CHIME GROUP HOLDINGS LTD

COMPANY NUMBER 09702342

Annual Report and Financial Statements for the period ended 31 December 2015

Contents

Strategic Report

The Company was incorporated on 24 July 2015 to facilitate the acquisition on 16 October 2015 of the entire share capital of Chime Communications Ltd (formerly Chime Communications plc) and its subsidiaries. These accounts reflect the period from incorporation to 31 December 2015. These accounts consolidate the financial results of the Chime Group Holdings Limited ("The Company") from the date of acquisition. Chime Group Holdings Ltd and its subsidiaries comprise the new group structure ("The Group").

Strategy

The Group provides expertise in sports and entertainment and communications offering event management and activation; consultancy; athlete representation; advertising and marketing services; insight and engagement, in addition to marketing expertise in specialist markets such as financial and professional services, healthcare and technology.

The Group operates under five main areas; sports and entertainment; advertising and marketing services; specialist markets; healthcare and insight and engagement.

The Group continues to expand both by acquisition and through organic growth. The Group has identified that growth of the five divisions will be attained by moving into additional international markets, with a particular focus on the USA, and, by broadening its range of services it can offer to clients.

Business Model

Chime operates through a five division structure reflecting the areas identified as above.

Sport & Entertainment

CSM Sport & Entertainment ("CSM") is a group of internationally recognised agencies, working together to put clients and people at the heart of the world's greatest experiences in sport and entertainment. Working with brands, rights holders, governing bodies, governments and athletes across the globe, CSM specialises in strategic consultancy, rights sales, sponsorship activation, hospitality, branding and wayfinding, athlete management and communications across major sporting events.

Advertising and Marketing Services

VCCP Group operates in advertising and marketing services, direct marketing, digital communication, search relations, point of sale, sales promotion, data consultancy and technical design, multimedia content, youth marketing and experiential, marketing consulting, retail and shopper marketing and media planning and buying.

Specialist Markets

The Chime Specialist Group ("CSG") is a marketing and consultancy group housing five different specialist agencies in financial and professional services, technology, sustainability and sector specialist media planning. The companies are uniquely equipped to be the trusted advisors to help clients navigate, harness and drive change in their categories through their full service capabilities internationally, across the marketing mix including advertising, branding, public relations, media planning, customer advocacy, sustainability consultancy, design, digital and social communications.

Healthcare

OPEN Health is a healthcare communications and market access group. It comprises ten specialist businesses that bring a breadth of expertise focussed principally on pharma, health device and diagnostic clients. OPEN Health's companies cover most aspects of the communications mix including advertising, PR, medical communications, market access consulting, real world data collection, market research and patient engagement programmes.

Insight & Engagement

The Insight & Engagement division brings together researchers, technologists and insight specialists who deliver to clients, globally, in real time, actionable solutions. The division has particular expertise in delivering in FMCG, financial services, utilities and retail markets with experience performance improvement plans, mystery shopping programmes and advertising and brand tracking. The Insight & Engagement division includes leading specialist brands such as Watermelon - a specialist digital agency, Cherry Picked - a specialist recruitment agency for the research market, Facts International - a specialist fieldwork agency and full service agencies Opinion Leader and CIE.

The bi-annual sports cycle business model

A significant proportion of our business is in sports marketing and is active in providing services around major events such as the Olympics and the FIFA World Cup. Many of these events take place in 'even' numbered years. This results in an increased variance in the level of income opportunities from year to year. Our other businesses in VCCP, CSG, OPEN Health and Insight & Engagement partially moderate this effect.

Acquisition of Chime Group

Chime Group Holdings Limited was incorporated to facilitate the acquisition of Chime Communications plc and its subsidiaries by PM VII S.a.r.l and WPP Beans Limited. The acquisition was by means of a scheme of arrangement that was circulated to the Chime Communications plc shareholders on 21 August 2015, approved by shareholders in a meeting convened by the Court on 14 September 2015, and sanctioned by the Court at a hearing on 6 October 2015. In consideration for the Scheme shares 365 pence was paid in cash for each Scheme share.

The acquisition was funded through a combination of equity and debt. Equity of £265.2 million was provided by the shareholders.

Chime Group Limited, a wholly-owned subsidiary of Chime Group Holdings Limited, entered into a number of banking facilities with total committed facility of £246.9 million in order to part fund the acquisition. Details of the facility are disclosed in note 22 to the accounts.

The acquisition completed on 16 October 2015 and the accounts reflect the results of Chime Communications Ltd and its subsidiaries from incorporation on 24 July until 31 December 2015.

Key Performance Indicators ('KPIs')

The Group manages its internal operational performance using the following KPIs:

	Statutory	**Adjusted**
	£'000	**£'000**
Operating Income	50,470	50,470
Operating (Loss)/Profit	(3,098)	8,145
Operating (Loss)/Profit Margin	-6.1%	16.1%
(Loss)/Profit before tax	(5,627)	5,675
	Operating (loss)/profit	**Loss/(profit) before tax**
	£'000	**£'000**
Statutory	(3,098)	(5,627)
Deemed remuneration charges	2,115	2,175
Amortisation of acquired intangibles	2,985	2,984
Costs of acquisitions	5,228	5,228
Changes to estimates in deferred consideration	915	915
Adjusted	**8,145**	**5,675**

Note

Deemed remuneration charge and finance cost add back in respect of employment linked earn-out payments including LLP capital based payments.

Costs of acquisitions relates to costs incurred by the business in acquiring subsidiaries and also costs incurred on aborted acquisitions.

Financial Position
The position of the Group at the period end is set out in the consolidated balance sheet on page 12 and in the related notes on pages 16 to 46. The Group had debt of £218 million as at 31 December 2015, the debt is secured by debentures over the assets of the Group.

Cash flow
The Group had cash and cash equivalents at 31 December 2015 of £31 million and additional available facilities of £29 million. The Group cash balance increased by £31 million since incorporation:

	£'000
Net cash inflow from operating activities	177
Net cash used in investing activities	(361,221)
Net cash inflow from financing activities	391,806
Net cash flows	**30,762**

Investing cash flows includes £373.0 million in relation to the acquisition of Chime Communications plc as detailed in note 12. It also includes £1.8 million of capital expenditure, of this £1.5 million was for leasehold improvements.

Procurement
The Group operates a divisional procurement function which is co-ordinated from the Group centre. This utilises the power of the Group to ensure that all businesses buy materials and services as cost effectively as possible.

Treasury policy
The Group's treasury policy is detailed in note 32 to the financial statements.

Going concern basis
The Group meets its day to day working capital requirements through its banking facilities above.

In preparing forecasts the Directors have taken into account the following key factors:

- the rate of growth of the UK and global economy on the Group's business during the economic recovery;
- key client account renewals;
- planned acquisitions and disposals;
- anticipated payments under deemed remuneration and deferred and contingent consideration, and;
- the level of committed and variable costs.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facility and banking covenants. The banking covenants set out under the agreement are leverage, interest cover and cash cover (first tests due in June 2016).

The Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future.
Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

More detail on the Group's cash position and facilities at 31 December 2015 as well as maturities of the financial liabilities, can be found in note 22 to the financial statements. Details of potential contingent liabilities and potential cash outflows in relation to these liabilities can be found in note 29.

Risks and Uncertainties

The principal risks and uncertainties faced by the Group are as follows:

The Board has considered the risks and uncertainties affecting the Group as at 31 December 2015 and these are summarised below. The Group has specific policies and processes in place to ensure risks are properly evaluated and managed at the appropriate level within the Group. The control and risk management procedures are designed to highlight any weaknesses and/or failures in the systems to the Board at the earliest opportunity together with action taken and/or proposed. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

In addition to the general economic and competitive risks affecting businesses operating in the Group's markets, the following are considered to be the principal risks impacting the Group. These risks are regularly assessed and monitored by the senior management team in each division and by the Executive Management Team.

Operational Risk

Client Dependency
The Group receives a significant proportion of its revenues from a limited number of large clients, and the loss of those clients would adversely impact the Group's prospects, business, financial condition and results of our operations. A relatively small number of clients contribute a significant percentage of the Group's consolidated revenues.

Due to the number of services provided by the Group and the drive for cross Group working, on many occasions a shared client may be secured under a number of contracts. The loss of one contract does not necessarily mean the loss of that client.

Retention of Key Personnel
The Group is dependent on the talent, creative abilities and technical skills of its personnel, as well as their relationships with clients. The Group seeks to retain and develop personnel at all levels. The Group's future success is dependent on the continuity of services to clients and the retention of knowledge and relationships within the Group. The loss or lack of development of personnel could have a material adverse effect on the Group's business. The Group and its divisions continue to design and implement training schemes in order to further motivate and develop staff.

Economic Risks

Political Risks
The effects of political uncertainty, and/or economic disruptions (e.g. sanctions) could influence the potential to conduct our business as intended, affecting both revenue and/or cash flow streams. The Group, and in particular, CSM, is involved in the delivery of major sporting and entertainment events. An assessment of each event is undertaken to ensure that potential exposure and liabilities are reduced by advance funding by the client and/or by appropriate insurance. For global events (such as the FIFA World Cup or the Olympics) it is likely that events would be delayed and rescheduled rather than be cancelled.

Financial Risks

Liquidity risk
The Group operates under a committed facility of £246.9 million, comprising £93.9 million until September 2021 and £153 million until September 2022. Cash flow movements are monitored to ensure that sufficient financial resources are available. The Group has seen an increase in client pressure to extend credit terms and the resulting terms are closely monitored.

Interest Rate risk
The Group has significant levels of floating rate borrowings and is therefore exposed to the impact of interest rate fluctuations. The Group's policy on interest rate risk is designed to limit the Group's exposure to fluctuating interest rates.

Credit risk
The Group's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful debts. A provision for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit worthiness of customers is assessed and monitored on an on-going basis. If necessary, credit insurance or payments in advance are sought. Debtors are reviewed regularly as part of financial management reviews. Where deemed necessary, finance managers will review any proposal for further commitments to a client where payments are outstanding.

Currency risk
The Group operates globally, as demonstrated in note 3 to the financial statements. Fluctuations in exchange rates between currencies, in which the Group operates, relative to pounds sterling, may cause fluctuations in its financial results. The main currencies which impact the Group's operations are the Euro and US Dollar.

On negotiation of contracts and, where possible, client commitments are made in sterling to alleviate risk. Additionally supply and delivery contracts are, where possible, agreed in the same currency to minimise foreign exchange losses on a particular project. Assessments of the impact of significant fluctuations in exchange rates of the main foreign currencies used by the Group are regularly performed and monitored centrally.

Developments in 2016
In 2016 the Group intends to continue to pursue a strategy of expansion through adding additional and complimentary services to its offering to clients and, to expand in territories outside the UK where the markets present opportunities.

On 22 February 2016, the Group acquired 60% of JHE Productions LLC a Delaware limited liability company (and the successor-in-interest to JHE Production Group, Inc., a North Carolina Corporation) for initial consideration of USD 1 million plus the refinancing by Buyer of the Permitted Closing Debt. Additional consideration is payable contingent on the results of the business, capped at the maximum of USD 6 million. The deferred consideration is expected to be paid in 2019 subject to the EBITDA for the fiscal years 2016, 2017 and 2018. JHE was acquired by Chime's CSM division.

