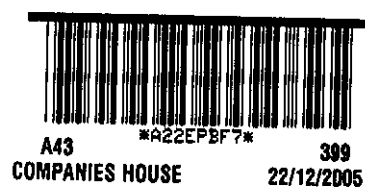


**CONCORD & POSTERLINK LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST DECEMBER 2004**

Registration Number 2040797



# CONCORD & POSTERLINK LIMITED

## DIRECTORS' REPORT

YEAR ENDED 31ST DECEMBER 2004

The directors present to the members their report and financial statements for the year ended 31st December 2004.

### PRINCIPAL ACTIVITY

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

### PROFIT AND APPROPRIATIONS

The profit for the year after taxation is £422,964 (2003: £461,979) which, when combined with the profit brought forward from the previous year of £1,012,556 (2003: £1,000,577), and no dividend payment (2003: £450,000), leaves retained profits of £1,435,520 (2003: £1,012,556) to carry forward.

### DEVELOPMENT OF THE BUSINESS

Following a successful management restructure early in the year, 2004 delivered effective consolidation on existing business. No client losses were suffered and with increased new business activity three new media agency accounts were won. The company achieved very high levels of media buying performance on behalf of its clients, as measured by independent audit, resulting in enhanced financial reward in some instances as well as generating high client satisfaction. The board looks forward to continued new business success and has plans to expand into experiential advertising thereby further increasing Concord's resource capability for clients.

### DIRECTORS AND THEIR SHARE INTERESTS

The directors who served during the year are as follows:

A.J.D. Simmons	Chairman
N.S. Mansell	
K. Maddison-Roberts	
N. Guerretta	
K.J. Cochrane	
A.J. Shelton	
J.C. Winstanley	
G. Read (Non-executive)	(appointed 1 <sup>st</sup> December 2004)
N. Welling (Non-executive)	(resigned 30 <sup>th</sup> November 2004)
L. Goulborn	(resigned 20 <sup>th</sup> July 2004)

The following was appointed after the year-end:

R.M. Henson	(appointed 1 <sup>st</sup> January 2005)
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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 as follows:

	Ordinary shares of 50p each	
	1st January 2004	31st December 2004
A.J.D. Simmons	45,000	45,000
N.S. Mansell	30,000	30,000
J.C. Winstanley	35,000	35,000
A.J.D. Simmons, N.S. Mansell and K. Maddison-Roberts as trustees of the Alban No. 2 Pension Scheme	45,000	45,000

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

At 31st December 2004, included within the shareholdings of A.J.D. Simmons, N.S.Mansell and J.C.Winstanley are 24,000, 10,000 and 10,000 shares respectively, of which the beneficial interest is held in trust funds for their families.

# **CONCORD & POSTERLINK LIMITED**

## **DIRECTORS' REPORT (continued)**

**YEAR ENDED 31ST DECEMBER 2004**

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### **SHARE OPTIONS**

At 31st December 2004 the following directors held the options over Ordinary shares in Alban Communications Limited:

	Number of Options
A.J. Shelton	2,890
N. Guerretta	2,890
K. Cochrane	2,890
R.M. Henson	1,400

The above share options are exercisable at £6 per share between 23rd April 2007 and 23rd April 2017.

### **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 reappointing haysmacintyre will be proposed at the AGM in accordance with S385(2) of the Companies Act 1985.

### **BY ORDER OF THE BOARD**



**J.C. WINSTANLEY**  
Secretary

**Fairfax House**  
**15 Fulwood Place**  
**London, WC1V 6AY**

**13<sup>th</sup> July 2005**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF**

### **CONCORD & POSTERLINK LIMITED**

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We have audited the financial statements of Concord & Posterlink Limited for the year ended 31st December 2004 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditor's 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 described in the Statement of Directors' Responsibilities the company's directors are responsible for preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 transactions with the company 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.

#### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*haysmacintyre*

**haysmacintyre  
Chartered Accountants  
Registered Auditors**

**Fairfax House  
15 Fulwood Place  
London  
WC1V 6AY**

**13<sup>th</sup> July 2005**

**CONCORD & POSTERLINK LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST DECEMBER 2004**

	Note	2004 £	2003 £
<b>TURNOVER</b>		54,463,451	48,479,369
Cost of sales		(51,008,427)	(45,077,808)
<b>GROSS PROFIT</b>		<u>3,455,024</u>	<u>3,401,561</u>
Administrative expenses	3	(2,888,737)	(2,777,519)
<b>OPERATING PROFIT</b>		<u>566,287</u>	<u>624,042</u>
Net interest receivable	6	<u>71,177</u>	<u>57,937</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	1	637,464	681,979
Taxation on profit on ordinary activities	7	(214,500)	(220,000)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<u>422,964</u>	<u>461,979</u>
Dividends	4	-	(450,000)
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		<u>422,964</u>	<u>11,979</u>
<b>RETAINED PROFIT BROUGHT FORWARD</b>		<u>1,012,556</u>	<u>1,000,577</u>
<b>RETAINED PROFIT CARRIED FORWARD</b>		<u>£1,435,520</u>	<u>£1,012,556</u>


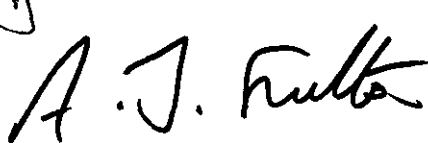
- All transactions during the year are derived from continuing activities.
- All recognised gains and losses are included in the profit and loss account.

**CONCORD & POSTERLINK LIMITED****BALANCE SHEET****AT 31ST DECEMBER 2004**

	Note	2004 £	2003 £
<b>FIXED ASSETS</b>			
Tangible assets	8	14,411	26,675
<b>CURRENT ASSETS</b>			
Debtors	9	5,790,180	4,794,542
Cash at bank and in hand	10	4,510,777	3,189,951
		10,300,957	7,984,493
<b>CREDITORS: amounts falling due within one year</b>	11	(8,479,848)	(6,598,612)
<b>NET CURRENT ASSETS</b>		1,821,109	1,385,881
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		£1,835,520	£1,412,556
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	400,000	400,000
Profit and loss account		1,435,520	1,012,556
<b>EQUITY SHAREHOLDERS' FUNDS</b>	15	£1,835,520	£1,412,556

The financial statements on pages 4 to 10 were approved by the board of directors on 13<sup>th</sup> July 2005 and were signed on its behalf by:-

A.J.D. Simmons )  
                          )  
                          ) Directors  
A. J. Shelton )

# **CONCORD & POSTERLINK LIMITED**

## **ACCOUNTING POLICIES**

**FOR THE YEAR ENDED 31ST DECEMBER 2004**

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### **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**

Turnover represents the amounts invoiced to advertising clients (where the company acts as principal) for media space and ancillary services together with amounts invoiced to advertising or media agency clients (where the company acts as agent) for commission relating to media space and ancillary services.

### **Depreciation**

Depreciation is calculated in a straight line basis. The rates used are;

Motor vehicles	- 20% per annum
Fixtures and fittings	- 10% per annum
Office machinery	- 25% per annum
Leasehold Improvements	- Over the remaining term of the lease

### **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.

### **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. It is the company's policy not to discount deferred tax to reflect the time value of money.

**CONCORD & POSTERLINK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31ST DECEMBER 2004**

<b>1. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
The profit on ordinary activities before taxation is stated after charging:-		
Depreciation – owned assets	4,000	15,228
Auditors' remuneration	17,500	13,000
	<u>          </u>	<u>          </u>
<b>2. STAFF NUMBERS AND COSTS</b>	<b>No.</b>	<b>No.</b>
The average monthly number of people who had contracts of employment with the company's ultimate parent undertaking Alban Communications Limited during the year but worked on the business of the company was:	36	38
	<u>          </u>	<u>          </u>
(See note 3 below regarding Helix staff who worked on the company's business)		
The aggregate staff costs of the above were:	<b>£</b>	<b>£</b>
Salaries	1,643,870	970,277
Social security costs	167,441	98,869
Other pension costs	72,035	34,450
	<u>          </u>	<u>          </u>
	<u>£1,883,346</u>	<u>£1,103,596</u>
<b>3. ADMINISTRATIVE EXPENSES</b>		
The staff numbers and costs detailed in Note 2 above do not include the 17 staff who worked for Helix, an unincorporated joint venture between Alban Communications Limited and International Poster Management Limited, which provided a buying service in respect of most of the advertising campaigns placed by the company.		
<b>4. DIVIDENDS</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Equity dividends on ordinary shares of £1		
Final dividend – proposed	-	£450,000
	<u>          </u>	<u>          </u>
<b>5. DIRECTORS' EMOLUMENTS</b>		
Aggregate emoluments	748,625	389,116
Company pension contributions to money purchase schemes	41,671	20,662
	<u>          </u>	<u>          </u>
	<u>£790,296</u>	<u>£409,778</u>
Highest paid director:-		
Aggregate emoluments	145,492	120,281
Company pension contributions to money purchase schemes	11,226	9,237
	<u>          </u>	<u>          </u>
	<u>£156,718</u>	<u>£129,518</u>

