

# REGISTRAR'S COPY

COMPANY NUMBER 3547882

3547882

**DNA Consulting Limited**

Report and Financial Statements

Period Ended

31 December 2005



**BDO**

BDO Stoy Hayward  
Chartered Accountants

**DNA Consulting Limited**

**Report and financial statements for the period ended 31 December 2005**

---

**Contents**

**Page:**

1	Report of the directors
4	Independent auditor's report
6	Profit and loss account
7	Balance sheet
8	Notes forming part of the financial statements

---

**Directors**

C S Perry  
N Miller  
C M Vernon  
L A Schoemaker  
K M Metzger

**Secretary and registered office**

Taylor Wessing Secretaries Limited, Carmelite, 50 Victoria Embankment, Blackfriars, London,  
EC4Y 0DX

**Company number**

3547882

**Auditors**

BDO Stoy Hayward LLP, Northside House, 69 Tweedy Road, Bromley, Kent, BR1 3WA

**Report of the directors for the period ended 31 December 2005**

---

The directors present their report together with the audited financial statements for the period ended 31 December 2005.

**Results and dividends**

The profit and loss account is set out on page 6 and shows the profit for the period.

The directors do not recommend the payment of a dividend.

**Principal activities, review of business and future developments**

The company's principal activity in the period was that of providing digital marketing services for corporate clients. The company provides a full service offering, including strategic consultancy, website development, creative development, and interactive marketing. The company helps clients use the Internet as an integrated online business channel to build one-to-one relationships with their customers - ranging from consumers and business customers, to partners and employees.

The profit and loss account is set out on page 6 and shows turnover for the 9 months of £5,344,792 and profit for the year after taxation of £328,368.

Turnover for the 9 months has increased by 36% compared to the previous 12 month period. Based on the first half results and projects in the pipeline the directors believe that 2006 will show even stronger growth, with turnover expected to roughly double.

The directors are particularly pleased with the turnaround in the financial performance of the business with profit on ordinary activities before taxation of £481,275 for the 9 month period, compared to a loss of £230,848 for the previous year. This turnaround is largely attributed to an increase in billable utilisation, improved effective bill rates and tighter cost control.

There have been no events since the balance sheet date which materially affect the position of the company.

**Charitable and political contributions**

During the period the company made charitable contributions of £162 (31 March 2005 - £321). There were no political contributions.

# DNA Consulting Limited

## Report of the directors for the period ended 31 December 2005 (Continued)

### Directors

The directors of the company during the period and their interests in the ordinary share capital of the company were:

		Ordinary 'A' shares of 0.5 pence each		Ordinary 'B' shares of 0.5 pence each		Ordinary shares of £1 each	
		31 December 2005	1 April 2005	31 December 2005	1 April 2005	31 December 2005	1 April 2005
P F Miller	Resigned 5 December 2005	-	-	-	-	-	10
S Thompson	Resigned 5 December 2005	-	-	-	-	-	2
C S Perry		-	-	-	-	-	35
N Miller		-	-	-	-	-	35
R J Price	Resigned 5 December 2005	-	-	-	-	-	5
B J P Cotton	Resigned 5 December 2005	-	-	-	-	-	13
G Mears	Appointed 20 September 2005, resigned 5 December 2005	-	-	-	-	-	-
R A Lawrence	Appointed 22 July 2005, resigned 5 December 2005	-	-	-	-	-	-
J J Cunningham	Appointed 22 June 2005, resigned 5 December 2005	-	-	-	-	-	-
C J Mellish	Appointed 22 July 2007, resigned 5 December 2005	-	-	-	-	-	-
C M Vernon	Appointed 5 December 2005	-	-	-	-	-	-
L A Schoemaker	Appointed 5 December 2005	-	-	-	-	-	-
K M Metzger	Appointed 5 December 2005	-	-	-	-	-	-

### Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom 'Generally Accepted Accounting Practice'.

Company law requires the directors to prepare 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. 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; 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. 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.

**DNA Consulting Limited**

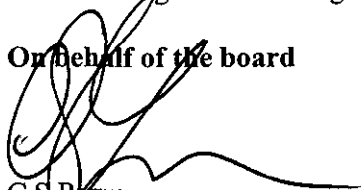
**Report of the directors for the period ended 31 December 2005 (Continued)**

---

**Auditors**

BDO Stoy Hayward LLP resigned as auditors of the company as part of the takeover process of DNA Consulting Limited by aQuantive, Inc. BDO Stoy Hayward LLP were then appointed as auditors following the completion of this transaction. A resolution to reappoint them will be proposed at the annual general meeting.

