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COMPANIES

041475

Powers International Limited

Report and Financial Statements

Year Ended

31 December 2005



BDO Stoy Hayward
Chartered Accountants



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Powers International Limited

Annual report and financial statements for the year ended 31 December 2005

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Directors

A C Turner
J Sofia
L Fluckiger

Secretary and registered office

D Morris, Gordon House, 10 Greencoat Place, London, SW1P 1PH.

Company number

641475

Auditors

BDO Stoy Hayward LLP, 8 Baker Street, London, W1U 3LL.

Powers International Limited

Report of the directors for the year ended 31 December 2005

The directors present their report together with the audited financial statements for the year ended 31 December 2005.

Results and dividends

The profit and loss account is set out on page 5 and shows the profit for the year.

The directors do not recommend the payment of a dividend in 2005 (2004 - £Nil).

Principal activities, trading review and future developments

The company acts as international media representatives and advertising contractors.

The directors are satisfied with the results for the year.

Financial instruments

The company's financial instruments comprise cash and items arising directly from its operations such as trade debtors and trade creditors. The company seeks to obtain a favourable interest rate on its cash balances through the use of bank deposits. There is no material difference between the base and fair value of the company's financial assets and liabilities.

Directors

The directors of the company during the year were:

A C Turner	
J Sofia	(appointed 7 November 2005)
L Fluckiger	
D Hofer	(resigned 7 November 2005)

No director had any interest in the ordinary or preference shares of the company or the ultimate parent company during the year.

Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

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


Powers International Limited

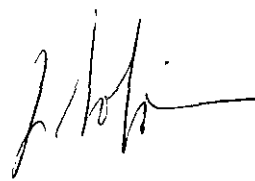
Report of the directors for the year ended 31 December 2005 (Continued)

Directors' responsibilities (Continued)

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

On behalf of the Board


Director



Date 24/10/06

Powers International Limited

Report of the independent auditors

To the shareholders of Powers International Limited

We have audited the financial statements of Powers International Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

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

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

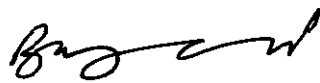
Powers International Limited

Report of the independent auditors (*Continued*)

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD LLP

*Chartered Accountants
and Registered Auditors*
London

24 October 2006

Powers International Limited

Profit and loss account for the year ended 31 December 2005

	Note	2005 £	2004 £
Turnover	2	1,564,366	1,126,238
Cost of sales		1,267,996	937,284
		<hr/>	<hr/>
Gross profit		296,370	188,954
Administrative expenses		272,399	212,398
		<hr/>	<hr/>
Operating profit/(loss)	5	23,971	(23,444)
Interest receivable		330	291
Interest payable and similar charges	6	(862)	(1,173)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation		23,439	(24,326)
Taxation on profit/(loss) from ordinary activities	7	-	-
		<hr/>	<hr/>
Profit/(loss) on ordinary activities after taxation and retained profit/(loss) for the year		23,439	(24,326)
		<hr/>	<hr/>

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

There are no movements in shareholders' funds in the current and prior year apart from the profit/(loss) for the year.

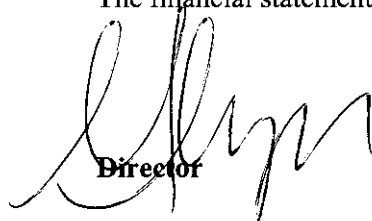
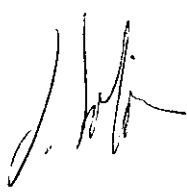
The notes on pages 7 to 12 form part of these financial statements.

Powers International Limited

Balance sheet at 31 December 2005

	Note	2005 £	2005 £	2004 £	2004 £
Fixed assets					
Tangible assets	8		15,103		21,660
Current assets					
Debtors	9	602,923		250,625	
Cash at bank and in hand		87,323		108,615	
		<u>690,246</u>		<u>359,240</u>	
Creditors: amounts falling due within one year	10	601,373		300,363	
Net current assets			<u>88,873</u>		<u>58,877</u>
Total assets less current liabilities			<u>103,976</u>		<u>80,537</u>
Capital and reserves					
Called up share capital	11		442,000		442,000
Profit and loss account	12		(338,024)		(361,463)
Shareholders' funds			<u>103,976</u>		<u>80,537</u>
Shareholders' funds					
Equity			(66,024)		(89,463)
Non-equity			170,000		170,000
			<u>103,976</u>		<u>80,537</u>

The financial statements were approved by the Board of Directors and authorised for issue on 24/10/06

 
Director

The notes on pages 7 to 12 form part of these financial statements.

Powers International Limited

Notes forming part of the financial statements for the year ended 31 December 2005

1 Accounting policies

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Turnover

Turnover represents sales to outside customers at invoiced and accrued amounts less value added tax.

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

Leasehold improvements	- 20% per annum
Fixtures and fittings	- 10% - 20% per annum
Computers and equipment	- 20% - 33% per annum

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief.

Deferred tax balances are not discounted.

Foreign currency

Monetary assets and liabilities in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are retranslated into sterling at the rate of exchange ruling at the date of the transaction. All exchange differences are taken into account in arriving at the operating result.

Leasing commitments

Rentals paid under operating leases are charged in the profit and loss account in equal annual instalments over the period of the lease.

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Publigroupe SA, a company incorporated in Switzerland, and the company is included in its consolidated financial statements.

