ADVENTIS COLTMAN LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

Company Registration No 02892688 (England and Wales)

ADVENTIS COLTMAN LIMITED

CONTENTS

ADVENTIS COLTMAN LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009

The directors present their report with the financial statements of the company for the year ended 31 December 2009

Principal activities, review of business and future developments
The principal activity of the company is the provision of media planning and buying services and there were no significant changes to this activity during the year Further information regarding the performance and prospects of the business are disclosed in the Chairman's and the Chief Executive Officer's Statement of the parent company, Adventis Group plc

Results & dividends
The company achieved a profit for the year after taxation of £246,654 (2008 £304,533)
Dividends of £400,000 were paid during the year (2008 £300,000)

Directors
The following directors have held office since 1 January 2009
C J Phillpot
P J Linnell
S J Coltman (resigned 1 October 2009)

Directors' interests
None of the directors held any shares in the company
C J Phillpot and P Linnell are also directors of the ultimate parent company, Adventis Group plc, and their interests in the share capital of that company are shown in its financial statements

Creditor Payment Policy
It is the group's policy that payments to suppliers are made in accordance with all relevant terms and conditions Creditor days as at 31 December 2009 for the company have been calculated at 28 days (2008 40 days)

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

The company has in place a risk management programme that seeks to limit the adverse effect on the financial performance of the company by monitoring levels of debt finance and the related finance costs
The company does not use derivative financial instruments to manage interest rate costs, and as such, no hedge accounting is applied

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 company's finance department implements policies set by the board of directors The department has guidelines agreed by the directors to manage interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these

Price risk
The directors do not consider there is a price risk to the business The company has no exposure to equity securities price risk as it holds no listed or other equity investment

Credit risk
The company has implemented policies that require appropriate credit checks to be carried out
Where debt finance is utilised, this is subject to pre-approval by the board of directors and such approval is limited to financial institutions with a high rating

Auditors
Mazars LLP were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put to a General Meeting

ADVENTIS COLTMAN LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

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 period Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union 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 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 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 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

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

On behalf of the board

P J Linnell
Director

2 June 2010

ADVENTIS COLTMAN LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ADVENTIS COLTMAN LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2009

We have audited the financial statements of Adventis Coltman Limited for the year ended 31 December 2009 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Cash Flow, the Statement of Changes in Equity and the related notes The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 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 (APB's) Ethical Standards for Auditors This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www frc org uk/apb/scope/UKNP

Opinion on the 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 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters 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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ADVENTIS COLTMAN LIMITED (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

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

Mazars LLP

2 June 2010

Mazars LLP, Chartered Accountants (Statutory auditor)
Stephen Bullock (Senior statutory auditor)
Tower Bridge House
St Katharine's Way
London E1W 1DD

ADVENTIS COLTMAN LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2009

Continuing operations	Note	Year Ended 31 December 2009 £	Year Ended 31 December 2008 £
Revenue		**7,320,060**	9,606,204
Cost of sales		**(6,546,445)**	(8,721,584)
Gross Profit		**773,615**	884,620
Administrative expenses		**(522,668)**	(494,991)
Profit from operations		**250,947**	389,629
Investment revenue		**609**	39,356
Profit on ordinary activities before taxation	4	**251,556**	389,668
Taxation	6	**(4,902)**	(124,452)
Total comprehensive income and profit for the financial year		**246,654**	265,216
Attributable to			
Equity holders		**246,654**	265,216
Non-controlling interests		**-**	-
		246,654	265,216

The notes on pages 9-20 form part of these financial statements

ADVENTIS COLTMAN LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2009

Company Registration No 2892688

	Note	31 December 2009 £	31 December 2008 £
ASSETS			
Non-current assets			
Property, plant and equipment	8	**6,247**	10,382
Current assets			
Trade and other receivables	9	**2,359,396**	2,548,197
Cash and cash equivalents	10	**5,606**	268,844
		2,359,402	2,817,041
TOTAL ASSETS		**2,371,249**	2,827,423
LIABILITIES			
Current liabilities			
Trade and other payables	11	**1,735 394**	1,962,091
Current tax liabilities		**49,365**	125,496
		1,784,759	2,087,587
NET ASSETS		**586,490**	739,836
EQUITY			
Share capital	12	**10,000**	10,000
Retained earnings		**576,490**	729,836
TOTAL EQUITY		**586,490**	739,836

