

CONCORD & POSTERLINK LIMITED
5164211
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 1994

Registered Number 2040797



CONCORD & POSTERLINK LIMITED

DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 1994

The directors present to the members their report and financial statements for the year ended 31st December 1994.

PRINCIPAL ACTIVITY

The company's principal activity is that of outdoor advertising agents.

PROFIT AND APPROPRIATIONS

The profit for the year after taxation is £278,715 (1993 £188,910) which when combined with the profit brought forward from the previous year of £317,853 and reduced by £250,000 in respect of an interim dividend of 0.625p per share leaves retained profits of £346,568 to carry forward.

The directors do not recommend the payment of any further dividends.

DIRECTORS AND THEIR SHARE INTERESTS

The directors who served during the year are as follows:

P.J. Waddell - Chairman
A.J.D. Simmons - Managing
N.S. Mansell
J.C. Winstanley
K. Maddison-Roberts
S.V. Wilson
A.A. Lloyd

None of the directors had any interest in the shares of the company during the year.

The following directors had interests in the shares of the ultimate parent company, Alban Communications Limited at the beginning and end of the year ended 31st December 1994 as follows:-

	Ordinary shares of 50p each	
	31st December 1994	31st December 1993
P.J. Waddell	45,000	45,000
A.J.D. Simmons	45,000	45,000
N.S. Mansell	30,000	30,000
C.A. Kerman	25,000	25,000
J.C. Winstanley	35,000	35,000
S.V. Wilson	25,000	25,000
N.S. Mansell and J.C. Winstanley as trustees of the Alban No 2 Pension Scheme	95,000	95,000

None of the directors held any shares in other group companies.

CONCORD & POSTERLINK LIMITED

DIRECTORS' REPORT (continued)

YEAR ENDED 31ST DECEMBER 1994

DEVELOPMENT OF THE BUSINESS

Although the full potential of significant blue chip client gains was not realised in 1994, the Directors' consider the year's performance as very satisfactory with considerable growth from existing clients and the successful development of new business sources.

Taking account of the formation of a joint venture company, Outdoor Connection Limited, resulting in the transfer of business representing a significant proportion of Concord & Posterlink Limited's 1993 billings, the billings growth achieved in 1994, fulfilled the board's ambitions.

A contributory factor to improved profitability in 1994 was the increased demand for and growth in the United Kingdom Outdoor Market, which bodes well for the future. The directors are confident that with an enviable client portfolio, together with a reputation for delivering a quality service, the company will be able to maintain its successful trading record.

As part of the quality programme the company has applied for ISO 9,000 certification.

TANGIBLE FIXED ASSETS

Tangible fixed assets acquired by the company during the period amounted to:

	Total £
Fittings and office machinery	20,245
Motor vehicles	-
	<u>£20,245</u>

STATEMENT OF 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 of the company for that period. In preparing those financial statements, the directors are required to

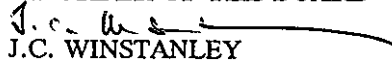
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- prepare 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 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.

AUDITORS

A resolution to reappoint Hays Allan as auditors of the company will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD


J.C. WINSTANLEY
Secretary

Liberty House
222 Regent Street
London W1R 5DE
27th April 1995

**AUDITORS' REPORT TO THE MEMBERS OF
CONCORD & POSTERLINK LIMITED**

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

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.

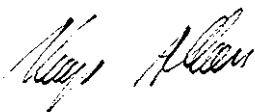
Basis of opinion

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 of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Hays Allan
Chartered Accountants
Registered Auditors**

**Southampton House
317 High Holborn
London
WC1V 7NL**

27th April 1995

CONCORD & POSTERLINK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 1994

	Note	1994 £	1993 £
TURNOVER		33,845,458	39,245,848
Cost of sales		31,889,210	37,206,370
GROSS PROFIT		<u>1,956,248</u>	<u>2,039,478</u>
Administrative expenses		1,520,982	1,727,967
Operating profit		<u>435,266</u>	<u>311,511</u>
Net interest receivable	4	8,694	8,699
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>443,960</u>	<u>320,210</u>
Taxation on profit on ordinary activities	5	165,245	131,300
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>278,715</u>	<u>188,910</u>
Dividend	14	250,000	285,500
Retained profit/(loss) for the financial year		<u>28,715</u>	<u>(96,590)</u>
Retained profit brought forward		317,853	414,443
RETAINED PROFIT CARRIED FORWARD		<u><u>£346,568</u></u>	<u><u>£317,853</u></u>

All transactions during the year were derived from continuing activities.

