REGISTERED NUMBER· 2875057

MOMENTUM ACTIVATING DEMAND LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

MOMENTUM ACTIVATING DEMAND LIMITED

ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

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MOMENTUM ACTIVATING DEMAND LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

The directors present their report and the audited financial statements of the company and the group for the year ended 31 December 2006 During the year the company completed the acquisition of the entire share capital of fellow subsidiary undertakings of the Interpublic Group of Companies, Momentum Field marketing Limited and NDI Momentum Limited as detailed in note 9 It funded these acquisitions by way of share issue as detailed in note 13

DIRECTORS

The Directors during the year under review were

W Kolb (resigned 10 August 2007)
C N Doyle
J S Armstrong
N J Camera

COMPANY SECRETARY

L Bean

REGISTERED OFFICE

Ground Floor
84 Eccleston Square
London
SW1V 1PX

Registered in England No 2875057

PRINCIPAL ACTIVITY OF THE COMPANY

The principal activity of the company and group is that of a marketing communications services agency providing services from its offices in the United Kingdom

BUSINESS REVIEW

The trading results for the year ended 31 December 2006 are shown on page 4

The directors adopted the requirements of Financial Reporting Standard 20 in relation to share based during the period This represents a change in policy and the prior year results have been re-stated as disclosed in note 1 to the financial statements

The trading results show a pre-tax profit of £386,000 (2005 - £1,476,000 as re-stated) and sales of £26 7 (2005 - £26 3m) The company has cash reserves at the year end of £5 5m (2005 £3 6m) and following the issue of shares to acquire its subsidiary undertakings as detailed in note 9 has net assets of £13 1m (2005 - £5 1m)

Operating profit is stated after charging £823k relating to group management charges for 2005 which were invoiced during 2006 The Directors were not aware of these additional costs when the 2005 accounts were adopted Adjusted for these items, the operating profit comparison would be as follows

	2006	2005
	£'000	£'000
Reported Operating (loss)/profit per accounts	**(86)**	1,303
Management charges relating to 2005	**823**	(823)
Adjusted operating profit	**737**	480

Therefore on a like for like basis, the company achieved a growth in adjusted operating profits of 54 %

FUTURE OUTLOOK

We remain confident despite the continuing competitive marketplace, that we will maintain our current level of performance for the future

PRINCIPAL RISKS AND UNCERTAINTIES

Momentum Activating Demand Limited is a wholly owned subsidiary of The Interpublic Group of Companies Inc The principal risks and uncertainties of the parent company, are discussed in that company's annual report which does not form part of this report The principal risks affecting Momentum Activating Demand Limited are as follows

Loss of major client We address this by having a continuing business development strategy for gaining new business and retaining existing business

Loss of key staff We mitigate this by having an active people team concentrating on recruiting and retaining the best talent

STRATEGY

The business is focused on increasing revenue through organic growth as well as new client growth We continue to focus on delivering exceptional quality client service as well as stringent focus on costs

KEY PERFORMANCE INDICATORS

The following are Key Performance Indicators of the business

	2006	**2005**
Gross Profit Increase (%) Year on year revenue growth	5 8%	**
Operating Margin (%) ratio of operating profit to gross profit expressed as a percentage and excluding exceptional and management charges	14 9%	15 3%
Basic salary costs to gross profit(%) Basic salary costs as a percentage of revenue	45 8%	44 5%

** The Directors haven't presented comparable figures for 2005 growth as the 2004 figures are not comparable as they don't include the results of the businesses acquired with effect from 31 December 2004 (see note 7)

DIVIDENDS

The directors do not recommend the payment of a dividend (2005 £nil) leaving a profit of £634,000 to be transferred to reserves (2005 £809,000 as re-stated)

EMPLOYMENT OF DISABLED PERSONS

Due consideration is given to applications for employment of disabled persons having regard to the particular aptitudes and abilities of the applicants concerned Arrangements are made, wherever possible, for the retraining of employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities The company provides for the adequate training, career development, and promotion of disabled persons

EMPLOYEE INVOLVEMENT

Employees are informed regularly about aspects of the business and its progress which the company considers are relevant to them, including communications through management channels or in writing as appropriate

