

**REGISTERED NUMBER: 02875057**

**MOMENTUM INSTORE LIMITED (FORMERLY MOMENTUM ACTIVATING DEMAND LIMITED)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**5 MONTH PERIOD ENDED 31 MAY 2012**



A11 \*A236QSHL\* 28/02/2013 #272  
COMPANIES HOUSE

**MOMENTUM INSTORE LIMITED (FORMERLY MOMENTUM ACTIVATING DEMAND LIMITED)**  
**ANNUAL REPORT FOR THE 5 MONTH PERIOD ENDED 31 MAY 2012**

**CONTENTS**

	PAGES
Directors' report	1
Independent Auditors' report	5
Profit and Loss Account	6
Balance Sheet	7
Statement of Cash Flows	8
Notes to the Financial Statements	9

## **MOMENTUM INSTORE LIMITED (FORMERLY MOMENTUM ACTIVATING DEMAND LIMITED)**

### **DIRECTORS' REPORT FOR THE 5 MONTH PERIOD ENDED 31 MAY 2012**

The directors present their report and the audited financial statements of the company for the five month period ended 31 May 2012

On 28th February 2012 the company sold the trade and assets of its creative business based in London and Manchester to a subsidiary of the Interpublic Group of Companies Inc. as part of a corporate reorganisation

On 5th March 2012 as part of that reorganisation the company changed its name as detailed above

On 31st May 2012 the company was sold by the Interpublic Group of Companies Inc. and acquired by a privately owned company Gleaventures Limited

#### **DIRECTORS**

The Directors during the year under review were

A Carter	(resigned 30 April 2012)
N Camera	(resigned 1 April 2012)
C Weil	(resigned 30 April 2012)
J Ingram	(resigned 30 April 2012)
R Gleave	(appointed 30 April 2012)
S Gleave	(appointed 31 May 2012)

#### **COMPANY SECRETARY**

L Bean (resigned 31 May 2012)

#### **REGISTERED OFFICE**

Stanley Court  
Stanley Green Business Park  
Handforth Dean  
Cheshire SK9 3RL

Registered in England No. 02875057

#### **PRINCIPAL ACTIVITY OF THE COMPANY**

The principal activity of the company during the accounting period was that of a marketing communications services agency providing services entirely from its offices in the United Kingdom

Following the disposal of the trade and assets of its creative business the company's principal activity is the provision of retail marketing services

#### **BUSINESS REVIEW**

The trading results for the 5 month period ended 31 May 2012 are shown on page 6

The trading results for the 5 month period show a pre-tax profit of £4.2m after a profit on the sale of the creative part of its business of £5.8m (2011: loss for the year of £5.1m after goodwill impairment of £3.8m) on sales of £6.5m (2011: £27.7m)

The accounts reflect the transfer out of part of the business during the year and as such the results are not a fair reflection of the full year trading performance of the remaining retail business. The directors are satisfied with the trading results for the 5 month period and are now confident of the future and following the period end the business has traded profitably ahead of forecast and has procured strong funding lines to support its growth plans. In addition, a focused cost reduction strategy has successfully driven significant cost out of the business following the period end.

#### **DIVIDENDS**

Following the sale of the creative business and in preparation for the change of ownership of the business the company undertook a capital reconstruction and declared a dividend of £9.5m

The company has cash reserves at the period end of £0.4m (Dec 2011: £4.8m) and net assets of £1.9m (Dec 2011: £7.2m)

#### **FUTURE OUTLOOK**

The directors view the future prospects of the company positively and expect to grow revenues and profitability both organically and by acquisition. Since the period end a number of significant new business wins have been achieved. In addition, the business expects to grow revenue with its existing client base by developing its service offering.

# MOMENTUM INSTORE LIMITED (FORMERLY MOMENTUM ACTIVATING DEMAND LIMITED)

## DIRECTORS' REPORT FOR THE 5 MONTH ENDED 31 MAY 2012 (CONTINUED)

### PRINCIPAL RISKS AND UNCERTAINTIES

Up to the balance sheet date Momentum Instore Limited was 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.

