

Big Communications Limited

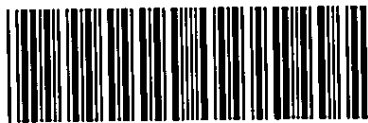
Company No. 03162997

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2008

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COMPANIES HOUSE

Big Communications Limited

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Big Communications Limited
Company information
Officers and professional advisers

Directors

I Ferguson
T Alderson
D Bogg
C Morris
J Shurville
P Wright

Company Secretary

Capita Company Secretarial Services Limited

Registered Office

223 London Road
Leicester
LE2 1ZE

Bankers

NatWest Bank
Exeter, Exeter Bank Branch
59 High Street
Exeter
EX4 3DL

Solicitors

Howes Percival
252 Upper Third Street
Grafton Gate East
Central Milton Keynes
MK9 1DZ

Auditors

Kingston Smith LLP
Chartered Accountants
141 Wardour Street
London
W1F 0UT

Big Communications Limited

Directors' report

for the year ended 31 December 2008

The directors present their report and financial statements for the year ended 31 December 2008.

Principal activity

The company's principal activity is that of providing creative and marketing support to a range of clients nationally. Activities cover advertising, design, literature, corporate identity, packaging, new product development, point of sale, marketing consultancy and sales activation.

Business review

Turnover growth at 6% reflects a year of strong performance against a backdrop of very tough economic environment and nervous clients. Turnover growth largely stems from new clients.

However, gross profit as a percentage of sales at 57.19% is lower compared with last year at 67.46% and is largely due to an increase in low margin sales activation projects

Despite the lower gross profit, the operating profit at just under £1.4m is consistent with that of 2007, reflecting pro-active cost controls taken to mirror the current economic environment.

A sales activation division has been introduced to the business during the year and is highly relevant in the current economic environment and has significant potential for growth.

Results & Dividends

The audited financial statements for the period are set out on pages 5 to 13. Turnover for the period was £6.9m (2007: £6.5m) up 6%. Gross profit was £4m (2007: £4.4m) down 10%. Operating profit was maintained at £1.4m (2007: £1.4m). A dividend of £1.4m (2007: £0.2m) was paid to the parent company during the year.

Directors

The directors who served throughout the year are shown below:

I Ferguson

T Alderson

D Bogg

M Firth (Resigned 31 July 2008)

C Morris

J Shurville

P Wright

Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements. The directors have chosen to prepare accounts for the company in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP). Company law requires the directors to prepare such financial statements for each financial period 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 and comply with UK GAAP and the Companies Act 1985. 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;

Big Communications Limited

Directors' report (continued)

- state whether applicable accounting standards have been followed; and
- 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Statement of disclosure to auditor

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

(b) they have taken all 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 any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Kingston Smith LLP 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 for the ensuing year.

On behalf of the board



05 June 2009
Director

Independent Auditors' Report to the shareholders of Big Communications Limited

We have audited the financial statements of Big Communications Limited for the year ended 31 December 2008 which comprise the Profit & Loss Account, Balance Sheet and related notes. These financial statements have been prepared in accordance with the United Kingdom Generally Accepted Accounting Practice, under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of 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 (Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We also report 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 the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

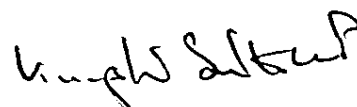
Basis of Opinion

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.

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 at 31 December 2008, and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and that the information given in the director's report is consistent with the financial statements.



Kingston Smith LLP
Chartered Accountants
and Registered Auditors
05 June 2009

141 Wardour Street
London W1F 0UT

Big Communications Limited
Profit and Loss Account
for the year ended 31 December 2008

	Note	2008 £	2007 £
Turnover	1	6,929,617	6,533,924
Cost of sales		<u>(2,966,225)</u>	<u>(2,125,816)</u>
Gross profit		3,963,392	4,408,108
Administration expenses		(2,738,973)	(3,164,221)
Other income		<u>150,000</u>	<u>120,000</u>
Operating profit	2	1,374,419	1,363,887
Interest receivable	3	-	3,724
Profit on ordinary activities before taxation		<u>1,374,419</u>	<u>1,367,611</u>
Tax on profit on ordinary activities	5	(401,697)	(391,173)
Profit for the year	12	<u><u>972,722</u></u>	<u><u>976,438</u></u>

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

There are no recognised gains or losses other than the profit for the years as above, accordingly no statement of total recognised gains and losses is presented.

