

THE FARM POST PRODUCTION LIMITED



Directors' Report And Financial Statements

For the year ended 31 December 2011

Company Registration No 03569821 (England And Wales)

THE FARM POST PRODUCTION LIMITED

COMPANY INFORMATION

Directors	N S J Sargent V C Dunn J Gough-Cooper P Delaney A Scott J Eggar
Secretary	WPP Group (Nominees) Limited
Company number	03569821
Registered office	13 Soho Square London W1V 5FB
Auditors	Kingston Smith LLP 141 Wardour Street London W1F 0UT
Business address	13 Soho Square London W1V 5FB
Bankers	Barclays Bank PLC Media Banking Centre 27 Soho Square London W1D 3QR

THE FARM POST PRODUCTION LIMITED

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THE FARM POST PRODUCTION LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and financial statements for the year ended 31 December 2011

Principal activities and review of the business

The principal activity of the company was that of television post production

The Directors are pleased to report on a busy and fruitful year for the Company in 2011. Broadcast post production services continued to generate strong revenues and profits during the financial year as set out below.

Of particular note, the year saw the start of the Company's contract to supply Operational Media services to the BBC in their new Media City operation in Salford Quays. At the same time, as discussed in last year's report, the Company established a sister Company in Los Angeles, The Farm LA Inc., as a means to service key clients and to extend the Company's market. Both initiatives have performed in line with expectations in the year.

Future uncertainties and key risks to the Company's core business operations remain the loss of key clients and staff to other market contenders, continued pressure on Broadcasters to secure funding from advertisers, and government austerity measures at home and abroad. In addition, the Directors are mindful of the risks associated with having an overseas subsidiary (including foreign exchange and regulatory non-compliance risks) and are looking at managing these risks with the help of both internal and external resource.

At the end of 2011, the Directors feel the Company is well placed to meet its challenges, underpinned by a strong balance sheet, including strong cash balances and diminishing short term liabilities.

Despite the continued squeeze on pricing from clients, the Directors are pleased to report a 15% rise in operating profits to £2.48m in the year (2010: £2.165m) on revenues that were 1% higher than the previous year at £17.394m. Through careful cost management, gross margins rose compared with the previous year to over 70%, and with administrative expenses remaining broadly static year on year, this extra margin passed straight through to the bottom line. Working capital management remained a focus for the year, with the Company closing with a cash position of £1.2 million, all the more notable as the Company financed the set-up of The Farm LA Inc. out of operating cash flow. At year end, cash collection from debtors took the Company, on average, 30 days.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of an ordinary dividend.

Future developments

Looking forward over the next 12 months, the Company is looking to finish 'bedding in' its operations in Los Angeles and in Salford, whilst looking at continuing opportunities to grow the business where possible, where most economical and where most prudent. Against this backdrop the Directors remain cautiously optimistic about the coming years' prospects.

Directors

The following directors have held office since 1 January 2011:

N S J Sargent
V C Dunn
J Gough-Cooper
P Delaney
A Scott
J Eggar

THE FARM POST PRODUCTION LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

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 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

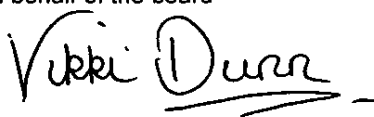
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

Statement of disclosure to auditors

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



V C Dunn
Director

THE FARM POST PRODUCTION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE FARM POST PRODUCTION LIMITED

We have audited the financial statements of The Farm Post Production Limited for the year ended 31 December 2011 set out on pages 5 to 18. 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 purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditors' report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party 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 set out on pages 1 - 2, 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 Directors' Report to identify material inconsistencies with the audited financial statements. 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 2011 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

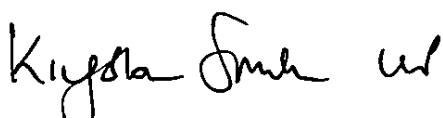
THE FARM POST PRODUCTION LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF THE FARM POST PRODUCTION 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



David Childs (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

31/07/2012

Chartered Accountants
Statutory Auditor

141 Wardour Street
London
W1F 0UT

THE FARM POST PRODUCTION LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Turnover	2	17,294,400	17,165,003
Cost of sales		(5,176,915)	(5,387,145)
Gross profit		12,117,485	11,777,858
Administrative expenses		(9,637,328)	(9,612,760)
Operating profit	3	2,480,157	2,165,098
Other interest receivable and similar income	4	45,153	5,310
Interest payable and similar charges	5	(18,909)	(39,785)
Profit on ordinary activities before taxation		2,506,401	2,130,623
Tax on profit on ordinary activities	6	(664,196)	(591,122)
Profit for the year	17	1,842,205	1,539,501

