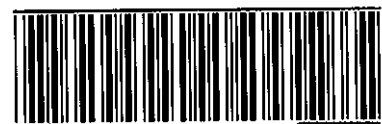


2303633

IDK MEDIA LIMITED
REPORT AND FINANCIAL STATEMENTS
Year ended 31 December 1994



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IDK MEDIA LIMITED

Annual report and financial statements for the year ended 31 December 1994

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Directors

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Directors

C J Ingram (Chairman)
N I Allmond
A E Lloyd-Barnes
A H Kenyon
T Neligan
J H Denekamp

Secretary

G M Carpenter

Registered office

1, Paris Garden, London SE1 8NU

Company number

2303633

Auditors

Binder Hamlyn, 20 Old Bailey, London EC4M 7BH

IDK MEDIA LIMITED

Report of the directors for the year ended 31 December 1994

The directors present their report together with the audited financial statements for the year ended 31 December 1994.

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:

1. select suitable accounting policies and then apply them consistently;
2. make judgements and estimates that are reasonable and prudent;
3. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
4. 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.

Dividends and transfers to Reserves

The profit and loss account is set out on page 5 and shows the profit for the year transferred to reserves. An interim dividend of £100,000 was paid during the year. The directors now recommend the payment of a final dividend of £862,000.

Principal activities, trading review and future developments

The principal activity of the company is the planning and buying of media advertising campaigns. The directors consider the results to be satisfactory.

Significant changes in fixed assets

Movements in fixed assets are shown in note 7 to the accounts.

Charitable and political donations

During the year no political or charitable donations were made by the company.

Directors

The directors of the company during the year and their interests in the share capital of the company were:

	Number of Shares	
	31.12.94	1.1.94
C J Ingram (Chairman)	-	-
N I Allmond	-	-
A H Kenyon	2,450	2,450
A E Lloyd-Barnes	-	-
J H Denekamp (appointed 14 September 1994)	-	-
P A Toynton (resigned 14 September 1994)	-	-
T Neligan (appointed 1 January 1995)	-	-

IDK MEDIA LIMITED

Report of the directors for the year ended 31 December 1994

C J Ingram and P A Toynton are both directors of the ultimate holding company, CIA Group PLC, and their interests in the share capital of that company are disclosed in the accounts of that company. The interests of the other directors in the shares of CIA Group PLC are as follows:

	Ordinary shares of 5p each		Options over ordinary shares	
	31.12.94 Number	1.1.94 Number	31.12.94 Number	1.1.94 Number
N I Allmond	-	-	62,711	44,508
A E Lloyd-Barnes	-	-	47,163	34,236
A H Kenyon	21,072	-	11,613	31,185
J H Denekamp	9,000	(9,000)	52,549	(34,311)

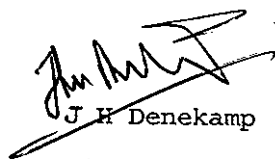
Figures in brackets represent interests at date of appointment.

On 4 May 1994 CIA Group PLC undertook a 2 for 1 bonus issue. All comparative figures for shareholdings and options have been amended to reflect this issue of shares.

Auditors

From 1 October 1994, BDO Binder Hamlyn practise in the name Binder Hamlyn and have signed their audit report in their new name. In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Binder Hamlyn be re-appointed as auditors of the Company will be put to the Annual General Meeting.

On behalf of ~~the~~ board


J H Denekamp

Director

13 March 1995

Report of the Auditors

To the members of IDK Media Limited.

We have audited the financial statements on pages 5 to 12 which have been prepared on the basis of the accounting policies set out on page 8.

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

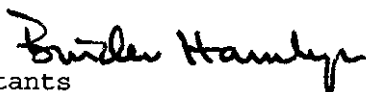
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Binder Hamlyn
Chartered Accountants
Registered Auditors
20 Old Bailey
London
EC4M 7BH



16 August 1995

IDK MEDIA LIMITED

Profit and loss account for the year ended 31 December 1994

	<u>Note</u>	<u>1994</u> £	<u>1993</u> £
Gross billings		74,024,208 =====	68,765,912 =====
Turnover	2	64,813,830	60,149,695
Cost of sales		(62,610,619)	(58,128,933)
Gross profit		2,203,211	2,020,762
Administrative expenses		(1,308,147)	(1,257,170)
Operating profit		895,064	763,592
Interest receivable		532,798	369,972
Profit on ordinary activities before taxation	3	1,427,862	1,133,564
Tax on profit on ordinary activities	5	(465,335)	(385,032)
Profit on ordinary activities after taxation		962,527	748,532
Dividends	6	(962,000)	(748,000)
Retained profit for the year		527	532
Retained profit at beginning of year		2,300	1,768
Retained profit at end of year		2,827 =====	2,300 =====

The above results derive from continuing activities and there were no acquisitions in the period.