The company involves employees in matters of concern to their jobs and work situation and endeavours to maintain a sense of identity with the company's aims and objectives The effectiveness of employee communication is regularly reviewed by the directors and improvements implemented as required

FINANCIAL RISK MANAGEMENT

The company's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board The policies set by the board of directors are implemented by the company's finance department The department monitors circumstances to determine where it would be appropriate to use financial instruments to manage financial risks

Price risk
The company is exposed to vendor price risk as a result of its operations However, the directors consider that the costs of managing exposure to vendor price risk exceed any potential benefits The directors will continue to monitor the appropriateness of this policy

Credit risk
The company has implemented policies that require appropriate credit checks on potential clients before services are provided

Liquidity risk
The company has no significant debt finance and funds its activities mainly from its cash reserves

Interest rate cash flow risk
The company has interest bearing assets including cash balances, all of which earn interest at variable rates The company places cash on short term deposit depending on the availability of funds

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and those who are currently directors are shown on page 1

No directors have held any shares or rights to shares in the company at any time during the year

At no time during the year has any director had a material interest in a contract with the company, or its subsidiaries, being a contract of significance in relation to the business of the company

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) The financial statements are required by law to 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements

• prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements

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 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

DISCLOSURE OF INFORMATION TO AUDITORS

As far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the annual general meeting

By order of the Board

Christopher N Doyle

C Doyle
Director
20 December 2007

MOMENTUM ACTIVATING DEMAND LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MOMENTUM ACTIVATING DEMAND LIMITED

We have audited the company financial statements ("the financial statements") of Momentum Activating Demand Limited for the year ended 31 December 2006 which comprise the consolidated profit and loss account, the group statement of total recognised gains and losses and the group and company balance sheets and the related notes These financial statements have been prepared under the accounting policies set out therein

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) This report, including the opinion has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing

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

In addition we report to you if, in our opinion, 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 is not disclosed

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group and the company's affairs as at 31 December 2006 and of the group's profit and total recognised gains for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Director's Report is consistent with the financial statements

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Manchester
21 December 2007

MOMENTUM ACTIVATING DEMAND LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	Year ended 31 December 2006 £'000	Year ended 31 December 2005 £'000 (re-stated)
TURNOVER	1	**26,685**	26,348
Cost of sales		**(13,208)**	(13,613)
GROSS PROFIT		**13,477**	12,735
Administrative expenses - goodwill amortisation		**(296)**	(296)
Administrative expenses - operational management charges		**(2,097)**	(651)
Administrative expenses - other		**(11,170)**	(10,485)
TOTAL ADMINISTRATIVE EXPENSES		**(13,563)**	(11,432)
OPERATING (LOSS)/PROFIT	2	**(86)**	1,303
Profit on disposal of fixed assets		**228**	6
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		**142**	1,309
Net interest receivable and similar income	3	**244**	167
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**386**	1,476
Tax on profit on ordinary activities	6	**248**	(667)
PROFIT FOR THE FINANCIAL YEAR	14,15	**634**	809

There were no gains and losses other than those recognised in the profit and loss account

The attached accounting policies and notes form a part of these financial statements

All turnover and results derive from continuing operations

STATEMENT OF GROUP TOTAL RECOGNISED GAINS AND LOSSES

	Notes	Year ended 31 December 2006 £'000	Year ended 31 December 2005 £'000 (re-stated)
Profit for the financial year		**634**	809
Prior year adjustment	1	**(18)**	
Total gains and losses recognised since last annual report		**616**	

MOMENTUM ACTIVATING DEMAND LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2006

	Notes	2006 £'000	2005 £'000 (re-stated)
FIXED ASSETS			
Intangible assets - Goodwill	7	**5,328**	5,624
Tangible assets	8	**314**	816
		5,642	6,440
CURRENT ASSETS			
Stock and work in progress		**843**	390
Debtors	10	**7,966**	7,565
Cash at bank and in hand		**5,507**	3,618
		14,316	11,573
CREDITORS Amounts falling due within one year	11	**(6,723)**	(5,267)
NET CURRENT ASSETS		**7,593**	6,306
CREDITORS Amounts falling due within one year	7,11	**(93)**	(7,690)
NET ASSETS		**13,142**	5,056
CAPITAL AND RESERVES			
Called up share capital	13	**1,140**	408
Share Premium Account	14	**6,889**	-
Profit and loss account	14	**5,113**	4,479
Revaluation reserve	14	**-**	169
EQUITY SHAREHOLDERS' FUNDS	15	**13,142**	5,056