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

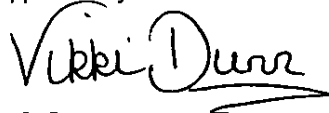
There are no recognised gains and losses other than those passing through the profit and loss account

THE FARM POST PRODUCTION LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Intangible assets	8	1,999,816		1,999,816	
Tangible assets	9	3,955,858		5,041,273	
Investments	10	1,667		200	
		<u>5,957,341</u>		<u>7,041,289</u>	
Current assets					
Stocks	11	56,894		39,792	
Debtors	12	4,324,620		2,033,528	
Cash at bank and in hand		1,212,493		3,736,679	
		<u>5,594,007</u>		<u>5,809,999</u>	
Creditors' amounts falling due within one year	13	<u>(5,359,558)</u>		<u>(6,048,109)</u>	
Net current assets/(liabilities)		<u>234,449</u>		<u>(238,110)</u>	
Total assets less current liabilities		<u>6,191,790</u>		<u>6,803,179</u>	
Creditors. amounts falling due after more than one year	14	<u>-</u>		<u>(165,190)</u>	
		<u>6,191,790</u>		<u>6,637,989</u>	
Capital and reserves					
Called up share capital	16	784,324		784,324	
Share premium account	17	2,737,356		2,737,356	
Profit and loss account	17	2,670,110		3,116,309	
Shareholders' funds	18	<u>6,191,790</u>		<u>6,637,989</u>	

Approved by the Board and authorised for issue on



V C Dunn
Director



J Eggar
Director

Company Registration No. 03569821

THE FARM POST PRODUCTION LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

	£	2011 £	£	2010 £
Net cash inflow from operating activities		669,193		4,291,630
Returns on investments and servicing of finance				
Interest received	45,153		5,310	
Interest element of finance lease rentals	(18,909)		(39,785)	
Net cash inflow/(outflow) for returns on investments and servicing of finance		26,244		(34,475)
Taxation		-		(591,122)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(663,318)		(914,997)	
Payments to acquire investments	(1,467)		-	
Receipts from sales of tangible assets	127,673		66,947	
Net cash outflow for capital expenditure		(537,112)		(848,050)
Equity dividends paid		(2,288,404)		-
Net cash (outflow)/inflow before management of liquid resources and financing		(2,130,079)		2,817,983
Financing				
Capital element of finance lease contracts	(394,107)		(443,608)	
Net cash outflow from financing		(394,107)		(443,608)
(Decrease)/increase in cash in the year		(2,524,186)		2,374,375

THE FARM POST PRODUCTION LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

1 Reconciliation of operating profit to net cash inflow from operating activities	2011	2010
	£	£
Operating profit	2,480,157	2,165,098
Depreciation of tangible assets	1,664,266	1,955,216
Profit on disposal of tangible assets	(43,207)	(60,029)
Increase in stocks	(17,102)	(11,885)
(Increase)/decrease in debtors	(2,291,092)	594,794
Decrease in creditors within one year	(459,633)	(351,564)
Group relief	(664,196)	-
Net cash inflow from operating activities	669,193	4,291,630

2 Analysis of net funds	1 January 2011	Cash flow	Other non-cash changes	31 December 2011
	£	£	£	£
Net cash				
Cash at bank and in hand	3,736,679	(2,524,186)	-	1,212,493
Bank deposits	-	-	-	-
Debt				
Finance leases	(559,296)	394,108	-	(165,188)
Net funds	3,177,383	(2,130,078)	-	1,047,305

3 Reconciliation of net cash flow to movement in net funds	2011	2010
	£	£
(Decrease)/increase in cash in the year	(2,524,186)	2,374,375
Cash outflow from decrease in debt and lease financing	394,108	443,608
Movement in net funds in the year	(2,130,078)	2,817,983
Opening net funds	3,177,383	359,400
Closing net funds	1,047,305	3,177,383

THE FARM POST PRODUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Income in respect of short term contracts is recognised once the Company has obtained right to consideration and represents the fair value of the right to consideration relating to services supplied. Revenue is recognised in line with UITF40 guidelines

1.3 Goodwill

Goodwill arising from the purchase of a company's trading assets and liabilities is capitalised in accordance with the requirements of FRS10

In a departure from FRS10, goodwill has been deemed to have an indefinite useful economic life, and therefore has not been amortised. This is necessary to present a true and fair view of the goodwill held by the company. Goodwill has been tested for impairment and it was verified that there was no impairment in its value

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Leasehold	Over the period of the lease
Production equipment	Between 2 and 5 years
Office equipment	Over 4 years

1.5 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

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

1.6 Investments

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

1.7 Stock

Stock is valued at the lower of cost and net realisable value

1.8 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable

1.9 Deferred taxation

Deferred tax is not provided for in the accounts as in accordance with FRS 19 the client has avoided the potential for any liability arising from timing differences. This is due to an agreement with the parent company WPP forgoing tax losses within the group to cover any potential tax liability within the company

THE FARM POST PRODUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

(continued)

1.10 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.