On 31st May 2012 the company was sold by the Interpublic Group of Companies Inc. and acquired by a privately owned company - Gleaventures Limited.

The principal risks affecting Momentum Instore 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.

**Clients significantly curtailing their marketing budgets** We address this by having a wide variety of clients across different sectors.

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

### STRATEGY

The business strategic focus is to become the UK's leading retail marketing agency. The business intends to grow revenues and profitability both organically and by acquisition in the short to medium term and will achieve this by continuing to deliver exceptional results for all its clients.

### KEY PERFORMANCE INDICATORS

The following are Key Performance Indicators of the business:

	5 month period ended May 2012	Year ended Dec 2011	Year ended Dec 2010
<b>Gross Margin</b> ratio of gross profit to turnover expressed as a percentage	37.0%	56.1%	50.5%
<b>Operating Margin (%)</b> ratio of operating result to gross profit expressed as a percentage	-64.6%	-32.8%	5.9%
<b>Adjusted Operating margin (%)</b> ratio of operating results (as adjusted for net management charges and goodwill amortisation/impairment) to gross profit expressed as a percentage	-50.9%	3.0%	0.0%
<b>Basic salary costs to gross profit (%)</b> Basic salary costs as a percentage of gross profit	84.0%	52.9%	51.9%

The business is a highly seasonal business with many clients in the retail sector with high sales levels in the last quarter of a calendar year. The ratios shown above for the short accounting period to May 2012 are in line with management's expectations for that part of the year.

### 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 in ways identified as appropriate to their abilities and aptitudes.

The company provides for the adequate training, career development and promotion of disabled persons.

**MOMENTUM INSTORE LIMITED (FORMERLY MOMENTUM ACTIVATING DEMAND LIMITED)**

**DIRECTORS' REPORT FOR THE 5 MONTH PERIOD ENDED 31 MAY 2012 (CONTINUED)**

**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.

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**

At the 31st May 2012 the company has no significant debt finance and has historically funded its activities mainly from its cash reserves. Following the sale of the business the company has established the necessary invoice discounting and loan facilities to provide it with the necessary working capital for the foreseeable future.

**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.

**MOMENTUM INSTORE LIMITED (FORMERLY MOMENTUM ACTIVATING DEMAND LIMITED)**

**DIRECTORS' REPORT FOR THE 5 MONTH PERIOD ENDED 31 MAY 2012 (CONTINUED)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these 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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable the Directors to ensure that the financial statements comply with the Companies Act 2006. The Directors 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**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and the directors 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

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 (1) to (4) of the Companies Act 2006

By order of the Board



R Gleave  
Director

27 February 2013

**MOMENTUM INSTORE LIMITED (FORMERLY MOMENTUM ACTIVATING DEMAND LIMITED)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MOMENTUM INSTORE LIMITED (FORMERLY MOMENTUM ACTIVATING DEMAND LIMITED)**

We have audited the financial statements of Momentum Instore Limited (formerly Momentum Activating Demand Limited) for the 5 month period ended 31st May 2012 which comprise the Profit and Loss Account the Balance Sheet the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent mis-statements or inconsistencies, we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 May 2012 and of its profit for the 5 month period then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Nicholas Gower (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Manchester  
27 February 2013

