

THE FARM POST PRODUCTION LIMITED

Directors' Report And Financial Statements

For the year ended 31 December 2012



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 2012

The directors present their report and financial statements for the year ended 31 December 2012

Principal activities and review of the business

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

The company continues to deliver these services primarily within its four West End facilities. It is worth noting that the contract to supply operational media services to the BBC in MediaCity continued during 2012, and performed in line with expectations. Similarly, the company's LA-domiciled subsidiary continues to provide post production services to existing and new clients.

The Directors are pleased to report that the company has enjoyed continued growth in 2012, again achieving strong margins and overall profitability.

The company's activities expose it to a number of financial risks and uncertainties, including the loss of key clients and contracts to other market contenders, the continued pressure on Broadcasters to secure funding from advertisers, and the risks associated with having a foreign domiciled subsidiary (particularly, foreign exchange risk, credit risk, and regulatory compliance risk). The Directors recognise the importance of managing these risks, and do so through internal and external resources.

Underpinned by new client business and the provision of additional services within existing contracts, sales revenue rose 16% to £20.121m (2011: £17.294m). Such growth is more marked in the context of an industry increasingly characterised by client driven price-squeezing.

Pleasingly, growth has filtered down to the gross margin level, reflecting Management's keen focus on cost control during the year, particularly with contract-based arrangements.

Despite the cost of maintaining the larger pool of operational staff, necessary to facilitate the company's growth and geographical spread (2012: 145, 2011: 127), operating profits have increased by 25% to £3.090m (2011: £2.480m).

Management's continued attention to improving working capital proved fruitful in 2012. With a closing cash balance of £3.191m (2011: £1.212m) and debtor's collection taking, on average, 30 days, the company is well placed for imminent expansion projects within London's West End.

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 ahead to 2013, the company will open a new facility in London to service its expanding client base. The directors remain cautiously optimistic about the upcoming year's prospects, supported by the company's extended market reach, further embeddedness in key contracts and an increased breadth of services on offer.

Directors

The following directors have held office since 1 January 2012:

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 2012

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

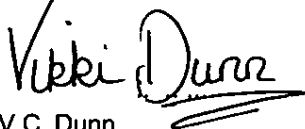
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies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

9 JUL 2013

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 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement 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 so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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 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 2012 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



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

10/7/2013

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 2012

	Notes	2012 £	2011 £
Turnover	2, 22	20,121,388	17,294,400
Cost of sales		(5,316,681)	(5,176,915)
Gross profit		14,804,707	12,117,485
Administrative expenses		(11,714,266)	(9,637,328)
Operating profit	3	3,090,441	2,480,157
Other interest receivable and similar income	4	100,409	45,153
Interest payable and similar charges	5	(3,439)	(18,909)
Profit on ordinary activities before taxation		3,187,411	2,506,401
Tax on profit on ordinary activities	6	(780,916)	(664,196)
Profit for the year	16	2,406,495	1,842,205

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 2012

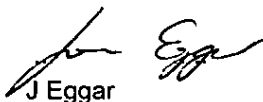
	Notes	2012 £	£	2011 £	£
Fixed assets					
Intangible assets	8	1,999,816		1,999,816	
Tangible assets	9	3,432,016		3,955,858	
Investments	10	1,667		1,667	
		<u>5,433,499</u>		<u>5,957,341</u>	
Current assets					
Stocks	11	26,507		56,894	
Debtors	12	5,023,282		4,324,620	
Cash at bank and in hand		3,190,921		1,212,493	
		<u>8,240,710</u>		<u>5,594,007</u>	
Creditors amounts falling due within one year	13	<u>(5,075,924)</u>		<u>(5,359,558)</u>	
Net current assets		<u>3,164,786</u>		<u>234,449</u>	
Total assets less current liabilities		<u><u>8,598,285</u></u>		<u><u>6,191,790</u></u>	
Capital and reserves					
Called up share capital	15	784,324		784,324	
Share premium account	16	2,737,356		2,737,356	
Profit and loss account	16	5,076,605		2,670,110	
Shareholders' funds	17	<u><u>8,598,285</u></u>		<u><u>6,191,790</u></u>	

Approved by the Board and authorised for issue on

9th July 2013



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 2012

	£	2012 £	£	2011 £
Net cash inflow from operating activities		2,773,970		669,193
Returns on investments and servicing of finance				
Interest received	100,409		45,153	
Interest element of finance lease rentals	(3,439)		(18,909)	
Net cash inflow for returns on investments and servicing of finance		96,970		26,244
Capital expenditure and financial investment				
Payments to acquire tangible assets	(789,687)		(663,318)	
Payments to acquire investments	-		(1,467)	
Receipts from sales of tangible assets	62,363		127,673	
Net cash outflow for capital expenditure		(727,324)		(537,112)
Equity dividends paid		-		(2,288,404)
Net cash inflow/(outflow) before management of liquid resources and financing		2,143,616		(2,130,079)
Financing				
Capital element of finance lease contracts	(165,188)		(394,107)	
Net cash outflow from financing		(165,188)		(394,107)
Increase/(decrease) in cash in the year		1,978,428		(2,524,186)