Approved by the Board and authorised for issue on 2 June 2010
Signed on behalf of the Board of Directors

P Linnell
Director

The notes on pages 9-20 form part of these financial statements

ADVENTIS COLTMAN LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2009

	Share Capital £	Retained Earnings £	Total £
Balance as at 31 December 2007	10,000	725,303	735,303
Total comprehensive income for the year	-	304,533	304,533
Dividends	-	(300,000)	(300,000)
Balance as at 31 December 2008	10,000	729,836	739,836
Total comprehensive income for the year	-	246,654	246,654
Dividends	-	(400,000)	(400,000)
Balance as at 31 December 2009	10,000	576,490	586,490

The notes on pages 9-20 form part of these financial statements

ADVENTIS COLTMAN LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 £	2008 £
Cash flows from operating activities		
Profit from operations	**251,556**	389,629
Adjustments for		
Depreciation on property, plant and equipment	**3,135**	4,615
Operating cash flows before movement in working capital	**254,691**	394,244
Increase/(decrease) in receivables	**188,801**	(1,352,647)
(Decrease)/Increase in payables	**(292,751)**	812,693
Cash generated by/(utilised by) operations	**150,741**	(145,710)
Corporation tax paid	**(80,282)**	(145,480)
Net cash from operating activities	**70,459**	(291,190)
Cash flows from investing activities		
Interest received	**609**	39,356
Purchase of property, plant & equipment	**-**	(2,436)
Net cash used in investment activities	**609**	36,920
Cash flows from financing activities		
Dividends paid	**(400,000)**	(300,000)
Net cash from financing activities	**(400,000)**	(300,000)
Net (decrease) in cash and cash equivalents	**(328,932)**	(554,270)
Cash and cash equivalents at the beginning of the period	**268,844**	823,114
Cash and cash equivalents at the end of the period	**(60,088)**	268,844
Cash and cash equivalents comprises the following balance sheet amounts.		
Cash and cash equivalents	**5,606**	268,844
Borrowings	**(65,694)**	-
	(60,088)	268,844

The notes on pages 9-20 form part of these financial statements

ADVENTIS COLTMAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

1 General information

The company is a limited company incorporated in England and Wales The address of the registered office is 93-95 Wigmore Street, London, W1U 1HH

2 Accounting policies

2 1 Basis of preparation
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union
The financial statements have been prepared on the going concern and historical cost basis and are presented in pounds sterling

The adoption of any new standards, interpretations and amendments to existing standards has not resulted in any substantial changes to the company's accounting policies During the year the company adopted IAS 1(Revised) - Presentation of Financial Statements The impact of this adoption is purely presentational

The company have not applied the following IFRS and IFRIC that are applicable to the company and that have been issued but are not yet effective

IFRS 2	-	Share-based Payment – Amendment relating to Group cash settles share based payments, effective for financial years beginning on or after 1 January 2010
IFRS 3	-	Business Combinations – Comprehensive revision on applying the acquisition method, effective for financial years beginning on or after 1 July 2009
IFRS 5	-	Non-current Assets Held for Sale and Discontinued Operations – Amendments resulting from May 2008 Annual Improvements to IFRSs, effective for financial years beginning on or after 1 July 2009
IFRS 9	-	Financial instruments, Classification and measurement, effective for financial periods beginning on or after 1 January 2013
IAS 24	-	Related party disclosures Revised definition of related parties effective for financial years beginning on or after 1 January 2011
IAS 27	-	Consolidated and Separate Financial Statements – Consequential amendments arising from amendments to IFRS 3, effective for financial years beginning on or after 1 July 2009
IAS 28	-	Investments in Associates – Consequential amendments arising from amendments to IFRS 3, effective for financial years beginning on or after 1 July 2009
IAS 31	-	Investments in Joint Ventures – Consequential amendments arising from amendments to IFRS 3, effective for financial years beginning on or after 1 July 2009
IAS32	-	Financial instruments Presentation – amendments relating to classification of rights issues, effective for financial years beginning on or after 1 February 2010
IAS 39	-	Financial Instruments Recognition and Measurement – Amendments for eligible hedged items, effective for financial years beginning on or after 1 July 2009