**MOMENTUM INSTORE LIMITED (FORMERLY MOMENTUM ACTIVATING DEMAND LIMITED)**

**PROFIT AND LOSS ACCOUNT FOR THE  
5 MONTH PERIOD ENDED 31 MAY 2012**

	Notes	5 Month period Ended 31 May 2012			Year Ended 31 December 2011		
		Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
		£'000	£'000	£ 000	£'000	£'000	£'000
<b>TURNOVER</b>	1	5,234	1,282	6,516	14 700	13 038	27 738
Cost of sales		(3,969)	(135)	(4,104)	(10 267)	(1 901)	(12 168)
<b>GROSS PROFIT</b>		1,265	1,147	2,412	4 433	11 137	15 570
Administrative expenses - goodwill amortisation/impairment	8	(144)	(52)	(52)	(4 145)	(312)	(4,457)
Administrative expenses - operational management charges		(2,041)	(135)	(279)	(550)	(1 375)	(1,925)
Administrative expenses - other		(2,041)	(1,598)	(3,639)	(4 260)	(10 847)	(15 107)
<b>TOTAL ADMINISTRATIVE EXPENSES</b>		(2,185)	(1,785)	(3,970)	(8 955)	(12 534)	(21 489)
<b>OTHER OPERATING INCOME</b>	2			-	-	818	818
<b>OPERATING LOSS</b>	2	(920)	(638)	(1,558)	(4 522)	(579)	(5 101)
Profit on disposal of discontinued operations				5,766			-
Net interest receivable and similar income	3			4			17
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>				4,212			(5,084)
Taxation credit/(charge) on profit/(loss) on ordinary activities	6			4			(20)
<b>PROFIT/(LOSS) FOR THE FINANCIAL PERIOD</b>	15,16			4,216			(5 104)

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



**MOMENTUM INSTORE LIMITED (FORMERLY MOMENTUM ACTIVATING DEMAND LIMITED)**

**BALANCE SHEET AS AT 31 MAY 2012**

	Notes	May 2012 £'000	Dec 2011 £'000
<b>FIXED ASSETS</b>			
Intangible assets - Goodwill	8	-	1,950
Tangible Assets	9	50	819
Investment in subsidiaries	10	59	59
		<u>109</u>	<u>2,828</u>
<b>CURRENT ASSETS</b>			
Stock and work in progress		309	151
Debtors	11	3,005	12,945
Cash at bank and in hand		353	4,924
		<u>3,667</u>	<u>18,020</u>
<b>CREDITORS Amounts falling due within one year</b>	12	<u>(783)</u>	<u>(4,744)</u>
<b>NET CURRENT ASSETS</b>		<u>2,884</u>	<u>13,276</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,993</u>	<u>16,104</u>
<b>CREDITORS Amounts falling due after more than one year</b>	12	(59)	(757)
<b>ACCRUALS AND DEFERRED INCOME</b>		<u>(1,044)</u>	<u>(8,157)</u>
<b>NET ASSETS</b>		<u>1,890</u>	<u>7,190</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	1,176	1,176
Share Premium Account	15	-	7,233
Profit and loss account	15	714	(1,219)
<b>EQUITY SHAREHOLDERS FUNDS</b>	16	<u>1,890</u>	<u>7,190</u>

The financial statements were approved by the Board of Directors on 21 February 2013 and were signed on its behalf by



R Gleave  
Managing Director

Momentum Instore Limited  
Registered Company Number 02875057

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

**MOMENTUM INSTORE LIMITED (FORMERLY MOMENTUM ACTIVATING DEMAND LIMITED)**

**STATEMENT OF CASH FLOWS  
FOR THE 5 MONTH PERIOD ENDED 31 MAY 2012**

	5 Month period ended May 2012 £'000	Year ended Dec 2011 £'000
<b>Cash Flows from Operating Activities</b>		
Cash (absorbed by)/generated from Operations	(243)	1 471
Interest paid	-	(2)
<b>Net Cash (absorbed by)/generated from Operating Activities</b>	<b>(243)</b>	<b>1 469</b>
<b>Cash Flows from Investing activities</b>		
Proceeds from disposal of discontinued operations	5,224	-
Purchase of tangible fixed assets	(40)	(133)
Proceeds from disposal of tangible fixed assets	-	1
Interest received	4	19
<b>Net cash generated/(utilised) from Investing activities</b>	<b>5,188</b>	<b>(113)</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from issuance of ordinary shares	-	380
Dividends paid to Company Shareholders	(9,516)	-
<b>Net Cash (Used In)/Generated from Financing Activities</b>	<b>(9,516)</b>	<b>380</b>
<b>Net (decrease)/increase in Cash and Cash Equivalents</b>	<b>(4,571)</b>	<b>1 736</b>
<b>Cash and cash equivalents at Start of Period</b>	<b>4,924</b>	<b>3 188</b>
<b>Cash and cash equivalents at End of period</b>	<b>353</b>	<b>4 924</b>