On 14 April 2016, the Group acquired a further approximately 40% of the interests in Open Health Communications LLP for cash consideration of £10 million. Following this transaction, the Group holds approximately 91% of the voting interests in Open Health Communications LLP, with the remaining 9% split among various minority partners. Open Health Communications LLP is part of Chime's OPEN Health division.

On 12 May 2016 the Company issued 7,808,219 new shares at a price of 365p per share. Pre-emption rights expiring on 11 August 2016 for a further 684,263 shares exist in respect of PM VII S.a.r.l. The total number of shares in issue on 19 May 2016 is 80,467,926.

On 16 May 2016, the Group acquired 100% of Choice Healthcare Solutions Limited, a United Kingdom private limited company (Choice) for initial consideration of £2.1 million. Additional consideration is payable contingent on the results of the business, capped at a maximum of £1 million. The deferred consideration is expected to be paid in 2017 subject to the EBIT for the 2016 fiscal year. Choice was acquired by Chime's OPEN Health division.

On 17 May 2016, the Group acquired 100% of Muh-Tay-Zik Hof-Fer LLC, a California limited liability company (MTZHF) for initial consideration of USD 29.6 million. Additional consideration is payable contingent on the results of the business, capped at a cumulative maximum of USD 60.4 million. The deferred consideration is payable annually commencing in 2017 subject to the EBIT for the fiscal years 2016, 2017, 2018, 2019, and 2020, respectively. MTZHF was acquired by Chime's VCCP division.

Approved by the Board of Directors and signed on behalf of the Board.

Robert Davison
Secretary

Date: 19 May 2016

Directors' Report

The Directors present their annual report on the affairs of the Group, together with the financial statements and auditor's report, for the period ended 31 December 2015. Details of *Financial risk management*, *Events which have occurred since the end of the financial year*, and *Future developments* have been included in the Strategic report, pages 1-5.

Results

The Group's income statement is set out on page 10 and shows a loss before tax for the period to 31 December 2015 of £5.6 million.

Directors

The Directors who served throughout the period and to date of signing, except as noted, were as follows:

Director	First Appointed
Paul S Walsh, Chairman	29 January 2016
Andrew Tisdale	24 July 2015
John Hahn	22 October 2015
Roderik Schlosser	22 October 2015
Christopher Satterthwaite	22 October 2015
Mark Smith	22 October 2015
Lindsay Pattison	1 January 2016
Christopher Sweetland	22 October 2015
Seb Coe	22 October 2015 (Resigned 31 December 2015
Sinisa Krnic	24 July 2015 (Resigned 22 October 2015)
Andrew Scott	30 July 2015 (Resigned 31 December 2015)

Directors' indemnities

As at the date of this report, indemnities are in force under which the Company has agreed to indemnify the Directors, to the extent permitted by law and the Company's articles of association, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities, as Directors of the Company or any of its subsidiaries. There is no agreement in place between the Company and its Directors and employees providing for compensation for loss of office of employment (whether through resignation, purported redundancy or otherwise) that occurs because of a takeover bid.

The Company has purchased and maintains Directors' and Officers' insurance cover against legal liabilities and costs for claims in connection with any act or omission by its Directors and/or Officers in the execution of their duties.

Employment of disabled persons

The Group gives full and fair consideration to all applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. Opportunities for training, career development and promotion do not disadvantage these employees or any members of staff who become disabled during their time with us.

Employee engagement

We recognise that having a diverse, motivated and organised workforce that is engaged with the overall strategy of the Group enhances the delivery of our goals.

We therefore place considerable value on the involvement of our employees and continue to keep them informed and, where appropriate, consult with them on matters affecting them as employees and on factors affecting the performance of the Group. This is achieved principally via the Group's collaborative platform, 'Bounce', by e-mail and via formal and informal functions. In addition, our personal development programmes and incentive schemes encourage employees at all levels to contribute to the achievement of the Group's short and long-term goals.

Auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP was appointed as auditor to the Company on incorporation.

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Directors and signed on behalf of the Board.

Robert Davison
Secretary

Date: 19 May 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHIME GROUP HOLDINGS LIMITED

We have audited the financial statements of Chime Group Holdings Limited for the period ended 31 December 2015 which comprise the Group Income Statement, the Group Statement of Comprehensive Income; the Group and Parent Company Balance Sheets, the Group Cash Flow Statement, the Group and Parent Company Statements of Changes in Equity and the related notes 1 to 33 for the Group, and notes 1 to 5 for the Parent Company. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2015 and of the Group's loss for the period then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Anthony Morris, FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, UK
19 May 2016

Chime Group Holdings Ltd

Consolidated income statement
Period ended 31 December 2015

	Notes	2015 £'000
Continuing Operations		
Revenue	3	89,818
Cost of sales		(39,348)
Operating income		**50,470**
Operating expenses	4	**(53,568)**
Operating Loss		**(3,098)**
Share of results of associates	17	72
Investment income	7	35
Finance costs	8	(2,499)
Finance cost of deferred consideration	8	(77)
Finance cost of deemed remuneration	8	(60)
Loss before tax		**(5,627)**
Tax Charge	9	(321)
Loss for the Period		**(5,948)**
Attributable to:		
Equity holders of the parent		(6,212)
Non-controlling interest		264
		(5,948)

Chime Group Holdings Ltd

Consolidated statement of comprehensive income
Period ended 31 December 2015

	2015 £'000
Items that may be classified subsequently to profit and loss	
Loss for the period	(5,948)
Loss on revaluation of available for sale investments	(51)
Exchange differences on translation of foreign operations	(183)
Total comprehensive expense for the period	**(6,182)**
Attributable to	
Equity holders of the parent	(6,446)
Non-controlling interest	264
	(6,182)

Chime Group Holdings Ltd

Consolidated balance sheet
31 December 2015

	Notes	2015 £'000
Non-current assets		
Goodwill	11	372,148
Other intangible assets	13	92,709
Property, plant and equipment	14	10,451
Investments in associates	17	7,409
Other investments	18	732
Deferred consideration receivable	19	15
		483,464
Current assets		
Work in progress		4,012
Trade and other receivables	20	111,617
Cash and cash equivalents		30,905
		146,534
Total assets		**629,998**
Current liabilities		
Trade and other payables	21	(107,858)
Current tax liabilities		(2,090)
Deferred consideration	23	(9,814)
Deemed remuneration	24	(12,135)
Short-term provisions	25	(254)
		(132,151)
Net current assets		**14,383**
Non-current liabilities		
Deferred tax asset	10	(12,377)
Bank loans payable after more than one year	22	(217,644)
Deferred consideration	23	(5,405)
Deemed remuneration	24	(2,057)
		(237,483)
Total liabilities		**(369,634)**
Net assets		**260,364**
Equity		
Share capital	26	72,660
Share premium account	27	192,548
Translation reserve	27	(183)
Accumulated losses	27	(6,263)
Equity attributable to equity holders of the Parent		**258,762**
Non-controlling interests		1,602
Total equity		**260,364**

Chime Group Holdings Ltd

Consolidated balance sheet (continued)
Period ended 31 December 2015

The financial statements were approved by the board of Directors and authorised for issue on 19 May 2016. They were signed on its behalf by:

Mark Smith
Director

Registered Company number: 09702342

Chime Group Holdings Ltd

Consolidated Statement of Changes in Equity
31 December 2015

	Share capital £'000	Share premium £'000	Translation reserves £'000	Accumulated profit £'000	Total £'000	Non-controlling interests £'000	Total £'000
Balance at 24 July 2015	-	-	-	-	-	-	-
Issue of shares (Note 26 and 27)	72,660	192,548	-	-	**265,208**	-	**265,208**
Loss for the period	-	-	-	(6,212)	**(6,212)**	264	**(5,948)**
Other comprehensive expense	-	-	(183)	(51)	**(234)**	-	**(234)**
Purchase on non-controlling interest	-	-	-	-	-	1,637	**1,637**
Dividends to non-controlling interests	-	-	-	-	-	(281)	**(281)**
Disposal of subsidiary	-	-	-	-	-	(18)	**(18)**
Balance at 31 December 2015	**72,660**	**192,548**	**(183)**	**(6,263)**	**258,762**	**1,602**	**260,364**

Chime Group Holdings Ltd

Consolidated cash flow statement
Period ended 31 December 2015

	Notes	2015 £'000
Net cash from operating activities	28	177
Investing activities		
Interest received		35
Dividends received from investments and associates		100
Proceeds on disposal of property, plant and equipment		14
Purchases of property, plant and equipment		(1,799)
Purchases of other intangible assets		(74)
Acquisition of subsidiaries (net of cash acquired)		(359,502)
Deferred consideration received		5
Net cash used in investing activities		**(361,221)**
Financing activities		
Dividends paid to non-controlling interest		(281)
Increase in borrowings		217,644
Repayment of borrowings		(90,765)
Proceeds on issue of shares		265,208
Net cash inflow from financing activities		**391,806**
Net increase in cash and cash equivalents		**30,762**
Cash and cash equivalents at beginning of period		-
Effect of foreign exchange rate changes		143
Cash and cash equivalents at end of period		**30,905**

Cash and cash equivalents comprise cash at bank less *overdrafts*
Net cash comprises:

	Notes	
Cash and cash equivalents		30,905
Bank loans	22	(217,644)
Loan notes outstanding	21	(79)
Overall net debt		**(186,818)**

1. General information

Chime Group Holdings Ltd is a company incorporated in United Kingdom on 24 July 2015 under the Companies Act 2006. The address of the registered office is 62 Buckingham Gate, London SW1E 6AJ. The nature of the Group's operations consists principally of sports marketing, public relations, advertising, market research, direct marketing, and design and event management consultancy. Details are provided in the Strategic report, pages 1-5.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates. Foreign operations are included in accordance with the policies set out in note 2. The Group's overseas operations are principally conducted in US Dollars or Euros. The rates used are as follows:

	Closing rate as at 31 December 2015	**Average Rate 2015**
US Dollar	1.4802	1.5302
Euro	1.3570	1.3858

2. Significant accounting policies

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards. The financial statements have also been prepared in accordance with IFRSs as issued by the International Accounting Standards Board (IASB) adopted for use in the European Union and therefore comply with Article 4 of the EU IAS Regulation. The Group has adopted all applicable standards effective for the current financial year with no material impact to the account.

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are carried at fair value in accordance with the accounting policies set out below.

Critical accounting judgements

In the process of applying the Group's accounting policies, Management is required to make judgements that may affect the financial statements. Management believes that the judgements made in the preparation of the financial statements are reasonable. However, actual outcomes may differ from those anticipated.

Deemed remuneration

Deemed remuneration represents payments made for the acquisition or investments in companies and limited liability partnerships that are dependent on continuing employment, in accordance with the IFRS Interpretations Committee's interpretation of paragraph B55 of IFRS3 that this dependency means that they should be treated as remuneration regardless of other factors. The charge for the year for deemed remuneration has therefore been separately disclosed to assist the understanding of the readers of the financial statements.