1.11 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of WPP plc, a company incorporated in Jersey, and is included in the consolidated accounts of that company.

2 Turnover

Geographical market

	Turnover	
	2011	2010
	£	£
United Kingdom	17,391,220	17,144,337
Other EEC	3,180	11,021
Rest of the World	-	9,645
	<u>17,394,400</u>	<u>17,165,003</u>

3 Operating profit

	2011	2010
	£	£
Operating profit is stated after charging		
Depreciation of tangible assets	1,664,266	1,955,216
Operating lease rentals	934,675	941,660
Fees payable to the company's auditor for the audit of the company's annual accounts	15,000	18,000
and after crediting		
Profit on disposal of tangible assets	(43,207)	(60,029)
Profit on foreign exchange transactions	(81,369)	-
	<u></u>	<u></u>

THE FARM POST PRODUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

4	Investment income	2011	2010
		£	£
	Bank interest	4,669	5,310
	Other interest	40,484	-
		<u>45,153</u>	<u>5,310</u>
5	Interest payable	2011	2010
		£	£
	Lease finance charges	<u>18,909</u>	<u>39,785</u>
6	Taxation	2011	2010
		£	£
	Domestic current year tax		
	Adjustment for prior years	-	(5,452)
	Payment in respect of group relief	664,196	596,574
	Total current tax	<u>664,196</u>	<u>591,122</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>2,506,401</u>	<u>2,130,623</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.50% (2010 - 28.00%)	<u>664,196</u>	<u>596,574</u>
	Effects of		
	Non deductible expenses	-	1,053
	Depreciation add back	441,030	547,455
	Adjustments to previous periods	-	(5,452)
	Profit on disposal of fixed assets	(11,450)	(16,808)
	Payment made in respect of group tax losses	(429,580)	(531,700)
		<u>-</u>	<u>(5,452)</u>
	Current tax charge for the year	<u>664,196</u>	<u>591,122</u>

THE FARM POST PRODUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

7	Dividends	2011 £	2010 £
	Ordinary interim paid	2,288,404	-
8	Intangible fixed assets	Goodwill £	
	Cost		
	At 1 January 2011 & at 31 December 2011	1,999,816	
	Net book value		
	At 31 December 2011	1,999,816	
	At 31 December 2010	1,999,816	

THE FARM POST PRODUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

9 Tangible fixed assets

	Land and buildings Leasehold	Production equipment	Office equipment	Total
	£	£	£	£
Cost				
At 1 January 2011	5,554,958	11,982,357	901,486	18,438,801
Additions	11,228	650,090	1,999	663,317
Disposals	-	(985,647)	-	(985,647)
At 31 December 2011	5,566,186	11,646,800	903,485	18,116,471
Depreciation				
At 1 January 2011	2,564,574	10,145,889	687,065	13,397,528
On disposals	-	(901,181)	-	(901,181)
Charge for the year	484,363	1,069,488	110,415	1,664,266
At 31 December 2011	3,048,937	10,314,196	797,480	14,160,613
Net book value				
At 31 December 2011	2,517,249	1,332,604	106,005	3,955,858
At 31 December 2010	2,990,384	1,836,468	214,421	5,041,273

Included above are assets held under finance leases or hire purchase contracts as follows

	Production equipment £
Net book values	
At 31 December 2011	69,441
At 31 December 2010	269,489
Depreciation charge for the year	
At 31 December 2011	200,048
At 31 December 2010	322,628

THE FARM POST PRODUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

10 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2011	200
Additions	1,467
At 31 December 2011	1,667
Net book value	
At 31 December 2011	1,667
At 31 December 2010	200

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Uncle Post Production Limited	England & Wales	Ordinary	100 00
The Farm LA, Inc	United States	Common	80 00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	Principal activity	Capital and reserves 2011 £	Profit/(loss) for the year 2011 £
Uncle Post Production Limited	Dormant	200	-
The Farm LA, Inc	Post-production	(450,160)	(435,536)