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

CONCORD & POSTERLINK LIMITED

BALANCE SHEET

AT 31ST DECEMBER 1994

	Note	1994 £	1993 £
FIXED ASSETS			
Tangible assets	6	117,534	149,409
CURRENT ASSETS			
Stocks	7	7,700	7,700
Debtors	8	5,495,159	5,149,849
Cash at bank and in hand	9	1,660,433	1,315,323
		<u>7,163,292</u>	<u>6,472,872</u>
CREDITORS: Amounts falling due within one year	10	6,520,573	5,875,872
Net current assets		<u>642,719</u>	<u>597,000</u>
Total assets less current liabilities		<u>760,253</u>	<u>746,409</u>
CREDITORS: Amounts falling due after one year	11	13,685	26,556
Provision for liabilities and charges	12	-	2,000
		<u>£746,568</u>	<u>£717,853</u>
CAPITAL AND RESERVES			
Called up share capital	13	400,000	400,000
Profit and loss account	14	346,568	317,853
Equity shareholders' funds		<u>£746,568</u>	<u>£717,853</u>

The financial statements on pages 4 to 10 were approved by the board of directors on 27th April 1995 and were signed on its behalf by:



A.J.D. Simmons)

) Directors



J.C. Winstanley)

CONCORD & POSTERLINK LIMITED

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31ST DECEMBER 1994

Basis of Accounting

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

The company is a wholly owned subsidiary of Alban Communications Limited and the cash flows of the company are included in the consolidated group cash flow statement. Consequently, the company is exempt under the terms of Financial Reporting Standard No 1 from publishing a cashflow statement.

Turnover

In accordance with normal advertising practice, billing in respect of the purchase of media space for advertising clients and their agents, together with service fees, are stated in all cases at their gross billing equivalents.

Stock

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

Depreciation

Depreciation is calculated on a straight line basis. The rates used are:

Motor vehicles	- 20% per annum
Fixtures and fittings and office machinery	- 10%-25% per annum

Deferred Taxation

Provision is made for deferred taxation at the appropriate rate to take account of timing differences between the treatment of items for financial statements purposes and that for taxation purposes to the extent that it is probable that a liability for taxation will crystallise as a result of the reversal of those timing differences.

Operating Leases

Amounts falling due under operating leases are charged to the profit and loss account on an accruals basis.

Hire Purchase Agreements

Assets acquired under hire purchase agreements are included in fixed assets and depreciated on a straight line basis as detailed above. The capital element of future payments is included in creditors and the interest element is charged to the profit and loss account over the period of the agreement in proportion to the balance outstanding.

CONCORD & POSTERLINK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 1994

1.	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1994	1993
		£	£
	The profit on ordinary activities before taxation is stated after charging:-		
	Depreciation	52,109	54,599
	Auditors remuneration - audit	6,500	11,250
	- other services	-	425
	Operating leases	21,505	102,646
	Loss on disposal of fixed assets	(11)	(117)
		<u> </u>	<u> </u>
2.	STAFF NUMBERS AND COSTS	No.	No.
	The average number of people who had contracts of employment with the company's fellow group undertaking Alban Communications Limited during the year but worked on the business of the company was	47	47
		<u> </u>	<u> </u>
	The aggregate staff costs of the above were:	£	£
	Salaries	937,300	1,141,236
	Social security costs	74,254	103,908
	Other pension costs	60,400	56,374
		<u>£1,071,954</u>	<u>£1,301,518</u>
		<u> </u>	<u> </u>
3.	EMOLUMENTS OF DIRECTORS		
	Directors' emoluments (including pension contributions and benefits in kind)	£474,865	£487,858
		<u> </u>	<u> </u>
	Emoluments other than contributions to pension schemes:		
	Chairman (and highest paid director 1993)	£53,538	£90,330
		<u> </u>	<u> </u>
	Highest paid director	£100,936	£ -
		<u> </u>	<u> </u>
	Emoluments of other directors fall into the following bands:	No.	No.
	£0 - £5,000	-	2
	£5,001 - £10,000	1	-
	£25,001 - £30,000	1	-
	£45,001 - £50,000	-	2
	£55,001 - £60,000	1	1
	£60,001 - £65,000	-	2
	£75,001 - £80,000	1	-
	£80,001 - £85,000	-	1
	£100,001 - £105,000	1	-
		<u> </u>	<u> </u>
4.	NET INTEREST RECEIVABLE	£	£
	Interest receivable	12,378	10,249
	Interest payable under hire purchase agreements	3,684	1,550
		<u>£8,694</u>	<u>£8,699</u>
		<u> </u>	<u> </u>

CONCORD & POSTERLINK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST DECEMBER 1994

5. TAXATION	1994 £	1993 £
The charge based on the profit for the year comprises:		
Corporation tax at 33%	164,000	134,500
Group relief in respect of previous years	-	145,800
Prior year corporation tax	(255)	(149,000)
Deferred tax	(2,000)	-
Tax interest	3,500	-
	<u>£165,245</u>	<u>£131,300</u>

