

Big Communications Limited

Company No. 3162997

Financial Statements

For the nine month period ended

31 December 2005



Big Communications Limited

Company Information

Directors

M Banbury

J Shurville

Secretary

J Shurville

Registered Office

223 London Road

Leicester

LE2 1ZE

Auditors

Kingston Smith

141 Wardour Street

London

W1F 0UT

Big Communications Limited

Report of the Directors

The directors have pleasure in presenting their report and financial statements for the nine month period ended 31 December 2005.

Principal activities

The principal activities of the company throughout the period continued to be that of providing creative and marketing support to a range of new clients nationally and internationally. Activities cover advertising, design, literature, corporate identity, packaging, new product development, point of sale and marketing consultancy.

On 2 February 2005 The Mission Marketing Group Limited purchased the entire share capital of Big Communications Limited and its sister agency Fuse Digital Limited.

Directors

The following directors have held office since 1 April 2005:

M Banbury
J Shurville

Directors and their interests

The directors who served the company during the period together with their interests (including family interests) in the shares of the company at the beginning (or subsequent date of appointment) and end of the period, were as follows:

	Ordinary shares of £ 1 each	
	31 December 2005	1 April 2005
M Banbury	-	-
J Shurville	-	-

Both M Banbury and J Shurville are also directors and shareholders of The Mission Marketing Group Limited, the company's parent company.

Relevant audit information

All of the directors believe:

- a) that they have taken all the steps they ought to make themselves aware of any relevant audit information and that the auditors are aware of that information, and
- b) that there is no relevant audit information of which the auditors are unaware.

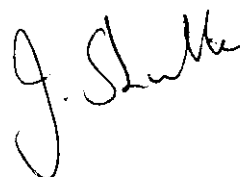
Auditors

Kingston Smith have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors to the company for the ensuing year.

Small company rules

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

On behalf of the Board



J Shurville
Director

223 London Road
Leicester
LE2 1ZE

Date: 27 January 2006

Big Communications Limited

Directors' Responsibilities & Report of the Auditors

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent; prepare the financial statements on a going concern basis unless it is inappropriate to assume 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 to enable them to ensure that 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.

Independent Auditors' Report to the Shareholders of Big Communications Limited

We have audited the financial statements of Big Communications Limited which comprise of the profit and loss account, balance sheet and related notes for the period ended 31 December 2005. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken for no purpose other than to draw to the attention of the company's shareholders those matters which we are required to include in an auditors' report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with 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 judgements 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.


Big Communications Limited

Directors' Responsibilities & Report of the Auditors (continued)

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 company's affairs as at 31 December 2005 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

141 Wardour Street
London
W1F 0UT


Kingston Smith
Chartered Accountants
and Registered Auditors

Date: 27 January 2006

Big Communications Limited
Profit and Loss Account
For the nine month period ended 31 December 2005

		9 Months ended 31 December 2005 £	11 Months ended 31 March 2005 £
	Notes		
Turnover		3,437,704	4,223,482
Cost of sales		(1,046,633)	(1,515,531)
Gross profit		2,391,071	2,707,951
Administrative expenses		(1,975,400)	(2,015,509)
Other operating income		52,128	43,408
Operating profit	2	467,799	735,850
Profit / (Loss) on sale of tangible assets		3,950	(181,024)
Profit on ordinary activities before interest		471,749	554,826
Interest receivable		9,877	6,828
Amounts written off investments	3	(17,711)	-
Interest payable and similar charges		(435)	(33,873)
Profit on ordinary activities before taxation		463,480	527,781
Taxation	4	(148,790)	(203,082)
Profit on ordinary activities after taxation	10	314,690	324,699

The profit and loss account has been prepared on the basis that all operations are continuing operations.

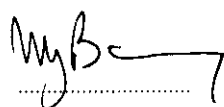
There are no recognised gains and losses other than those passing through the profit and loss account.