**On behalf of the board**



C S Perry  
**Director**

Date:

25/09/08

**To the shareholder of DNA Consulting Limited**

We have audited the financial statements of DNA Consulting Limited for the period ended 31 December 2005 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

*Respective responsibilities of directors and auditors*

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

*Basis of audit opinion*

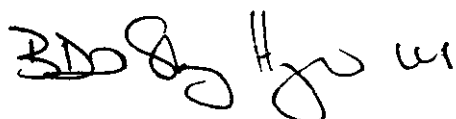
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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.

*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;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



**BDO STOY HAYWARD LLP**  
*Chartered Accountants*  
*and Registered Auditors*  
Bromley

Date: 27 September 2006

# DNA Consulting Limited

## Profit and loss account for the 9 months ended 31 December 2005

	Note	9 months ended 31 December 2005 £	Year ended 31 March 2005 £
<b>Turnover</b>	2	5,344,792	3,932,792
Cost of sales		3,500,682	2,193,371
<b>Gross profit</b>		1,844,110	1,739,421
Administrative expenses		1,358,181	1,975,760
		485,929	(236,339)
Other operating income		5,626	-
<b>Operating profit/(loss)</b>	3	491,555	(236,339)
Income from fixed asset investments		-	10,000
Interest receivable		2,108	4,235
Amounts written off investments		-	(550)
Interest payable	7	(12,388)	(8,194)
<b>Profit/(loss) on ordinary activities before taxation</b>		481,275	(230,848)
Taxation on profit/(loss) on ordinary activities	8	(141,912)	43,508
<b>Profit/(loss) on ordinary activities after taxation</b>		339,363	(187,340)
Retained profit brought forward	16	37,342	224,682
<b>Retained profit carried forward</b>	16	376,705	37,342

All amounts relate to continuing activities.

All recognised gains and losses in the current period and prior year are included in the profit and loss account. There are no movements in shareholders' funds in the current period and prior year apart from the profit/loss for the period/year.

The notes on pages 8 to 18 form part of these financial statements.



**DNA Consulting Limited**

**Balance sheet at 31 December 2005**

	Note	31 December 2005 £	31 December 2005 £	31 March 2005 £	31 March 2005 £
<b>Fixed assets</b>					
Tangible assets	9		181,644		253,539
<b>Current assets</b>					
Debtors-due within one year	11	1,780,219		896,695	
Debtors-due after more than one year	11	86,396		163,450	
Total debtors		1,866,615		1,060,145	
Cash at bank and in hand		768,048		162,148	
		2,634,663		1,222,293	
<b>Creditors: amounts falling due within one year</b>	12	2,399,364		1,373,581	
<b>Net current assets/(liabilities)</b>			235,299		(151,288)
<b>Total assets less current liabilities</b>			416,943		102,251
<b>Creditors: amounts falling due after more than one year</b>	13	29,399		50,755	
<b>Provision for liabilities and charges</b>	14	10,739		14,054	
			(40,138)		(64,809)
			376,805		37,442
<b>Capital and reserves</b>					
Called up share capital	15		100		100
Profit and loss account	16		376,705		37,342
<b>Shareholder's funds</b>			376,805		37,442

The financial statements were approved by the board of directors and authorised for issue on 25/05/06

C S Perry  
Director

The notes on pages 8 to 18 form part of these financial statements.

## 1 Accounting policies

The financial statements have been prepared under the historical cost convention.

The following principal accounting policies have been applied:

### *Consolidated financial statements*

The company is exempt from the requirement to prepare consolidated financial statements by virtue of section 248 of the Companies Act 1985 as the group it heads qualifies as a small group. These financial statements therefore present information about the company as an individual undertaking and not about its group.

### *Turnover*

Revenue from website development services are derived from either fixed fee consulting contracts or from time and materials consulting contracts. Revenues from fixed fee consulting contracts are recognised as services are rendered using the percentage-of-completion method with progress-to-complete measured using labour hour inputs. Cost estimates on percentage-of-completion contracts are reviewed periodically with adjustments recorded in the period in which the revisions are made. Any anticipated losses on contracts are charged to operations as soon as they are determinable. Billings on uncompleted contracts may be greater than or less than the revenues recognised and are recorded as either accrued income (an asset) or deferred income (a liability). Revenues derived from time and materials consulting contracts are recognised as the services are performed.