2 1 Basis of preparation (continued)

IFRC 17	-	Distributions of non-cash assets to owners, effective for financial years beginning on or after 1 July 2009
IFRIC 19	-	Extinguishing financial liability with equity instruments – effective for financial years beginning on or after 1 July 2010

The directors expect that the adoption of the above pronouncements will have no significant impact other than disclosure to the financial statements in the period of initial application

2 2 Revenue recognition
Turnover represents revenue receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes

Revenue is derived from fees for marketing services and commissions on media placements Revenue is recognised when the service is performed or the month in which the media placement appears, in accordance with contractual arrangements

Interest income is accrued on a time basis, by reference to the principal outstanding and the interest rate applicable

2 3 Property, plant & equipment
Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses
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

Property, plant and equipment	33% reducing balance
Leasehold property	over the life of the lease

The gain or loss arising on the disposal of an asset including disposal costs is recognised in the statement of comprehensive income

2 4 Impairment
At each balance sheet date, the company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any) Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount An impairment loss is recognised as an expense immediately

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years
A reversal of an impairment loss is recognised as income immediately

2 5 Foreign currency transactions
Transactions in foreign currencies are initially recorded at the rate ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at foreign exchange rates ruling at that date Foreign exchange differences arising from translation are recognised in the statement of comprehensive income Non-monetary assets and liabilities measured at cost in a foreign currency are translated using exchange rates as at the date of the initial transactions

2 6 Taxation
The tax charge represents the sum of current and deferred tax
Current tax payable is based on taxable profits for the year Taxable profits differ from net profits as reported in the statement of comprehensive income because it excludes items that are taxable or deductible in other years and items that

2 6 Taxation (continued)

are not taxable or deductible The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method Deferred tax liabilities are recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which temporary differences can be utilised Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability or the asset is realised

Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity

2 7 Financial instruments
Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instruments and on a trade date basis A financial asset is derecognised when the company's contractual rights to future cash flows from the financial asset expire or when the company transfers the contractual rights to future cash flows to a third party A financial liability is derecognised only when the liability is extinguished

Trade and other assets
Trade receivables and other assets are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the asset is impaired Bad debts are written off when identified

Cash and cash equivalents
For purposes of the balance sheet and statement of cash flows, the company considers all highly liquid investments which are readily convertible into known amounts of cash and have a maturity of three months or less when acquired to be cash equivalents At 31 December 2009 management believes that the carrying amount of cash equivalents approximates fair value because of the short maturity of these financial instruments

Financial liabilities and equity
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

Other financial liabilities
Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs Other financial liabilities are subsequently measured at amortised cost using the effective interest method

Trade payables
Trade payables are not interest bearing and are stated at their nominal value

Derivative financial instruments and hedge accounting
The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates The company does not use derivative financial instruments to hedge these exposures, nor does the company use derivative financial instruments for speculative purposes

2 Accounting policies (Continued)

2.8 Critical accounting judgements and key sources of estimation uncertainty

(a) Critical judgements in applying the company's accounting policies
In the process of applying the company's accounting policies which are described above, management has not had to make significant judgement on the amounts recognised in the financial statements

3 Revenue	**31 December 2009 £**	**31 December 2008 £**
An analysis of the company's revenue is as follows		
Provision of services	**7,320,060**	9,606,204

