

Company Registration No. 02870808 (England and Wales)

**RPM3 LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2002**



# **RPM3 LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	M.L. Butler M.C. Taylor
<b>Secretary</b>	A. McCarthy
<b>Company number</b>	02870808
<b>Registered office</b>	Higgison House 381-383 City Road London EC1V 1NW
<b>Auditors</b>	Higgisons Registered Auditors Higgison House 381-383 City Road London EC1V 1NW
<b>Business address</b>	William Blake House 8 Marshall Street London W1V 2AJ

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# RPM3 LIMITED

## CONTENTS

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	Page
Directors' report	1
Independent auditors' report	2
Profit and loss account	3
Balance sheet	4
Notes to the financial statements	5 - 8

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# RPM3 LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2002

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The directors present their report and financial statements for the year ended 31 January 2002.

### Principal activities

The principal activity of the company continued to be that of an advertising agency.

### Directors

The following directors have held office since 1 February 2001:

M.L. Butler

M.C. Taylor

T.S. Wilkinson

(Resigned 5 April 2002)

### Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 January 2002	1 February 2001
M.L. Butler	-	-
M.C. Taylor	-	-
T.S. Wilkinson	-	-

### Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Higgisons be reappointed as auditors of the company will be put to the Annual General Meeting.

### Directors' responsibilities

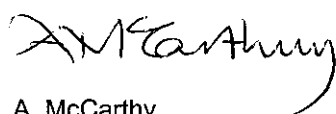
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



A. McCarthy

Secretary

14 January 2003

# **RPM3 LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF RPM3 LIMITED**

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We have audited the financial statements of RPM3 LIMITED on pages 3 to 8 for the year ended 31 January 2002. These financial statements have been prepared under the historical cost convention and the accounting policies set out herein.

### **Respective responsibilities of the directors and auditors**

As described in the statement of directors' responsibilities on page 1 the company's directors are responsible for the 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 31 January 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Higgisons**

**Registered Auditor**

14 January 2003

Registered Auditors  
Higgison House  
381-383 City Road  
London EC1V 1NW

# RPM3 LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2002

	Notes	2002 £	2001 £
Turnover		636,182	776,807
Cost of sales		(360,803)	(468,490)
<b>Gross profit</b>		<b>275,379</b>	<b>308,317</b>
Administrative expenses		(249,369)	(345,344)
Other operating income		-	98,209
<b>Operating profit</b>	<b>2</b>	<b>26,010</b>	<b>61,182</b>
Other interest receivable and similar income		48	905
Interest payable and similar charges		-	(64)
<b>Profit on ordinary activities before taxation</b>		<b>26,058</b>	<b>62,023</b>
Tax on profit on ordinary activities	<b>3</b>	-	-
<b>Profit on ordinary activities after taxation</b>	<b>9</b>	<b>26,058</b>	<b>62,023</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# RPM3 LIMITED

## BALANCE SHEET AS AT 31 JANUARY 2002

	Notes	2002 £	£	2001 £	£
<b>Fixed assets</b>					
Intangible assets	4		1,833		2,833
Tangible assets	5		113,696		155,732
			<u>115,529</u>		<u>158,565</u>
<b>Current assets</b>					
Stocks		44,164		78,967	
Debtors	6	75,136		421,158	
Cash at bank and in hand		69,435		25,341	
		<u>188,735</u>		<u>525,466</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(791,286)</u>		<u>(1,197,110)</u>	
<b>Net current liabilities</b>			<u>(602,551)</u>		<u>(671,644)</u>
<b>Total assets less current liabilities</b>			<u>(487,022)</u>		<u>(513,079)</u>
<b>Capital and reserves</b>					
Called up share capital	8		2		2
Profit and loss account	9		<u>(487,024)</u>		<u>(513,081)</u>
<b>Shareholders' deficit</b>	10		<u>(487,022)</u>		<u>(513,079)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 14 January 2003

M.L. Butler  
Director

# RPM3 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2002

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

#### 1.2 Turnover

Turnover represents the total invoice value for goods and services rendered during the year net of VAT and trade discounts.