Big Communications Limited
Balance Sheet
as at 31 December 2008

	Notes	2008	2007
		£	£
Fixed assets			
Tangible fixed assets	7	241,641	297,323
Current assets			
Debtors	8	1,906,815	1,612,053
Cash at bank and in hand		847,042	1,229,558
		<u>2,753,857</u>	<u>2,841,611</u>
Creditors: Amounts falling due within one year	9	<u>(1,565,662)</u>	<u>(1,306,832)</u>
Net current assets		1,188,195	1,534,779
Total Assets less current liabilities		<u>1,429,836</u>	<u>1,832,102</u>
Capital and reserves			
Called up share capital	10	45,454	45,454
Share Premium account	11	24,869	24,869
Profit and loss reserve	11	1,359,513	1,761,779
Equity Shareholders' funds	12	<u>1,429,836</u>	<u>1,832,102</u>

The financial statements were approved for issue by the Board on 05 June 2009 and signed on its behalf by:


C. Morris
Director


D. Bogg
Director

Big Communications Limited
Notes to the financial statements
for the year ended 31 December 2008

1. Accounting policies

Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently and remain unchanged from the previous period.

Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary where 90 percent or more of the voting rights are controlled within the group.

Turnover

Turnover comprises the value of work done (excluding VAT) for services provided in the normal course of business. Turnover is derived solely from the company's principal activities and arose wholly in the United Kingdom.

Income recognition

Both fee income and recharged costs are billed and recognised in the period in which the work was completed or the costs incurred. Where there are exceptions to this income is deferred or accrued as necessary. For projects falling over the financial year end, income is recognised to reflect the partial performance of the contractual obligations in accordance with UITF 40.

Leases

Rental payments under operating leases are charged against income on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Pension costs

Payments into the defined contribution pension scheme are charged to the profit and loss account as they fall due in accordance with FRS 17.

Big Communications Limited

Notes to the financial statements

for the year ended 31 December 2008

1. Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight line basis over its expected useful life as follows:

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

Taxation

UK corporation tax payable is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements, deferred total assets are not discounted.

Big Communications Limited
Notes to the financial statements
for the year ended 31 December 2008 (continued)

2. Operating Profit

Profit on ordinary activities before tax is stated after charging/(crediting):

	2008	2007
	£	£
Depreciation	75,537	62,416
Directors' remuneration	256,228	324,400
Auditors' remuneration	12,608	13,272
Operating lease rentals	32,313	30,559
- plant and machinery		
- other	32,637	66,000
	<u>32,637</u>	<u>66,000</u>

3. Investment Income

Bank Interest	<u>-</u>	<u>3,724</u>
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4. Directors' emoluments and staff costs

The average monthly number of employees (including executive directors) was

	No.	No.
Production	54	64
Administration	6	6
	<u>60</u>	<u>70</u>

Staff costs including directors' costs, are analysed below:

	2008	2007
	£	£
Wages and salaries	1,869,116	2,055,301
Social security costs	197,816	215,707
Other pension costs	78,074	123,947
	<u>2,145,006</u>	<u>2,394,955</u>

The total amounts for directors' remuneration and other benefits were as follows:

	2008	2007
	£	£
Emoluments	231,028	299,200
Pension - Money purchase contributions	25,200	25,200
Benefits	11,179	13,658
	<u>267,407</u>	<u>338,058</u>

The highest paid directors' remuneration and other benefits for the year were:

	£	£
Emoluments	<u>90,693</u>	<u>82,500</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 4 (2007 - 4).

Big Communications Limited
Notes to the financial statements
for the year ended 31 December 2008 (continued)

5. Tax on Loss on Ordinary Activities

a) Analysis of tax charge on ordinary activities	2008	2007
	£	£
Current taxation		
UK Corporation tax at 28.5% (2007: 30%)	401,697	214,285
Group Relief	-	199,609
Overprovision in prior periods	-	(22,721)
Total current tax	<u>401,697</u>	<u>391,173</u>
Deferred taxation		
Timing differences, origination and reversal	-	-
Total tax on profit on ordinary activities	<u><u>401,697</u></u>	<u><u>391,173</u></u>

b) factors affecting corporation tax charge for the year:

	2008	2007
	£	£
Profit on ordinary activities before tax	<u><u>1,374,419</u></u>	<u><u>1,367,611</u></u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 28.5% (2007: 30%)	391,672	410,283
Effects of:		
Expenses not deductible for tax purposes	4,093	4,125
Depreciation in excess of capital allowances	10,315	(514)
Adjustments in respect of prior years	(4,190)	(22,721)
Other adjustment	(193)	-
Current tax charge for the year	<u><u>401,697</u></u>	<u><u>391,173</u></u>