2. Significant accounting policies (continued)

Key Sources of Estimation Uncertainty

In the process of applying the Group's accounting policies, Management is required to make estimations and assumptions that may affect the financial statements. The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, are discussed below:

Valuation and asset lives of separately identifiable intangible assets

In order to determine the value of the separately identifiable assets on the acquisition of a business combination, management are required to make estimates when utilising the Group's valuation methodologies. These methodologies include the use of discounted cash flows, revenue and profit before tax multiples. Asset lives are estimated based on the nature of the intangible asset acquired and range between 5 and 15 years and indefinite lives.

Allocation of goodwill and other intangible assets

There are a number of assumptions the Directors have considered in allocating goodwill and intangible assets, as determining the value of goodwill or intangible assets requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires Directors to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate net present value. Note 11 details the assumptions that have been applied.

Contingent consideration

Contingent consideration relating to acquisitions has been included based on the fair value of the Directors estimates of the most likely outcome (notes 23, 24 & 29).

Vacant property provisions

Provisions for property represent amounts set aside in respect of property leases which are onerous and the unavoidable costs of restoring leasehold properties to the condition specified in the lease at the end of the contractual term. The quantification of each of the provisions is determined based on the Directors' best estimate and is dependent on the Group's ability to exit the leases early or to sublet the properties. In general, property costs are expected to be incurred over periods for which individual properties remain vacant or, where occupied, to the termination of the leases in question.

Revenue and cost recognition on long-term contracts

Revenue and costs are recognised on long term contracts, greater than one year, by reference to the stage of completion of activity under that contract as at the balance sheet date. Management has considered the stage of completion of each contract and made a number of assumptions in order to estimate the relevant revenues and costs to recognise under these contracts. Management are satisfied that the amounts recognised in 2015 are appropriate and consistent with the terms of the contracts and the stage of work completed.

Going Concern

The Directors have prepared forecasts which indicate that the company has adequate resources to continue in operational existence for the foreseeable future. In preparing these forecasts the directors have taken into account the following key factors:

- The rate of growth of the UK economy on the company's business during the economic recovery;
- Key client account renewals;
- The level of committed and variable costs; and
- Current new business targets.

2. Significant accounting policies (continued)

Key Sources of Estimation Uncertainty (continued)

The Group operates under the banking facility, which benefits from committed facilities of £246.9 million, comprising £93.9 million until September 2021 and £153 million until September 2022. This facility is subject to banking covenants. The company and certain other companies in the Chime Group Holdings Limited group, has given an unlimited cross-guarantee in favour of its bankers.

The Directors have concluded, based on the cash flow forecasts and the commitment made by Chime Group Holdings Ltd and its subsidiaries under the cross-guarantee it has entered into that it is appropriate to prepare the financial statements on a going concern basis for the next 12 months.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each period. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to the income statement in the period of acquisition. The interest of non-controlling shareholders is stated at the non-controlling shareholder's proportion of the fair values of the assets and liabilities recognised.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Investments in associates

An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee.

The results, assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting except when classified as held for sale. Investments in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of the associates in excess of the Group's interest in those associates are not recognised, unless the Group has incurred a legal or constructive obligation or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets of the associate at the date of acquisition is recognised as goodwill and is included in the carrying value of the investment. Any deficiency of the cost of acquisition below the Group's share of the fair values of the identifiable net assets of the associate at the date of acquisition (i.e. discount on acquisition) is credited in the income statement in the period of acquisition.

Where a Group company transacts with an associate of the Group, unrealised profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

2. Significant accounting policies (continued)

Other investments

Other investments represent investments in equity securities that present the Group with opportunity for return through dividend income and trading gains. They have no fixed maturity or coupon rate. The fair values of the listed securities are based on quoted market prices. For unlisted securities, where market value is not available, the Group estimates relevant fair values on the basis of publicly available information from outside sources. Where this is not possible, investments are held at cost and are reviewed for impairment.

Other investments are designated as 'available for sale' and are shown at fair value with any movements in fair value taken to equity.

On disposal the cumulative gain or loss previously recognised in equity is included within the profit or loss for the year. Impairment losses recognised in profit or loss for equity investments classified as 'available for sale' are not subsequently reversed through profit or loss.

Goodwill

Goodwill arising on consolidation represents the excess of the fair value of consideration over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities recognised. Goodwill is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised in the income statement and is not subsequently reversed.

For acquisitions accounted for under IFRS 3 the consideration used in the calculation of goodwill includes third party costs incurred to effect the acquisition. These costs are expensed through the income statement and included in costs of acquisitions.

On disposal of a subsidiary or associate, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

For acquisitions accounted for under IFRS 3, future anticipated payments to vendors in respect of earnouts are based on the Directors' best estimates of the fair value of future obligations, which are dependent on future performance of the interests acquired and assume the operating companies improve profits in line with Directors' estimates and are included in liabilities greater or less than one year as appropriate.

Changes to earnouts are recorded in the income statement through costs of acquisitions. In this instance, when earnouts are to be settled in cash or share consideration, the fair value of the consideration is obtained by discounting to present value the amounts expected to be payable in the future. The resulting interest charge is included within finance costs of deferred consideration.

When a business is acquired from former shareholders who become employees of the Group, should their earn out payments be dependent on continuing employment then all payments are treated as remuneration for post-acquisition services.

The charge to the income statement is included in deemed remuneration and the fair value of the liability is included as deemed remuneration in the balance sheet, classified as current or non-current liabilities as appropriate.

2. Significant accounting policies (continued)

Goodwill (continued)

In accordance with IFRS an impairment charge is required for both goodwill and other indefinite lived assets when the carrying amount exceeds the 'recoverable amount', defined as the higher of fair value less costs to sell and value in use. Our approach in determining the recoverable amount utilises a discounted cash flow methodology, which necessarily involves making numerous estimates and assumptions regarding revenue growth, operating margins, tax rates, appropriate discount rates and working capital requirements. These estimates will likely differ from future actual results of operations and cash flows, and it is possible that these differences could be material. In addition, judgements are applied in determining the level of cash-generating unit we identify for impairment testing and the criteria we use to determine which assets should be aggregated.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and comprises the gross amounts billed to clients in respect of fees earned, expenses recharged and commission-based income. Revenue is recognised in the income statement when the economic benefits arising from an arrangement are probable.

Revenue is largely derived from retainer fees and services performed subject to specific agreement. Revenue is recognised when the service is performed in accordance with the contractual arrangement through an assessment of the time incurred to date compared to the total hours required to complete the contract, and an assessment of the value delivered to the client compared to the total value of the contract. If the outcome of these can be assessed with reasonable certainty, revenue and related costs are recognised in the income statement. Losses are recognised as soon as they are foreseen.

Operating income is revenue less amounts payable on behalf of clients to external suppliers where they are retained to perform part of a specific client project or service, and represents fees, commissions and mark-ups on rechargeable expenses and marketing products.

Contractual arrangements are reviewed to ascertain whether the Group acts as principal or agent with regards to third party costs. If the relationship is that of agent then the recharge of third party costs is not recognised through revenue or cost of sales.

Revenue and operating income are stated exclusive of VAT, sales taxes and trade discounts.

Long-term contracts

Where the outcome of a long-term contract for services or goods can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date.

The stage of completion is determined through an assessment of the proportion of services that have been delivered compared to the total services required to complete the contract, except where this would not be representative of the stage of completion.

2. Significant accounting policies (continued)

Revenue recognition (continued)

Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred, unless they relate to commission based fees where the fees are not recognised at the time the costs are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the leases or, if lower, the present value of minimum lease payments. The excess of the lease payments over the recorded lease obligations is treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation.

Rental costs under operating leases are charged to the income statement in equal annual amounts over the periods of the leases.

Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Foreign currencies

Transactions in UK companies denominated in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Gains and losses arising on retranslation are included in net profit or loss for the period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

On consolidation, the assets and liabilities of the Group's overseas operations are translated at the exchange rates prevailing on the balance sheet date. Income and expenses are translated at the average exchange rates for the period unless exchange rates fluctuate significantly. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation reserve differences are recognised as income or as expenses in the period in which the operation is disposed of.

2. Significant accounting policies (continued)

Foreign currencies (continued)

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as investments in equity securities classified as available for sale, are included in the fair value reserve in equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Finance costs

Finance costs, which include interest and bank charges, are recognised in the income statement in the period in which they are incurred.

Operating profit

Operating profit is stated before the share of results of associates, investment income and finance costs.

Retirement benefit costs

The pension cost is the amount of contributions payable by the Group to the defined contribution pension scheme and to personal pension schemes of certain employees during the accounting period. These are charged as an expense as they fall due.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

2. Significant accounting policies (continued)

Taxation (continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Other intangible assets

Other intangible assets comprise acquired customer relationships and contracts, trade names and computer software. Customer relationships, contracts and corporate trade names acquired as part of acquisitions of business are capitalised separately from goodwill as an intangible if their value can be measured reliably on initial recognition and it is probable that the expected future economic benefit that are attributable to the asset will flow to the Group. Computer software is capitalised based on the cost incurred to acquire and bring to use the specific software. Intangible assets are stated at cost net of amortisation and any provision for impairment. The costs are amortised over their estimated useful lives using the following rates:

Computer software	4 years
Customer contracts and relationships	5 to 10 years
Trade names	14 to15 years

Property, plant and equipment

Property, plant and equipment are stated at cost net of depreciation and any provision for impairment. Depreciation is provided in equal instalments to write off the cost less residual value over the estimated useful economic lives of asset type as follows:

Short-term leasehold improvements	5 years
Motor vehicles	6 years
Fixtures, fittings and equipment	4 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Impairment of property, plant and equipment and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

2. Significant accounting policies (continued)

Impairment of property, plant and equipment and intangible assets excluding goodwill (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is immediately recognised as an expense in the income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years.

Work in progress

Work in progress is stated at the lower of invoiced cost and net realisable value, net of payments received on account. Cost represents work supplied from outside the Group awaiting billing to clients at the year-end and directly attributable overhead costs.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that the Group will be required to settle that obligation, and are discounted to present value where the effect is material.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash comprises cash, overdrafts (where the Group has formal right of set off) and cash held on short-term deposit (up to three months).

Trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Investments

Investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under contract whose terms require the delivery of the investment within the timeframe established by the market concerned, and are initially measured at cost, including transaction costs.

Investments are classified either as available for sale, and are measured at subsequent reporting dates at fair value, or at amortised cost, where no fair value is readily determinable. Gains and losses on available for sale financial assets arising from changes in fair value are recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period.

Bank borrowings

Interest bearing bank loans and overdrafts are recorded at the fair value of proceeds received, net of direct issue costs.

Trade payables

Trade payables are not interest-bearing and are stated at their nominal value.

2. Significant accounting policies (continued)

Equity instruments

Equity instruments issued by the Company are recorded at the fair value of proceeds received, net of direct issue costs.

