

Company Registration No. 1378339

Carat Limited

Report and Financial Statements

31 December 2011

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Carat Limited

Report and financial statements 2011

Contents

| | |
|---|----------|
| Officers and professional advisers | 1 |
| Directors' report | 2 |
| Statement of directors' responsibilities | 3 |
| Profit and loss account | 4 |
| Balance sheet | 5 |
| Notes to the accounts | 6 |

Carat Limited

Report and financial statements 2011

Officers and professional advisers

Directors

N Sharrocks (resigned 11 May 2012)
R Horler (appointed 11 May 2012)
J L Foster (resigned 18 August 2011)
P G Wallace (appointed 18 August 2011)
A Beswick
D Bletso (resigned 31 March 2011)
D Beale
S F Hobbs
A Howie
N Ioannou
B McKibbin
R Morris
J T Northway (resigned 31 December 2011)
D C Peters
S Pople
K Rowlinson
R Sexton
J Sutherland
D I Williams

Secretary

A Moberly

Registered Office

10 Triton Street
Regents Place
London
NW1 3BF

Carat Limited

Directors' report

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

The Company is a wholly owned subsidiary of Aegis Group plc and operated as part of the group's Aegis Media division. On 31 December 2007, the company sold all of its trade and net assets to an intermediate holding company, Aegis Media Limited ('AML'). The trading business of the Company is now operated as a division of AML and the Company has not traded during the year. As a result, these financial statements are prepared on a basis other than going concern.

Business review, principal activities, results and dividends

The profit on ordinary activities after taxation for the year was £nil (2010: £Nil). The directors recommended and paid a dividend of £Nil (2010: £Nil). No final dividend is proposed.

The balance sheet on page 5 of the financial statements shows the company's financial position consists principally of an intercompany receivable from Aegis Media Limited as a result of the sale of trade and net assets, as described above.

The Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business as a result of the sale of the trade and net assets on 31 December 2007.

Financial risk management objectives and policies

The directors consider that the only significant financial risks to the Company are credit default risk in relation to the intercompany receivable and liquidity risk as the Company is reliant on its immediate parent company, Aegis Media Limited, to meet all obligations under the existing leases. The directors consider that both of these risks to be remote.

Directors and their interests

None of the directors held any interests in the Company. The directors who served throughout the year are shown on page 1.

Approved by the Board of Directors
and signed on behalf of the Board



P Wallace

Director

24/9 2012

Carat Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 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 estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, 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 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.

Carat Limited

Profit and loss account Year ended 31 December 2011

| | Notes | 2011 £ | 2010 £ |
|---|-------|-----------|-----------|
| Turnover | 1 | - | 4,877 |
| Cost of sales | | - | - |
| Gross profit | | - | 4,877 |
| Administrative expenses | | - | (4,877) |
| Operating result | 2 | - | - |
| Result on ordinary activities before taxation | | - | - |
| Tax on result on ordinary activities | | - | - |
| Result on ordinary activities after taxation and for the financial year | | - | - |

The company ceased to trade on 31 December 2007. All trading activities continue through Carat, a trading division of Aegis Media Limited.

There are no recognised gains or losses other than the results for the current and prior year, accordingly, no statement of total recognised gains and losses is presented.

Carat Limited

Balance sheet 31 December 2011

| | Notes | 2011 £ | 2010 £ |
|---|-------|------------------|------------------|
| Current assets | | | |
| Debtors due within one year | 3 | 2,186,040 | 2,186,040 |
| | | <u>2,186,040</u> | <u>2,186,040</u> |
| Creditors: amounts falling due within one year | | <u>-</u> | <u>-</u> |
| Net current assets | | <u>2,186,040</u> | <u>2,186,040</u> |
| Total assets | | <u>2,186,040</u> | <u>2,186,040</u> |
| Capital and reserves | | | |
| Called up share capital | 4 | 2,102,040 | 2,102,040 |
| Profit and loss account | 5 | - | - |
| Other reserves | 5 | 84,000 | 84,000 |
| Shareholders' funds | 6 | <u>2,186,040</u> | <u>2,186,040</u> |

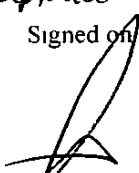
For the year ending 31 December 2011 the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

The financial statements of Carat Limited registered number 1378339 were approved by the Board of Directors on *24th* September 2012

Signed on behalf of the Board of Directors



P Wallace

Director

Carat Limited

Notes to the accounts Year Ended 31 December 2011

1. Accounting policies

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are described below and have been applied consistently in both the current and preceding years.