The above costs reflect the remuneration of the additional directors appointed in 2003 resulting in 10 directors serving in 2004, whereas only 6 directors served in the previous year.

Retirement benefits are accruing to all directors under money purchase pension schemes.



**CONCORD & POSTERLINK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31ST DECEMBER 2004**

<b>6. NET INTEREST RECEIVABLE</b>		<b>2004</b>	<b>2003</b>
		<b>£</b>	<b>£</b>
Interest receivable		<u>£71,177</u>	<u>£57,937</u>
<b>7. TAXATION</b>			
a)	The charge based on the profit for the year comprises:		
	Corporation tax at 30% (2003: 30%)	227,609	229,806
	Adjustment in respect of prior years	<u>(13,109)</u>	<u>(9,806)</u>
		<u>£214,500</u>	<u>£220,000</u>
b)	Factors affecting the tax charge for the year		
	Profit on ordinary activities before tax	637,464	681,980
	Profit on ordinary activities multiplied by the standard rate of UK corporation tax of 30% (2003 30%)	191,239	204,594
	Expenses not deductible for tax purposes	23,798	13,579
	Excess of depreciation over capital allowances	3,107	2,606
	Other timing differences	9,465	9,027
	Adjustment re prior year	<u>(13,109)</u>	<u>(9,806)</u>
	Current tax charge	<u>£214,500</u>	<u>£220,000</u>
<b>8. TANGIBLE FIXED ASSETS</b>			
		<b>Leasehold improvements</b>	<b>Fittings and Office Machinery</b>
<b>Cost</b>		<b>£</b>	<b>£</b>
At 1st January 2004		38,453	92,825
Additions		1,800	2,200
At 31st December 2004		<u>£40,253</u>	<u>£95,025</u>
<b>Depreciation</b>			
At 1st January 2004		30,568	74,035
Charge for year		8,397	7,867
At 31st December 2004		<u>£38,965</u>	<u>£81,902</u>
<b>Net Book Value</b>			
At 31st December 2004		<u>£1,288</u>	<u>£13,123</u>
At 31st December 2003		<u>£7,885</u>	<u>£18,790</u>

**CONCORD & POSTERLINK LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31ST DECEMBER 2004**

<b>9. DEBTORS</b>	<b>2004 £</b>	<b>2003 £</b>
Amounts falling due within one year:		
Trade debtors	4,102,915	4,425,137
Other debtors	19,660	34,771
Amounts owed by group undertakings	1,667,605	334,634
	<u>£5,790,180</u>	<u>£4,794,542</u>
 <b>10. CASH AT BANK AND IN HAND</b>		
Current account	3,172,773	2,404,434
Client account for business placed as agent	1,338,004	785,517
	<u>£4,510,777</u>	<u>£3,189,951</u>
 <b>11. CREDITORS: amounts falling due within one year</b>		
Trade creditors	8,293,770	5,794,767
Other creditors	108,468	129,481
Other taxes	-	65,452
Corporation tax	77,610	158,912
Dividends	-	450,000
	<u>£8,479,848</u>	<u>£6,598,612</u>
 <b>12. CALLED UP SHARE CAPITAL</b>		
400,000 authorised, issued and fully paid £1 ordinary shares	<u>£400,000</u>	<u>£400,000</u>

**13. ULTIMATE PARENT COMPANY**

The ultimate parent company is Alban Communications Limited.

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.

**14. 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.

**CONCORD & POSTERLINK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31ST DECEMBER 2004**

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<b>15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Profit for the year after taxation	422,964	461,979
Dividends	-	(450,000)
	<hr/>	<hr/>
Opening shareholders' funds	422,964	11,979
	1,412,556	1,400,577
	<hr/>	<hr/>
Closing shareholders' funds	<u>£1,835,520</u>	<u>£1,412,556</u>