Interactive marketing includes online media, search engine, email and analytics services. Fees for online media are earned in three different ways depending on the contractual terms with the client. The majority of revenue is earned based on the value of advertising space purchased on behalf of its clients. The Company recognises this revenue over the period of the campaign at the rate at which the advertising is delivered. Certain contractual agreements with clients are structured such that interactive marketing services are billed on a fixed monthly retainer basis, with revenue being recognised in line with the monthly fee. Revenue can also be earned based on a fixed fee consulting arrangement, which is earned based on the percentage-of-completion method described above.

Online media revenue is recognised under the gross method, which consists of the gross value of the Company's billings to its clients and includes the price of the advertising space that the Company purchases from websites to resell to its clients. To generate revenue under the gross method, the Company purchases advertising space from publisher websites whereby it was the primary obligor to the arrangement and was solely responsible for payment even if the advertising space was not utilised by its clients or funds were not collected from its clients.

### *Depreciation*

Depreciation is provided to write off the cost of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Office equipment	- 20% straight line
Leasehold improvements	- 20% straight line
Computer equipment	- 50% straight line

### *Valuation of investments*

Investments held as fixed assets are stated at cost less any provision for impairment.

**1 Accounting policies (*continued*)**

*Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

*Leased assets*

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

*Cash flow statement*

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by aQuantive, Inc. and the company is included in consolidated financial statements.

*Related party disclosure*

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8, 'Related party disclosures', not to disclose transactions with members or investees of the group headed by aQuantive, Inc. on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

**2 Turnover**

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

**3 Operating profit/(loss)**

	9 months ended 31 December 2005 £	Year ended 31 March 2005 £
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	90,528	107,124
Profit on disposal of tangible fixed assets	-	(5,542)
Hire of plant and machinery - operating leases	1,704	2,400
Hire of other assets - operating leases	94,519	155,422
Audit services	16,648	16,000
Non-audit services	7,850	-
	<u>          </u>	<u>          </u>

**4 Employees**

Staff costs (including directors) consist of:

	9 months ended 31 December 2005 £	Year ended 31 March 2005 £
Wages and salaries	1,825,106	2,007,238
Social security costs	231,726	308,968
Other pension costs	4,360	5,814
	<u>          </u>	<u>          </u>
	2,061,192	2,322,020
	<u>          </u>	<u>          </u>

The average monthly number of employees (including directors) during the period was 58 (31 March 2005 - 49).

**5 Directors' remuneration**

	9 months ended 31 December 2005 £	Year ended 31 March 2005 £
Aggregate emoluments and pension contributions	327,785	237,708
	<u>          </u>	<u>          </u>

The total amount payable to the highest paid director in respect of emoluments was £79,486 (31 March 2005 - £95,000).

**DNA Consulting Limited****Notes forming part of the financial statements for the period ended 31 December 2005 (Continued)**

---

**6 Income from other fixed asset investments**

	<b>9 months ended 31 December 2005 £</b>	<b>Year ended 31 March 2005 £</b>
Income from unlisted fixed asset investments	-	10,000
	<hr/>	<hr/>

**7 Interest payable**

	<b>9 months ended 31 December 2005 £</b>	<b>Year ended 31 March 2005 £</b>
Bank loan and overdraft	1,279	3,281
Finance leases and hire purchase contracts	6,247	4,842
Other interest payable	4,862	71
	<hr/>	<hr/>
	12,388	8,194
	<hr/>	<hr/>

## 8 Taxation on profit/(loss) on ordinary activities

	9 months ended 31 December 2005 £	9 months ended 31 December 2005 £	Year ended 31 March 2005 £	Year ended 31 March 2005 £
<i>UK Corporation tax</i>				
Current tax on profits/(losses) of the period	117,119		(25,861)	
Adjustment in respect of previous periods	-		13,808	
Total current tax		117,119		(12,053)
<i>Deferred tax</i>				
Origination and reversal of timing differences		24,793		(31,455)
Taxation on profit/(loss) on ordinary activities		141,912		(43,508)

The tax assessed/(recoverable) for the period is different than the standard rate of corporation tax in the UK. These differences are explained below:

	9 months ended 31 December 2005 £	Year ended 31 March 2005 £
Profit/(loss) on ordinary activities before tax	481,275	(230,848)
Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 30% (2005 - 19%)	144,383	(43,861)
Effect of:		
Expenses not deductible for tax purposes	5,665	8,844
Differences between capital allowances for period and depreciation	17,537	(2,830)
Movement on provisions	2,059	(21,280)
Adjustment to tax charge in respect of previous periods	-	13,808
Effect of losses carried forward	-	33,266
Utilisation of tax losses	(52,525)	-
Current tax charge for period	117,119	(12,053)