The financial statements were approved by the Board of Directors on 20 December 2007 and were signed on its behalf by

Christopher N Doyle

C N Doyle
Director

The attached accounting policies and notes form part of these financial statements

MOMENTUM ACTIVATING DEMAND LIMITED

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2006

	Notes	2006 £'000	2005 £'000 (re-stated)
FIXED ASSETS			
Intangible assets - Goodwill	7	**5,328**	5,624
Tangible Assets		**314**	816
Investment in subsidiaries	9	**997**	38
		6,639	6,478
CURRENT ASSETS			
Stock and work in progress		**843**	390
Debtors	10	**7,966**	7,565
Cash at bank and in hand		**5,507**	3,618
		14,316	11,573
CREDITORS Amounts falling due within one year	11	**(6,774)**	(5,318)
NET CURRENT ASSETS		**7,542**	6,255
CREDITORS Amounts falling due within one year	7,11	**(1,052)**	(7,690)
NET ASSETS		**13,129**	5,043
CAPITAL AND RESERVES			
Called up share capital	13	**1,140**	408
Share Premium Account	14	**6,889**	-
Profit and loss account	14	**5,100**	4,466
Revaluation reserve	14	**-**	169
EQUITY SHAREHOLDERS FUNDS	15	**13,129**	5,043

The financial statements were approved by the Board of Directors on 20 December 2007 and were signed on its behalf by

C N Doyle
Director

The attached accounting policies and notes form part of these financial statements

MOMENTUM ACTIVATING DEMAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

1 ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared on the going concern basis, under the historical cost convention as modified by the revaluation of certain tangible fixed assets and in accordance with the Companies Act 1985 and applicable United Kingdom accounting standards The principal accounting policies, which, other than the adoption of Financial Reporting Standard 20 in relation to share based payments detailed below, have been applied on a consistent basis, are set out below

Change in Accounting Policy - Share based payments

The Company has adopted Financial Reporting Standard No 20 This represents a change in accounting policy and has resulted in a prior year adjustment The company makes cash-settled share based payments to certain eligible employees which are expensed on a straight line basis over the vesting period of the award The corresponding liability is measured at fair value at each reporting date and at the date if settlement with changes in fair value recognised in the profit and loss account

The effect of the adoption of this new policy is to reduce the profit for the financial year by £46,000 (2005 - £18,000) and to recognise £30,000 in "Creditors Amounts falling due within one year" (2005 - £nil) and £34,000 in "Creditors Amounts falling due after more than one year" (2005 - £18,000) There is no impact on reserves at 1 January 2005

Consolidation

The group consolidates the accounts of Momentum Activating Demand Limited and its subsidiary undertakings as at 31 December 2006 The accounting periods of subsidiary undertakings acquired are co-terminous with that of the Company Results of subsidiary undertakings are included from the effective date of their acquisition and accounted for using the acquisition method of accounting

The profit and loss account presents all turnover and results as derived from continuing activities

Turnover

Turnover represents amounts receivable from clients exclusive of value added tax, in respect of billings for media advertising, production work and fees provided during the year and is recognised on a percentage of completion basis when work is completed and billings are made to clients Revenue is not recognised on short term work-in-progress until completion All revenue arose in the United Kingdom from a single class of business

Pension scheme arrangements

The company provides pension benefits for the majority of full time employees through a number of defined contribution schemes For these schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet

A minority of employees have pension benefits provided through a defined benefit scheme which is operated by another group company, Interpublic Limited It is not possible to identify the share of the underlying assets and liabilities in this scheme which is attributable to the company on a consistent and reasonable basis Therefore, the company has applied the provisions in FRS 17 to account for the scheme as if it was a defined contribution scheme

Taxation

Corporation tax is provided on the assessable profits of the company at the appropriate rates in force Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date Timing differences are differences between the company's taxable profits and its results as stated in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date Deferred tax is measured on a non-discounted basis and assets recognised to the extent they are considered recoverable
A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that, under group tax arrangements, there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

