

**Touche
Ross**

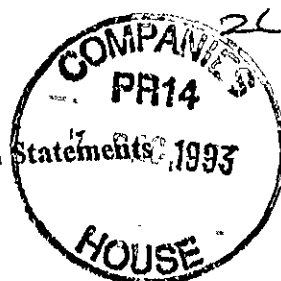


Company Registration No. 2477134

MANNING GOTTLEB MEDIA LIMITED

Report and Financial Statements 1993

30 June 1993



Touche Ross & Co.
Hill House
1 Little New Street
London EC4A 3TR

**REPORT AND FINANCIAL STATEMENTS 1993**

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REPORT AND FINANCIAL STATEMENTS 1993

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P Simons
S Lepley
C Gottlieb
N Manning
R Powley

SECRETARY

S Lepley

REGISTERED OFFICE

19/20 Noel Street
London
W1V 3PD

AUDITORS

Touche Ross & Co.
Chartered Accountants
Hill House
1 Little New Street
London EC4A 3TR



DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 1993.

RESULTS

The results for the year are set out below:

	1993 £	1992 £
Profit on ordinary activities before taxation	68,651	89,848
Tax on profit on ordinary activities	(22,509)	(6,400)
Retained profit for the year transferred to reserves	<u>46,142</u>	<u>83,448</u>

DIVIDEND

The directors do not recommend payment of a dividend.

REVIEW OF ACTIVITIES

The company continued to trade as a media buying, planning and consultancy company.

The Board view the year as one of consolidating upon the sound base created by the agency's first two years of trading. The outlook for the ensuing year and beyond is extremely encouraging and the directors expect to improve substantially on this past year's performance.

FIXED ASSETS

Changes during the year are summarised in the note 5 to the accounts.

DIRECTORS

The directors during the year and their beneficial interests in the company's shares at the dates specified were as follows:

	30 June 1993 Shares of 10p each	30 June 1992 Shares of 10p each
N. Manning - Ordinary 'B' shares	7,500	7,500
- Deferred shares	20,000	20,000
C Gottlieb - Ordinary 'B' shares	7,500	7,500
- Deferred shares	20,000	20,000
P Simons	-	-
S Lepley	-	-
R Powley	-	-

The directors' interests in the share capital of the company's parent company are shown in the financial statements of that company.



DIRECTORS' REPORT

CHARITABLE CONTRIBUTIONS

Charitable donations of £205 were made during the year (1992: £260).

AUDITORS

Levy Gee resigned as auditors during the year and Touche Ross & Co. were appointed. A resolution to reappoint Touche Ross & Co. as auditors will be proposed at the Annual General Meeting.

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

Director

10th Nov. 1993



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 as at the end of the financial year 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;
- 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.



Chartered Accountants

Touche Ross & Co
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1 Little New Street
London EC4A 3TR

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MANNING GOTTLIEB MEDIA LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 6 to 12 which have been prepared under the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 4 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 at 30 June 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Touche Ross & Co

Chartered Accountants and
Registered Auditors

10 November 1993

**Deloitte Touche
Tohmatsu
International**

Aberdeen, Bath, Belfast, Birmingham, Bournemouth, Bracknell, Bristol, Cambridge, Cardiff, Coleraine, Crawley, Dartford, Edinburgh, Glasgow, Leeds, Leicester, Liverpool, London, Manchester, Milton Keynes, Newcastle upon Tyne, Nottingham and Southampton

Principal place of business at which a list of partners' names is available
Peterborough Court, 133 Fleet Street, London EC4A 2TR

Authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business



PROFIT AND LOSS ACCOUNT
Year ended 30 June 1993

	Note	1993 £	1992 £
TURNOVER	2	1,074,799	681,012
Cost of sales		(547,797)	(277,791)
Gross profit		527,002	403,221
Administrative expenses		(477,396)	(339,455)
Other operating income		-	7,624
OPERATING PROFIT		49,606	71,390
Interest receivable		19,045	18,458
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	68,651	89,848
Tax on profit on ordinary activities	4	(22,509)	(6,400)
Retained profit for the year	9	46,142	83,448

BALANCE SHEET
30 June 1993

	Note	1993 £	1992 £
FIXED ASSETS			
Tangible fixed assets	5	46,733	20,176
CURRENT ASSETS			
Debtors	6	214,836	127,335
Cash at bank and in hand		178,007	124,812
		<u>392,843</u>	<u>252,147</u>
CREDITORS: amounts falling due within one year	7	<u>(269,441)</u>	<u>(148,330)</u>
NET CURRENT ASSETS		<u>123,402</u>	<u>103,817</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>170,135</u>	<u>123,993</u>
CAPITAL AND RESERVES			
Called up share capital	8	11,078	11,078
Share premium	10	109,404	109,404
Profit and loss account	9	49,653	3,511
		<u>170,135</u>	<u>123,993</u>

These financial statements were approved by the Board of Directors on *10th November 1993*
Signed on behalf of the Board of Directors

J. K. Croft

1993

NOTES TO THE ACCOUNTS
Year ended 30 June 1993

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements have been prepared under the historical cost convention.

Depreciation

Depreciation is provided on all tangible fixed assets in order to write off their cost by equal annual instalments over their expected useful lives. The rates adopted are as follows:

Motor vehicles	25% per annum
Business machines and equipment	33.3% per annum
Furniture, fixtures and fittings	25% per annum

Work in progress

Work in progress comprises unbilled production costs and is stated at the lower of cost and net realisable value.