All revenue is generated in the United Kingdom

4 Profit from operations	**31 December 2009 £**	**31 December 2008 £**
Operating result after charging		
Depreciation of tangible assets	**3,135**	4,615
Operating lease rentals	**33,917**	37,000
Net foreign exchange gains/(losses)	**(3,671)**	10,885

The auditors' fee is borne by the ultimate parent company

5 Investment revenues	**31 December 2009 £**	**31 December 2008 £**
Bank interest receivable	**609**	39,356

6 Taxation

	31 December 2009 £	31 December 2008 £
Current tax		
U K corporation tax on profits of the year	**4,500**	125,497
Adjustments to tax charge in respect of previous periods	**402**	(1,045)
Total current tax	**4,902**	124,452
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	**251,556**	428,985
Profit on ordinary activities multiplied by standard rate of UK corporation tax of 28% (31 December 2008 28%)	**70,436**	120,116
Effects of.		
Non deductible expenses	**1,930**	2,542
Capital allowances	**(179)**	(221)
Other tax adjustments	**(1,500)**	3,060
Group relief (claim)	**(66,187)**	-
Adjustments to tax charge in respect of previous periods	**402**	(1,045)
	(65,534)	4,336
Total tax charge for the year	**4,902**	124,452

7. Dividends

	31 December 2009 £	31 December 2008 £
Ordinary interim dividend paid	**400,000**	300,000

8 Property, plant and equipment

	Leasehold improvements £	Computer equipment £	Total £
Cost			
At 1 January 2009	9,600	9,356	18,956
Additions	-	-	-
Disposals	-	(1,000)	(1,000)
At 31 December 2009	9,600	8,356	17,956
Depreciation			
At 1 January 2009	4,531	4,043	8,574
Charge for the year	2,097	1,038	3,135
At 31 December 2009	6,628	5,081	11,709
Carrying amount			
At 31 December 2009	2,972	3,275	6,247
At 31 December 2008	5,069	5,313	10,382

8 Property, plant and equipment *(continued)*

	Leasehold improvements £	Computer equipment £	Total £
Cost			
At 1 January 2008	9,600	6,920	16,520
Additions	-	2,436	2,436
At 31 December 2008	9,600	9,356	18,956
Depreciation			
At 1 January 2008	2,433	1,526	3,959
Charge for the year	2,098	2,517	4,615
At 31 December 2008	4,531	4,043	8,574
Carrying amount			
At 31 December 2008	5,069	5,313	10,382
At 31 December 2007	7,167	5,394	12,561

9 Trade and other receivables

	31 December 2009 £	31 December 2008 £
Trade receivables	**1,078,567**	695,335
Amounts owed by parent undertaking and fellow subsidiary undertakings	**1,088,000**	1,838,000
Other debtors	**192,829**	14,862
	2,359,396	2,548,197

The average credit period taken on sales is 40 days (31 December 2008 23 days) The directors consider the carrying amount of trade and other receivables approximates their fair value

The aged analysis of trade receivables that are not overdue as well as overdue amounts and related provisions for doubtful trade receivables is as follows

	31 December 2009 £	31 December 2008 £
Total	**1,078,567**	695,335
of which		
not past due	**463,516**	282,862
Past due but not impaired,		
0 - 30 days	**402,498**	362,175
31 - 120 days	**212,553**	50,298
Total trade receivables	**1,078,567**	695,335

10. Bank balances and cash

Bank balances and cash comprise cash and short term deposits held with an original maturity of three months or less The carrying value of these assets approximates to their fair value

11 Trade and other payables

	31 December 2009 £	31 December 2008 £
Overdraft	**65,694**	-
Trade payables	**597,698**	1,086,351
Other taxation and social security costs	**42,701**	15,727
Other creditors	**4,883**	1,443
Accruals and deferred income	**1,024,418**	858,570
	1,735,394	1,962,091

The company is party to a group guarantee in respect of bank facilities At 31 December 2009 the amount due to the bank in respect of this facility was £nil (2008 nil)

Trade payables and accruals principally comprise amounts of outstanding for trade purchases and ongoing costs The average credit period taken for trade payables is 28 days (31 December 2008 40 days)