1 ACCOUNTING POLICIES (CONTINUED)

Tangible assets and depreciation

Tangible assets are stated at cost less accumulated depreciation Depreciation is provided at such rates as will write off the cost of tangible fixed assets over their expected useful lives The annual depreciation rates used are

Land and buildings	straight line over 50 years
Leasehold improvements	straight line over term of lease
Communications equipment	straight line over 4 years
Fixtures and fittings	straight line over 7 years
Computer hardware and Software	straight line over 3 years
Motor vehicles	straight line over 4 years

Communications equipment and computer hardware and software are included in Equipment Fixtures and Fittings in note 8

Freehold Property

Following the implementation of FRS 15 the group has not adopted a policy of revaluation but as permitted by the transitional provisions of FRS15, the carrying amounts of freehold properties reflect previous valuations In the event of an impairment in property value the deficit below cost is charged to the profit and loss account The company's freehold property was disposed of during the year

Finance leases

Assets held under finance leases are capitalised in the balance sheet and depreciated over their useful lives The interest element of the rental obligations is charged to the profit and loss accounts over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding

Investments

Investments in subsidiaries are shown at cost less any amounts provided for impairment in value

Goodwill

Goodwill represents the excess of the fair value of consideration over the fair value of assets acquired and has been included in the balance sheet as an intangible fixed asset Goodwill is amortised over 20 years being the directors estimate of its useful economic life

Where circumstances indicate there may be an impairment in the carrying value of goodwill, an impairment review is undertaken using discounted future cash flow techniques and any impairment is charged in the profit and loss account

Stock and work in progress

Stock and work in progress is valued at the lower of cost and net realisable value
Work in progress comprises charges for services incurred on behalf of clients which have still to be recharged to clients

Operating leases

Operating lease rentals are charged to the profit and loss accounts in the year in which they fall due

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction Exchange differences are taken into account in arriving at the operating result

Cash Flow Statements

As permitted by FRS1 (revised 1996), a cash flow statement is not included in these financial statements because a consolidated cash flow statement is presented by Interpublic Inc , the ultimate parent undertaking

Related Party Transactions

The company is exempt under the terms of FRS8 from disclosing related party transactions with entities that are part of the Interpublic group or investors of the Interpublic group

MOMENTUM ACTIVATING DEMAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006 (CONTINUED)

2 OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging/(crediting)		Year ended 31 December 2006	Year ended 31 December 2005
		£'000	£'000
Group management service fee		2,097	651
Auditors' remuneration	Audit Services	35	32
	Audit related Services	56	40
Foreign currency loss/(profit)		55	(3)
Pension Costs		306	286
Depreciation on owned assets		161	185
Depreciation on assets purchased under finance leases		5	5
Operating lease rentals - other than plant and machinery		633	761

3 NET INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31 December 2006	Year ended 31 December 2005
	£'000	£'000
Interest payable	(2)	(2)
Interest Receivable	246	169
Net Interest receivable	244	167

4 STAFF COSTS

Staff costs, including directors' emoluments, for permanent employees were	Year ended 31 December 2006	(re-stated) Year ended 31 December 2005
	£'000	£'000
Wages and salaries	6,175	5,666
Social security costs	854	653
Other pension costs	306	288
Severance payments	-	159
Share based payments	41	16
	7,376	6,782

	2006	2005
	Number	Number
The average number of permanent employees during the financial period was	181	185

In addition staff costs for temporary employees charged to cost of sales were	Year ended 31 December 2006	Year ended 31 December 2005
	£'000	£'000
Wages and salaries	6,239	5,617
Social security costs	445	425
	6,684	6,042

	2006	2005
	Number	Number
The average number of temporary employees during the financial period was	477	495

MOMENTUM ACTIVATING DEMAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006 (CONTINUED)

5 DIRECTORS EMOLUMENTS

Directors' emoluments including pension contributions, share based payments and benefits in kind, all of which were in respect of management services for the year, amounted to £553,000 (2005 - £546,000 as re-stated)

The group has made contributions to the defined benefit pension plans in respect of 1 directors (2005 - 1) and the defined contribution scheme of 1 director (2005 - 1) during the year
Aggregate emoluments of the highest paid director, excluding pension contributions were £250,000 (2005 - £226,000)