6. Dividends	£	£
Ordinary dividend	<u><u>1,374,988</u></u>	<u><u>174,087</u></u>

Big Communications Limited
Notes to the financial statements
for the year ended 31 December 2008 (continued)

7. Tangible fixed assets

	Computer Equipment	Fixtures, fittings & equipment	Motor vehicles	Total
Cost	£	£	£	£
At 1 January 2008	457,409	248,067	9,084	714,560
Additions	12,617	7,238	-	19,855
Disposals	(253,129)	(16,911)	(9,084)	(279,124)
At 31 December 2008	<u>216,897</u>	<u>238,394</u>	<u>-</u>	<u>455,291</u>
Depreciation				
At 1 January 2008	346,101	62,052	9,084	417,237
Charge for the year	51,353	24,184	-	75,537
Disposals	(253,129)	(16,911)	(9,084)	(279,124)
At 31 December 2008	<u>144,325</u>	<u>69,325</u>	<u>-</u>	<u>213,650</u>
Net book value				
At 31 December 2008	<u>72,572</u>	<u>169,069</u>	<u>-</u>	<u>241,641</u>
At 31 December 2007	<u>111,308</u>	<u>186,015</u>	<u>-</u>	<u>297,323</u>

8. Debtors

	2008 £	2007 £
Trade debtors	1,208,973	1,351,955
Amounts owed by parent company	306,727	13,384
Amounts owed by group companies	260,645	170,073
Other debtors	183	13,872
Prepayments and accrued income	130,287	62,769
	<u>1,906,815</u>	<u>1,612,053</u>

9. Creditors: amounts falling due within one year

	£	£
Trade creditors	100,719	311,112
Amounts owed to group companies	12,525	206,846
Corporation tax	317,696	214,285
Other taxes and social security costs	379,269	224,882
Accruals and deferred income	755,453	348,511
Other creditors	-	1,196
	<u>1,565,662</u>	<u>1,306,832</u>

Big Communications Limited
Notes to the financial statements
for the year ended 31 December 2008 (continued)

10. Called up share capital	2008	2007
	£	£
Authorised:		
Ordinary shares of £1 each	50,000	50,000
	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid:		
Ordinary shares of £1 each	45,454	45,454
	<u>45,454</u>	<u>45,454</u>

11. Reserves

	Share premium account £	Profit and loss account £	Total £
At 1 January 2008	24,869	1,761,779	1,786,648
Retained profit for the year	-	972,722	972,722
Dividend Paid	-	(1,374,988)	(1,374,988)
At 31 December 2008	<u>24,869</u>	<u>1,359,513</u>	<u>1,384,382</u>

12. Reconciliation of the movement in shareholders' funds

	2008	2007
	£	£
Profit for the year	972,722	976,438
Dividends	(1,374,988)	(174,087)
Opening shareholders' funds	1,832,102	1,029,751
Closing shareholders' funds	<u>1,429,836</u>	<u>1,832,102</u>

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 Royal Bank of Scotland and HSBC Plc. The amount dealt with in these financial statements is £nil (31st December 2007: £nil).

At 31st December 2008, net assets of the Group were £48,482,000 (31st December 2007: £44,665,000), and net borrowings under this Group arrangement amounted to £20,379,000 (31st December 2007: £25,445,000).

Big Communications Limited

Notes to the financial statements

for the year ended 31 December 2008(continued)

14. Commitments

Capital Commitments

The company had no capital commitments outstanding at 31 December 2008 (2007: £nil)

Lease commitments

Current annual rental commitments under operating leases are as follows:

	Land and buildings		Other	
	2008	2007	2008	2007
	£	£	£	£
Operating leases which expire within one year	100	-	2,570	3,770
Operating leases which expire between two and five years	-	66,000	24,236	24,379

15. Related party transactions

The company has taken advantage of the exemption in FRS 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are produced by the ultimate parent company.

Dylan Bogg is also a director of Zetland Limited, a company which is also a client of Big Communications Limited. Sales from Big Communications Limited to Zetland Limited at arms length amounted to £24,859 (2007: £10,130).

Rent due and paid during the year £32,637 (£66,000) relates to the property owned by Messrs D.Bogg, M.Firth, C.Morris & P.Wright who are also directors of the company and the transaction is at arms length and per the lease agreement dated 26th June 2008.

16. Parent company and ultimate controlling undertaking

The ultimate controlling party and the parent of the smallest and largest group, of which the company is a member, to prepare group accounts is Mission Marketing Group PLC. The consolidated accounts of Mission Marketing Group PLC are available to the public and may be obtained from Companies House (21 Bloomsbury Street, London, WC1B 3XD).

The immediate parent company is The Mission Marketing Group PLC registered in England and Wales. There is no single controlling party.