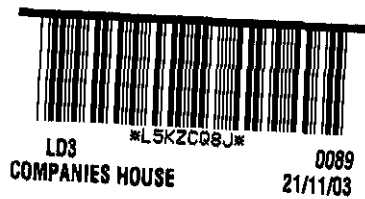


Company Registration No. 02870808 (England and Wales)

**RPM3 LIMITED**  
**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2003**



# **RPM3 LIMITED**

## **COMPANY INFORMATION**

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<b>Director</b>	M.L. Butler
<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**

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# RPM3 LIMITED

## DIRECTOR'S REPORT FOR THE YEAR ENDED 31 JANUARY 2003

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The director presents his report and financial statements for the year ended 31 January 2003.

### 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 2002:

M.L. Butler

M.C. Taylor

T.S. Wilkinson

(Resigned 9 September 2003)

(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 2003	1 February 2002
M.L. Butler	-	-
M.C. Taylor	-	-

### 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.

### Director's responsibilities

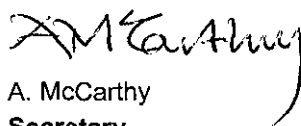
Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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

10 November 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 2003. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

As described in the statement of director's responsibilities on page 1 the company's director is 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 director's 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 director's remuneration and transactions with the company is not disclosed.

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

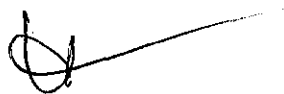
### **Basis of audit opinion**

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 director 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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Higgisons**

Chartered Accountants  
**Registered Auditor**

10 November 2003

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

## RPM3 LIMITED

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2003

		2003 £	2002 £
	Notes		
Turnover		752,606	636,182
Cost of sales		(380,273)	(360,803)
<b>Gross profit</b>		<u>372,333</u>	<u>275,379</u>
Administrative expenses		(364,572)	(249,369)
<b>Operating profit</b>	<b>2</b>	<u>7,761</u>	<u>26,010</u>
Other interest receivable and similar income		-	48
<b>Profit on ordinary activities before taxation</b>		<u>7,761</u>	<u>26,058</u>
Tax on profit on ordinary activities	<b>3</b>	-	-
<b>Profit on ordinary activities after taxation</b>	<b>9</b>	<u><u>7,761</u></u>	<u><u>26,058</u></u>

# RPM3 LIMITED

## BALANCE SHEET AS AT 31 JANUARY 2003

	Notes	2003 £	£	2002 £	£
<b>Fixed assets</b>					
Intangible assets	4		833		1,833
Tangible assets	5		110,124		113,696
			<u>110,957</u>		<u>115,529</u>
<b>Current assets</b>					
Stocks		69,927		44,164	
Debtors	6	119,957		75,136	
Cash at bank and in hand		1,177		69,435	
		<u>191,061</u>		<u>188,735</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(781,279)</u>		<u>(791,286)</u>	
<b>Net current liabilities</b>			<u>(590,218)</u>		<u>(602,551)</u>
<b>Total assets less current liabilities</b>			<u>(479,261)</u>		<u>(487,022)</u>
<b>Capital and reserves</b>					
Called up share capital	8		2		2
Profit and loss account	9		<u>(479,263)</u>		<u>(487,024)</u>
<b>Shareholders' funds</b>			<u>(479,261)</u>		<u>(487,022)</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 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 10 November 2003

M.L. Butler  
Director

# RPM3 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2003

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow 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 Cash flow

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard 1: "Cash flow statements".

### 2 Operating profit

	2003	2002
	£	£
Operating profit is stated after charging:		
Amortisation of intangible assets	1,000	1,000
Depreciation of tangible assets	18,703	42,883
Auditors' remuneration	4,250	3,000
Director's emoluments	41,417	41,945
	<u>41,417</u>	<u>41,945</u>

### 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 2003

### 4 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 February 2002 & at 31 January 2003	10,000
<b>Amortisation</b>	
At 1 February 2002	8,167
Charge for the year	1,000
At 31 January 2003	9,167
<b>Net book value</b>	
At 31 January 2003	833
At 31 January 2002	1,833

### 5 Tangible fixed assets

	Land and buildings £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>			
At 1 February 2002	70,532	308,754	379,286
Additions	-	15,165	15,165
Disposals	-	(183,331)	(183,331)
At 31 January 2003	70,532	140,588	211,120
<b>Depreciation</b>			
At 1 February 2002	5,642	259,948	265,590
On disposals	-	(183,296)	(183,296)
Charge for the year	1,411	17,291	18,702
At 31 January 2003	7,053	93,943	100,996
<b>Net book value</b>			
At 31 January 2003	63,479	46,645	110,124
At 31 January 2002	64,890	48,806	113,696

# RPM3 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2003

6	Debtors	2003 £	2002 £
	Trade debtors	85,101	20,425
	Amounts owed by group undertakings and undertakings in which the company has a participating interest	500	500
	Other debtors	34,356	54,211
		<u>119,957</u>	<u>75,136</u>
7	Creditors: amounts falling due within one year	2003 £	2002 £
	Trade creditors	585,534	682,310
	Taxation and social security	29,018	28,575
	Other creditors	166,727	80,401
		<u>781,279</u>	<u>791,286</u>
8	Share capital	2003 £	2002 £
	Authorised		
	100,000 Ordinary shares of £ 1 each	<u>100,000</u>	<u>100,000</u>
	Allotted, called up and fully paid		
	2 Ordinary shares of £ 1 each	<u>2</u>	<u>2</u>
9	Statement of movements on profit and loss account		Profit and loss account £
	Balance at 1 February 2002		(487,024)
	Retained profit for the year		<u>7,761</u>
	Balance at 31 January 2003		<u>(479,263)</u>
10	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.

## **RPM3 LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2003**

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#### **11 Related party transactions**

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

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Artwork charged to:		
Lewis Broadbent Advertising Limited	495,367	284,696
Connell, May & Steavenson Limited	229,761	318,891
TSM (UK) Limited	23,479	15,920
 Artwork charged by Lewis Broadbent Advertising Limited	 183,127	 158,530
Management charged by Lewis Broadbent Advertising Limited	59,160	-
Management and accommodation charged by Connell, May & Steavenson Limited	180,160	92,296
Colour copies charged by TSM (UK) Limited	-	362

At 31 January 2003, a net total of £622,358 (2002: £690,699) was owed by RPM3 Limited to companies related to the directors.