Standards and interpretations

No new standards or amendments to standards had any impact on the Group's financial position and performance nor the disclosures in these financial statements

New and revised IFRSs in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRSs that have been issued but are not yet effective and in some cases had not yet been adopted by the EU:

IFRS 9	*Financial Instruments*
IFRS 15	*Revenue from Contracts with Customers*
IFRS 16	*Leases*
IAS 16 and IAS 38 (amendments)	*Clarification of Acceptable Methods of Depreciation and Amortisation*
IAS 16 and IAS 41 (amendments)	*Agriculture: Bearer Plants*
IAS 19 (amendments)	*Defined Benefit Plans: Employee Contributions*
IAS 27 (amendments)	*Equity Method in Separate Financial Statements*
IFRS 10 and IAS 28 (amendments)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
Annual Improvements to IFRSs: 2012-2014 Cycle	*Amendments to: IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, IFRS 7 Financial Instruments: Disclosures, IAS 19 Employee Benefits and IAS 34 Interim Financial Reporting.*

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the company in future periods, except that IFRS 9 will impact both the measurement and disclosures of financial instruments and IFRS 15 may have an impact on revenue recognition and related disclosures, and IFRS 16 may have an impact on recognition, measurement and presentation of leases. Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of IFRS 9, IFRS 15 and IFRS 16 until a detailed review has been completed.

3. Analysis of Revenue

	2015 £'000
Revenue by geographical segment	
United Kingdom	57,139
Europe & Africa	13,944
Middle East	4,921
USA	2,702
South America	3,472
Rest of the World	7,640
	89,818

100% of revenue is classed as 'Income from rendering of services'.

4. Loss for the period

Operating loss has been arrived at after charging:

	2015 £'000
Depreciation of owned Property, plant and equipment	633
Amortisation of other intangible assets - Computer software	56
Amortisation of other intangible assets - Trade names	304
Amortisation of other intangible assets - Customer relationships	2,680
Rentals under operating leases	1,008
Impairment loss on trade receivables	224
Loss on disposal of property, plant & equipment	8
Staff costs (see note 6)	26,829
Net foreign exchange losses	183

5. An analysis of auditor's remuneration is provided below:

	2015 £'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	132
Fees payable to the Company's auditor and their associates for other services	
- the audit of the Company's subsidiaries pursuant to legislation	343
Total audit fees	**475**
Taxation compliance services	37
Other taxation advisory services	41
Other services	5
Total non-audit fees	**83**
	558

6. Staff costs

The average monthly number of employees for the period (including executive directors) was 2,109.

	2015
	£'000
Wages and salaries	22,334
Social security costs	1,791
Pensions costs	589
Deemed remuneration	2,115
	26,829

The Group operates a defined contribution pension scheme for the benefit of the majority of employees. This is an independently administered fund, the assets of which are held separately from those of the Company. As at 31 December 2015, contributions of £244,000 due in respect of the current reporting period had not been paid over to the schemes.

6b. Directors' remuneration

	2015
	£'000
Wages and salaries	261
Pension costs	38
	299

The highest paid director received emoluments of £113,000, and pension contributions of £22,000 for the period.

7. Investment income

	2015
	£'000
Interest on bank deposits	30
Other interest receivable	5
	35

8. Finance costs

	2015
	£'000
Interest on bank overdrafts and loans	(2,473)
Other interest payable	(26)
	(2,499)
Finance cost of deferred consideration	(77)
Finance cost of deemed remuneration	(60)
	(2,636)

9. Tax

	2015 £'000
Current tax:	
UK corporation tax at 20%	1,283
Foreign tax	(288)
	995
Deferred tax:	
Current year origination and reversal of temporary differences	(674)
Tax charge for the year	**321**

UK Corporation tax is calculated at 20% of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The charge for the year can be reconciled to the profit per the income statement as follows:

	2015 £'000	2015 %
Profit before tax	(5,627)	
Tax at the UK corporation tax rate of 20%	(1,125)	20.0%
Tax effect of expenses that are not deductible in determining taxable profits	1,012	-18.0%
Remuneration expense on business combinations	650	-11.6%
Investment impairments	14	-0.3%
Tax effect of the increase in tax losses not recognised	72	-1.3%
Effect of difference tax rates of subsidiaries operating in other jurisdictions	(302)	5.4%
Tax expense and effective tax rate for the year	**321**	**-5.7%**

10. Deferred tax

	2015 £'000
Deferred tax asset movement	
At 24 July 2015	-
On acquisition of subsidiaries	(13,051)
Charge to the profit and loss account	674
At 31 December 2015	**(12,377)**
Analysis of deferred tax asset	
Capital allowances in excess of depreciation	909
Short term temporary differences	880
Losses	392
Intangibles	(14,558)
	(12,377)

Deferred tax assets of £4.3 million overseas have not been recognised in deferred taxation due to insufficient certainty that there will be appropriate profits available in the future to utilise them.

10. Deferred tax (continued)

In the UK, the main rate of UK corporation tax is 20% with effect from 1 April 2015. This gives an effective rate for the current period of 20%. The Finance (No 2) Act 2015, included legislation to reduce the main rate of corporation tax in the UK from 20% to 19% with effect from 1 April 2017, and to 18% with effect from 1 April 2020. As these changes were substantively enacted during 2015, they are reflected in the tax charge for the year. The impact of this change on net deferred tax liabilities at 31 December 2015, profit for the year (underlying and statutory) and comprehensive income for the year was not significant. Deferred tax has been provided at the rate prevailing when the timing differences are expected to reverse.

	Accelerated tax depreciation	Losses	Short term timing differences	Intangibles	Total 2015
	£'000	£'000	£'000	£'000	£'000
Balance at 24 July 2015	-	-	-	-	-
Acquisitions	907	363	724	(15,045)	**(13,051)**
Charge to profit and loss account	2	29	156	487	**674**
Balance at 31 December 2015	**909**	**392**	**880**	**(14,558)**	**(12,377)**

No deferred tax liability is recognised on temporary differences of £774,000 relating to the unremitted earnings of overseas subsidiaries as the Group is able to control the timing of the reversal of these temporary differences and it is probable that they will not reverse in the foreseeable future. The temporary differences at 31 December 2015 represent only the unremitted earnings of those overseas subsidiaries where remittance to the UK of those earnings may result in a tax liability, principally as a result of dividend withholding taxes levied by the overseas jurisdictions in which these subsidiaries operate.

11. Goodwill

	2015 £'000
Carrying amount at 24 July 2015	-
On acquisition of subsidiaries	372,148
At 31 December 2015	**372,148**

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. See note 12 for details of the acquisitions on which the goodwill has been recognised.

The carrying value of goodwill at the reporting date for the significant CGUs is as follows:

	2015 £'000
Sport and Entertainment	153,797
VCCP	102,856
OPEN Health	54,102

Significant CGUs are those whose carrying value of goodwill exceeds 10% of the total goodwill balance.

11. Goodwill (continued)

Following the acquisition of Chime Communications plc and its subsidiaries the Group appointed Smith & Williamson LLP to carry out an exercise to value the intangible assets acquired on acquisition. This report was prepared in February 2016. The report is based on forecasts prepared by the acquirer.

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding discount rates and growth rates during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and has taken into consideration the risks specific to each CGU.

The Group prepared cash flow forecasts based on the 2015 budgets and the five year plan approved by the Directors. The budgets and the five year plan were prepared by local management taking into account revenues from existing clients and the resources required to service the clients. They also used their industry knowledge with regards to the marketplace and pricing when formulating the budget.

After the initial five year forecast period, a long term growth rate of 2.5% has been applied to the cash flow forecasts into perpetuity. This rate does not exceed the long-term growth rate for the relevant markets, and is applicable to all of the CGUs.

The pre-tax rate used to discount the forecast cash flows were as follows: Sport and Entertainment 13.13%, VCCP 12.5%, Chime Specialist Group and Insight and Engagement 11.88% and OPEN Health 11.25%.

The Group has conducted a sensitivity analysis on the impairment test of each CGU's carrying value. No impairment would be recognised if discount rates were increased by 1% and profit before tax reduced by 16.5% in each period.

12. Acquisition of subsidiaries

In 2015, the Group made 2 acquisitions.

Chime Communications plc

On 16 October 2015, Chime Communications plc ("Chime") was acquired by Chime Finance Limited ("Bidco") (previously named Bell Bidder Limited), a wholly-owned subsidiary of Chime Group Holdings Limited (72.25% owned by PM VII S.a.r.l, and 27.75% owned by WPP plc), by means of the scheme of arrangement that was circulated to Chime's shareholders on 21 August 2015, approved by meeting convened by the Court on 14 September 2015, and sanctioned by the Court at a hearing on 6 October 2015 (the "Scheme").

In consideration for Bidco acquiring the Scheme Shares (being all Chime shares in issue at the Scheme Record Time but excluding any Chime Shares held by Bidco or WPP plc) Bidco paid to the account of each Scheme Shareholder 365 pence in cash for each Scheme Share.

Following the Scheme becoming effective in accordance with its terms, the listing of Chime Shares on the premium listing segment of the Official List and the trading of Chime Shares on the London Stock Exchange's Main Market were each cancelled with effect from 8.00 a.m. 19 October 2015. Chime was re-registered under the Companies Act 2006 as a private company under the name Chime Communications Limited on the same date.

12. Acquisition of subsidiaries (continued)

The fair value of the consideration and net assets acquired is as detailed below:

	Book value £'000	Adjustments £'000	Fair value £'000
Financial Assets			
Investments	8,242	-	**8,242**
Property, plant and equipment	9,250	-	**9,250**
Goodwill	221,792	(221,792)	-
Other intangibles	14,845	78,932	**93,777**
Current assets (less cash)	114,622	-	**114,622**
Deferred Tax	5,003	(17,673)	**(12,670)**
Cash and cash equivalents	14,724	-	**14,724**
Current liabilities	(213,974)	2,703	**(211,271)**
Non-controlling Interest share of net assets	-	(1,637)	**(1,637)**
Non-current liabilities	(9,812)	-	**(9,812)**
Total Identifiable assets	**164,692**	**(159,467)**	**5,225**
Goodwill			367,726
Total consideration			**372,951**

Satisfied by:	
Fair value of cash consideration	**372,951**
Net cash outflow arising on acquisition	
Cash consideration	372,951
Cash acquired	(14,724)
	358,227

The adjustment to Goodwill is to remove Goodwill recognised by Chime Communications plc at a Group level prior to acquisition.

The adjustment to other intangible assets is the valuation of intangibles (Trade names and Customer relationships) in Chime Communications plc at acquisition date.

The adjustment to deferred tax is the recognition of a deferred tax liability on the intangible assets and goodwill recognised on acquisition.

The adjustment to current liabilities is the recognition of corporation tax on pre-acquisition profits.

An adjustment is made for the Non-controlling interest share of Net assets.
Acquisition related costs amounting to £4.5 million have been expensed during the period and are included in operating expenses.

Chime Communications Limited (formerly Chime Communications plc) contributed revenue of £90 million and an operating profit of £3.1 million (after deemed remuneration charge of £2.1 million) to the results of the Group since acquisition. If the acquisition had been completed at the beginning of the period, management estimate that its contribution to Group revenue for the period would have been £247 million and its contribution to Group operating profit would have been £15 million.