The directors consider that the carrying amount of trade and other payables approximates to their fair value

12 Share capital

	31 December 2009 £	31 December 2008 £
Authorised		
10,000 Ordinary shares of £1 each	**10,000**	10,000
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	**10,000**	10,000

13. Directors' Emoluments

	31 December 2009 £	31 December 2008 £
Emoluments for qualifying services	**23,333**	70,000

14 Employees

Number of employees	31 December 2009 £	31 December 2008 £
Administration	**7**	7

Employee costs	31 December 2009 £	31 December 2008 £
Wages and salaries	**291,100**	345,404
Social security costs	**32,768**	33,188
Other pension costs	**14,879**	3,300
	338,747	381,892

The company has not adopted IFRIC 11 – Group and treasury share transactions as the amounts involved relating to the company are immaterial

15. Parent undertaking

The ultimate parent undertaking is Adventis Group plc, a company incorporated in England

Copies of the consolidated financial statements of Adventis group plc are available on request from 95 Wigmore Street, London, W1U 1HH

In the opinion of the directors there is no one controlling party

16 Related party transactions

The balance due from Adventis Group plc of £1,088,000 (31 December 2008 £1,838,000) was a short term treasury balance Management fees of £48,000 (31 December 2008 £20,000) were paid to Adventis Group plc in the year

17 Bank overdraft

The directors estimate the fair value of the company's borrowings as follows

	31 December 2009 £	31 December 2008 £
Bank overdrafts	**65,694**	-

The company is party to a group guarantee given in respect of bank facilities At 31 December 2009 the amount due in respect of this facility was nil (2008 nil)

18 Financial risk management

The company's operations expose it to a limited amount of credit and liquidity risk There is little financial risk arising from the effects of changes in market prices of commodities based on its current client sectors and no interest rate risk as it has no significant borrowings

The company does not use derivative financial instruments to manage interest rate costs and so no hedge accounting is applied 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 company's finance department implements the policies set by the Board of Directors The department has guidelines agreed by the Directors to manage interest rate risk, credit risk and circumstances where it is appropriate to use financial instruments to manage these

Price risk

The directors do not consider there to be a price risk to the business The company has no exposure to equity securities price risk as it holds no listed or other equity investment

Credit risk

The Company has no significant concentrations of credit risk The Company does not have written credit risk management policies or guidelines However, the management generally adopts a conservative strategies and tight control on credit policy The Company has limited the amount of credit exposure to customers

18 Financial risk management (continued)

Liquidity risk
To ensure liquidity, the company maintains sufficient cash and cash equivalents to meet its obligations as and when they fall due

Interest rate risk
The company has no significant interest-bearing assets, or liabilities All risks are borne by the Parent Company's treasury function as there is a group offset arrangement The company's income and operating cash flows are substantially independent of changes in market interest rates

Foreign currency risk
The company is not materially exposed to foreign currency exchange risks

Financial Instruments by category

	Loans and receivables 2009 £	Total 2009 £
Trade receivables	1,078,567	1,078,567
Cash and cash equivalents	5,606	5,606
	1,084,173	1,084,173

	Loans and receivables 2008 £	Total 2008 £
Trade receivables	695,335	695,335
Cash and cash equivalents	268,844	268,844
	964,179	964,179

	Other financial liabilities 2009 £	Total 2009 £
Borrowings	65,694	65,694
Trade and other payables	597,698	597,698
	663,392	663,392

	Other financial liabilities 2008 £	Total 2008 £
Borrowings	-	-
Trade and other payables	1,086,351	1,086,351
	1,086,351	1,086,354

The capital structure of the company consists of equity attributable to equity holders of the company, less cash and bank balances as follows -

	2009 £	2008 £
Bank Borrowings	65,694	-
Less Cash and bank balances	(5,606)	(268,844)
Net debt	(60,088)	268,844
Total equity	586,490	739,836
Total Capital	526,402	1,008,680