Big Communications Limited
Balance Sheet
As at 31 December 2005

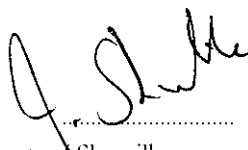
	Notes	31 December 2005		31 March 2005	
		£	£	£	£
Fixed Assets					
Tangible assets	5		81,384		90,424
Current Assets					
Debtors	6	2,373,034		1,327,706	
Investments	7	-		17,711	
Cash at bank and in hand		261,996		116,596	
		<u>2,635,030</u>		<u>1,462,013</u>	
Creditors: Amounts falling due within one year	8	<u>(1,692,510)</u>		<u>(843,223)</u>	
Net Current Assets			<u>942,520</u>		<u>618,790</u>
Total Assets Less Current Liabilities			<u><u>1,023,904</u></u>		<u><u>709,214</u></u>
Capital and Reserves					
Called up share capital	9	45,454		45,454	
Share premium account	10	24,869		24,869	
Profit and loss account	10	953,581		638,891	
Shareholders' Funds			<u><u>1,023,904</u></u>		<u><u>709,214</u></u>

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Approved by the Board on 27 Jan 2006



M Banbury
Director


J Shurville
Director

Big Communications Limited
Notes to the Financial Statements
For the nine month period ended 31 December 2005

1 Accounting Policies

a) Accounting basis and standards

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005). The accounting policies, except (c) below, remain unchanged from the previous period.

b) Turnover

Turnover represents the invoiced value of goods and services provided net of value added tax.

c) Income Recognition

Income is taken on fee income in the period to which it relates. Project income is recognised in the period in which the project is worked on. For projects which fall over the financial year end income is recognised to reflect the partial performance of the contractual obligations in accordance with UITF 40. This represents a change in accounting policy from the previous periods, the financial effect of this is immaterial.

d) Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation on fixed assets is provided at rates estimated to write off the cost, less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	25% straight line
Fixtures, fittings & equipment	20% straight line
Motor vehicles	25% straight line

e) Pension scheme arrangements

Payments into the defined contribution pension scheme are charged to the profit and loss account as they fall due in accordance with SSAP 24.

f) Leasing and hire purchase commitments

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Big Communications Limited
Notes to the Financial Statements
For the nine month period ended 31 December 2005 (continued)

2 Operating Profit	9 months ended 31 December 2005 £	11 months ended 31 March 2005 £
The operating profit is stated after charging:		
Auditors' remuneration	8,433	13,669
Depreciation of tangible assets:		
Owned assets	33,982	62,946
Leased assets	-	5,602
Directors' emoluments	-	278,185
Operating lease rentals	112,070	-
	<u> </u>	<u> </u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to nil (31 March 2005- 4).

3 Amounts Written off Investments	2005 £	2005 £
Amounts written off fixed asset investments:		
- permanent diminution in value	17,711	-
	<u> </u>	<u> </u>

4 Taxation	2005 £	2005 £
Domestic current year tax		
U.K. corporation tax	148,563	226,082
Adjustment for prior years	227	-
	<u> </u>	<u> </u>
	148,790	226,082
 Deferred tax		
Deferred tax charge credit current year	-	(23,000)
	<u> </u>	<u> </u>
 Current tax charge	<u> </u>	<u> </u>
	148,790	203,082
	<u> </u>	<u> </u>

Big Communications Limited
Notes to the Financial Statements
For the nine month period ended 31 December 2005 (continued)

5 Tangible Assets

	Fixtures, fittings & equipment £
Cost	
At 1 April 2005	389,698
Additions	24,942
Disposals	(9,084)
	<hr/>
At 31 December 2005	405,556
	<hr/>
Depreciation	
At 1 April 2005	299,274
On disposals	(9,084)
Charge for the period	33,982
	<hr/>
At 31 December 2005	324,172
	<hr/>
Net book value	
At 31 December 2005	81,384
	<hr/>
At 31 March 2005	90,424
	<hr/>

The net book value of tangible fixed assets includes £nil (31 March 2005- £8,148) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £nil (31 March 2005- £5,602) for the period.

6 Debtors	31 December 2005 £	31 March 2005 £
Trade debtors	1,561,035	936,725
Other debtors	811,999	362,139
	<hr/>	<hr/>
	2,373,034	1,298,864
	<hr/>	<hr/>
 7 Investments	 31 December 2005 £	 31 March 2005 £
Investments in directors companies owned by the Employee Benefit Trust	-	17,711
	<hr/>	<hr/>

Big Communications Limited
Notes to the Financial Statements
For the nine month period ended 31 December 2005 (continued)

8 Creditors: Amounts Falling Due Within One Year	31 December 2005 £	31 March 2005 £
Trade creditors	216,101	245,367
Corporation tax	374,645	225,855
Social security and other taxes	428,157	129,051
Other creditors	673,607	239,894
Net obligations under hire purchase contracts	-	3,056
	<u>1,692,510</u>	<u>843,223</u>

Included in the creditor for social security and other taxes is an amount of £155,856 relating to National Insurance owed to HM Revenue and Customs as a result of the investments in the former directors' companies owned by the Employee Benefit Trust. This amount is owed by the company but will be repaid to it by the former directors. There is therefore an equivalent amount included in other debtors.