**CASH GENERATED FROM OPERATIONS**

	5 Month period ended May 2012 £'000	Year ended Dec 2011 £'000
Profit/(loss) before income tax including discontinued operations	4,212	(5 101)
Adjustments for		
- Depreciation of tangible fixed assets	35	205
- Amortisation of intangible fixed assets	52	608
- Goodwill impairment charge	-	3 849
- profit on disposal of discontinued operations	(5,768)	-
Changes in working capital excluding the effects of disposals		
- Inventories	(182)	(19)
- Trade and other receivables	3,895	(1 105)
- Trade and other payables	(2,489)	3 034
<b>Cash (Absorbed by)/Generated From Operations</b>	<b>(243)</b>	<b>1 471</b>

**MOMENTUM INSTORE LIMITED (FORMERLY MOMENTUM ACTIVATING DEMAND LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2012**

**1 ACCOUNTING POLICIES**

**Basis of accounting**

The accounts have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards. The principal accounting policies, which have been applied on a consistent basis, are set out below.

The financial statements contain information about Momentum Instore Limited (formerly Momentum Activating Demand Limited) as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent.

**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 on a straight line basis over its useful economic life as determined by the directors on an acquisition by acquisition basis.

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.

**Turnover**

Turnover represents amounts receivable from clients exclusive of value added tax in respect of marketing services provided during the period and is recognised either when a project is complete or where individually recognisable elements of a contract are complete. 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 period. Differences between contributions payable in the period 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:

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

Communications equipment and computer hardware and software are included in Equipment, Fixtures and Fittings in note 9.

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 period 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.

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.

Share based payments

Up to 28th February some employees of the company participated in a share option plan operated by Interpublic Inc, the ultimate parent undertaking. All share based payments are cash settled and are measured at fair value at the balance sheet date. The fair value determined at each balance sheet date is expensed over the vesting period based on the share price at the balance sheet date.

In accordance with FRS20, the charge arising for share based payments is recognised in the income statement of the company which employs those to whom the share based awards are granted. The credit entry is reported within other creditors.

Other income

Represents group management charges receivable which are credited to the profit and loss account in the period for which the charges are receivable.

**MOMENTUM INSTORE LIMITED (FORMERLY MOMENTUM ACTIVATING DEMAND LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2012 (CONTINUED)**

**2 OPERATING LOSS**

Operating loss is stated after charging/(crediting)

Group management service fee payable	
Other Operating Income - Group management service fee receivable	
Auditor's remuneration - Audit Services	
- Audit Related Services	
Foreign currency gain	
Pension costs	
Depreciation on owned assets	
Goodwill amortisation	
Goodwill impairment	
Operating lease rentals - other than plant and machinery	

5 Month period Ended 31 May 2012	Year Ended 31 December 2011
£'000	£'000
279	1 925
-	(818)
31	54
-	23
17	(4)
94	734
35	205
52	608
-	3 849
271	1 131

**3 NET INTEREST RECEIVABLE**

Interest payable	
Interest receivable	
Net interest receivable	

5 Month period Ended 31 May 2012	Year Ended 31 December 2011
£'000	£'000
-	(2)
4	19
4	17

**4 STAFF COSTS**

Staff costs including directors' emoluments for permanent employees were

Wages and salaries	
Social security costs	
Other pension costs	
Share based payments	