#### 1.3 Goodwill

Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair value of its separate net assets. Depending on the circumstances of each acquisition, goodwill is either set off directly against reserves or amortised through the profit and loss account over the directors' estimate of its estimated economic life.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	2% on cost
Fixtures, fittings & equipment	20% - 25% on cost
Motor vehicles	25% on cost

#### 1.5 Work in progress

Work in progress is valued at the lower of the recoverable amounts of cost and estimated cost of outlays and materials incurred on behalf of clients, which have still to be recharged to clients.

#### 1.6 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

### 2 Operating profit

	2002	2001
	£	£
Operating profit is stated after charging:		
Amortisation of intangible assets	1,000	1,000
Depreciation of tangible assets	42,883	58,308
Auditors' remuneration	3,000	2,400
Directors' emoluments	41,945	72,140
Compensation for loss of office paid to directors	-	30,000

### 3 Taxation

On the basis of these financial statements no provision has been made for corporation tax.



# RPM3 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2002

### 4 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 February 2001 & at 31 January 2002	10,000
<b>Amortisation</b>	
At 1 February 2001	7,167
Charge for year	1,000
At 31 January 2002	8,167
<b>Net book value</b>	
At 31 January 2002	1,833
At 31 January 2001	2,833

### 5 Tangible fixed assets

	Land and buildings £	Fixtures, fittings, equipment and motor vehicle £	Total £
<b>Cost</b>			
At 1 February 2001	70,532	321,957	392,489
Additions	-	847	847
Disposals	-	(14,050)	(14,050)
At 31 January 2002	70,532	308,754	379,286
<b>Depreciation</b>			
At 1 February 2001	4,231	232,526	236,757
On disposals	-	(14,050)	(14,050)
Charge for the year	1,411	41,472	42,883
At 31 January 2002	5,642	259,948	265,590
<b>Net book value</b>			
At 31 January 2002	64,890	48,806	113,696
At 31 January 2001	66,300	89,432	155,732

# RPM3 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2002

<b>6 Debtors</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Trade debtors	20,425	264,881
Amounts owed by group undertakings and undertakings in which the company has a participating interest	500	500
Other debtors	54,211	155,777
	<u>75,136</u>	<u>421,158</u>
 <b>7 Creditors: amounts falling due within one year</b>	 <b>2002</b>	 <b>2001</b>
	<b>£</b>	<b>£</b>
Trade creditors	682,310	1,091,469
Taxation and social security	28,575	35,287
Other creditors	80,401	70,354
	<u>791,286</u>	<u>1,197,110</u>
 <b>8 Share capital</b>	 <b>2002</b>	 <b>2001</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
100,000 Ordinary shares of £ 1 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
 <b>Allotted, called up and fully paid</b>		
2 Ordinary shares of £ 1 each	2	2
	<u>2</u>	<u>2</u>
 <b>9 Statement of movements on profit and loss account</b>		
		<b>Profit and loss account £</b>
Balance at 1 February 2001		(513,082)
Retained profit for the year		26,058
		<u>(487,024)</u>
Balance at 31 January 2002		<u>(487,024)</u>

# RPM3 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2002

10 Reconciliation of movements in shareholders' funds	2002 £	2001 £
Profit for the financial year	26,058	62,023
Opening shareholders' funds	(513,079)	(575,102)
Closing shareholders' funds	<u>(487,022)</u>	<u>(513,079)</u>

### 11 Control

The company is owned by Butler Lutos Sutton Wilkinson Group Limited and the ultimate parent company is Blake Communications Limited. Both companies are registered in England and Wales.

### 12 Related party transactions

During the year, RPM3 Limited had the following transactions with the companies related to the directors:

	2002 £	2001 £
Artwork charged to:		
Lewis Broadbent Advertising Limited	284,696	63,223
Connell, May & Steavenson Limited	318,891	96,045
TSM (UK) Limited	15,920	345
Creative art direction charged to Lewis Broadbent Advertising Limited	-	89,312
Management and accomodation charges to Connell, May & Steavenson Limited	-	15,152
Management fees receivable from Coveney Butler Communications Limited	-	28,000
Artwork charged by Lewis Broadbent Advertising Limited	158,530	82,508
Management and accomodation charged by Connell, May & Steavenson Limited	92,296	-
Colour copies charged by TSM (UK) Limited	362	-
Consultancy services charged by Execuvison Limited	-	10,063

At 31 January 2002, a net total of £690,699 (2001: £740,626) was owed by RPM3 Limited to companies related to the directors.