Included in the corporation tax creditor is £226,082 relating to the previous period which was due and paid on the 1 January 2006.

9 Share Capital	31 December 2005 £	31 March 2005 £
Authorised		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
 Called up, allotted and fully paid		
45,454 Ordinary shares of £1 each	<u>45,454</u>	<u>45,454</u>

Big Communications Limited
Notes to the Financial Statements
For the nine month period ended 31 December 2005 (continued)

10 Shareholders' funds

2005	Share capital	Share premium account	Profit and loss account	Total
	£	£	£	£
Balance at 1 April 2005	45,454	24,869	638,891	709,214
Retained profit for the period	-	-	314,690	314,690
	<u>45,454</u>	<u>24,869</u>	<u>953,581</u>	<u>1,023,904</u>
Balance at 31 December 2005	<u>45,454</u>	<u>24,869</u>	<u>953,581</u>	<u>1,023,904</u>

2005	Share capital	Share premium account	Profit and loss account	Total
	£	£	£	£
Balance at 1 May 2004	45,454	24,869	314,192	384,515
Retained profit for the period	-	-	324,699	324,699
	<u>45,454</u>	<u>24,869</u>	<u>638,891</u>	<u>709,214</u>
Balance at 31 March 2005	<u>45,454</u>	<u>24,869</u>	<u>638,891</u>	<u>709,214</u>

11 Future Financial Commitments

a) Operating leases

At 31 December 2005 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings		Other	
	31 December 2005	31 March 2005	31 December 2005	31 March 2005
	£	£	£	£
Operating lease which expire:				
within one year	-	-	35,934	383
in the second to fifth year	66,000	66,000	51,084	87,018
	<u>66,000</u>	<u>66,000</u>	<u>87,018</u>	<u>87,401</u>

b) Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £66,803 (31 March 2005: £62,900). All contributions were fully paid during the period.

Big Communications Limited
Notes to the Financial Statements
For the nine month period ended 31 December 2005 (continued)

12 Related Party Transactions

During the period the company received £52,128 (31 March 2005: £43,408) and paid £nil (31 March 2005: £815) in respect of management charges from/to Fuse Digital Limited, a fellow subsidiary of The Mission Marketing Group Limited. It was also invoiced £49,823 (31 March 2005: £21,867) by Fuse in respect of services received, during the period Fuse was recharged £285,696 (31 March 2005: £38,176) of expenses. At the year end a total of £114,011 (31 March 2005: £74,915) was due to Fuse.

Management charges and group relief payments of £159,197 (31 March 2005: £4,000) were charged by The Mission Marketing Group Limited, who owed Big Communications Limited £462,775 (31 March 2005: £310,023) at the period end. Big Communications invoiced The Mission Marketing Group £19,525 in respect of services received in the period.

On the 2nd February 2005 the company's entire share capital was sold to The Mission Marketing Group Limited. Prior to this transaction the land and buildings were bought by the original directors of the company at an independent market valuation of £750,000. It is now leased to Big Communications Limited by the former directors of the company at an open market rental of £66,000 per annum - £49,681 (31 March 2005: £26,326) has been paid during the nine months to 31 December 2005.

All transactions were at arms length.

13 Contingent Liabilities

The company is party to a cross guarantee structure with the Group's bankers by means of a fixed and floating charge over all of the assets of the group companies in favour of the Bank of Scotland. At the 31 December 2005, net borrowings under this arrangement amounted to £3,315,000 (31 March 2005: £3,510,000). The amount dealt with in these financial statements is £nil (31 March 2005: £nil).

14 Controlling Party

The company's immediate parent undertaking is The Mission Marketing Group Limited, a company registered in England and Wales. The company's accounts are available from Companies House, Maindy, Cardiff, CF14 3UZ.

The company's ultimate controlling party is Mr M Banbury by virtue of his control of The Mission Marketing Group Limited.