12. Acquisition of subsidiaries (continued)

Adconnections Holdings Limited and Adconnections Limited

On 12 November 2015 the Group acquired 100% of Adconnections Holdings Limited (100% owner of Adconnections Limited), a company incorporated in the United Kingdom, for initial consideration of £2.7 million, all of which was paid in cash.
Additional consideration is payable contingent on the results of the business, capped at the maximum of £5.3 million (undiscounted). Deferred consideration of £57,000 has been provided for and expected to be paid in 2016. Deemed remuneration of £163,000 has been provided, which has been discounted for financing costs. The deemed remuneration is expected to be paid in 2018 and 2021.

The fair value of the consideration and net assets acquired are as detailed below.

	Book value £'000	Adjustment £'000	Fair value £'000
Financial assets			
Intangible assets	-	1,911	**1,911**
Property, plant and equipment	45		**45**
Deferred Tax	-	(366)	**(366)**
Current assets (less cash)	4,512	-	**4,512**
Cash and cash equivalents	5,635	-	**5,635**
Liabilities	(13,658)	207	**(13,451)**
Total Identifiable Assets	**(3,466)**	**1,752**	**(1,714)**
Goodwill			4,422
Total Consideration			**2,708**

Satisfied by	
Cash consideration	2,651
Deferred contingent consideration	57
	2,708

Net cash inflow arising on acquisition	
Cash consideration	(2,651)
Cash acquired	5,635
	2,984

The adjustment to intangible fixed assets is to recognise intangibles relating to customer contracts and relationships.
The adjustment to deferred tax relates to the new goodwill recognised on acquisition.

The adjustment to liabilities is to recognise corporation tax relating to pre-acquisition profits.
Acquisition related costs amounting to £269,000 have been expensed during the period and are included in operating expenses.

Adconnections contributed revenue of £5 million and an operating profit of £176,000 (after deemed remuneration charge of £163,000) to the results of the Group since acquisition. If the acquisition had been completed at the beginning of the period, management estimate that its contribution to Group revenue for the period would have been £14.7 million and its contribution to Group operating result would have been a profit of £562,000.

13. Other intangible assets

	Trade names £'000	Customer relationships £'000	Computer software £'000	Total £'000
Cost				
At 24 July 2015	-	-	-	-
On acquisition of subsidiaries (note 12)	21,846	73,109	1,513	**96,468**
Additions	-	-	74	**74**
Disposal	-	-	(14)	**(14)**
Exchange differences	-	-	1	**1**
At 31 December 2015	**21,846**	**73,109**	**1,574**	**96,529**
Accumulated amortisation				
At 24 July 2015	-	-	-	-
On acquisition of subsidiaries (note 12)	-	-	780	**780**
Charge for the year	304	2,680	56	**3,040**
Disposal	-	-	-	-
Exchange differences	-	-	-	-
At 31 December 2015	**304**	**2,680**	**836**	**3,820**
Net book value				
31 December 2015	**21,542**	**70,429**	**738**	**92,709**

14. Property, plant and equipment

	Short term leasehold improvements £'000	Motor vehicles £'000	Fixtures, fittings and computers £'000	Total £'000
Cost				
At 24 July 2015	-	-	-	-
Acquisition of subsidiaries	8,402	856	23,500	**32,758**
Disposal of subsidiaries	-	-	(21)	**(21)**
Additions	1,457	-	342	**1,799**
Disposals	(459)	-	(227)	**(686)**
Exchange differences	10	25	35	**70**
At 31 December 2015	**9,410**	**881**	**23,629**	**33,920**
Accumulated depreciation				
At 24 July 2015	-	-	-	-
Acquisition of subsidiaries	5,225	720	17,514	**23,459**
Disposal of subsidiaries	-	-	(3)	**(3)**
Charge for the year	126	15	492	**633**
Disposals	(456)	-	(222)	**(678)**
Exchange differences	5	24	29	**58**
At 31 December 2015	**4,900**	**759**	**17,810**	**23,469**
Net book value				
31 December 2015	**4,510**	**122**	**5,819**	**10,451**

14. Property, plant and equipment (continued)

The bank syndicate hold debentures over the assets of the company and the subsidiaries in respect of the bank loans (see note 22).

15. Subsidiaries and associates

Please see appendix 1 for a full list of subsidiaries and associates.

16. Ultimate controlling party and parent undertakings

The ultimate parent undertaking is PM VII S.a.r.l, (registered at 11 Avenue de le Gare, Luxembourg). Copies of its financial statements are available from the Luxembourg registry.

17. Investments in associates

	2015
	£'000
At 24 July 2015	-
On acquisition of subsidiaries	7,437
Profit for the period	72
Dividends received	(100)
At 31 December 2015	**7,409**

Aggregate amounts relating to associates:	**2015** **£'000**
Total assets	38,381
Total liabilities	(16,520)
Net assets	**21,861**
Revenue	8,372
Profit for the period	252
Group's share of associates' profit	72

A list of the investments in associates, including the name, country of incorporation and proportion of ownership interest is given in appendix 1. None of the associates are considered to be individually material.

18. Other Investments

	2015
	£'000
At 24 July 2015	-
On acquisition of subsidiaries	783
Decrease in value	(51)
At 31 December 2015	**732**

Additions to other investments consist of 1,684,750 TLA Worldwide shares acquired on the purchase of Chime Communications plc. The quoted market price at 31 December 2015 was £0.435. Since acquisition the fair value of the investment has decreased £51,000, and has been recognised in the Statement of Comprehensive Income.

19. Due from deferred consideration

	2015 £'000
At 24 July 2015	-
On acquisition of subsidiaries	20
Repayments	(5)
At 31 December 2015	**15**

Amounts shown are due from the disposals of Celerity Professional Services Limited being the deferred consideration due.. Management have assessed the credit risk associated with the balances and are satisfied that the balances are recoverable. £5,000 was received in the period towards the deferred consideration. Management believe the carrying value is a reasonable approximation of the value of the asset.

20. Trade and other receivables

	2015 £'000
Amounts receivable from provision of services	69,778
Other debtors	6,873
Prepayments and accrued income	34,966
	111,617

The ageing of the current trade receivables based on due date is as follows:

	2015 £'000
Not overdue	40,529
Overdue:	
Less than 30 days	13,578
Between 30 and 60 days	6,754
Between 60 and 90 days	4,548
Between 90 and 180 days	2,398
More than 180 days	2,706
	70,513
Provision for trade receivables	(735)
	69,778

The average credit period at period end was 64 days. The Group's trade receivables are stated after allowances of £735,000 for bad and doubtful debts. This allowance has been determined by considering specific doubtful balances, an analysis of which is as follows:

20. Trade and other receivables (continued)

Doubtful debt provision

Movement in the provision for trade receivables:

	2015
	£'000
At 24 July	-
On acquisition of subsidiaries	(803)
Amounts charged to operating expenses	(224)
Disposal of subsidiary	272
Trade receivables written off	6
Amounts recovered during the period	21
Foreign exchange	(7)
At 31 December	**(735)**

The provision for doubtful trade receivables relates to debts that are past due and impaired.
The Directors consider that the carrying amount of trade and other receivables approximates their fair value. Trade and other receivables are predominantly non-interest bearing. Concentrations of credit risk with respect to trade receivables are limited due to the Group's customer base being large, unrelated and largely billed in advance. Due to this, the Directors believe there is no further credit risk provision required in excess of the allowance for bad and doubtful debts.

21. Trade and other payables

	2015
	£'000
Trade creditors	47,269
Other taxation and social security	6,548
Accruals and deferred income	46,743
Other creditors	7,219
Loan notes	79
	107,858

The average credit period taken for trade purchases at period end is 40 days. The Directors consider that the carrying amount of trade payables approximates to their fair value. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

Outstanding Loan notes totalling £51,000 were acquired on the acquisition of Chime Communications plc. They are part of the initial and contingent consideration on the acquisition of HHCL Group Limited and VCCP Limited by Chime Communications plc. Further unsecured Loan notes are outstanding as part of the Icon Display Limited contingent consideration on the acquisition. Icon outstanding loan notes of £28,000 are redeemable at the option of the Noteholders on 90 days written notice after the repayment date. For the period ended 31 December 2015, this was nine months from the issue date of 1 April 2015.

22. Bank overdrafts and loans

	2015 £'000
Bank loans and overdrafts	217,644
The borrowings are repayable as follows:	
After five years	217,644
Bank loans	**217,644**

Cash deposits and bank loans are held at either variable rates of interest or at rates fixed for periods of no longer than three months.

The principal features of the Group's borrowings with a syndicate of banks* are as follows:

(ii) The Group has a committed facility (Facility A) of £50 million. The term of the facility is until 30 September 2021.

(iii) The Group has a committed facility (Facility B) of £153 million. The term of the facility is until 30 September 2022.

(iv) The Group has a committed facility (Capex Facility) of £26.8 million. The term of the facility is until 30 September 2021.

(v) The Group has a committed facility (RCF Facility) of £17 million. The term of the facility is until 30 September 2021. £3 million has been carved out for ancillary facilities which include a rolling overdraft facility of £2.5 million and a Bonds Guarantees facility of £500,000.

(vi) The committed facilities incurred interest at a margin of 4.25% above LIBOR (Facility A, Capex Facility and RCF) and 4.75% above LIBOR (Facility B). There is a ratchet clause applicable to margins as follows:

Leverage ratio	A, RCF, Capex Margin	B Margin
> 4.00:1	4.25%	4.75%
between 4.00:1 and 3.50:1	4.00%	4.50%
between 3.50:1 and 3.25:1	3.75%	4.25%
between 3.25:1 and 2.75:1	3.50%	4.25%
< 2.75:1	3.25%	4.25%

* Barclays, BNP, HSBC, ING, Mizuho, Natixis, RBC, RBS, Credit Ag.

(vii) A cross-guarantee exists between the majority of wholly-owned subsidiaries and the parent company. The bank syndicate hold debentures over the assets of the Company and the subsidiaries in respect of the bank loans.

(viii) The weighted average interest rate applied in the year is 5.192%.

At 31 December 2015 the Group had drawn down £217.6 million of the available borrowing facility £246.9 million leaving £29.3 million of undrawn committed borrowing facilities in respect of which all conditions precedent had been met. The Group had utilised £nil of the overdraft facility at period end.
The fair values of bank overdrafts and loans are determined by considering the maturity dates.

23. Deferred consideration

Contingent consideration relates to acquisitions made in the current period and also contingent consideration acquired in the acquisition of Chime Communications plc. The amounts payable are dependent on the future profits of the companies acquired. Further details of the deferred considerations arising from current year acquisitions are shown in note 29. Timing of payments of deferred consideration is set out in the relevant Sale and Purchase Agreements. At 31 December 2015 approximately £15.2 million of the deferred consideration is expected to be settled in cash before discounting. The number of shares to be issued in all instances is based on the market value prior to the issue of the shares. The Group retains the right to satisfy a higher proportion in cash.

	Deferred/ contingent consideration 2015 £'000
At 24 July 2015	-
On acquisition of subsidiaries	14,082
Adjustment to acquisitions	915
Discounting charge to the income statement	77
Foreign exchange	145
At 31 December 2015	**15,219**
Included in current liabilities	9,814
Included in non-current liabilities	5,405
	15,219

24. Deemed remuneration

Deemed remuneration relates to acquisitions made in the current period and also deemed remuneration acquired in the acquisition of Chime Communications plc. The amounts payable are dependent on the future profits of the companies acquired. Further details of the deemed remuneration arising from current year acquisitions are shown in note 29. Timing of payments of deferred consideration is set out in the relevant Sale and Purchase Agreements.