The accrued pension entitlement of the highest paid director is £49,000 per annum, (2005 - £45,000)

Included in directors remuneration is a charge of £40,000 (2005 - £16,000 as restated) in relation to the cost of share based payments A reconciliation of the movement in share based awards is shown below

	2006		2005	
	No of Shares	**Weighted Average Price £**	No of Shares	Weighted Average Price £
Outstanding as at 1 January	**10,434**	**5 57**	5,484	6 97
Granted during the period	**14,442**	**4 70**	4,950	6 86
Outstanding as at 31 December	**24,876**	**6 24**	10,434	5 57

6 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

The (credit)/charge for taxation which has been provided at 30% (2005 - 30%) is based on the results for the year and comprised

		Year ended 31 December 2006	Year ended 31 December 2005
		£'000	£'000
Current Tax			
UK corporation tax	- current year	**-**	667
	- prior years	**(248)**	-
Total current tax		**(248)**	667
Deferred tax			
Origination & reversal on timing differences - current year		**(61)**	(80)
Origination & reversal on timing differences - prior years		**43**	26
Adjustment in relation to prior years		**(48)**	-
Deferred tax asset not recognised		**66**	54
Total deferred tax		**-**	-
Tax (credit)/charge on profit on ordinary activities		**(248)**	667

Factors affecting the tax charge
The current tax assessed for the year is different to the standard rate of corporation tax in the UK 30% (2005 30%) The differences are explained below

		Year ended 31 December 2006	Year ended 31 December 2005
		£'000	£'000
Profit on ordinary activities before tax		**386**	1,476
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 30%)		**116**	443
Effects of	Disallowed expenses	**53**	143
	Depreciation in excess of Capital allowances	**45**	54
	Other short term timing differences	**15**	22
	Group relief for no consideration	**(229)**	-
	Adjustment to prior years	**(248)**	-
Current year tax (credit)/charge		**(248)**	662

7 INTANGIBLE ASSETS - PURCHASED GOODWILL

	£'000
GROUP AND COMPANY	
Cost	
At 1 January 2006 and 31 December 2006	**5,920**
Amortisation	
At 1 January 2006	296
Charge for year	296
At 31 December 2006	**592**
Net Book Value	
At 31 December 2006	**5,328**
At 1 January 2006	5,624

Goodwill is being written off over 20 years being the directors' estimate of its useful economic life

With effect from 31 December 2004 the Company acquired the trade, assets and liabilities of NDI Momentum Limited ("NDI"), a company registered in England & Wales, number 1114557, and Momentum Field Marketing Limited ("MFM"), a company registered in England and Wales, number 4021829, both with the same ultimate parent company as itself - The Interpublic Group of Companies Inc

8 TANGIBLE ASSETS

GROUP and COMPANY	Freehold property	Leasehold improvement	Equipment, fixtures & fittings	Total
	£'000	£'000	£'000	£'000
COST OR VALUATION				
At 1 January 2006	626	157	859	1,642
Additions	-	50	165	215
Disposals	(626)	(9)	(135)	(770)
At 31 December 2006	**-**	**198**	**889**	**1,087**
DEPRECIATION				
At 1 January 2006	77	101	648	826
Charge for the year	-	20	146	166
Disposals	(77)	(9)	(133)	(219)
At 31 December 2006	**-**	**112**	**661**	**773**
NET BOOK AMOUNT				
At 31 December 2006	**-**	**86**	**228**	**314**
At 1 January 2006	549	56	211	816

See note 19 for details of assets held under finance leases

9 INVESTMENT IN SUBSIDIARIES

COMPANY

	£'000	£'000
At 1 January 2006		38
Additions	7,620	
Less impairment following payment of dividends	(6,661)	
		959
At 31 December 2006		997

Investment in subsidiaries at cost less provision for impairment represents the following investments in limited companies, all of which are incorporated in England and Wales

Name	Principal activity	Net assets at 31 Dec 2006	Profit for year to 31 Dec 2006
		£'000	£'000
The Promotions Department Partnership Limited	Dormant	50	-
Momentum Field Marketing Limited	Non Trading	900	-
NDI Momentum Limited	Non Trading	59	-