Basis of preparation

The Company sold its trade and net assets on 31 December 2007 to Aegis Media Limited and has not traded during the year. As required by FRS 18 Accounting Policies, the directors have prepared the financial statements on a basis that the Company is no longer a going concern.

Cash flow statement

The financial statements of Aegis Group plc for the year ended 31 December 2010 contain a consolidated statement of cash flows. Therefore the Company has taken advantage of the exemption granted under FRS1 (revised) whereby it is not required to publish its own statement of cash flows.

2. Staff costs and directors' remuneration

The company employed no staff at 31 December 2010 (2010: Nil). No remuneration was paid to the directors of the company during the year (2010: £Nil).

3. Debtors due within one year

| | 2011 £ | 2010 £ |
|--|-----------|-----------|
| Amounts due from other group companies | 2,186,040 | 2,186,040 |

The amount owed by the fellow group undertaking is not interest bearing and is payable on demand.

4. Share capital

| | 2011 £ | 2010 £ |
|---|------------------|------------------|
| Authorised: | | |
| 4,000,000 (2010: 4,000,000) ordinary shares of £1 each | 4,000,000 | 4,000,000 |
| 84,000 (2010: 84,000) 12% redeemable participating preference shares of £1 each | 84,000 | 84,000 |
| | <u>4,084,000</u> | <u>4,084,000</u> |
| Allotted, called-up and fully paid | | |
| 2,102,040 (2010: 2,102,040) ordinary shares of £1 each | <u>2,102,040</u> | <u>2,102,040</u> |

5. Reserves

| | Profit and loss account £ | Other reserves £ |
|--|------------------------------------|------------------------|
| At 1 January 2011 and 31 December 2011 | - | 84,000 |

Carat Limited

Notes to the accounts Year Ended 31 December 2011

6. Reconciliation of movements in shareholders' funds

| | 2011 £ | 2010 £ |
|--|------------------|------------------|
| Shareholders' funds at beginning and end of year | <u>2,186,040</u> | <u>2,186,040</u> |

7. Related party transactions

The Company has taken advantage of the exemption available to 90% owned subsidiaries, as defined by FRS 8, not to disclose related party transactions with other group companies. All transactions between the Company and other group companies have been at arm's length.

There were no other transactions with related parties during the current or prior year.

8. Guarantees and other financial commitments

a) Capital commitments

The Company had no capital commitments as at 31 December 2011 (2010 - £nil).

b) Guarantees

The Company is party to a £442m composite cross guarantee with other group companies in order to secure banking facilities. Under the terms of this guarantee each company is jointly and severally liable for any liability to the group's bankers, which cannot be met by the company in whose name the liability exists. Details of group borrowings are included in the financial statements of Aegis Group Plc. On the 11 January 2011 the Company was released from these guarantees.

9. Ultimate holding company

The company's immediate parent undertaking is Aegis Media Limited, a company incorporated in Great Britain and registered in England and Wales. The ultimate parent undertaking and controlling party is Aegis Group plc, a company incorporated in Great Britain and registered in England and Wales.

The largest group in which the results of the company are group is that headed by Aegis Group plc. The group financial statements of Aegis Group plc are available to the public and may be obtained from 10 Triton Street, Regents Place, London, NW1 3BF. The smallest group in which the results of the company are group is that headed by Aegis Media Limited.

On 12 July 2012 Dentsu Inc. and Aegis Group plc, the ultimate parent company of the Company, agreed on the terms of a recommended cash offer pursuant to which Dentsu Inc. will acquire the entire issued and to be issued ordinary share capital of Aegis Group plc.