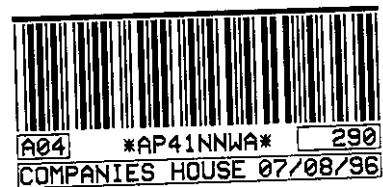


**IDK MEDIA LIMITED**  
**DIRECTORS' REPORT AND**  
**FINANCIAL STATEMENTS**  
**for the year ended 31 December 1995**

**Company number 2303633**



**BINDER HAMLYN**

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**IDK MEDIA LIMITED**

**DIRECTORS AND ADVISORS**

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**DIRECTORS**

CJ Ingram (Chairman)  
NI Allmond  
AE Lloyd-Barnes  
AH Kenyon  
T Neligan  
JH Denekamp

**SECRETARY**

GM Carpenter

**REGISTERED OFFICE**

1 Paris Garden  
London  
SE1 8NU

**AUDITORS**

Binder Hamlyn  
20 Old Bailey  
London EC4M 7BH

## **IDK MEDIA LIMITED**

### **DIRECTORS' REPORT** for the year ended 31 December 1995

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#### **FINANCIAL STATEMENTS**

The directors present their report and financial statements for the year ended 31 December 1995.

#### **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; 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 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.

#### **PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

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

#### **RESULTS AND DIVIDENDS**

The profit and loss account is set out on page 5 and shows the profit for the year £787,452 (1994: £962,527), out of which the directors recommend the payment of a dividend of £787,000 (1994: £962,000). The balance of £452 (1994: £527) is transferred to reserves.

#### **FIXED ASSETS**

Movements in fixed assets are shown in note 8 to the financial statements.

## IDK MEDIA LIMITED

### DIRECTORS' REPORT for the year ended 31 December 1995

#### DIRECTORS

The directors of the company during the year were:

CJ Ingram  
NI Allmond  
AH Kenyon  
AE Lloyd-Barnes  
JH Denekamp  
T Neligan

#### DIRECTORS' INTERESTS IN SHARES

With the exception of AH Kenyon who has an interest in 2,450 ordinary shares of £1 each, none of the directors have any interest in the share capital of the company.

The interests of the directors in the shares of CIA Group PLC are as follows:

	Ordinary shares of 5p each		Options over ordinary shares	
	31 December 1995 Number	31 December 1994* Number	31 December 1995 Number	31 December 1994* Number
CJ Ingram	12,322,380	12,301,308	14,694	35,766
NI Allmond	-	-	75,188	62,711
AE Lloyd-Barnes	-	-	52,337	47,163
AH Kenyon	21,072	21,072	11,613	11,613
JH Denekamp	1,000	9,000	85,739	52,549
T Neligan	-	-	10,025	1,500

\* or date of appointment if later

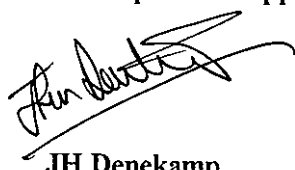
#### CHARITABLE AND POLITICAL DONATIONS

During the year the company made no charitable donations (1994: £nil). No political donations were made.

#### AUDITORS

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.

This report was approved by the Board on 2 April 1996.



JH Denekamp  
Director

# BINDER HAMLYN

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20 Old Bailey  
London EC4M 7BH

## AUDITORS' REPORT

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 pages 7 and 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.

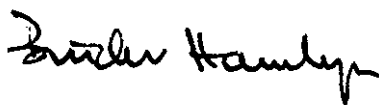
### Basis of opinion

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 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants  
Registered Auditors

1 August 1996

**IDK MEDIA LIMITED****PROFIT AND LOSS ACCOUNT**  
for the year ended 31 December 1995

	Notes	1995	1994
		£	£
Gross billings		72,076,507	74,024,208
Turnover	2	64,383,786	64,813,830
Cost of sales		(62,205,771)	(62,610,619)
Gross profit		2,178,015	2,203,211
Administrative expenses		(1,246,899)	(1,308,147)
Operating profit		931,116	895,064
Interest receivable and similar income		250,336	532,798
Profit on ordinary activities before taxation	3	1,181,452	1,427,862
Tax on profit on ordinary activities	6	(394,000)	(465,335)
Profit on ordinary activities after taxation		787,452	962,527
Dividends	7	(787,000)	(962,000)
Retained profit for the year		452	527
Retained profit at beginning of year		2,827	2,300
Retained profit at end of year		3,279	2,827

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

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

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

**IDK MEDIA LIMITED****BALANCE SHEET  
as at 31 December 1995**

	Notes	1995	1994
		£	£
<b>FIXED ASSETS</b>			
Tangible fixed assets	8	55,686	76,193
<b>CURRENT ASSETS</b>			
Debtors	9	7,937,119	8,575,263
<b>CREDITORS:</b> amounts falling due within one year	10	(7,979,526)	(8,638,629)
<b>Net current liabilities</b>		<b>(42,407)</b>	<b>(63,366)</b>
<b>Total assets less current liabilities</b>		<b>13,279</b>	<b>12,827</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	10,000	10,000
Profit and loss account		3,279	2,827
<b>Equity shareholders' funds</b>	12	<b>13,279</b>	<b>12,827</b>

The financial statements on pages 5 to 12 were approved by the Board on 2 April 1996.



**JH Denekamp**  
Director



NOTES TO THE FINANCIAL STATEMENTS

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**1 ACCOUNTING POLICIES**

The principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, are:-

**(a) Basis of accounting**

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

No cash flow statement is presented as the company has no cash or cash equivalents, and therefore no cash flows within the company result from transactions undertaken by the company.

