

**Company Registration No. 2040797**

**Source Out Of Home Limited**

**Report and Financial Statements**

**31 December 2009**

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# **Source Out Of Home Limited**

## **Report and financial statements 2009**

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# **Source Out Of Home Limited**

## **Report and financial statements 2009**

### **Officers and professional advisers**

#### **Directors**

J L Foster (appointed 25 September 2009)  
A J D Simmons (resigned 1 August 2009)  
N Guerretta (resigned 30 May 2009)  
K J Cochrane  
R S Sapsford  
A J Shelton (resigned 2 February 2009)

#### **Secretary**

Kathryn O Reilly (resigned 4 January 2010)  
E Thomas (appointed 4 January 2010)

#### **Registered Office**

180 Great Portland Street  
London  
W1W 5QZ

#### **Auditors**

Deloitte LLP  
Chartered Accountants and Registered Auditors  
London

## **Source Out Of Home Limited**

### **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 December 2009

#### **Principal activity, business review and future developments**

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 2008, the Company sold all of its trade and net assets to an intermediate holding company, Aegis Media Limited ('AML'), for consideration equal to the net book value at that date. The trading business of the Company is now operated as a division of AML and the Company has not traded other than the payment of a dividend and the holding of an operating lease for property which is used by a division of AML. As a result, these financial statements are prepared on a basis other than that of a going concern.

The balance sheet on page 8 of the financial statements shows the Company's financial position which consists principally of an intercompany receivable from AML as a result of the sale of trade and net assets as described above.

#### **Results and dividends**

The profit and loss account on page 7 shows a profit on ordinary activities after taxation for the year of £nil (2008: £370,214). The directors recommended and paid a dividend of £1,428,232 (2008: nil). No final dividend is proposed.

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 2008.

#### **Financial risk management objectives and policies**

The directors consider that the only significant financial risk to the Company is credit default risk in relation to the intercompany receivable. As the receivable is with AML, the directors consider the risk of credit default to be remote.

#### **Directors and their interests**

The directors who served during the year are shown on page 1.

## Source Out Of Home Limited

### Directors' report (continued)

#### Auditors

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have expressed their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting

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

A handwritten signature in black ink, appearing to read 'J L Foster', is written over a horizontal line.

J L Foster  
Director

4 June 2010

## **Source Out Of Home 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 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 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 to 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.

## **Independent auditors' report to the members of Source Out Of Home Limited**

We have audited the financial statements of Source Out Of Home Limited for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. 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 more fully explained 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 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 Practice Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of 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.

### **Opinion**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its result 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.

### **Emphasis of matter – Financial statements prepared on a basis other than that of a going concern**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1 to the financial statements, which explain that the financial statements have been prepared on a basis other than that of a going concern.

### **Opinion on matters prescribed in the Companies Act 2006**

- In our opinion the information in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditors' report to the members of Source Out Of Home Limited (continued)**

### **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

*Mark Lee-Amies*

Mark Lee-Amies (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
London, United Kingdom  
4 June 2010



## Source Out Of Home Limited

### Profit and loss account Year ended 31 December 2009

	Notes	2009 £	2008 £
Turnover	1	165,375	21,959,567
Cost of sales		-	(19,937,025)
<b>Gross profit</b>		<u>165,375</u>	<u>2,022,542</u>
Administrative expenses		(165,375)	(1,651,229)
<b>Operating profit</b>		-	371,313
Interest receivable and similar income	4	-	216,669
Interest payable and similar charges	5	-	(76,486)
<b>Profit on ordinary activities before taxation</b>	2	-	511,496
Tax on profit on ordinary activities	8	-	(141,282)
<b>Profit on ordinary activities after taxation</b>		<u>-</u>	<u>370,214</u>

The company ceased to trade on 31 December 2008 but continues to hold an operating lease in its name. All trading activities continue through Source out of Home, a trading division of Aegis Media Limited.

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

There are no recognised gains or losses other than the result for this year and the profit in the preceding year, accordingly, no statement of total recognised gains and losses is presented.

## Source Out Of Home Limited

### Balance sheet 31 December 2009

	Notes	2009 £	2008 £
<b>Current assets</b>			
Debtors	9	438,128	1,828,232
		<u>438,128</u>	<u>1,828,232</u>
<b>Creditors, amounts falling due within one year</b>	10	(38,128)	-
<b>Net current assets</b>		<u>400,000</u>	<u>1,828,232</u>
<b>Total assets less current liabilities</b>		<u>400,000</u>	<u>1,828,232</u>
<b>Capital and reserves</b>			
Called up share capital	11	400,000	400,000
Profit and loss account	12	-	1,428,232
<b>Shareholders' funds</b>	13	<u>400,000</u>	<u>1,828,232</u>

The financial statements of Source Out Of Home Limited, registered number 2040797, were approved by the Board of Directors on 4 June 2010

Signed on behalf of the Board of Directors

J L Foster  
Director



# Source Out Of Home Limited

## Notes to the accounts

### Year ended 31 December 2009

#### 1. Accounting policies

The financial statements are prepared under the historical cost convention

The financial statements are prepared 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 at the 31 December 2008 to AML and has not traded during the year other than for the payment of an interim dividend and the holding of an operating lease on property which is used by a division of AML. 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 the ultimate parent company, Aegis Group plc, for the year ended 31 December 2009 contain a consolidated statement of cash flows. Consequently, the company is exempt under the terms of Financial Reporting Standard No 1 (revised) from publishing a cash flow statement

##### **Turnover and revenue**

In accordance with industry practice, Turnover in the prior year represents the amounts invoiced (excluding VAT) to clients for media space together with fees invoiced for other services. Turnover in the current year represents the amounts received from leasing properties to AML