11 Stocks

	2011 £	2010 £
Raw materials and consumables	56,894	39,792

THE FARM POST PRODUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

12 Debtors	2011	2010
	£	£
Trade debtors	1,783,221	1,616,611
Amounts owed by parent and fellow subsidiary undertakings	2,028,890	-
Other debtors	60,389	33,439
Prepayments and accrued income	452,120	383,478
	<u>4,324,620</u>	<u>2,033,528</u>
13 Creditors amounts falling due within one year	2011	2010
	£	£
Net obligations under finance leases	165,188	394,106
Trade creditors	364,484	248,826
Amounts owed to parent and fellow subsidiary undertakings	2,319,648	2,964,288
Taxes and social security costs	838,462	882,339
Accruals and deferred income	1,671,776	1,558,550
	<u>5,359,558</u>	<u>6,048,109</u>
14 Creditors amounts falling due after more than one year	2011	2010
	£	£
Net obligations under finance leases	-	165,190
Net obligations under finance leases		
Repayable within one year	165,188	394,106
Repayable between one and five years	-	165,190
	<u>165,188</u>	<u>559,296</u>
Included in liabilities falling due within one year	(165,188)	(394,106)
	<u>-</u>	<u>165,190</u>

Barclays Bank Plc have a first fixed and floating charge over the whole undertakings of the group in respect of the overdraft facility and any further finance given

Soho Property One Limited and Soho Property Two Limited have a charge over a rent deposit of £34,096

THE FARM POST PRODUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

15 Pension and other post-retirement benefit commitments Defined contribution

	2011 £	2010 £
Contributions payable by the company for the year	6,720	7,653

16 Share capital

	2011 £	2010 £
Allotted, called up and fully paid		
588,243 Ordinary 'A' shares of £1 each	588,243	588,243
196,081 Ordinary 'B' shares of £1 each	196,081	196,081
	<u>784,324</u>	<u>784,324</u>

"A" and "B" shares hold the same dividend and voting rights

17 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 January 2011	2,737,356	3,116,309
Profit for the year	-	1,842,205
Dividends paid	-	(2,288,404)
Balance at 31 December 2011	<u>2,737,356</u>	<u>2,670,110</u>

18 Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Profit for the financial year	1,842,205	1,539,501
Dividends	(2,288,404)	-
Net (depletion in)/addition to shareholders' funds	<u>(446,199)</u>	<u>1,539,501</u>
Opening shareholders' funds	6,637,989	5,098,488
Closing shareholders' funds	<u>6,191,790</u>	<u>6,637,989</u>

THE FARM POST PRODUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

19 Financial commitments

At 31 December 2011 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2012

	Land and buildings	
	2011	2010
	£	£
Operating leases which expire in over five years	465,000	465,000

20 Directors' remuneration

	2011	2010
	£	£
Remuneration for qualifying services	461,000	581,105
Remuneration disclosed above include the following amounts paid to the highest paid director		
Remuneration for qualifying services	235,465	312,715

21 Employees

Number of employees

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

	2011	2010
	Number	Number
Administration	55	90
Operations	127	66
	182	156

Employment costs

	2011	2010
	£	£
Wages and salaries	7,966,744	7,692,920
Social security costs	722,022	704,356
Other pension costs	6,720	7,653
	8,695,486	8,404,929

THE FARM POST PRODUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

22 Control

The directors regard WPP Group (UK) Limited, a company incorporated in the United Kingdom as the immediate parent company, and WPP plc (formerly WPP Group 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 the company is a member is WPP plc, incorporated in Jersey. The parent undertaking of the smallest such group is WPP 2008 Limited, incorporated in Great Britain

Copies of the financial statements of WPP plc are available at www.wpp.com. Copies of the financial statements of WPP 2008 Limited can be obtained from 27 Farm Street, London, W1J 5RJ

23 Related party relationships and transactions

The company has taken advantage of the exemption available in accordance with FRS 8 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions

During the year, Lenny Limited, a company under common control by virtue of a common nucleus of directors, was paid dividends totalling £572,101 (2010 £Nil)

WPP Limited, a company which owns a controlling shareholding in The Farm Post Production Limited, was paid dividends totalling £1,716,303 (2010 £Nil)

During the year, the following transactions were made with The Farm LA, Inc, a company in which The Farm Post Production Ltd owns a controlling shareholding: expenses were reimbursed totalling £482,072 (2010 £Nil), interest was charged totalling £40,647 (2010 £Nil), advances totalling £1,489,963 (£2010 £Nil) were provided and a foreign exchange gain of £71,838 (2010 £Nil) was realised. Included within other debtors at the year end was an amount due from The Farm LA Inc of £2,028,890 (2010 £Nil)