Powers International Limited

Notes forming part of the financial statements for the year ended 31 December 2005 (Continued)

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Employees

Staff costs are borne by The Powers Turner Group Limited, a fellow subsidiary undertaking.

4 Directors

No emoluments were paid to the directors of the company during the year (2004 - £Nil).

5 Operating profit/(loss)

	2005 £	2004 £
This has been arrived at after charging/(crediting):		
Depreciation	6,557	6,992
Exchange (gains)/losses	(7,581)	18,374
	<u> </u>	<u> </u>

Auditors' remuneration is borne by other group undertakings.

6 Interest payable and similar charges

	2005 £	2004 £
Bank overdrafts	862	1,173
	<u> </u>	<u> </u>

7 Taxation on loss from ordinary activities

	2005 £	2004 £
<i>Current tax</i>		
UK corporation tax on profit/(losses) of the year	-	-
	<u> </u>	<u> </u>
Total current tax	-	-
	<u> </u>	<u> </u>

Powers International Limited

Notes forming part of the financial statements for the year ended 31 December 2005 (*Continued*)

7 Taxation on loss from ordinary activities (*Continued*)

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below:

	2005 £	2004 £
Profit/(loss) on ordinary activities before tax	23,439	(24,326)
Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 30% (2004 – 30 %)	7,032	(7,298)
Effects of:		
Capital allowances for year in excess of depreciation	1,967	2,098
Other timing differences	(150)	(1,050)
Unrelieved tax losses carried forward	-	6,250
Relief for losses brought forward	(8,750)	-
Marginal relief	(99)	-
Current tax charge for the year	-	-

Factors that may affect future tax charges

Deferred tax assets have not been recognised in respect of the net decelerated depreciation of £13,093 (2004 - £11,126), unutilised capital losses of £287,599 (2004 - £287,599), unrelieved trade losses of £33,248 (2004 - £41,998), and other short term timing differences of £352 (2004: £502). These assets can only be utilised against future suitable profits and, at present, it is unclear as to the timing of such profits in the foreseeable future.

Powers International Limited

Notes forming part of the financial statements for the year ended 31 December 2005 (*Continued*)

8 Tangible assets

	Furniture fittings and leasehold improvements £	Computers and equipment £	Total £
<i>Cost or valuation</i>			
At 1 January 2005	66,421	20,647	87,068
Disposals	-	(20,072)	(20,072)
	<hr/>	<hr/>	<hr/>
At 31 December 2005	66,421	575	66,996
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 January 2005	44,780	20,628	65,408
Provided for the year	6,540	17	6,557
Disposals	-	(20,072)	(20,072)
	<hr/>	<hr/>	<hr/>
At 31 December 2005	51,320	573	51,893
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 December 2005	15,101	2	15,103
	<hr/>	<hr/>	<hr/>
At 31 December 2004	21,641	19	21,660
	<hr/>	<hr/>	<hr/>

9 Debtors

	2005 £	2004 £
Trade debtors	303,163	70,962
Amounts owed by group undertakings	109,121	109,121
Other debtors	46,896	35,272
Prepayments and accrued income	143,743	35,270
	<hr/>	<hr/>
	602,923	250,625
	<hr/>	<hr/>

All amounts shown under debtors fall due for payment within one year.

Powers International Limited

Notes forming part of the financial statements for the year ended 31 December 2005 (*Continued*)

10 Creditors: amounts falling due within one year

	2005 £	2004 £
Trade creditors	16,192	48,471
Amounts owed to group undertakings	378,681	209,262
Other creditors	24,531	7,857
Accruals and deferred income	181,969	34,773
	<u>601,373</u>	<u>300,363</u>

11 Share capital

	2005 Number	Authorised 2004 Number	2005 £	2004 £
Ordinary shares of £1 each	400,000	400,000	400,000	400,000
Deferred ordinary shares of £1 each	170,000	170,000	170,000	170,000
	<u>570,000</u>	<u>570,000</u>	<u>570,000</u>	<u>570,000</u>
	Allotted, called up and fully paid			
	2005 Number	2004 Number	2005 £	2004 £
Ordinary shares of £1 each	272,000	272,000	272,000	272,000
Deferred ordinary shares of £1 each	170,000	170,000	170,000	170,000
	<u>442,000</u>	<u>442,000</u>	<u>442,000</u>	<u>442,000</u>

The deferred ordinary shares of £1 each carry no voting rights, no entitlement to dividends and rank below the ordinary shares in the event of the company being wound up.

Powers International Limited

Notes forming part of the financial statements for the year ended 31 December 2005 (*Continued*)

12 Reserves

	Profit and loss account £
At 1 January 2005	(361,463)
Profit for the year	23,439
	<hr/>
At 31 December 2005	(338,024)
	<hr/>

13 Related party transactions

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related Party Transactions", from disclosing transactions with entities that are at least 90% owned within the PubliGroupe SA group, the consolidated financial statements of which are publicly available.

14 Ultimate parent company

At 31 December 2005 the company's ultimate parent company was PubliGroupe SA, a company incorporated in Switzerland.

The smallest group in which the results of the company are consolidated is that headed by PubliGroupe Holding (UK) Limited.

The largest group in which the results of the company are consolidated is that headed by the ultimate parent undertaking, whose financial statements are available from Avenue Des Toises, Case Postale 3493, 1002 Lausanne, Switzerland.