5 Month period Ended 31 May 2012	Year Ended 31 December 2011
£'000	£'000
2,025	8 289
258	1,059
94	734
-	(11)
2,377	10 071
2012	2011
Number	Number

The average number of permanent employees during the financial period was

- Continuing
- Discontinued

82	73
127	145
209	218

In addition staff costs for temporary employees charged to cost of sales were

Wages and salaries	
Social security costs	

5 Month period Ended 31 May 2012	Year Ended 31 December 2011
£'000	£'000
1,731	4 145
136	335
1,867	4 480
2012	2011
Number	Number
262	282

The average number of temporary employees during the financial period was

**MOMENTUM INSTORE LIMITED (FORMERLY MOMENTUM ACTIVATING DEMAND LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2012 (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 period amounted to £53 000 (2011 - year - £390 000)

The Company made contributions to the defined contribution scheme of 2 directors (2011 - 2)

Aggregate emoluments of the highest paid director excluding pension contributions were £39,000 (2011 - £241,000)

Included in directors remuneration is a charge of £nil (2011 - £9 831) in relation to the cost of share based payments  
A reconciliation of the movement in share based awards for all eligible employees is shown below

	2012		2011	
	Number of	Average	Number of	Average Price
	Shares	Price £	Shares	£
Outstanding as at 1 January	-	-	5,044	6.88
Transferred (to)/from group companies in the period	-	-	-	-
Expired during the period	-	-	(5,044)	7.19
Outstanding as at 31 December	-	-	-	-

**6 TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

The credit/charge for taxation which has been provided at 25.2% (2011 26.5%) is based on the profit/(loss) for the period and comprised

	5 Month period Ended 31 May 2012	Year Ended 31 December 2011
	£'000	£'000
<b>Current Tax</b>		
UK corporation tax	-	-
- current period	-	(101)
- prior periods credit	-	7
Foreign tax	-	(94)
<b>Total Current taxation</b>		
<b>Deferred tax</b>		
Origination & reversal on timing differences - current period	(8)	33
Origination & reversal on timing differences - prior period	(8)	26
Effect of change of Corporation tax rate	12	55
<b>Total deferred tax</b>	(4)	114
<b>Tax (credit)/charge on profit/(loss) on ordinary activities</b>	(4)	20

**Factors affecting the tax charge**

The current tax assessed for the period is different to the standard rate of corporation tax in the UK 25.2% (2011 26.5%). The differences are explained below

	5 Month period Ended 31 May 2012	Year Ended 31 December 2011
	£'000	£'000
Profit/(loss) on ordinary activities before tax	4,212	(5,084)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24.5% (2011 26.5%)	1,061	(1,347)
Effects of	(1,433)	1,214
Disallowed (income)/expenses	(1)	(49)
Capital Allowances in excess of depreciation	(3)	14
Other short term timing differences	-	7
Foreign tax suffered	376	168
Group relief surrendered for no consideration	-	(101)
Adjustment to prior periods	-	(94)
<b>Current period tax credit</b>		

**MOMENTUM INSTORE LIMITED (FORMERLY MOMENTUM ACTIVATING DEMAND LIMITED)**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2012 (CONTINUED)**

**7 DIVIDENDS**

5 Month period Ended 31 May 2012 £'000	Year Ended 31 December 2011 £'000
9,516	-

Dividend declared and paid on £1 ordinary shares at £8.09p per share (2011: £nil)

**8 INTANGIBLE ASSETS - PURCHASED GOODWILL**

£'000

<b>Cost</b>	
At 1 January 2012	5,880
Transfers from/(to) group companies whilst a subsidiary of the Interpublic Group	(5,880)
At 31 May 2012	-
<b>Amortisation</b>	
At 1 January 2012	3,930
Amortisation for the period	52
Transfers from/(to) group companies whilst a subsidiary of the Interpublic Group	(3,982)
At 31 May 2012	-
<b>Net Book Value</b>	
At 31 May 2012	-
At 31 December 2011	1,950

Goodwill was being written off over periods between 10 and 20 years being the useful economic life of goodwill relating to each acquisition. During 2011 because of the performance of the part of the business holding the trade and assets of the former NDI Momentum and Momentum Field Marketing businesses the directors took the decision to impair all of the remaining goodwill resulting in an impairment charge of £3.8m. The remaining goodwill relates entirely to the 2008 acquisition of the trade and assets of the Greenroom business and was sold at the end of February 2012 to a fellow subsidiary of the Interpublic Group of Companies.