On 20 April 2006 the Company acquired by way of a share issue the entire share capital of fellow group undertakings Momentum Field Marketing and NDI Momentum Both of these companies were not trading at that time and the fair value of the consideration issued is equal to the fair value of the assets acquired as the acquired companies only assets were inter-company receivables

Fair Value of Assets Acquired	**NDI Momentum Limited**	**Momentum Field Marketing Limited**
	£'000	£'000
Inter-company receivables	5,376	2,245

As part of a group re-organisation the subsidiary undertaking, The Promotions Department Partnership Limited was the subject of a members voluntary liquidation and was removed from the Register of Companies in February 2007 The investment was recovered in full as part of the liquidation process

10 DEBTORS

	Group		Company	
Amounts falling due within one year	**2006**	2005	**2006**	2005
	£'000	£'000	**£'000**	£'000
Trade debtors	**6,879**	5,706	**6,879**	5,706
Amounts owed by group undertakings	**810**	1,631	**810**	1,631
Other debtors, prepayments and accrued income	**277**	228	**277**	228
	7,966	7,565	**7,966**	7,565

11 CREDITORS Amounts falling due within one year

	Group 2006 £'000	Group 2005 £'000	Company 2006 £'000	Company 2005 £'000
Trade creditors	**153**	1,248	**153**	1,248
Amounts owed to group undertakings	**1,662**	268	**1,713**	318
Corporation tax	**686**	935	**686**	935
Other taxation and social security	**1,142**	1,249	**1,142**	1,249
Other creditors	**140**	100	**140**	100
Accruals and deferred income	**2,940**	1,467	**2,940**	1,468
	6,723	5,267	**6,774**	5,318

CREDITORS Amounts falling due after more than one year

	Group 2006 £'000	Group 2005 £'000	Company 2006 £'000	Company 2005 £'000
Amounts owed to group undertakings	**-**	7,621	**960**	7,621
Accruals and deferred income	**80**	56	**80**	56
Other taxation and social security	**4**	2	**4**	2
Other Creditors	**9**	11	**8**	11
	93	7,690	**1,052**	7,690

Amounts owed to group undertakings included in Creditors Amounts falling due after more than one year represent interest free "on demand" promissory notes issued to acquire the businesses

The company is party to a group overdraft facility of up to £8,000,000 gross, which is secured upon the assets of Momentum Activating Demand Limited and the other participating group companies

12 DEFERRED TAXATION

Deferred tax provided in the accounts comprises

	Group 2006 £'000	Group 2005 re-stated £'000	Company 2006 £'000	Company 2005 re-stated £'000
(Asset)/provision brought forward	-	-	-	-
Charge/(credit) to profit and loss account	-	-	-	-
(Asset) carried forward	-	-	-	-
Deferred tax asset not recognised				
Capital allowances	**(403)**	(394)	**(403)**	(394)
Liability on sale of re-valued property	-	48	-	48
Other Short term timing differences	**(27)**	(12)	**(27)**	(12)
Deferred tax asset not recognised	**430**	358	**430**	358
	-	-	-	-

13 SHARE CAPITAL

Authorised share capital

	2006	2005
	£	£
£1 ordinary shares	**1,500,000**	1,000,000
	1,500,000	1,000,000

Allotted, called up and fully paid

	2006	2005
	£	£
£1 ordinary shares	**1,139,879**	**408,000**
	1,139,879	408,000

On 20 April 2006, the company increased its authorised share capital to 1,500,000 £1 ordinary shares Also, with effect from that date the company issued to its parent undertaking 215,580 and 516,299 £1 ordinary shares at a premium of £9 41 per share respectively, for the acquisition of the entire share capital of Momentum Field Marketing Limited and NDI Momentum Limited as detailed in note 9 above

14 RESERVES

GROUP	Share Premium Account account	Profit & loss account	Re-valuation reserve	Total
	£'000	£'000	£'000	£'000
Balance at 1 January 2006 as previously reported	-	4,497	169	4,666
Prior Year Adjustment	-	(18)	-	(18)
Balance at 1 January 2007 as re-stated	-	4,479	169	4,648
Premium on shares issued in year (note 13)	6,889	-	-	6,889
Retained profit for the year	-	634	-	634
Recognised gain on disposal of property	-	-	(169)	(169)
Balance at 31 December 2006	**6,889**	**5,113**	-	**12,002**

