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Scholz & Friends London Limited

Annual Report
For the year ended 31 December 2014

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Scholz & Friends London Limited

Company Information

Directors	C J K Tiedemann C V D Welle (Appointed 25 February 2015) C Sweetland (Appointed 10 April 2015)
Secretary	WPP Group (Nominees) Limited
Company number	03398022
Registered office	27 Farm Street London W1J 5RJ
Auditors	Kingston Smith LLP 141 Wardour Street London W1F 0UT

SCHOLZ & FRIENDS LONDON LIMITED

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Scholz & Friends London Limited

Strategic Report

For the year ended 31 December 2014

The directors present the strategic report and financial statements for the year ended 31 December 2014.

Review of the business

During the year the company continued to manage the lease on its former trading premises.

The lease expired in January 2015, and it is the company's intention to close the company during 2015.

By order of the board



WPP Group (Nominees) Limited

Secretary

14/09/15

Scholz & Friends London Limited

Directors' Report

For the year ended 31 December 2014

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

Principal activities

The principal activity of the company continued to be that of management of its former trading premises. The company ceased trading January 2015.

Results and dividends

The results for the year are set out on page 6.

Going Concern

In accordance with their responsibilities, the Directors have considered the appropriateness of the going concern basis for the preparation of the Financial Statements. The lease on their former trading premises expired in January 2015, and the business ceased to trade at the same time. Therefore the Directors have determined that the Financial Statements should be prepared on a break up basis.

Directors

The following directors have held office since 1 January 2014:

C J K Tiedemann

H E Page

(Resigned 25 February 2015)

C V D Welle

(Appointed 25 February 2015)

C Sweetland

(Appointed 10 April 2015)

Auditors

The auditors, Kingston Smith LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Scholz & Friends London Limited

Directors' Report (Continued)

For the year ended 31 December 2014

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the board



WPP Group (Nominees) Limited

Secretary

14/09/15

Scholz & Friends London Limited

Independent Auditors' Report

To the Members of Scholz & Friends London Limited

We have audited the financial statements of Scholz & Friends London Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

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 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 company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Scholz & Friends London Limited

Independent Auditors' Report (Continued)

To the Members of Scholz & Friends London Limited

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Kingston Smith LLP

Ian Graham (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

21/9/15
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Chartered Accountants
Statutory Auditor

141 Wardour Street
London
W1F 0UT

Scholz & Friends London Limited

Profit and Loss Account

For the year ended 31 December 2014

	Notes	2014 £	2013 £
Administrative expenses		388,328	(537,632)
Other operating income		252,750	252,750
Operating profit/(loss)	2	<u>641,078</u>	<u>(284,882)</u>
Other interest receivable and similar income	3	-	128
Profit/(loss) on ordinary activities before taxation		<u>641,078</u>	<u>(284,754)</u>
Tax on profit/(loss) on ordinary activities	4	-	-
Profit/(loss) for the year	9	<u><u>641,078</u></u>	<u><u>(284,754)</u></u>

The profit and loss account has been prepared on the basis that all operations are discontinuing.

There are no recognised gains and losses other than those passing through the profit and loss account.

Scholz & Friends London Limited

Balance Sheet

As at 31 December 2014

		2014		2013	
	Notes	£	£	£	£
Current assets					
Debtors	5	86,123		109,288	
Cash at bank and in hand		-		118,185	
		<u>86,123</u>		<u>227,473</u>	
Creditors: amounts falling due within one year	6	<u>(9,992,353)</u>		<u>(10,756,231)</u>	
Total assets less current liabilities			(9,906,230)		(10,528,758)
Provisions for liabilities	7		(965)		(19,515)
			<u>(9,907,195)</u>		<u>(10,548,273)</u>
Capital and reserves					
Called up share capital	8		8		8
Share premium account	9		1,184,871		1,184,871
Profit and loss account	9		(11,092,074)		(11,733,152)
Shareholders' funds	10		<u>(9,907,195)</u>		<u>(10,548,273)</u>

Approved by the Board and authorised for issue on 19/09/15



C V D Welle
Director

Company Registration No. 03398022

Scholz & Friends London Limited

Notes to the Financial Statements

For the year ended 31 December 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

Going Concern

The accounts have been prepared on a break up basis due to the company ceasing to trade during January 2015.