	Deemed remuneration 2015 £'000
At 24 July 2015	-
On acquisition of subsidiaries	11,988
Payments made	(65)
Deemed remuneration charge to the income statement	2,115
Discounting charge to the income statement	60
Foreign exchange	94
At 31 December 2015	**14,192**
Included in current liabilities	12,135
Included in non-current liabilities	2,057
	14,192

The cumulative deemed remuneration charge as at 31 December 2015 was £2.1 million.

25. Provisions

Vacant property

	Vacant property 2015 £'000
At 24 July 2015	-
On acquisition of subsidiaries	69
Increase in provision	185
At 31 December 2015	**254**
Included in current liabilities	254
Included in non-current liabilities	-
	254

The vacant property provision at 31 December 2015 relates to two buildings: one near Heathrow and one in Marlow. Provisions for property represent amounts set aside in respect of property leases which are onerous and the unavoidable costs of restoring leasehold properties to the condition specified in the lease at the end of the contractual term. The quantification of each of the provisions has been determined based on management's best estimate and is dependent on the Group's ability to exit the leases early or to sublet the properties. In general, property costs are expected to be incurred over periods for which individual properties remain vacant or, where occupied, to the termination of the leases in question. During the period the Group acquired provisions of £69,000, and made further provisions of £185,000. It is expected that this provision will be utilised over the period to 31 Dec 2016.

26. Share capital

	2015 Number	2015 Nominal value £'000
Ordinary £1 shares		
Called up, allotted and fully paid at 24 July 2015		
Issue of 72,659,707 shares at £1 each	72,659,707	72,660
Called up, allotted and fully paid at 31 December 2015	**72,659,707**	**72,660**

The Company has one class of ordinary shares which carry no right to fixed income.

100 shares with a premium of £100 were allotted on 24 July 2015 to PM VII S.à.r.l.

410,269 shares with a premium of £1.5 million were allotted on 24 July 2015 to PM VII S.à.r.l.

52,083,313 shares with a premium of £190.1 million were allotted on 24 July 2015 to PM VII S.à.r.l.

20,158,421 shares with a premium of £73.6 million were allotted on 24 July 2015 to WPP Beans Limited.

7,604 shares with a premium of £28,000 were allotted on 24 July 2015 to WPP Beans Limited.

27. Share premium and other reserves

Share premium

	2015 £'000
At 24 July 2015	-
Proceeds relating to issue of shares	192,548
At 31 December 2015	**192,548**

Share premium arises from capital raised in an issue of shares, net of costs, to the extent that exceeds the nominal value of the shares.

Translation reserve

The translation reserve relates to exchange differences arising on consolidation of overseas operations.

Accumulated Profit

	2015 £'000
Balance at 24 July 2015	-
Net loss for the period	(6,263)
Balance at 31 December 2015	**(6,263)**

28. Notes to the cash flow statement

	2015 £'000
Operating Loss	(3,098)
Adjustments for:	
Deemed remuneration	2,115
Changes to deferred consideration	915
Translation differences	915
Depreciation of property, plant and equipment	633
Amortisation of intangible assets	3,040
Loss on disposal of property, plant and equipment	8
Increase in provisions	185
Operating cash flows before movements in working capital	**4,713**
Increase in work in progress	2,166
Increase in receivables	(1,014)
Decrease in payables	(4,721)
Cash generated from operations	**1,144**
Income taxes paid	(580)
Interest paid	(387)
Net cash from operating activities	**177**

29. Contingent liabilities and commitments

Deferred and contingent consideration

In addition to the potential deferred and contingent consideration provided as disclosed in note 23 of £15.2 million at 31 December 2015 there was a maximum financial commitment of £23.2 million undiscounted in respect of unprovided deferred contingent consideration payable in respect of acquisitions of subsidiary undertakings. The calculation of the deferred consideration liability requires estimates to be made regarding the forecast future performance of these businesses for the earnout period. The unprovided deferred contingent consideration would become payable over periods from 2016 to 2018 and would be payable in cash/loan notes.

Deemed remuneration

In addition to the deemed remuneration provision as disclosed in note 24 of £14.2 million currently provided at 31 December 2015, £8.2 million will be expensed over the period of the service based on the current fair value. In addition an amount of £40.2 million (undiscounted) would be charged under the earn-out agreements should maximum performance targets be met. The calculation of the deemed remuneration liability requires estimates to be made regarding the forecast future performance of these businesses for the period of service. The unprovided deemed remuneration would become payable over periods from 2016 to 2019 and would be payable in cash/loan notes.

30. Operating lease arrangements

The Group as lessee

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2015 **£'000**
Within one year	7,981
Between one and five years	25,856
Greater than five years	12,087
	45,924

Operating lease payments represent rentals payable by the Group primarily for its office properties. Leases are negotiated for an average term of 13 years and rentals are fixed for an average of 5 years at the prevailing market rate.

The Group as lessor

At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments:

	2015 **£'000**
Within one year	280
Between one and two years	70
	350

31. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note (details of subsidiaries are included in appendix 1). Transactions between the Group and its associates are disclosed below.

Trading transactions

During the year, Group companies entered into the following transactions with related parties who are not members of the Group.

	2015			
	Sale of services £'000	Purchase of services £'000	Amounts owed by related parties £'000	Amounts owed to related parties £'000
Associates				
Bell Pottinger Private Limited	34	259	177	259
The Brand Marketing Team Limited	-	-	-	2
Naked Eye Research Limited	65	-	1	-
Rare Corporate Design Limited	-	-	2	-
The Agency of Someone Limited	5	-	5	34
Shareholders				
PM VII S.a.r.l	-	36	-	36
WPP plc	-	5	-	3

Sales of goods to related parties were made on an arm's length basis and in the normal course of business. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.
Remuneration of key management personnel

The key management personnel of the Group comprise the Board members and the Executive Directors. The Board members received no remuneration during the period. The remuneration of the Executive Directors is set out in note 6b, for each of the categories specified in IAS24 Related Party Disclosures.

Under the terms of the acquisition agreement of Complete Leisure Group Ltd (dated January 2014) deferred consideration capped at £5.7million is payable to Lord Coe (Director of Chime Group Holdings Limited) over the period to March 2017 on the achievement of financial targets.

32. Financial Instruments

The Group's principal financial instruments comprise bank loans, bank overdrafts and cash. The main purpose of the financial instruments is to provide finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from operations. During the period the Group has financed its business through a revolving credit facility and long term loan facilities arranged with a syndicate of banks.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The policy for managing these risks is reviewed and agreed with the Board.

32. Financial Instruments (continued)

Interest rate risk

The Group holds variable rate financial debt. Fixed interest rates are for periods of up to three months at a time. The interest rate margins paid by the Group on financial debt are disclosed in note 22. The Group assesses its borrowing requirements by monitoring short and medium term cash flow forecasts and interest rate risks are assessed through sensitivity analysis.

If interest rates had been 1% higher/lower during the year the impact to profit before tax would have been an increase/decrease of £448,000. The impact on shareholders' equity would have been a decrease/increase of £448,000.

Liquidity risk:

In October 2015 the Group agreed a new committed facility of £246.9 million with a syndicate of banks. £93.9 million matures in September 2021 and £153 million matures in September 2022. The Group manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows. At 31 December 2015 the Group had net borrowing of £186.7 million which is after deducting an amount drawn down against the facility of £217.6 million. The undrawn committed facility was therefore £29.3 million.

Externally imposed capital requirement:

Capital requirements will come into place 30 June 2016.

Foreign currency risk:

The Group has 30 overseas operations (branches and subsidiaries) which trade in Europe, the USA, the Far East, the Middle East, South America, Australasia and Africa. The sterling value of the net monetary assets held in the principal foreign currencies held by the Group are as follows:

	2015 £'000
Net monetary assets/liabilities	
US Dollars	(524)
Euros	347

The Group does on occasion agree to bill clients in a currency other than the local currency; it also makes some purchases overseas where the supplier bills in their local currency. The Group does not hedge the translation exposure on the fees due. The Group converts any fees received in foreign currency on receipt of funds. In some instances where it is viewed appropriate, the proceeds from the client are kept in currency so as to minimise the foreign exchange exposure on the transaction if there are third party costs to be paid out of the funds in that currency.

32. Financial Instruments (continued)

The following table demonstrates the sensitivity to reasonably possible changes in the US Dollar and Euro the exchange rates, with all other variables held constant, of the Group's equity:

	2015	
Strengthening/(weakening) of sterling	**10%** **£'000**	**-10%** **£'000**
US Dollars	1,287	(1,416)
Euros	76	(83)

Capital risk management:

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the Consolidated Statement of Changes in Equity.

Market price risk:

The Group's exposure to market price risk comprises interest rate risk and currency rate risk. The Group regularly monitors these exposures which, setting aside the interrelationships between such rates and their wider impact on the economy, are not considered to have a significant impact on the Group.

Fair values of financial assets and financial liabilities:

Fair value is the amount at which a financial instrument can be exchanged in an arm's length transaction between informed and willing parties, other than a forced or liquidation sale.
The following table provides a comparison of the book values and the fair value of the Group's financial liabilities and assets as at 31 December:

	2015	
	Book Value **£'000**	**Fair Value** **£'000**
Financial liabilities		
Bank loans	(217,644)	(217,644)
Trade and other payables	(107,858)	(107,858)
Deferred consideration - cash or shares	(15,219)	(15,219)
Deemed remuneration – cash or shares	(14,192)	(14,192)
	(354,913)	**(354,913)**
Financial assets		
Other investments	732	732
Cash and bank balances	30,905	30,905
Trade and other receivables	111,617	111,617
	143,254	**143,254**

Other investments represent equity securities acquired by the Group and are classified as Available for Sale. The fair values of the securities (£732,000) are derived from quoted market prices and thus are considered to be a Level 1 fair value measurement.

32. Financial Instruments (continued)

There were no transfers between fair value levels during 2015.

The table below summarises the maturity profile of the Group's financial liabilities as at 31 December 2015 and based on contractual undiscounted payments.

Maturity profile	**Within 1 year £'000**	**1-2 years £'000**	**2-3 years £'000**	**5+ years £'000**	**Total £'000**
2015					
Bank loans	-	-	-	(217,644)	**(217,644)**
Trade and other payables	(107,858)	-	-	-	**(107,858)**
Deferred consideration	(9,814)	(5,405)	-	-	**(15,219)**
Deemed Remuneration	(12,135)	(1,683)	(374)	-	**(14,192)**

Credit risk:

The Group considers its maximum exposure to credit risk to be as follows:

	2015 £'000
Trade receivables	69,778
Deferred consideration receivable	15

The Group trades only with recognised, creditworthy third parties. Customers who wish to trade on credit terms are generally subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts has not been significant.

Concentrations of credit risk with respect to trade receivables are limited due to the Group's customer base being large and unrelated.

