

**Company Registration No. 02870808 (England and Wales)**

**RPM3 LIMITED**

**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JANUARY 2004**



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COMPANIES HOUSE

0220  
25/11/04

# **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 Great Britain
<b>Auditors</b>	Higgisons Higgison House 381-383 City Road London EC1V INW Great Britain
<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 2004**

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The director presents his report and financial statements for the year ended 31 January 2004.

### **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 2003:

M.L. Butler

M.C. Taylor (Resigned 9 September 2003)

### **Directors' interests**

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

	<b>Ordinary shares of £ 1 each</b>	
	<b>31 January 2004</b>	<b>1 February 2003</b>
M.L. Butler	-	-

### **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**

22 November 2004

# **RPM3 LIMITED**

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

We have audited the financial statements of RPM3 Limited on pages 3 to 8 for the year ended 31 January 2004. 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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Higgisons**

**Registered Auditor**

22 November 2004

Higgison House  
381-383 City Road  
London EC1V 1NW  
Great Britain

# RPM3 LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2004

		2004	2003
	Notes	£	£
Turnover		725,086	752,606
Cost of sales		(346,167)	(380,273)
Gross profit		378,919	372,333
Administrative expenses		(358,439)	(364,573)
Profit on ordinary activities before taxation	2	20,480	7,760
Tax on profit on ordinary activities	3	(12,436)	-
Profit on ordinary activities after taxation	9	8,044	7,760

# RPM3 LIMITED

## BALANCE SHEET AS AT 31 JANUARY 2004

	Notes	2004 £	£	2003 £	£
<b>Fixed assets</b>					
Intangible assets	4		-		833
Tangible assets	5		99,404		110,124
			<u>99,404</u>		<u>110,957</u>
<b>Current assets</b>					
Stocks		53,302		69,927	
Debtors	6	144,530		119,957	
Cash at bank and in hand		3,166		1,177	
		<u>200,998</u>		<u>191,061</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(771,619)</u>		<u>(781,280)</u>	
<b>Net current liabilities</b>			<u>(570,621)</u>		<u>(590,219)</u>
<b>Total assets less current liabilities</b>			<u>(471,217)</u>		<u>(479,262)</u>
<b>Capital and reserves</b>					
Called up share capital	8		2		2
Profit and loss account	9		<u>(471,219)</u>		<u>(479,264)</u>
<b>Shareholders' funds</b>			<u>(471,217)</u>		<u>(479,262)</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 22 November 2004

M.L. Butler  
Director

# RPM3 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2004

### 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).

#### 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

#### 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.

### 2 Operating profit

	2004	2003
	£	£
Operating profit is stated after charging:		
Amortisation of intangible assets	833	1,000
Depreciation of tangible assets	16,013	18,703
Auditors' remuneration	4,250	4,250
Director's emoluments	18,763	41,417
Compensation for loss of office paid to directors	30,000	-
	<u>          </u>	<u>          </u>

### 3 Taxation

	2004	2003
	£	£
Domestic current year tax		
U.K. corporation tax	186	-
Underprovision in past period	12,250	-
	<u>          </u>	<u>          </u>
Current tax charge	12,436	-
	<u>          </u>	<u>          </u>



# RPM3 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2004

### 4 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 February 2003 & at 31 January 2004	10,000
<b>Amortisation</b>	
At 1 February 2003	9,167
Charge for the year	833
At 31 January 2004	10,000
<b>Net book value</b>	
At 31 January 2004	-
At 31 January 2003	833

### 5 Tangible fixed assets

	Land and buildings	Fixtures, fittings and equipment	Total
	£	£	£
<b>Cost</b>			
At 1 February 2003	70,532	140,587	211,119
Additions	-	5,294	5,294
At 31 January 2004	70,532	145,881	216,413
<b>Depreciation</b>			
At 1 February 2003	7,053	93,942	100,995
Charge for the year	1,411	14,603	16,014
At 31 January 2004	8,464	108,545	117,009
<b>Net book value</b>			
At 31 January 2004	62,068	37,336	99,404
At 31 January 2003	63,479	46,645	110,124

# RPM3 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2004

<b>6 Debtors</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Trade debtors	111,720	85,101
Other debtors	32,810	34,856
	<u>144,530</u>	<u>119,957</u>
<b>7 Creditors: amounts falling due within one year</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Trade creditors	670,523	585,535
Taxation and social security	10,483	29,018
Other creditors	90,613	166,727
	<u>771,619</u>	<u>781,280</u>
<b>8 Share capital</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
<b>Allotted, called up and fully paid</b>		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>
<b>9 Statement of movements on profit and loss account</b>		<b>Profit and loss account</b>
		<b>£</b>
Balance at 1 February 2003		(479,263)
Retained profit for the year		<u>8,044</u>
Balance at 31 January 2004		<u>(471,219)</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 2004

### 11 Related party transactions

During the year the following transactions took place with associated companies in which the directors have an interest:

	2004 £	2003 £
Artwork charged to:		
Lewis Broadbent Advertising Limited	459,914	495,367
Connell May & Steavenson Limited	235,156	229,761
TSM (UK) Limited	20,016	23,479
Artwork charged by Lewis Broadbent Advertising Limited	166,439	183,127
Artwork charged by Connell May & Steavenson Limited	7,745	-
Management charged by Lewis Broadbent Advertising Limited	5,565	59,160
Management and accommodation charged by Connell May & Steavenson Limited	210,387	121,000

At 31 January 2004, creditors included an amount of £725,040 (2003: £718,129) owed by RPM3 Limited to associated companies in which the directors have an interest.

At 31 January 2004, debtors included an amount of £124,124 (2003: £95,771) owed to RPM3 Limited by associated companies in which the directors have an interest.