**(b) Gross billings, turnover and recognition of income**

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

Turnover comprises the net value of amounts invoiced to clients, excluding VAT, and normally reflects the costs of advertising expenditure of the company's clients and the related commissions and fees charged. Commissions are recognised as income when the related advertisement appears. Fees are recognised when they are billed in accordance with the agreements with clients.

**(c) 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:

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

**(d) Operating leases**

Operating lease rentals are charged to the profit and loss account as incurred.

## NOTES TO THE FINANCIAL STATEMENTS

**1 ACCOUNTING POLICIES** *continued***(e) Taxation**

Corporation tax payable is provided on taxable profits at current rates.

Deferred taxation (which arises from differences in the timing of the recognition of items in the financial statements 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.

**(f) Pensions 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 primarily in the United Kingdom.

**3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

is stated after charging:	<b>1995</b>	<b>1994</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets - owned	<b>23,165</b>	<b>21,474</b>
Operating lease rentals		
- plant and machinery	<b>1,956</b>	<b>3,770</b>
- property	<b>-</b>	<b>14,245</b>
Auditor's remuneration - audit	<b>2,549</b>	<b>2,004</b>

## NOTES TO THE FINANCIAL STATEMENTS

## 4 STAFF COSTS

	1995 Number	1994 Number
(1) Number of employees		
The average weekly number of persons (including directors) employed by the company during the year was:	13	14
(2) Employee costs	£	£
Wages and salaries	614,189	623,974
Social security costs	63,217	64,214
Other pension costs	16,625	11,459
	694,031	699,647

## 5 DIRECTORS' REMUNERATION

## (1) Emoluments

The emoluments of directors of the company were:

Remuneration (excluding bonus payments)	312,396	314,688
Bonus payments	63,685	-
Pension contributions	16,625	-
	392,706	314,688

## (2) Bandings

Fees and other emoluments disclosed above (excluding share options) include the following amounts paid to:

	1995 £	Chairman 1994 £	Highest-paid director 1995 £	1994 £
Remuneration	-	-	129,232	124,086
Bonus payments	-	-	-	-
Pension contributions	-	-	16,625	11,459
	-	-	145,857	135,545

## NOTES TO THE FINANCIAL STATEMENTS

5 DIRECTORS' REMUNERATION *continued*

Other directors' emoluments (excluding pension contributions and share options) were in the following ranges:

	1995 Number	1994 Number
£0 - £5,000	1	2
£60,001 - £65,000	1	-
£75,001 - £80,000	-	1
£80,001 - £85,000	1	-
£100,001 - £105,000	1	1

Two of the directors were also directors of other affiliated companies and receive all emoluments from those companies.

## 6 TAX ON PROFIT ON ORDINARY ACTIVITIES

	£	£
Corporation tax at 33%	394,000	470,000
Adjustment in respect of prior years	-	(4,665)
	<b>394,000</b>	<b>465,335</b>

## 7 DIVIDENDS

Interim paid £nil per share (1994: £10 per share)	-	100,000
Final proposed of £78.70 per share (1994: £86.20 per share)	<b>787,000</b>	<b>862,000</b>
	<b>787,000</b>	<b>962,000</b>

## NOTES TO THE FINANCIAL STATEMENTS

## 8 TANGIBLE FIXED ASSETS

	Motor vehicles £	Office machinery £	Furniture fixture and fittings £	Total £
<b>Cost</b>				
1 January 1995	16,420	98,496	26,266	141,182
Additions	-	2,658	-	2,658
<b>31 December 1995</b>	<b>16,420</b>	<b>101,154</b>	<b>26,266</b>	<b>143,840</b>
<b>Depreciation</b>				
1 January 1995	11,971	40,444	12,574	64,989
Charge for the year	4,104	16,457	2,604	23,165
<b>31 December 1995</b>	<b>16,075</b>	<b>56,901</b>	<b>15,178</b>	<b>88,154</b>
<b>Net book value</b>				
<b>31 December 1995</b>	<b>345</b>	<b>44,253</b>	<b>11,088</b>	<b>55,686</b>
31 December 1994	4,449	58,052	13,692	76,193

## 9 DEBTORS

	1995 £	1994 £
Trade debtors	7,671,187	5,031,370
Amounts owed by fellow group undertaking	-	3,482,832
Amounts owed by parent undertaking	213,040	-
Other debtors	2,220	1,967
Prepayments and accrued income	2,468	6,296
ACT recoverable (in more than 1 year)	48,204	52,798
	<b>7,937,119</b>	<b>8,575,263</b>

## 10 CREDITORS: amounts falling due within one year

Trade creditors	6,762,162	7,186,679
Amounts owed to fellow group undertakings	1,763	-
Corporation tax	369,411	466,291
Accruals and deferred income	59,190	123,659
Proposed dividend	787,000	862,000
	<b>7,979,526</b>	<b>8,638,629</b>

## NOTES TO THE FINANCIAL STATEMENTS

11	<b>CALLED UP SHARE CAPITAL</b>	1995	1994
		£	£
	<b>Authorised</b>		
	100,000 ordinary shares of £1 each	100,000	100,000
	<b>Allotted and fully paid</b>		
	10,000 ordinary shares of £1 each	10,000	10,000
12	<b>RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</b>	1995	1994
		£	£
	Profit for the financial year	787,452	962,527
	Dividends	(787,000)	(962,000)
	Net addition to shareholders' funds	452	527
	Opening shareholders' funds	12,827	12,300
	Closing shareholders' funds	13,279	12,827

## 13 FINANCIAL COMMITMENTS

At 31 December 1995 the company had no operating lease or capital commitments.

## 14 ULTIMATE PARENT UNDERTAKING

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 financial statements are drawn up. Copies of the group financial statements are available from 1 Paris Garden, London SE1 8NU.