##### **Operating leases**

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

##### **Current taxation**

Current tax including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

##### **Deferred taxation**

Deferred tax is provided using the full provision method. Deferred tax is recognised in respect of all timing differences which have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. It is the company's policy not to discount deferred tax to reflect the time value of money

##### **Related party transactions**

The company has taken advantage of the exemption available to 90% owned subsidiaries not to disclose related party transactions with other group companies or investees of the group

# Source Out Of Home Limited

## Notes to the accounts

### Year ended 31 December 2009

#### 2. Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging

	2009 £	2008 £
Depreciation - owned assets	-	24,881
Operating leases – other buildings	165,375	132,300
Fees payable to the Company's auditors for the audit of the Company's annual accounts	-	30,000

All turnover in the prior arises in the UK and relates to outdoor advertising. The auditors' remuneration of £1,000 for the audit of the Company's annual accounts has been borne by AML and is dealt with in their financial statements

#### 3 Staff numbers and costs

	2009 No.	2008 No.
The average monthly number of people (including directors) who had contracts of employment with the company's immediate parent undertaking, Alban Communications Limited, during the year but worked on business of the company was	-	17

#### Staff costs during the year (including directors' remuneration)

	£	£
Wages and salaries	-	930,077
Social security costs	-	101,875
Pension costs	-	40,525
		1,072,477

#### 4 Interest receivable and similar income

	2009 £	2008 £
Bank interest receivable	-	853
Inter-company interest receivable	-	215,816
	-	216,669

## Source Out Of Home Limited

### Notes to the accounts Year ended 31 December 2009

#### 5 Interest payable and similar charges

	2009 £	2008 £
Other interest payable	-	(76,486)

#### 6 Dividend paid

	2009 £	2008 £
Dividend paid in the year of 357 06p (2008 nil) per share	1,428,232	-

#### 7 Directors' emoluments

	2009 £	2008 £
Aggregate emoluments	-	549,084
Company pension contributions to money purchase schemes	-	23,490
	-	572,574
<b>Highest paid director</b>		
Aggregate emoluments (including acquisition bonus)	-	268,668
Company pension contributions to money purchase schemes	-	9,180
	-	277,848

Retirement benefits are accruing to all directors under money purchase pension schemes in the prior year

## Source Out Of Home Limited

### Notes to the accounts Year ended 31 December 2009

#### 8 Tax on profit on ordinary activities

The charge based on the profit for the year comprises

	2009 £	2008 £
United Kingdom corporation tax at 28% (2008 28.5%) based on the profit for the year	-	143,218
Deferred tax	-	(1,936)
	<u>-</u>	<u>141,282</u>

Factors affecting the tax charge for the year

	2009 £	2008 £
Profit on ordinary activities before tax	-	511,496
Profit on ordinary activities multiplied by the standard rate of UK corporation tax of 28% (2008 28.5%)	-	143,218
Excess of depreciation over capital allowances	-	3,581
Other timing differences	-	758
Current tax charge	<u>-</u>	<u>147,557</u>

#### Deferred tax asset

The deferred tax balance is in respect of accelerated capital allowances and short-term timing differences. The movement is as follows

	2009 £	2008 £
At 1 January	-	7,863
Amount credited to the profit and loss account	-	1,936
Transferred to AML (refer note 1)	-	(9,799)
At 31 December	<u>-</u>	<u>-</u>

The Company has no unrecognised deferred tax assets or liabilities (2008 £nil)

## Source Out Of Home Limited

### Notes to the accounts Year ended 31 December 2009

#### 9. Debtors

	2009 £	2008 £
Amounts owed by group undertakings	400,000	1,828,232
Prepayments and accrued income	38,128	-
	<u>438,128</u>	<u>1,828,232</u>

The amount owed by the fellow group undertaking is not interest bearing and does not have an agreed date of repayment

#### 10. Creditors, amounts falling due within one year

	2009 £	2008 £
Amounts owed to group undertakings	<u>38,128</u>	<u>-</u>

#### 11 Called up share capital

	2009 £	2008 £
Authorised, called up, allotted and fully paid 400,000 ordinary shares of £1 each	<u>400,000</u>	<u>400,000</u>

#### 12 Profit and loss account

	2009 £	2008 £
At 1 January	1,428,232	1,058,018
Profit on ordinary activities after taxation	-	370,214
Dividends paid	<u>(1,428,232)</u>	<u>-</u>
At 31 December	<u>-</u>	<u>1,428,232</u>

#### 13 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Profit for the year after taxation	-	370,214
Dividends paid	<u>(1,428,232)</u>	<u>-</u>
Retained profit for the financial year	<u>(1,428,232)</u>	<u>370,214</u>
Opening shareholders' funds	1,828,232	1,458,018
Closing shareholders' funds	<u>400,000</u>	<u>1,828,232</u>

## Source Out Of Home Limited

### Notes to the accounts

#### Year ended 31 December 2009

##### 14. Operating lease commitments

The minimum operating lease payment to be made for these leases are as follows

	<b>Land and buildings</b>	
	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Within one year	165,375	-
Between two and five years	-	165,375
	<u>165,375</u>	<u>165,375</u>

##### 15 Ultimate holding company

The Company's immediate parent company is Aegis Media Limited, a company incorporated in Great Britain and registered in England and Wales

The largest group in which the results of the Company are consolidated is that headed by Aegis Group plc, the ultimate parent company and controlling entity, which is also registered in England and Wales. The smallest group in which the results of the Company are consolidated is that headed by Aegis Media Limited.

The consolidated accounts of Aegis Group plc are available to the public and may be obtained from Aegis Group plc, 180 Great Portland Street, London W1W 5QZ.