Turnover

Turnover represents amounts invoiced to clients excluding value added tax, in respect of charges for media advertising, production work and fees.

Deferred taxation

Deferred taxation is provided at the anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

Recognition of income

Commissions are recognised at the time the related advertisement appears or when the related production work is substantially complete. Fees are recognised at the time that they are billable under contracts with clients.

2. TURNOVER AND PROFIT BEFORE TAXATION

The turnover and profit before taxation is attributable to the main activity of the company and is entirely in the United Kingdom.

The profit before taxation is stated after charging:

	1993 £	1992 £
Directors' emoluments	92,041	91,000
Auditors' remuneration	3,000	2,690
Depreciation	10,494	8,337

NOTES TO THE ACCOUNTS
Year ended 30 June 1993

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	1993 £	1992 £
Directors' emoluments		
Remuneration	<u>92,041</u>	<u>91,000</u>
Chairman	<u>-</u>	<u>-</u>
Highest paid director	<u>44,667</u>	<u>45,500</u>

The emoluments of the other directors (excluding pension contributions) fell within the following ranges:

	No.	No.
£ 1 - £ 5,000	2	2
£ 40,001 - £ 45,000	1	-
£ 45,001 - £ 50,000	<u>-</u>	<u>1</u>
	£	£

Employees information		
Staff costs including directors		
Wages and salaries	205,190	168,507
Social security costs	<u>21,536</u>	<u>18,104</u>
	<u>226,726</u>	<u>186,611</u>
Number of employees	No	No
The average weekly number of employees (including directors) during the year was:		
Production	8	7
Administration	<u>2</u>	<u>2</u>

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1993 £	1992 £
Corporation tax at 29% (1992 - 25%) based on the profit for the year	22,372	6,400.
Underprovision in previous year	<u>137</u>	<u>-</u>
	<u>22,509</u>	<u>6,400.</u>

NOTES TO THE ACCOUNTS
Year ended 30 June 1993

5. TANGIBLE FIXED ASSETS

	Motor vehicles £	Business machines and equipment £	Furniture fixtures and fittings £	Total £
Cost:				
At 1 July 1992	20,000	9,931	3,044	32,975
Additions	50,888	2,424	154	53,466
Disposals	(29,700)	-	-	(29,700)
At 30 June 1993	41,188	12,355	3,198	56,741
Accumulated depreciation:				
At 1 July 1992	8,757	2,969	1,073	12,799
Charge for the year	5,845	3,862	787	10,494
Disposals	(13,285)	-	-	(13,285)
At 30 June 1993	1,317	6,831	1,860	10,008
Net book value				
At 30 June 1993	39,871	5,524	1,338	46,733
At 30 June 1992	11,243	6,962	1,971	20,176

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1993 £	1992 £
Trade debtors	209,241	105,635
Amounts owed by parent company	-	16,568
Other debtors	4,673	4,066
Prepayments and accrued income	922	1,066
	<u>214,836</u>	<u>127,335</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1993 £	1992 £
Trade creditors	111,447	58,209
Amounts owed to group companies	38,604	-
Amounts owed to related companies	11,983	16,610
Current corporation tax	22,372	6,400
Other taxes and social security costs	14,525	19,247
Other creditors	17,533	25,237
Provisions	52,977	22,627
	<u>269,441</u>	<u>148,330</u>



NOTES TO THE ACCOUNTS
Year ended 30 June 1993

8. SHARE CAPITAL

	1993 £	1992 £
Authorised share capital:		
35,000 ordinary 'A' shares of 10p each	3,500	3,500
27,480 ordinary 'B' shares of 10p each	2,748	2,748
14,630 ordinary 'C' shares of 10p each	1,463	1,463
40,000 deferred shares of 10p each	4,000	4,000
9,080 convertible deferred shares of 10p each	908	908
	<u>12,619</u>	<u>12,619</u>
Called up, allotted and fully paid:		
35,000 ordinary 'A' shares of 10p each	3,500	3,500
15,000 ordinary 'B' shares of 10p each	1,500	1,500
11,700 ordinary 'C' shares of 10p each	1,170	1,170
40,000 deferred shares of 10p each	4,000	4,000
9,075 convertible deferred shares of 10p each	908	908
	<u>11,078</u>	<u>11,078</u>

The deferred shares are convertible into 'B' ordinary shares and the convertible deferred shares are convertible into 'C' ordinary shares from 30 June 1994 to 30 June 1998.

9. PROFIT AND LOSS RESERVE

	£
Balance at 1 July 1992	3,511
Profit for the year	46,142
	<u>49,653</u>
Balance at 30 June 1993	



NOTES TO THE ACCOUNTS

Year ended 30 June 1993

10. SHARE PREMIUM ACCOUNT

Balance at 1 July 1992 and 30 June
1993

£

109,404

11. ULTIMATE PARENT COMPANY

At 30 June 1993, the ultimate parent company was S.P.D.C.&J. (Holdings) Limited, a company incorporated in Great Britain and registered in England and Wales. Copies of the financial statements of the parent company are available from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.

Subsequent to the year end, the company ceased to be a subsidiary undertaking of S.P.D.C.&J. (Holdings) Limited and no longer has an ultimate parent company.