**9 TANGIBLE FIXED ASSETS**

Leasehold Improvement £'000	Equipment, fixtures & fittings £'000	Total £'000
<b>COST</b>		
At 1 January 2012	954	1,297
Additions	-	40
Transfers from/(to) group companies whilst a subsidiary of the Interpublic Group	(803)	(846)
At 31 May 2012	151	491
<b>DEPRECIATION</b>		
At 1 January 2012	412	1,020
Charge for the period	15	20
Transfers from/(to) group companies whilst a subsidiary of the Interpublic Group	(278)	(597)
At 31 May 2012	149	443
<b>NET BOOK VALUE</b>		
At 31 May 2012	2	48
At 31 December 2011	542	277

**10 INVESTMENT IN SUBSIDIARIES**

£'000

<b>COST</b>	
At 1 January 2012 and 31 May 2012	5,375
<b>PROVISION FOR IMPAIRMENT</b>	
At 1 January 2012 and 31 May 2012	5,316
<b>NET BOOK AMOUNT</b>	
At 1 January 2012 and 31 May 2012	59

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 May 2012 £'000
NDI Momentum Limited	Dormant	59

MOMENTUM INSTORE LIMITED (FORMERLY MOMENTUM ACTIVATING DEMAND LIMITED)  
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2012 (CONTINUED)

11 DEBTORS

	May 2012	Dec 2011
	£'000	£'000
Amounts falling due within one year		
Trade debtors	2,444	9,291
Amounts owed by group undertakings		1,504
Deferred Tax asset (note 13)	240	660
Other debtors: prepayments and accrued income	321	1,490
	<u>3,005</u>	<u>12,945</u>

12 CREDITORS: Amounts falling due  
within one year

	May 2012	Dec 2011
	£'000	£'000
Trade creditors	201	875
Amounts owed to group undertakings	-	1,804
Corporation tax		202
Other taxation and social security	556	1,630
Other creditors	26	233
	<u>783</u>	<u>4,744</u>

Amounts owed to group undertakings are interest free, unsecured and payable on demand

CREDITORS: Amounts falling due  
after more than one year  
Amounts owed to group undertakings  
Deferred consideration

	May 2012	Dec 2011
	£'000	£'000
Amounts owed to group undertakings	59	59
Deferred consideration		698
	<u>59</u>	<u>757</u>



**MOMENTUM INSTORE LIMITED (FORMERLY MOMENTUM ACTIVATING DEMAND LIMITED)**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2012 (CONTINUED)**

**13 DEFERRED TAXATION**

Deferred taxation included in the accounts comprises

	May 2012 £'000	Dec 2011 £'000
Asset brought forward	660	774
Transfers from/(to) group companies whilst a subsidiary of the Interpublic Group	(416)	-
Credit to profit and loss account	(4)	(114)
Asset carried forward	240	660
<b>Deferred tax asset recognised</b>	<b>110</b>	<b>231</b>
Capital allowances	4	17
Other Short term timing differences	126	412
Trading losses		
Asset carried forward	240	660

The company has provided for all deferred tax balances at 31 May 2012 and 31 December 2011

A change to the UK Corporation Tax rate reducing it from 25% to 24% was substantively enacted on 26 March 2012. Deferred tax expected to reverse in the year to 31 May 2013 has been measured using the corporation tax rate for the period of 24% (2011 - 25.25%)