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

32. Financial Instruments (continued)

Financial liabilities	Fair value 2015 £'000	Fair value hierarchy	Valuation technique	Significant unobservable input	Relationship of unobservable inputs to fair value
Contingent consideration in a business combination	23,224	Level 3	Discounted cash flow	Discount rate of 10.0 per cent.	The higher the discount rate, the lower the fair value

Details of the contingent consideration are provided in note 29. The fair value of the liability is the maximum financial commitment as set out in the terms of the acquisitions, rendering sensitivity analysis inapplicable.

33. Post Balance Sheet Events

On 22 February 2016, the Group acquired 60% of JHE Productions LLC a Delaware limited liability company (and the successor-in-interest to JHE Production Group, Inc., a North Carolina Corporation) for initial consideration of USD 1 million plus the refinancing by Buyer of the Permitted Closing Debt. Additional consideration is payable contingent on the results of the business, capped at the maximum of USD 6 million. The deferred consideration is expected to be paid in 2019 subject to the EBITDA for the fiscal years 2016, 2017 and 2018. JHE was acquired by Chime's CSM division.

On 14 April 2016, the Group acquired a further approximately 40% of the interests in Open Health Communications LLP for cash consideration of £10 million. Following this transaction, the Group holds approximately 91% of the voting interests in Open Health Communications LLP, with the remaining 9% split among various minority partners. Open Health Communications LLP is part of Chime's OPEN Health division.

On 12 May 2016 the Company issued 7,808,219 new shares at a price of 365p per share. Pre-emption rights expiring on 11 August 2016 for a further 684,263 shares exist in respect of PM VII S.a.r.l. The total number of shares in issue on 19 May 2016 is 80,467,926.

On 16 May 2016, the Group acquired 100% of Choice Healthcare Solutions Limited, a United Kingdom private limited company (Choice) for initial consideration of £2.1 million. Additional consideration is payable contingent on the results of the business, capped at a maximum of £1 million. The deferred consideration is expected to be paid in 2017 subject to the EBIT for the 2016 fiscal year. Choice was acquired by Chime's OPEN Health division.

On 17 May 2016, the Group acquired 100% of Muh-Tay-Zik Hof-Fer LLC, a California limited liability company (MTZHF) for initial consideration of USD 29.6 million. Additional consideration is payable contingent on the results of the business, capped at a cumulative maximum of USD 60.4 million. The deferred consideration is payable annually commencing in 2017 subject to the EBIT for the fiscal years 2016, 2017, 2018, 2019, and 2020, respectively. MTZHF was acquired by Chime's VCCP division.

Chime Group Holdings Ltd

Company Balance Sheet
Period ended 31 December 2015

	Notes	2015 £'000
Non-current assets		
Investment in Subsidiaries	2	264,840
		264,840
Current assets		
Intercompany Debtors	3	368
		368
Total assets		**265,208**
Equity		
Share capital	4	72,660
Share premium account	4	192,548
Total equity		**265,208**

The financial statements were approved by the board of Directors and authorised for issue on 19 May 2016. They were signed on its behalf by:

Mark Smith

Mark Smith
Director

Registered Company number: 09702342

Chime Group Holdings Ltd

Company Statement of Changes in Equity
Period ended 31 December 2015

	Share capital £'000	Share premium £'000	Total £'000
Balance at 24 July 2015	-	-	-
Issue of shares (Note 3)	72,660	192,548	265,208
Balance at 31 December 2015	**72,660**	**192,548**	**265,208**

1. Accounting policies

Basis of preparation

The separate financial statements of the Company are drawn up in accordance with S434 to S436 of the Companies Act 2006 and in accordance with FRS101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

As permitted by FRS101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

Accounting convention

The financial statements are prepared under the historical cost convention.

Investments

In the Company's accounts, investments in subsidiary undertakings are stated at cost less provision for any impairment in value.

Going concern

The financial statements have been prepared on the going concern basis, details of which can be found in the Director's report, pages 6-7.

In preparing forecasts the directors have taken into account the following key factors:

- The rate of growth of the UK and global economy on the Group's business during the economic recovery;
- Key client account renewals;
- Planned acquisitions and disposals;
- Anticipated payments under deferred and contingent consideration, and;
- The level of committed and variable costs

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facility and banking covenants.

The Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

More detail on the Group's cash position and facilities at 31 December 2015, as well as maturities of the financial liabilities, can be found in note 22 to the consolidated financial statements. The principal risks and uncertainties faced by the Group are included in the Directors' Report. Details of potential contingent liabilities and potential cash outflows in relation to these liabilities can be found in note 29.

1. Accounting policies (continued)

Profit of parent company

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these accounts. The parent company's profit for the financial year amounted to £ nil.

2. Investments

	Equity interest in subsidiaries
	2015
	£'000
Balance at 24 July 2015	-
Additions	264,840
Balance at 31 December 2015	**264,840**

3. Debtors

	2015
	£'000
Amounts owed by group undertakings	368
	368

Amounts owed by group undertakings are unsecured, repayable on demand and interest-free.

4. Statements of movements on share capital, share premium and reserves

	Share capital	Share premium account
	2015	
	£'000	**£'000**
Balance at 24 July 2015	-	-
Issue of 72,659,707 shares at £1 each	72,660	192,548
Balance at 31 December 2015	**72,660**	**192,548**

Details of share capital allotted during the year are disclosed in note 26 of the consolidated financial statements.

5. Subsidiaries, associates and joint ventures

The Company's trading subsidiaries and associated undertakings, which are all incorporated in Great Britain (except where noted) are listed in appendix 1 of the consolidated financial statements.

Appendix 1 Subsidiaries and Associates

The Group's subsidiaries and associated undertakings in 2015 are listed below:

Subsidiary undertaking		Nature of business	Proportion of shares held and/or voting rights	Country of registration or incorporation
14 Curzon Street 1 Limited	*	Holding company	100%	United Kingdom
1A Communications Services Limited		Dormant	100%	United Kingdom
1B Communications Limited		Dormant	100%	United Kingdom
A Good Listener Limited		Dormant	100%	United Kingdom
ABC Sports Management Limited	*	Athletes management	100%	United Kingdom
Acefieldwork Limited		Dormant	100%	United Kingdom
AdConnections Holdings Limited		Holding company	100%	United Kingdom
AdConnections Limited		Media buying	100%	United Kingdom
Athletes 1 Limited		Dormant	100%	United Kingdom
Athletes 1 Sports Limited		Dormant	100%	United Kingdom
Baxter Hulme PR and Marketing Limited		Dormant	100%	United Kingdom
Brand & Issues Limited		Dormant	100%	United Kingdom
Brand Democracy Limited		Dormant	100%	United Kingdom
Brass Tacks Publishing Group Limited		Dormant	100%	United Kingdom
Brass Tacks Publishing Portfolio Limited		Dormant	100%	United Kingdom
Bullnose Limited		Dormant	100%	United Kingdom
Cardwhite Limited		Dormant	100%	United Kingdom
Caucusworld Limited		Dormant	75%	United Kingdom
Centro Public Relations Limited		Dormant	100%	United Kingdom
Cherry Picked Research Limited		Dormant	100%	United Kingdom
Chime Atlantic Limited	*	Treasury	100%	United Kingdom
Chime Communications Limited		Head office activities	100%	United Kingdom
Chime Finance Limited	*	Head office activities	100%	United Kingdom
Chime Group Limited		Head office activities	100%	United Kingdom
Chime Holdco Limited	*	Head office activities	100%	United Kingdom
Chime Insight and Engagement Limited		Dormant	100%	United Kingdom
Chime Interactive Bureau Limited		Dormant	100%	United Kingdom
Chime Interactive Limited		Dormant	100%	United Kingdom
Chime Interactive LLC		Dormant	100%	USA
Chime Limited	*	Holding Company	100%	United Kingdom
Chime Midco Limited	*	Head office activities	100%	United Kingdom
Chime On Line Limited		Dormant	100%	United Kingdom
Chime Research and Engagement Group Limited		Dormant	100%	United Kingdom
Chime USA Inc		Holding company	100%	USA
Corporate Citizenship (Chile) SpA		Corporate & social responsibility consultancy	51%	Chile

Appendix 1 Subsidiaries and Associates

Subsidiary undertaking		Nature of business	Proportion of shares held and/or voting rights	Country of registration or incorporation
Corporate Citizenship Limited	*	Corporate & social responsibility consultancy	100%	United Kingdom
Corporate Citizenship Southeast Asia Pte Limited		Corporate & social responsibility consultancy	100%	Singapore
CSM Agency Limited		Dormant	100%	United Kingdom
CSM Catering - Gestao de Servicos de Catering em Eventos Ltda (previously Convivas Brasil)		Sports marketing consultancy	86%	Brazil
CSM Division Limited		Dormant	100%	United Kingdom
CSM Do Brasil Marketing Esportiva Ltda		Holding company	100%	Brazil
CSM Eurasia Sport and Entertainment BV		Dormant	100%	Netherlands
CSM Events Limited		Dormant	100%	United Kingdom
CSM iLUKA Brasil Organizacao De Eventos Ltd		Sports marketing consultancy	100%	Brazil
CSM Netherlands BV		Holding company	100%	Netherlands
CSM North America USA LLC		Holding company	100%	USA
CSM Perimeter Signage Limited		Dormant	100%	United Kingdom
CSM Projetos Organizacao de Eventos SPE Ltda (FIFA SPV)		Sports marketing consultancy	89%	Brazil
CSM Scotland Limited		Dormant	100%	United Kingdom
CSM Soccer Inc		Sports marketing and sponsorship	80%	Delaware, USA
CSM Sport and Entertainment Australia Pty Ltd		Athletes management and sports marketing	100%	Australia
CSM Sport and Entertainment Espana S.L.		Sports marketing consultancy	81%	Spain
CSM Sport and Entertainment Events Limited		Dormant	100%	United Kingdom
CSM Sport and Entertainment Holdings Limited	*	Holding Company	100%	United Kingdom
CSM Sport and Entertainment International Limited	*	Holding Company	100%	United Kingdom
CSM Sport and Entertainment LLC		Sports marketing consultancy	100%	Qatar Financial Centre
CSM Sport and Entertainment New Zealand Limited		Athletes management and sports consultancy	51%	New Zealand
CSM Sport and Entertainment South Africa (Pty) Limited		Athletes management and sports marketing	100%	South Africa
CSM Sports and Entertainment (Singapore) Pte Limited		Sports marketing consultancy	100%	Singapore
CSM Sports and Entertainment France Limited	*	Athletes management and sports consultancy	85%	United Kingdom
CSM Sports and Entertainment LLC		Sports marketing consultancy	100%	Oman
CSM Strategic Limited		Dormant	100%	United Kingdom
De Facto Communications GmbH		Dormant	100%	Germany
Deutsche Chime GmbH		Holding company	100%	Germany
Digital Experiences Limited		Dormant	100%	United Kingdom
Digital Strategy Limited		Dormant	100%	United Kingdom
Earth Works Digital Limited		Digital healthcare initiatives	51%	United Kingdom
Essentially Athlete Management Limited		Dormant	100%	United Kingdom

