounts recoverable on contracts	326	189
Amounts owed by group undertakings	2,928	3,824
Amounts owed by undertakings in which the company has a participating interest (note 18)	333	437
Other debtors	33	15
Net deferred tax assets (note 12)	43	51
Prepayments and accrued income	584	691
	<b>6,848</b>	<b>9,846</b>

## Notes (continued)

### 11 Creditors: amounts falling due within one year

	2007 £000	2006 £000
Bank loans and overdrafts	-	3,370
Payments received on account	3,468	3,497
Trade creditors	275	170
Amounts owed to group undertakings	428	246
Amounts owed to undertakings in which the company has a participating interest (note 18)	32	3
Taxation and social security	1,084	1,125
Accruals and deferred income	843	862
	<u>6,130</u>	<u>9,273</u>

### 12 Deferred tax asset

	Deferred tax asset £000
At beginning of year	51
During the year	(8)
	<u>43</u>
At end of year	<u>43</u>

The elements of deferred taxation are as follows

	2007 £000	2006 £000
Difference between accumulated depreciation and amortisation and capital allowances	<u>43</u>	<u>51</u>

## Notes (continued)

### 13 Called up share capital

	2007 £000	2006 £000
<i>Authorised</i>		
30,000 'A' Ordinary shares of £1 each	30	30
330,000 'B' Ordinary shares of £1 each	330	330
800,000 'B1' Ordinary shares of £0.01 each	8	8
32,000 'C' Ordinary shares of £1 each	32	32
	<u>400</u>	<u>400</u>
<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

### 14 Share premium and reserves

	Share premium account £000	Other Reserves £000	Profit and loss account £000
At beginning of year	378	95	964
Retained profit for the year	-	-	4,102
Dividends on shares classified in shareholder's funds	-	-	(2,229)
At end of year	<u>378</u>	<u>95</u>	<u>2,837</u>

### 15 Contingent liabilities and contingent assets

The company together with certain other group companies, has entered into a cash pooling arrangement with HSBC Bank plc. HSBC Bank plc has the right to apply positive cash balances of the company against indebtedness or liabilities of any of the other companies named in the agreement. This facility is guaranteed by Omnicom Group Inc.

## Notes (continued)

### 16 Commitments

(a) Annual commitments under non-cancellable operating leases are as follows

	2007		2006	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases which expire				
Within one year	-	27	-	-
In the second to fifth years inclusive	303	94	-	80
Over five years	-	3	303	1
	<u>303</u>	<u>124</u>	<u>303</u>	<u>81</u>

### 17 Pension scheme

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 £211,751 (2006 £167,842)

### 18 Related party disclosures

During the year the company entered into the following transactions in the ordinary course of business on an arm's length basis, with fellow subsidiaries of Omnicom Group Inc

Related Party	Transaction (Income from management recharges) £'000	Purchases £'000	Sales £'000	Amounts outstanding at 31 December 2007 £'000
Map1 Values Ltd	1,882	-	-	132
Adelphi Lifelong Learning Ltd	7	-	-	218
Proclinica Sarl	-	108	-	(32)
The Cinnamon Agency Ltd	465	184	-	3
PHIMAP SAS	-	-	284	198
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Related Party	Transaction (Income from management recharges) £'000	Purchases £'000	Sales £'000	Amounts outstanding at 31 December 2006 £'000
Map1 Values Ltd	1,047	-	-	(3)
Adelphi Lifelong Learning Ltd	-	-	209	211
Proclinica Sarl	-	260	-	-
The Cinnamon Agency Ltd	752	67	-	24
PHIMAP SAS	-	-	114	202
Ading Omnicom SL	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The company is a 12% Shareholder in Proclinica Sarl. Ading Omnicom SL is a fellow subsidiary of Omnicom Group Inc

**Notes** *(continued)*

**19 Ultimate parent company and parent undertaking of larger group of which the company is a member**

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 smallest group in which they are consolidated is that headed by Omnicom Europe Limited. The consolidated accounts of these groups are available to the public and may be obtained from Omnicom Group Inc, 437 Madison Avenue, New York, NY 10022, USA and Companies House respectively.