

CORDIANT FINANCE PLC
FINANCIAL STATEMENTS
31ST DECEMBER 1994

COMPANY NO: 660277



REPORT OF THE DIRECTORS

The directors submit their annual report together with audited financial statements for the year ended 31st December 1994 which were approved by the board on 26 July 1995.

CHANGE OF NAME

On 16th March 1995 the company changed its name from Saatchi & Saatchi Finance Plc to Cordiant Finance plc.

ACTIVITIES

The company did not trade during the year.

DIRECTORS

The directors who held office during the year were as follows:-

D Binding	(resigned 28th January 1994)
AM Jans	(appointed 28th January 1994)
SJ Mellor	(resigned 28th January 1994)
DIC Weatherseed	(appointed 28th January 1994)

No director had an interest in shares of the company. Their interests in shares of other group companies were as follows:-

	<u>Cordiant plc</u>	
	<u>Ordinary Shares</u>	<u>Ordinary Shares</u>
	<u>31st December 1994</u>	<u>31st December 1993*</u>
AM Jans	8,926	8,926
DIC Weatherseed	256,995	107,469

* Or date of appointment if later.

Directors interests include shares appropriated under profit sharing and pension schemes and options granted.

During the year DIC Weatherseed was granted the option to subscribe for 149,526 ordinary shares of Cordiant plc.

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution concerning the reappointment of KPMG as auditors and their remuneration will be proposed at the annual general meeting. On 6th February 1995, the auditors changed the name under which they practise from KPMG Peat Marwick to KPMG and, accordingly, have signed their report in their new name.

By order of the board



AM JANS

Secretary

26 July 1995

83/89 Whitfield Street
London, W1A 4XA

DIRECTORS' RESPONSIBILITIES

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 for that year. 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 maintaining 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**AUDITORS' REPORT TO THE MEMBERS OF
CORDIANT FINANCE PLC**

We have audited the financial statements on pages 4 to 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards 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 judgements 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.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 1994 and its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG
Chartered Accountants
Registered Auditors
London
26 July 1995

BALANCE SHEET

	<u>Note</u>	<u>31st Dec 1994</u> £	<u>31st Dec 1993</u> £
CURRENT ASSETS			
Debtors	2	57,700	57,700
CREDITORS:			
Amounts falling due within one year	3	<u>(7,700)</u>	<u>(7,700)</u>
NET ASSETS		<u>£50,000</u>	<u>£50,000</u>
CAPITAL AND RESERVES			
Called up share capital	4	50,000	50,000
Profit and loss account	5	<u>-</u>	<u>-</u>
EQUITY SHAREHOLDERS' FUNDS		<u>£50,000</u>	<u>£50,000</u>

These financial statements were approved by the board of directors on 26 July 1995 and signed on its behalf by:



DIC Weatherseed
Director

NOTES

(forming part of the financial statements)

1. BASIS OF ACCOUNTING:

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards.

	<u>31st Dec 1994</u> £	<u>31st Dec 1993</u> £
2. DEBTORS		
Amounts due from holding company	<u>£57,700</u>	<u>£57,700</u>
3. CREDITORS		
Amounts due to fellow subsidiary undertaking	<u>£7,700</u>	<u>£7,700</u>
4. SHARE CAPITAL		
Authorised, allotted, and fully paid		
50,000 ordinary shares of £1 each	<u>£50,000</u>	<u>£50,000</u>

5. PROFIT AND LOSS ACCOUNT

The company did not trade during the year nor the previous year and has received no income and incurred no expenditure. Consequently, during those years the company made neither a profit nor a loss.

6. CONTINGENT LIABILITIES

The company is grouped for VAT purposes with other group companies. It is therefore contingently liable for the VAT of those companies.

7. ULTIMATE HOLDING COMPANY

The ultimate holding company is Cordiant plc (formerly Saatchi & Saatchi Company PLC), which is registered in England and Wales.

The company's financial statements are consolidated into those of Cordiant plc. Copies of the group financial statements can be obtained from the Secretary at 83/89 Whitfield Street, London, W1A 4XA