The provision and full potential liability for deferred taxation comprise the following:

	1994 Provision £	1994 Full potential liability £	1993 Provision £	1993 Full potential liability £
Excess capital allowances	-	-	2,000	2,000

6. TANGIBLE FIXED ASSETS	Motor vehicles held under hire purchase contracts £	Fittings and office machinery £	Total £
Cost			
At 31st December 1993	47,254	409,855	457,109
Additions	-	20,245	20,245
Disposals	-	(20,461)	(20,461)
At 31st December 1994	<u>47,254</u>	<u>409,639</u>	<u>456,893</u>
Depreciation			
At 31st December 1993	9,451	298,249	307,700
Charge for period	9,451	42,658	52,109
Disposals	-	(20,450)	(20,450)
At 31st December 1994	<u>18,902</u>	<u>320,457</u>	<u>339,359</u>
Net Book Value			
At 31st December 1994	<u>£28,352</u>	<u>£89,182</u>	<u>£117,534</u>
At 31st December 1993	<u>£37,803</u>	<u>£111,606</u>	<u>£149,409</u>

7. STOCK	1994 £	1993 £
Consumables	<u>£7,700</u>	<u>£7,700</u>

CONCORD & POSTERLINK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST DECEMBER 1994

8. DEBTORS	1994 £	1993 £
Amounts falling due within one year:		
Trade debtors	4,078,957	4,255,777
Other debtors	9,456	27,653
Amounts owed by group undertakings	1,406,746	866,419
	<u>£5,495,159</u>	<u>£5,149,849</u>
9. CASH AT BANK AND IN HAND		
Current account	510,934	984,233
Client account for business placed as agent	1,149,499	331,090
	<u>£1,660,433</u>	<u>£1,315,323</u>
10. CREDITORS: Amounts falling due within one year		
Trade creditors	5,897,203	5,317,400
Other creditors	131,762	106,811
Other taxes	77,205	20,263
Hire purchase contracts	12,871	11,398
Corporation tax	151,532	134,500
Interim dividend	250,000	285,500
	<u>£6,520,573</u>	<u>£5,875,872</u>
11. CREDITORS: Amounts falling due after one year		
Hire purchase contracts	<u>£13,685</u>	<u>£26,556</u>
The amounts due under hire purchase agreements falling due after more than one year are wholly payable within five years.		
12. PROVISIONS FOR LIABILITIES AND CHARGES		
Deferred tax		
The movement in deferred tax for the year is as follows:		
At 31st December 1993	2,000	2,000
Charge for year	(2,000)	-
At 31st December 1994	<u>-</u>	<u>£2,000</u>
The year end provision comprises:		
Corporation tax deferred by accelerated capital allowances	<u>-</u>	<u>£2,000</u>
13. CALLED UP SHARE CAPITAL		
Authorised, issued and fully paid £1 ordinary shares	<u>£400,000</u>	<u>£400,000</u>

CONCORD & POSTERLINK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31ST DECEMBER 1994

14. RESERVES

	1994 £	1993 £
At 31st December 1993	317,853	414,443
Profit for the year	278,715	188,910
	<u>596,568</u>	<u>603,353</u>
Interim dividend	250,000	285,500
At 31st December 1994	<u>£346,568</u>	<u>£317,853</u>

15. ULTIMATE PARENT COMPANY

The ultimate parent company is Alban Communications Limited a company registered in England and Wales.

Group financial statements for Alban Communications Limited are available to the public from Companies Registration Office, Companies House, Crown Way, Cardiff on payment of the appropriate fee.

16. PENSIONS

Details of pension scheme arrangements can be found in the financial statements of Alban Communications Limited being the company that holds contracts of employment for all Concord & Posterlink personnel.

17. OPERATING LEASE COMMITMENTS

The minimum operating lease payments to be made in the year ending 31st December 1995 are as follows:-

	Land and buildings £	Other £
Leases expiring:		
Within one year	-	6,575
Between two and five years	141,900	4,721
	<u>£141,900</u>	<u>£11,296</u>

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1994 £	1993 £
Profit for the year after taxation	278,715	188,910
Interim dividend	250,000	285,500
	<u>28,715</u>	<u>(96,590)</u>
Opening shareholders' funds	717,853	814,443
Closing shareholders' funds	<u>£746,568</u>	<u>£717,853</u>

19. BANK GUARANTEES

The company as part of the Alban Group has given cross guarantees incorporating letters of set - off on behalf of other group companies. All debtors in respect of business placed as agent and all funds held in the company's bank accounts designated client account for business placed as agent are excluded from the cross guarantees and letters of set-off.