A further reduction of 1% in the UK Corporate Tax rate was announced in the 2012 budget statement reducing the UK rate to 23% from 1 April 2013

There is further proposed changes to the UK Corporate Tax rate for subsequent years reducing it by 2% to 21% from 1 April 2014. The rate change is expected to be enacted separately in the following year

The above changes were not substantively enacted at the balance sheet date and, therefore the effect of this changes are not included in these financial statements

The overall impact of the change in tax rate from 24% to 21% by 2014 would be the reversal of timing differences at an effective rate of 23.83% for the year to May 2013 22.67% for the year to May 2014, and 21% thereafter. If applied to the provided deferred tax balance at 31 December 2012 this would reduce the provided deferred tax by £15,000 mainly in the years to May 2014 and 2015

**14 SHARE CAPITAL**

	May 2012 £	Dec 2011 £
<b>Authorised share capital</b>		
1,500,000 £1 ordinary shares	1,500,000	1,500,000
	1,500,000	1,500,000
<b>Allotted, called up and fully paid</b>		
£1 ordinary shares	1,176,286	1,139,879
Issued during period	-	36,407
	1,176,286	1,176,286

On 20th December 2011 as part of a group pension funding arrangement the company issued 36,407 £1 ordinary shares at a premium of £9.435 per share in exchange for an intercompany receivable from its parent undertaking McCann Erickson UK Group Limited

**15 RESERVES**

	Share Premium account £'000	Profit & loss account £'000	Total £'000
Balance at 1 January 2012	7,233	(1,219)	6,014
Profit for the financial period	-	4,216	4,216
Capital reduction in period	(7,233)	7,233	-
Dividend	-	(9,516)	(9,516)
<b>Balance at 31 May 2012</b>	<b>-</b>	<b>714</b>	<b>714</b>

**MOMENTUM INSTORE LIMITED (FORMERLY MOMENTUM ACTIVATING DEMAND LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2012 (CONTINUED)**

**16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

£ 000

Equity shareholders' funds at 1 January 2012	7 190
Profit for the financial period	4 216
Dividend (note 7)	(9 516)
<b>Equity shareholders' funds at 31 May 2012</b>	<b>1,890</b>

**17 CAPITAL COMMITMENTS**

There are no capital commitments at 31 May 2012 (2011 - £Nil)

**18 PENSION COSTS**

The company operates 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

	5 Month period Ended 31 May 2012	Year Ended 31 December 2011
	£'000	£'000
Defined contribution schemes	80	285
Defined benefit scheme	14	449
	<b>94</b>	<b>734</b>

Up until the end of February 2012 when the company sold its creative business as described in the Director's Report the Company, along with other companies in The Interpublic Group of Companies Inc. also participates in The Interpublic Pension Plan (the Plan) which is a defined benefit plan providing benefits based on members' service and pensionable earnings. Momentum Instore Limited, along with other companies in the Group, was unable to identify its share of the underlying assets and liabilities in the Plan and so accounts 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.

**19 OPERATING LEASE OBLIGATIONS**

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

	May 12		Dec 11	
	Buildings £'000	Other £'000	Buildings £'000	Other £'000
Within one year	79	-	75	6
Between one and five years	147	115	318	160
More than 5 years	-	-	725	-
	<b>226</b>	<b>115</b>	<b>1,118</b>	<b>166</b>

**20 PARENT UNDERTAKINGS**

Up to the balance sheet date The Interpublic Group of Companies Inc. which is incorporated in the United States of America is the ultimate parent undertaking and the largest group to consolidate these financial statements.

Copies of group financial statements for the Interpublic Group of Companies Inc. can be obtained from 1114 Avenue of the Americas New York, NY 10036 USA.

On 31st May 2012 the company was sold by the Interpublic Group of Companies Inc. and acquired by a privately owned company Gleaventures Limited in which Mr R Gleave, a Director of this company, has a controlling interest.