Cashflow Statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.4 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.5 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Operating profit/(loss)	2014	2013
	£	£
Operating profit/(loss) is stated after charging:		
Loss on foreign exchange transactions	-	251,290
Operating lease rentals	270,575	270,575
Auditors' remuneration (including expenses and benefits in kind)	6,150	5,463
and after crediting:		
Profit on foreign exchange transactions	(705,091)	-

Scholz & Friends London Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2014

3 Investment income	2014 £	2013 £
Bank interest	-	128
	<u>-</u>	<u>128</u>

4 Taxation	2014 £	2013 £
Total current tax	<u>-</u>	<u>-</u>

Factors affecting the tax charge for the year

Profit/(loss) on ordinary activities before taxation	<u>641,078</u>	<u>(284,754)</u>
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Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.50% (2013 - 23.25%)

<u>137,832</u>	<u>(66,205)</u>
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Effects of:

Non deductible expenses	2,260	(4,313)
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Tax effect of timing differences	-	(20,308)
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Tax losses utilised	(140,092)	90,826
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<u>(137,832)</u>	<u>66,205</u>
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Current tax charge for the year

<u>-</u>	<u>-</u>
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The company has estimated losses of £ 2,919,803 (2013 - £ 3,571,394) available for carry forward against future trading profits.

5 Debtors	2014 £	2013 £
Trade debtors	52,583	45,239
Prepayments and accrued income	33,540	64,049
	<u>86,123</u>	<u>109,288</u>

Scholz & Friends London Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2014

6 Creditors: amounts falling due within one year	2014 £	2013 £
Bank loans and overdrafts	56,854	-
Trade creditors	-	81,173
Amounts owed to parent and fellow subsidiary undertakings	9,849,956	10,555,048
Taxes and social security costs	5,728	4,870
Accruals and deferred income	79,815	115,140
	<u>9,992,353</u>	<u>10,756,231</u>

7 Provisions for liabilities

	Other £
Balance at 1 January 2014	19,515
Profit and loss account	(18,550)
Balance at 31 December 2014	<u>965</u>

Provision has been made for the estimated unavoidable future cost of those parts of the company's leased property of future rental shortfalls on the currently sublet parts of the property.

8 Share capital	2014 £	2013 £
Allotted, called up and fully paid		
8 Ordinary shares of £1 each	8	8
	<u>8</u>	<u>8</u>

9 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 January 2014	1,184,871	(11,733,152)
Profit for the year	-	641,078
Balance at 31 December 2014	<u>1,184,871</u>	<u>(11,092,074)</u>

Scholz & Friends London Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2014

10 Reconciliation of movements in Shareholders' funds	2014	2013
	£	£
Profit/(Loss) for the financial year	641,078	(284,754)
Opening Shareholders' funds	(10,548,273)	(10,263,519)
	<u> </u>	<u> </u>
Closing Shareholders' funds	<u><u>(9,907,195)</u></u>	<u><u>(10,548,273)</u></u>

11 Financial commitments

At 31 December 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2015:

	Land and buildings	
	2014	2013
	£	£
Operating leases which expire:		
Within one year	14,085	-
Between two and five years	-	270,575
	<u> </u>	<u> </u>
	<u><u>14,085</u></u>	<u><u>270,575</u></u>

12 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2014	2013
	Number	Number
Administration	3	3
	<u> </u>	<u> </u>

Employment costs

	2014	2013
	£	£
Wages and salaries	17,000	17,000
Social security costs	1,257	1,292
	<u> </u>	<u> </u>
	<u><u>18,257</u></u>	<u><u>18,292</u></u>

Scholz & Friends London Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2014

13 Control

The directors regard Scholz & Friends Group GmbH, a company incorporated and registered in Germany, as the immediate parent company and WPP plc, a Company incorporated in Jersey, as the ultimate parent company and the ultimate controlling party.

The parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which company is a member is WPP plc, incorporated in Jersey.

Copies of the financial statements of WPP plc are available at www.wpp.com. Copies of the consolidated financial statements are published in the Electronic Federal Gazette ("Elektronischer Bundesanzeiger"), <https://www.bundesanzeiger.de>.

14 Related party relationships and transactions

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.