THE FARM POST PRODUCTION LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

1 Reconciliation of operating profit to net cash inflow from operating activities	2012	2011
	£	£
Operating profit	3,090,441	2,480,157
Group relief charge	(780,916)	(664,196)
Depreciation of tangible assets	1,279,507	1,664,266
Profit on disposal of tangible assets	(28,341)	(43,207)
Decrease/(increase) in stocks	30,387	(17,102)
Increase in debtors	(698,662)	(2,291,092)
Decrease in creditors	(118,446)	(459,633)
Net cash inflow from operating activities	2,773,970	669,193

2 Analysis of net funds	1 January 2012	Cash flow	Other non-cash changes	31 December 2012
	£	£	£	£
Net cash				
Cash at bank and in hand	1,212,493	1,978,428	-	3,190,921
Bank deposits	-	-	-	-
Debt				
Finance leases	(165,188)	165,188	-	-
Net funds	1,047,305	2,143,616	-	3,190,921

3 Reconciliation of net cash flow to movement in net funds	2012	2011
	£	£
Increase/(decrease) in cash in the year	1,978,428	(2,524,186)
Cash outflow from decrease in debt and lease financing	165,188	394,108
Movement in net funds in the year	2,143,616	(2,130,078)
Opening net funds	1,047,305	3,177,383
Closing net funds	3,190,921	1,047,305

THE FARM POST PRODUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

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 2012

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	
	2012	2011
	£	£
United Kingdom	20,110,550	17,391,220
Rest of the world	10,838	3,180
	<u>20,121,388</u>	<u>17,394,400</u>

3 Operating profit

	2012	2011
	£	£
Operating profit is stated after charging		
Depreciation of tangible assets	1,279,507	1,664,266
Loss on foreign exchange transactions	87,410	-
Operating lease rentals	962,324	934,675
Fees payable to the company's auditor for the audit of the company's annual accounts	19,500	15,000
and after crediting		
Profit on disposal of tangible assets	(28,341)	(43,207)
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 2012

4	Investment income	2012	2011
		£	£
	Bank interest	3,073	4,669
	Other interest	97,336	40,484
		<u>100,409</u>	<u>45,153</u>
5	Interest payable	2012	2011
		£	£
	Lease finance charges	<u>3,439</u>	<u>18,909</u>
6	Taxation	2012	2011
		£	£
	Domestic current year tax		
	Payment in respect of group relief	780,916	664,196
	Total current tax	<u>780,916</u>	<u>664,196</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>3,187,411</u>	<u>2,506,401</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24 50% (2011 - 26 50%)	<u>780,916</u>	<u>664,196</u>
	Current tax charge for the year	<u>780,916</u>	<u>664,196</u>
7	Dividends	2012	2011
		£	£
	Ordinary interim paid	<u>-</u>	<u>2,288,404</u>

THE FARM POST PRODUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

8 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 January 2012 & at 31 December 2012	1,999,816
Net book value	
At 31 December 2012	1,999,816
At 31 December 2011	1,999,816

THE FARM POST PRODUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

9 Tangible fixed assets

	Land and buildings Leasehold	Production equipment	Office equipment	Total
	£	£	£	£
Cost				
At 1 January 2012	5,566,186	11,646,800	903,485	18,116,471
Additions	17,603	759,768	12,316	789,687
Disposals	-	(7,355,086)	-	(7,355,086)
At 31 December 2012	5,583,789	5,051,482	915,801	11,551,072
Depreciation				
At 1 January 2012	3,048,937	10,314,196	797,480	14,160,613
On disposals	-	(7,321,064)	-	(7,321,064)
Charge for the year	474,853	747,803	56,851	1,279,507
At 31 December 2012	3,523,790	3,740,935	854,331	8,119,056
Net book value				
At 31 December 2012	2,059,999	1,310,547	61,470	3,432,016
At 31 December 2011	2,517,249	1,332,604	106,005	3,955,858

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

	Production equipment £
Net book values	
At 31 December 2012	-
At 31 December 2011	69,441
Depreciation charge for the year	
At 31 December 2012	69,441
At 31 December 2011	200,048

THE FARM POST PRODUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

10 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2012 & at 31 December 2012	1,667
Net book value	
At 31 December 2012	1,667
At 31 December 2011	1,667

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

		Capital and reserves 2012 £	Profit/(loss) for the year 2012 £
	Principal activity		
Uncle Post Production Limited	Dormant	200	-
The Farm LA, Inc	Post-production	(880,197)	(459,544)