COMPANY	Share Premium Account account	Profit & loss account	Re-valuation reserve	Total
	£'000	£'000	£'000	£'000
Balance at 1 January 2006 as previously reported	-	4,484	169	4,653
Prior Year Adjustment	-	(18)	-	(18)
Balance at 1 January 2007 as re-stated	-	4,466	169	4,635
Premium on shares issued in year (note 13)	6,889	-	-	6,889
Retained profit for the year	-	634	-	634
Retained loss for the year	-	-	(169)	(169)
Balance at 31 December 2006	**6,889**	**5,100**	-	**11,989**

15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group 2006 £'000	Company 2006 £'000
Equity Shareholders' funds at 1 January as originally reported	5,074	5,061
Prior Year adjustment (note 1)	(18)	(18)
Equity Shareholders' funds at 31 December as restated	5,056	5,043
Profit for the financial period	634	634
Revaluation Reserve Realised	(169)	(169)
Share Issue (note 13)	7,621	7,621
Net addition to shareholders' funds	13,142	13,129

16 CAPITAL COMMITMENTS

There are no capital commitments at 31 December 2006 (2005 - £Nil)

17 PENSION COSTS

The company operates a defined contribution pension schemes for most of its employees The assets of the schemes are held separately from those of the company in independently administered funds

The total pension cost charge represented contributions payable by the company as follows

	2006 £'000	2005 £'000
Defined contribution schemes	214	224
Defined benefit scheme	92	62
	306	286

The company also has a small number of individuals who are members of a defined benefit scheme, the Interpublic Pension Plan ("the Plan"), which is a defined benefit plan providing benefits based on members' service and pensionable earnings Momentum Activating Demand Limited, along with other companies in the Group, is unable to identify its share of the underlying assets and liabilities in the Plan and so will account for its participation in the Plan as a defined contribution plan, with contributions payable being charged to the profit & loss account in the period to which they relate

The latest actuarial valuation of the Plan was carried out as at 1 April 2006 by a qualified independent actuary The economic assumptions used in the valuation were as follows

Discount rate 5 2%
Retail Price Inflation 4 0%
General pay increases 4 0%
Pension increases 2 9% to 30 June 2007, 2 1 % thereafter

As at 1 April 2006, the actuary calculated the funding deficit to be £28 4 million The actuary recommended that all participating employers contributions be increased to 40% of pensionable earnings from January 1 2006 with members contributing 6% of pensionable earnings

MOMENTUM ACTIVATING DEMAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006 (CONTINUED)

18 OPERATING LEASE OBLIGATIONS

At the end of the year the group had annual commitments under non-cancellable operating leases expiring as follows

	2006		2005	
	Buildings	**Other**	Buildings	Other
	£'000	**£'000**	£'000	£'000
Within one year	38	57	15	48
Between one and five years	287	93	308	177
More than 5 years	113	-	-	-
	325	150	323	225

19 FINANCE LEASES

	Group		**Company**	
Assets held under finance leases and capitalised	**2006**	2005	**2006**	2005
in equipment fixtures and fittings	**£'000**	£'000	**£'000**	£'000
Cost	**30**	22	**30**	22
Depreciation	**(10)**	(5)	**(10)**	(5)
Net Book Value	**20**	17	**20**	17
Future minimum payments under finance leases				
Within one year	**12**	11	**12**	11
In more than one but not more than 5 years	**9**	12	**9**	12
Total Gross payments	**21**	23	**21**	23
Less finance charges included above	**(2)**	(3)	**(2)**	(3)
	19	20	**19**	20
Amounts falling due within one year	**11**	9	**11**	9
Amounts falling due after more than one year	**8**	11	**8**	11
	19	20	**19**	20

Amounts owed under finance leases are included in Other creditors in note 11

20 PARENT UNDERTAKINGS

The Interpublic Group of Companies Inc , which is incorporated in the United States of America is the parent undertaking of the largest group to consolidate these financial statements and is the immediate and ultimate parent company Copies of group financial statements for Interpublic Inc can be obtained from 1114 Avenue of the Americas, New York, NY 10036, USA