Appendix 1 Subsidiaries and Associates

Subsidiary undertaking		Nature of business	Proportion of shares held and/or voting rights	Country of registration or incorporation
Essentially Group Limited		Dormant	100%	Jersey
Essentially Sports Marketing Limited		Dormant	100%	United Kingdom
Ex Nihilo Limited		Dormant	100%	United Kingdom
Executive Drive Events LLC		Sports marketing and sponsorship	100%	Delaware, USA
Exhibit - ICON SAS		Dormant	80%	France
Facts International Limited	*	Research	100%	United Kingdom
Fast Track Agency Limited		Sports marketing consultancy	100%	United Kingdom
Fast Track Agency Scotland Limited		Sports marketing consultancy	100%	United Kingdom
Fast Track Hong Kong Limited		Sports marketing consultancy	100%	Hong Kong
Fast Track Middle East FZ LLC		Sports marketing consultancy	100%	Abu Dhabi
Fast Track Sailing Limited		Dormant	100%	United Kingdom
FIL Market Research Limited	*	Research	100%	United Kingdom
First Financial Advertising Limited		Dormant	100%	United Kingdom
First Financial Public Relations Limited		Dormant	100%	United Kingdom
FITBA Limited		Dormant	100%	United Kingdom
Full Access Limited		Dormant	100%	United Kingdom
Gasoline Limited		Dormant	100%	United Kingdom
Girardot Partners Limited		Dormant	100%	United Kingdom
Global Environment Forum Limited		Dormant	100%	United Kingdom
Golden Goal Sports Ventures Gestao Esportiva Ltda		Sports marketing consultancy	60%	Brazil
Good Broadcast Limited		Dormant	100%	United Kingdom
Good Relations (Wales) Limited		Dormant	100%	United Kingdom
Good Relations Consultants Limited		Dormant	100%	United Kingdom
Good Relations Group Limited		Dormant	100%	United Kingdom
Good Relations Group USA Inc		Public relations	100%	United Kingdom
Good Relations Group USA LLC		Dormant	100%	USA
Good Relations Healthcare Limited		Dormant	100%	United Kingdom
Good Relations International Limited		Dormant	100%	United Kingdom
Good Relations Life Limited		Dormant	100%	United Kingdom
Good Relations Limited	*	Public relations	100%	United Kingdom
Good Relations North Limited		Dormant	100%	United Kingdom
Good Relations Online Strategy Limited		Dormant	100%	United Kingdom
Good Relations Property Limited (previously TTA Public Relations Limited)	*	Property marketing	100%	United Kingdom
Good Relations Scotland Limited		Dormant	100%	United Kingdom
Good Relations Studio Limited		Dormant	100%	United Kingdom
GR-1 Limited		Dormant	100%	United Kingdom
Graphiti Limited		Dormant	100%	United Kingdom
Gulliford Consulting Limited		Dormant	100%	United Kingdom

Appendix 1 Subsidiaries and Associates

Subsidiary undertaking		Nature of business	Proportion of shares held and/or voting rights	Country of registration or incorporation
Harvard – Good Relations Group GmbH		Public relations	100%	Germany
Harvard Consult Limited		Dormant	100%	United Kingdom
Harvard Interactive Limited		Dormant	100%	United Kingdom
Harvard Marketing Services Limited		Dormant	100%	United Kingdom
Harvard Public Relations Inc		Dormant	100%	USA
Harvard Public Relations Limited	*	Public relations	100%	United Kingdom
Harvey Walsh Limited		Healthcare data analytics	51%	United Kingdom
Hayhurst Conington Cripps Limited		Dormant	100%	United Kingdom
HCC De Facto Financial Limited		Dormant	100%	United Kingdom
HCC De Facto Trustees Limited		Dormant	100%	United Kingdom
Heresy IMS Group Limited	*	Holding Company	100%	United Kingdom
HHCL Group Limited		Dormant	100%	United Kingdom
Hooper Galton Limited		Dormant	100%	United Kingdom
ICON Beta Limited		Sports marketing consultancy	100%	United Kingdom
ICON Display Limited		Dormant	100%	United Kingdom
ICON Display Limited		Dormant	100%	BVI
ICON LLC		Sports marketing consultancy	100%	Russia
ICON Marketing em Display Ltda		Sports marketing consultancy	91%	Brazil
Icon Middle East LLC		Sports marketing consultancy	100%	Qatar
Icon Prolab Events Organising LLC		Sports marketing consultancy	50%	Abu Dhabi
iLUKA Limited		Dormant	100%	United Kingdom
iLUKA LLC		Sports marketing and sponsorship consultancy	100%	Russia
In Real Life Limited		Dormant	100%	United Kingdom
Insight Marketing & Communications Limited	*	Public relations	100%	United Kingdom
Insight Public Relations Limited	*	Public relations	100%	United Kingdom
International Financial Services Consulting Limited		Dormant	100%	United Kingdom
JMI Motorsport Limited	*	Sports marketing and sponsorship	100%	United Kingdom
Just Marketing Inc		Sports marketing and sponsorship	100%	Delaware, USA
Just Marketing International Limited	*	Sports marketing and sponsorship	100%	United Kingdom
Landmark Consultants Limited		Dormant	100%	United Kingdom
LEC Communications Limited		Dormant	51%	United Kingdom
Lighthouse Communications Limited		Dormant	100%	United Kingdom
Maidstone Road Holdings Limited		Dormant	100%	United Kingdom
Marketing Activity Limited		Dormant	100%	United Kingdom
MC2013 Limited		Dormant	100%	United Kingdom
My New Home Limited		Dormant	100%	United Kingdom
OHC London Holdings Limited		Holding company	51%	United Kingdom

Appendix 1 Subsidiaries and Associates

Subsidiary undertaking		Nature of business	Proportion of shares held and/or voting rights	Country of registration or incorporation
OHC US Holdings Limited		Dormant	51%	United Kingdom
OPEN LEC Limited		Dormant	51%	United Kingdom
Open VP Holdings Limited	*	Holding company	51%	United Kingdom
Opinion Leader Research Limited	*	Market research	100%	United Kingdom
Ozone Marketing Communications Limited		Dormant	100%	United Kingdom
Pelham Bell Pottinger (Trustees) Limited		Dormant	100%	United Kingdom
Pelham Public Relations Limited		Dormant	100%	United Kingdom
Pencilglass Limited		Dormant	100%	United Kingdom
People Marketing Sport and Entertainment (Shanghai) Co Ltd		Sports marketing consultancy	100%	China
People Marketing Sport and Entertainment Hong Kong Limited		Holding company	100%	Hong Kong
People Marketing UK Limited		Dormant	100%	United Kingdom
PH Associates Limited		Healthcare communications	51%	United Kingdom
PMPLegacy Limited		Dormant	100%	United Kingdom
Property & Business Services Limited		Dormant	100%	United Kingdom
Property and Office Services Limited		Dormant	100%	United Kingdom
Pure Digital Media Limited		Dormant	100%	United Kingdom
Pure Media Group Limited	*	Media buying	100%	United Kingdom
Pure Search Marketing Limited		Dormant	100%	United Kingdom
Reynolds Mackenzie Limited		Healthcare communications	51%	United Kingdom
Roose and Partners Advertising Limited		Dormant	100%	United Kingdom
Roose Holdings Limited		Dormant	100%	United Kingdom
Roose Trustees (UK) Limited		Dormant	100%	United Kingdom
Rough Hill Limited		Youth marketing and experiential	67%	United Kingdom
Russell Partnership Limited		Dormant	100%	United Kingdom
Sebastian Coe Limited		Dormant	100%	United Kingdom
Shieldmirror Limited		Dormant	100%	United Kingdom
SJX Partners Inc		Sports marketing consultancy	100%	Delaware, USA
Snap London Limited (formerly Big Eyes Communications Limited)	*	Advertising and marketing	100%	United Kingdom
SPS Etech Limited	*	Sports marketing	100%	United Kingdom
Stuart Higgins Limited		Dormant	100%	United Kingdom
Succinct Communications Limited		Healthcare educations	51%	United Kingdom
Teamspirit Brand Limited		Dormant	100%	United Kingdom
Teamspirit Corporate and Business Limited		Financial services advertising and marketing	53%	United Kingdom
Teamspirit Limited	*	Financial services advertising and marketing	100%	United Kingdom

Appendix 1 Subsidiaries and Associates

Subsidiary undertaking		Nature of business	Proportion of shares held and/or voting rights	Country of registration or incorporation
Tempo Graphic Design Limited		Dormant	100%	United Kingdom
The Blaze Agency Pty Limited		Athletes management	100%	Australia
The Complete Leisure Group Limited		Sports marketing consultancy	99%	United Kingdom
The Corporate Citizenship Inc		Corporate & social responsibility	100%	New York, USA
The HHCL Brasserie Limited		Dormant	100%	United Kingdom
The Quentin Bell Organisation Limited		Dormant	100%	United Kingdom
The Smart Company.net Limited		Dormant	100%	United Kingdom
Torphines Limited		Dormant	100%	United Kingdom
Tree (London) Limited		Dormant	100%	United Kingdom
TTA Group Limited		Dormant	100%	United Kingdom
TTA Property Limited		Dormant	100%	United Kingdom
TTA Public Relations Limited		Dormant	100%	United Kingdom
VCCP Blue Limited		Dormant	100%	United Kingdom
VCCP Bratislava		Dormant	100%	Slovakia
VCCP GmbH		Advertising and marketing	100%	Germany
VCCP Health Limited		Advertising and marketing	85%	United Kingdom
VCCP Holdings Limited	*	Holding company	100%	United Kingdom
VCCP Kin Limited		Advertising and marketing	90%	United Kingdom
VCCP Limited		Dormant	100%	United Kingdom
VCCP Me Limited		Dormant	100%	United Kingdom
VCCP Overseas Limited	*	Holding Company	100%	United Kingdom
VCCP Pty Ltd		Advertising and marketing	100%	Australia
VCCP s.r.o.		Advertising and marketing	100%	Czech Republic
VCCP Search Limited		Dormant	100%	United Kingdom
VCCP Spain SL		Advertising and marketing	100%	Spain
WARL Group Limited		Advertising and marketing	100%	United Kingdom
WARL Internal Communications Limited		Dormant	100%	United Kingdom
Watermelon Research Limited		Digital Research	90%	United Kingdom
Wilson Bridges & Trace Limited		Dormant	100%	United Kingdom

+ Direct subsidiary/associate of Chime Group Holdings Limited

* This company has taken advantage of the S479a exemption from audit

Appendix 1 Subsidiaries and Associates

Limited Liability Partnerships	Nature of business	Proportion of shares held and/or voting rights	Country of registration or incorporation
CSM Sport and Entertainment LLP	Sports marketing consultancy	100%	United Kingdom
Open Healthcare Communications LLP	Healthcare communications	51%	United Kingdom
Sportseen LLP	Sports marketing and media sales	51%	United Kingdom
VCCP Group LLP	Advertising and marketing	100%	United Kingdom
Associates			
Bell Pottinger Private Limited	Public relations	25%	United Kingdom
ICON Display South Africa Pty Ltd	Sports marketing consultancy	30%	South Africa
Naked Eye Research Limited	Research	26%	United Kingdom
StratAgile Limited	Data analytics	40%	Singapore
The Agency of Someone Limited	Branding and design	40%	United Kingdom
The Brand Marketing Team Limited	Consumer marketing	40%	United Kingdom
X & Y Communications Limited	Public relations	29%	United Kingdom