Statement of total recognised gains and losses


There are no recognised gains and losses other than the profit for the year, as shown above.

IDK MEDIA LIMITED

Balance sheet at 31 December 1994

	<u>Note</u>	<u>1994</u> £	<u>1993</u> £
Tangible fixed assets	7	76,193	40,449
Current assets			
Debtors	8	8,575,263	10,556,045
Creditors: Amounts falling due within one year	9	8,638,629	10,584,194
Net current liabilities		(63,366)	(28,149)
Total assets less current liabilities		12,827	12,300
Capital and reserves		=====	=====
Called up share capital	10	10,000	10,000
Profit and loss account		2,827	2,300
Shareholders' funds	12	12,827	12,300
		=====	=====

The financial statements on pages 5 to 12 were approved by the board of directors
on 13 March 1995.


J. H. Denekamp - Director

IDK MEDIA LIMITED

Cash flow statement for the year ended 31 December 1994

	<u>Note</u>	<u>1994</u> £	<u>1993</u> £
Operating activities			
Net cash (outflow)/inflow from operating activities	11	(1,564,949)	2,477,850
Returns on investments and servicing of finance			
Interest received		532,798	369,972
Dividends paid		(748,000)	(666,000)
Net cash outflow from returns on investments and servicing of finance		(215,202)	(296,028)
Taxation			
UK corporation tax paid		(317,816)	(406,808)
Investing activities			
Purchase of tangible fixed assets		(57,218)	(8,354)
Sale of tangible fixed assets		-	6,779
Net cash outflow from investing activities		(57,218)	(1,575)
Net cash (outflow)/inflow before financing		(2,155,185)	1,773,439
		=====	=====
Financing			
(Decrease)/increase in amount owed by group companies		(2,155,185)	1,773,439
		(2,155,185)	1,773,439
		=====	=====

1. Accounting policies

Basis of accounting

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

Gross billings, turnover and recognition of income

Gross billings represents the cost of advertising placed, after negotiated discounts and excluding value added tax, calculated in line with the Association of Media Independents' recommended formula.

Turnover comprises the net value of billing (excluding VAT) for services in the normal course of business and reflects the costs of advertising expenditure of the company's clients and the related commissions and fees. Commissions are recognised as income when the related advertisement appears. Fees are recognised as income when they are billed in accordance with the agreements with clients.

Tangible fixed assets

Fixed assets are shown at cost less accumulated depreciation.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its estimated useful life as follows:

Office machinery	- 20% per annum
Motor vehicles	- 25% per annum
Furniture, fixtures and fittings	- 10% per annum

Taxation

Corporation tax payable is provided for at the current rate of taxation.

Deferred taxation (which arises from differences in the timing of the recognition of items in the accounts and by the tax authorities) is calculated on the liability method. Deferred tax is provided at current rates of taxation on timing differences to the extent that a tax liability is expected to arise in the foreseeable future.

Operating Leases

Rentals paid under operating leases are charged as incurred.

Pension Costs

Pension costs represent contributions made to defined contribution personal pension schemes on behalf of certain directors and employees of the company.

2. Turnover

Turnover derives from the company's principal activity and arises wholly in the United Kingdom.

3. Profit on ordinary activities before taxation

This is after charging:	<u>1994</u> £	<u>1993</u> £
Depreciation of tangible fixed assets	21,474	18,807
Operating lease rentals - machinery	3,770	2,267
- property	14,245	42,735
Auditors' remuneration	2,004	2,730
Staff costs (see note 4)	699,647	669,939
	=====	=====

4. Staff costs

Particulars of employees (including executive directors) are as shown below:

	<u>1994</u> £	<u>1993</u> £
Wages and salaries	623,974	586,224
Social security costs	64,214	61,840
Other pension costs	11,459	21,875
	<u>699,647</u>	<u>669,939</u>
	=====	=====

The average number of persons employed by the company during the year was 14 (1993 - 13).

