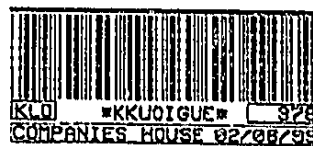


07-06-99

## IDK Media Limited

Accounts with directors' report and auditors' report  
for the year ended 31 December 1998

Registered number: 2303633



07-06-99

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## Directors and Advisors

### **Directors**

AH Kenyon

AG Martin

### **Secretary**

E Page

### **Registered office**

1 Paris Garden

London

SE1 8NU

### **Auditors**

Arthur Andersen

20 Old Bailey

London EC4M 7AN

## Directors' report

For the year ended 31 December 1998

The directors present their report and financial statements for the year ended 31 December 1998.

### 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 for the year satisfactory. On 31 December 1998 the business and assets of the Company were transferred to CIA Medianetwork UK Limited, from which point the Company ceased to trade.

### Results and dividends

The profit and loss account is set out on page 6 and shows a profit for the year of £4,389,335 (1997: £432,104), out of which the directors recommend the payment of a dividend of £4,391,033 (1997: £432,000).

## Directors' report (continued)

### Directors

The directors of the company during the year were:

AH Kenyon	
AE Lloyd-Barnes	(resigned 23 October 1998)
T Neligan	
AG Martin	(appointed 28 December 1998)

Since the year end the following changes have taken place  
 T Neligan (resigned 30 March 1999)

### Directors' interests in shares

None of the directors have any interest in the share capital of the company.

AG Martin is a director of the ultimate holding company, Tempus Group PLC and his interest in the share capital of that company is disclosed in the financial statements of that company. The interests in the shares of Tempus Group PLC of the remaining directors of the company at the year end were as follows:

	Ordinary shares of 5p each	
	31 December 1998 Number	1 January 1998 Number
AH Kenyon	23,789	25,238
T Neligan	-	-

### Options over ordinary shares

	At 1 January 1998 Number	Granted in 1998 Number	Exercised in 1998 Number	At 31 December 1998 Number
AH Kenyon	12,536	200,000	5,951	206,585
T Neligan	10,025	52,840	-	62,865

Each of the remaining directors of the Company are potential beneficiaries under the Tempus Group 1990 Employee Benefit Trust ("the Trust") and at 31 December 1998 were therefore deemed to have been interested in 2,166,992 (1 January 1998: 2,044,474) shares in Tempus Group PLC, being the number of such shares that day registered in the name of the The Tempus Group Trust company (1990) Limited for the benefit of the Trust.

## Directors' report (continued)

### Directors' interests in shares (continued)

Save as set out above none of the directors at the year end had any disclosable interest in any shares in Tempus Group PLC or any of its subsidiary undertakings.

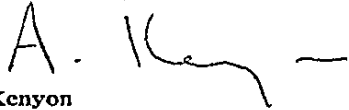
### Charitable and political donations

During the year the company made charitable donations of £500 (1997: £690). No political donations were made.

### Auditors

The directors will place a resolution before the annual general meeting to reappoint Arthur Andersen as auditors for the ensuing year

This report was approved by the Board on 10 May 1999



AH Kenyon  
Director

## Auditors' report

To the shareholders of IDK Media Limited

We have audited the financial statements on pages 6 to 13 which have been prepared under the historical cost convention on the basis of the accounting policies set out on pages 8 and 9.

### Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of the 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 company's state of affairs at 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Arthur Andersen

Chartered Accountants and Registered Auditors  
20 Old Bailey  
London EC4M 7AN

12 May 1999

## Profit and loss account

For the year ended 31 December 1998

	Notes	1998 £	1997 £
<b>Gross billings</b>		<u>72,977,260</u>	<u>133,326,473</u>
<b>Turnover</b>	2	63,521,035	116,020,697
<b>Cost of sales</b>		<u>(61,637,076)</u>	<u>(112,590,785)</u>
<b>Gross Profit</b>		1,883,959	3,429,912
<b>Administrative expenses</b>		<u>(849,285)</u>	<u>(2,985,165)</u>
<b>Operating profit</b>		1,034,674	444,747
<b>Profit on disposal of short term investment</b>		3,188,570	-
<b>Interest receivable and similar income</b>		<u>166,092</u>	<u>190,370</u>
<b>Profit on ordinary activities before taxation</b>	3	4,389,336	635,117
<b>Tax on profit on ordinary activities</b>	6	<u>(187)</u>	<u>(203,013)</u>
<b>Profit on ordinary activities after taxation</b>		4,389,149	432,104
<b>Dividends</b>	7	<u>(4,391,033)</u>	<u>(432,000)</u>
<b>Retained (loss)/profit for the year</b>		(1,884)	104
<b>Retained profit at beginning of year</b>		<u>3,910</u>	<u>3,806</u>
<b>Retained profit at end of year</b>		<u>2,026</u>	<u>3,910</u>

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.

The accompanying notes form an integral part of these financial statements.