11 Stocks

	2012 £	2011 £
Raw materials and consumables	26,507	56,894

THE FARM POST PRODUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

12 Debtors	2012	2011
	£	£
Trade debtors	2,003,150	1,783,221
Amounts owed by parent and fellow subsidiary undertakings	1,984,298	2,028,890
Other debtors	42,866	60,389
Prepayments and accrued income	992,968	452,120
	<u>5,023,282</u>	<u>4,324,620</u>

13 Creditors amounts falling due within one year	2012	2011
	£	£
Net obligations under finance leases	-	165,188
Trade creditors	206,965	364,484
Amounts owed to parent and fellow subsidiary undertakings	2,436,368	2,319,648
Taxes and social security costs	986,993	838,462
Accruals and deferred income	1,445,598	1,671,776
	<u>5,075,924</u>	<u>5,359,558</u>

Amounts owed to group companies of £2,317,027 (2011 £2,319,648) are secured by way of a debenture over the assets of the company

Net obligations under finance leases

Repayable within one year	-	165,188
Finance charges and interest allocated to future accounting periods	-	-
	<u>-</u>	<u>165,188</u>

14 Pension and other post-retirement benefit commitments **Defined contribution**

	2012	2011
	£	£
Contributions payable by the company for the year	<u>6,720</u>	<u>6,720</u>

THE FARM POST PRODUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

15 Share capital	2012	2011
	£	£
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

16 Statement of movements on reserves	Share premium account	Profit and loss account
	£	£
Balance at 1 January 2012	2,737,356	2,670,110
Profit for the year	-	2,406,495
	<u>2,737,356</u>	<u>5,076,605</u>

17 Reconciliation of movements in shareholders' funds	2012	2011
	£	£
Profit for the financial year	2,406,495	1,842,205
Dividends	-	(2,288,404)
	<u>2,406,495</u>	<u>(446,199)</u>
Net addition to/(depletion in) shareholders' funds	6,191,790	6,637,989
Opening shareholders' funds	<u>8,598,285</u>	<u>6,191,790</u>
Closing shareholders' funds		

THE FARM POST PRODUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

18 Financial commitments

At 31 December 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2013

	Land and buildings	
	2012	2011
	£	£
Operating leases which expire		
Within one year	430,730	-
Between two and five years	-	475,480
In over five years	465,000	465,000
	<u>895,730</u>	<u>940,480</u>

19 Directors' remuneration

	2012	2011
	£	£
Remuneration for qualifying services	<u>537,805</u>	<u>461,000</u>
Remuneration disclosed above include the following amounts paid to the highest paid director		
Remuneration for qualifying services	<u>224,795</u>	<u>235,465</u>

THE FARM POST PRODUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

20 Employees

Number of employees

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

	2012 Number	2011 Number
Administration	54	55
Operations	145	127
	<u>199</u>	<u>182</u>

Employment costs

	2012 £	2011 £
Wages and salaries	9,520,223	7,966,744
Social security costs	855,462	722,022
Other pension costs	6,720	6,720
	<u>10,382,405</u>	<u>8,695,486</u>

21 Control

The directors regard WPP Toronto 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

22 Prior Year Adjustment

During the year under review the directors identified instances in the prior year in which revenue had not been recognized in accordance with the company's published accounting policy. Having analysed the extent of potential error the directors do not consider it to be fundamental and therefore the comparatives have not been re-stated, instead, in accordance with FRS 18, these errors, which totalled £542,455 in respect of the prior year, have been corrected in the 2012 profit and loss account

THE FARM POST PRODUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2012

23 Related party relationships and transactions

During the year, Lenny Limited, a company under common control by virtue of a common nucleus of directors, was paid dividends totalling £Nil (2011 £572,101)

WPP Limited, a company which owns a controlling shareholding in The Farm Post Production Limited, was paid dividends totalling £Nil (2011 £1,716,303)

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 £85,485 (2011 £482,072), interest was charged totalling £97,336 (2011 £40,647), advances totalling £122,754 (2011 £1,489,963) were provided and loan repayments of £273,189 (2011 £Nil) were received Included within other debtors at the year end was an amount due from The Farm LA Inc of £1,984,298 (2011 £2,028,890)

During the year, the company made purchases of £42,903 (2011 £51,882) from WTMS Limited, a company under common control At the year end £13,447 (2011 £Nil) was owed to WTMS Limited

During the year the company made purchases of £56,209 (2011 £65,855) from WPP 2005 Limited, a company under common control At the year end £2,436,368 (2011 £2,319,648) was owed to WPP 2005 Limited Included in this balance is a charge of £780,916 (2011 - £664,196) in respect of payment for group relief

During the year the company made sales of £2,107 (2011 £Nil) to JWT Limited, a company under common control There was no balance outstanding at the year end