	<u>1994</u> £	<u>1993</u> £
Directors' remuneration		
Emoluments (including pension contributions)	314,688	341,062
	=====	=====

The directors' remuneration shown above (excluding pension contributions) included:

Chairman	NIL	NIL
	===	===
Highest paid director	124,086	118,455
	=====	=====

Other directors received emoluments in the following ranges:

	Number	Number
£0 - £5,000	2	1
£55,001 - £60,000	-	1
£60,001 - £65,000	-	1
£75,001 - £80,000	1	-
£80,001 - £85,000	-	1
£100,001 - £105,000	1	-
	===	===

Two of the directors of IDK Media Limited are also directors of other CIA Group companies and all emoluments are received from these companies.

5. Tax on profit on ordinary activities

	<u>1994</u> £	<u>1993</u> £
The tax charge is based on the profit for the year and comprises:		
Corporation tax at 33%	470,000	385,000
(Over)/under provision in prior years	(4,665)	32
	<u>465,335</u>	<u>385,032</u>
	=====	=====

6. Dividends

	<u>1994</u> £	<u>1993</u> £
Interim paid - £10 per share (1993 - £10)	100,000	100,000
Final proposed - £86.2 per share (1993 £64.8)	862,000	648,000
	<hr/>	<hr/>
	962,000	748,000
	=====	=====

7. Tangible fixed assets

	Office machinery £	Motor vehicles £	Furniture fixtures & fittings £	Total £
Cost				
At 1 January 1994	45,898	16,420	21,646	83,964
Additions	52,598	-	4,620	57,218
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1994	98,496	16,420	26,266	141,182
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 January 1994	25,588	7,867	10,060	43,515
Charge for the year	14,856	4,104	2,514	21,474
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1994	40,444	11,971	12,574	64,989
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 1994	58,052	4,449	13,692	76,193
	=====	=====	=====	=====
Net book value				
At 31 December 1993	20,310	8,553	11,586	40,449
	=====	=====	=====	=====

8. Debtors

	<u>1994</u> £	<u>1993</u> £
Trade debtors	5,031,370	4,818,382
Amounts owed by group undertakings	3,482,832	5,638,017
Other debtors	1,967	1,475
Prepayments and accrued income	6,296	52,079
Advance corporation tax recoverable	52,798	46,092
	<hr/>	<hr/>
	8,575,263	10,556,045
	=====	=====

9. Creditors: amounts falling due within one year

	<u>1994</u> £	<u>1993</u> £
Trade creditors	7,186,679	9,307,709
Corporation tax	466,291	312,066
Accruals and deferred income	123,659	316,419
Proposed dividend	862,000	648,000
	<u>8,638,629</u>	<u>10,584,194</u>
	=====	=====

10. Called up share capital

	<u>1994</u> £	<u>1993</u> £
Authorised 100,000 ordinary shares of £1 each	100,000	100,000
	=====	=====
Allotted and fully paid 10,000 ordinary shares of £1 each	10,000	10,000
	=====	=====

11. Reconciliation of operating profit to net cash outflow from operating activities

	<u>1994</u> £	<u>1993</u> £
Operating profit	895,064	763,592
Depreciation	21,474	18,807
Increase in debtors	(167,697)	(467,373)
(Decrease)/increase in creditors	(2,313,790)	2,162,824
Net cash (outflow)/inflow from operating activities	<u>(1,564,949)</u>	<u>2,477,850</u>
	=====	=====

12. Reconciliation of shareholders funds

	<u>1994</u> £	<u>1993</u> £
Profit attributable to members of the company	962,527	748,532
Dividends	(962,000)	(748,000)
Net addition to shareholders' funds	<u>527</u>	<u>532</u>
Opening shareholders' funds	12,300	11,768
Closing shareholders' funds	<u>12,827</u>	<u>12,300</u>
	=====	=====

13. Ultimate parent undertaking

The Company is jointly owned by CIA Group PLC (75.5%) and AH Kenyon (24.5%).

The directors regard CIA Group PLC, a Company registered in England and Wales as the Company's ultimate parent undertaking. CIA Group PLC is the parent undertaking of the largest and smallest group of which the Company is a member and for which Group accounts are drawn up. Copies of the group accounts can be obtained from 1 Paris Garden, London, SE1 8NU.