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## Balance sheet

31 December 1998

	Notes	1998 £	1997 £
<b>Fixed assets</b>			
Tangible fixed assets	8	-	20,679
<b>Current assets</b>			
Debtors	9	3,198,570	11,812,123
Creditors: amounts falling due within one year	10	(3,186,544)	(11,818,892)
<b>Net current assets/(liabilities)</b>		<u>12,026</u>	<u>(6,769)</u>
<b>Net assets</b>		<u>12,026</u>	<u>13,910</u>
<b>Capital and reserves</b>			
Called up share capital	11	10,000	10,000
Profit and loss account		<u>2,026</u>	<u>3,910</u>
<b>Equity shareholders' funds</b>	12	<u>12,026</u>	<u>13,910</u>

The financial statements on pages 6 to 13 were approved by the Board on 10 May 1999



AH Kenyon  
Director

The accompanying notes form an integral part of these financial statements.

## Notes to the financial statements

### 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.

In accordance with FRSI (revised) no cash flow statement is presented as the ultimate parent company produces consolidated accounts that are publicly available and include a cash flow statement.

#### 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:

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.

#### 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.

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## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### 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:

	1998 £	1997 £
Depreciation of tangible fixed assets		
- owned	41,633	7,046
Auditors' remuneration		
- audit	4,750	2,750
Loss on sale of fixed assets	14,658	-

The profit on disposal of short term investments relates to shares in a fellow group company, CIA Medianetwork UK Limited. IDK received 9,626 shares in CIA Medianetwork UK Limited at par value, in exchange for its trade and assets, then sold these shares at their "market" value to CIA (UK) Holdings Limited.

### 4 Staff costs

	1998 Number	1997 Number
(1) Number of employees		
The average monthly number of persons (including directors) employed by the company during the year was:	31	4
(2) Employee costs	£	£
Wages and salaries	1,248,973	546,400
Social security costs	126,774	44,256
Other pension costs	17,200	15,833
	1,392,947	606,489

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## Notes to the financial statements (continued)

## 5 Directors' remuneration

	1998 £	1997 £
<b>Emoluments</b>		
The emoluments of directors of the company were:		
Remuneration (excluding bonus payments)	352,723	445,449
Bonus payments	20,000	57,000
Pension contributions	16,000	58,000
Redundancy costs	67,618	-
	<u>456,341</u>	<u>560,449</u>

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

	Highest paid director	
	1998 £	1997 £
Remuneration	184,000	168,917
Pension contributions	<u>16,000</u>	<u>58,000</u>
	<u>200,000</u>	<u>226,917</u>

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## Notes to the financial statements (continued)

## 6 Tax on profit on ordinary activities

	1998	1997
	£	£
Corporation tax at 31% (1997-31%/33%)	-	203,000
Adjustment in respect of prior years	187	13
	<u>187</u>	<u>203,013</u>

## 7 Dividends

	1998	1997
	£	£
Interim Dividend £120 per share	1,200,000	-
Final proposed dividend of £319.10 per share (1997: £43.20)	<u>3,191,033</u>	<u>432,000</u>

## 8 Tangible fixed assets

	Office machinery £	Furniture Fixtures And Fittings £	Total £
<b>Cost</b>			
1 January 1998	55,359	20,259	75,618
Additions	13,354	-	13,354
Disposal	-	(20,973)	(20,973)
Transfers	(68,713)	714	(67,999)
<b>31 December 1998</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Depreciation</b>			
1 January 1998	45,040	9,899	54,939
Charge for the year	36,066	5,567	41,633
On disposal	-	(6,317)	(6,315)
Transfers	(81,106)	(9,151)	(90,257)
<b>31 December 1998</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net book value</b>			
<b>31 December 1998</b>	<u>-</u>	<u>-</u>	<u>-</u>
 1 January 1998	 <u>10,319</u>	 <u>10,360</u>	 <u>20,679</u>

## Notes to the financial statements (continued)

## 9 Debtors

	1998	1997
	£	£
Trade debtors	-	10,175,393
Amounts owed by group undertaking	3,198,570	592,657
Other debtors	-	21,761
Prepayments and accrued income	-	1,012,979
Group relief receivable	-	9,333
	<u>3,198,570</u>	<u>11,812,123</u>

## 10 Creditors: amounts falling due within one year

	1998	1997
	£	£
Trade creditors	-	11,091,958
Amounts owed to subsidiary undertakings	-	55,334
Corporation tax	-	133,481
Accruals and deferred income	-	106,119
Proposed dividends	<u>3,186,544</u>	<u>432,000</u>
	<u>3,186,544</u>	<u>11,818,892</u>

## Notes to the financial statements (continued)

## 11 Called up share capital

	1998 £	1997 £
<b>Authorised</b>		
100,000 ordinary shares of £1 each	100,000	100,000
<b>Allotted, called up and fully paid</b>		
10,000 ordinary shares of £1 each	10,000	10,000

## 12 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Profit for the financial year		
Dividends	4,389,149	432,104
Net addition to shareholders' funds	(4,391,033)	(432,000)
Opening shareholders' funds	(1,884)	104
Closing shareholders' funds	13,910	13,806
	12,026	13,910

## 13 Financial commitments

At 31 December 1998 the company had no operating lease or capital commitments (1997: £nil).

## 14 Ultimate parent undertaking

The company's ultimate parent undertaking is Tempus Group PLC, a company registered in England and Wales.

Tempus 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.

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Notes to the financial statements (continued)