**9 Tangible fixed assets**

	Office equipment £	Computer equipment £	Total £
<i>Cost</i>			
At 1 April 2005	238,597	393,061	631,658
Additions	-	18,633	18,633
	<hr/>	<hr/>	<hr/>
At 31 December 2005	<b>238,597</b>	<b>411,694</b>	<b>650,291</b>
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 April 2005	81,913	296,206	378,119
Provided for the period	27,788	62,740	90,528
	<hr/>	<hr/>	<hr/>
At 31 December 2005	<b>109,701</b>	<b>358,946</b>	<b>468,647</b>
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 December 2005	<b>128,896</b>	<b>52,748</b>	<b>181,644</b>
	<hr/>	<hr/>	<hr/>
At 31 March 2005	156,684	96,855	253,539
	<hr/>	<hr/>	<hr/>

The net book value of tangible fixed assets includes an amount of £81,654 (31 March 2005 - £ 83,181) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the period was £ 15,646 (31 March 2005 - £ 17,099).

**10 Fixed asset investments**

	Subsidiary undertaking £
<i>Cost</i>	
At 1 April 2005 and 31 December 2005	550
<i>Provisions</i>	
At 1 April 2005 and at 31 December 2005	-
<i>Net book value</i>	
At 31 March 2005 and 31 December 2005	550

*Subsidiary undertaking*

The principal undertakings in which the company's interest at the period end is 20% or more are as follows:

	Proportion of voting rights and ordinary share capital held	Nature of business
DNA Connect Limited	100%	Dormant

The following figures have been extracted from unaudited financial statements for the period ended 31 December 2005:

	Aggregate share capital and reserves		(Loss)/profit for the period	
	31 December 2005	31 March 2005	31 December 2005	31 March 2005
	£	£	£	£
DNA Connect Limited	100	100	-	(64,984)



# DNA Consulting Limited

Notes forming part of the financial statements for the period ended 31 December 2005 (Continued)

## 11 Debtors

	31 December 2005 £	31 March 2005 £
Amounts receivable within one year		
Trade debtors	1,134,579	573,170
Corporation tax recoverable	-	43,350
Prepayments and accrued income	643,390	263,042
Other debtors	2,250	3,079
Deferred taxation (see note 14)	-	14,054
	<u>1,780,219</u>	<u>896,695</u>
Amounts receivable after more than one year		
Other debtors	86,396	149,396
Deferred taxation (see note 14)	-	14,054
	<u>86,396</u>	<u>163,450</u>
Total debtors	<u>1,866,615</u>	<u>1,060,145</u>

## 12 Creditors: amounts falling due within one year

	31 December 2005 £	31 March 2005 £
Bank loan (secured)	-	35,000
Trade creditors	421,345	499,605
Amounts owed to group undertakings	250,000	-
Corporation tax	106,124	-
Other taxation and social security	614,576	312,747
Obligations under finance lease and hire purchase contracts	34,360	38,143
Other creditors	1,343	40,000
Accruals and deferred income	971,616	448,086
	<u>2,399,364</u>	<u>1,373,581</u>

**13 Creditors: amounts falling due after more than one year**

	<b>31 December 2005 £</b>	<b>31 March 2005 £</b>
Obligations under finance lease and hire purchase contracts	<b>29,399</b>	<b>50,755</b>
Maturity of debt:		
	<b>Finance leases 31 December 2005 £</b>	<b>Finance leases 31 March 2005 £</b>
In one year or less, or on demand	<b>34,360</b>	<b>38,143</b>
In more than one year but not more than two years	<b>22,756</b>	<b>28,938</b>
In more than two years but not more than five years	<b>6,643</b>	<b>21,817</b>
	<b>29,399</b>	<b>50,755</b>

**14 Provision for liabilities and charges**

		<b>Deferred taxation £</b>
Transferred from debtors		(14,054)
Charged to profit and loss account		24,793
At 31 December 2005		<b>10,739</b>
<i>Deferred taxation</i>		
	<b>31 December 2005 £</b>	<b>31 March 2005 £</b>
Accelerated capital allowances	<b>10,739</b>	<b>19,212</b>
Sundry timing differences	<b>-</b>	<b>(33,266)</b>
	<b>10,739</b>	<b>(14,054)</b>

# DNA Consulting Limited

Notes forming part of the financial statements for the period ended 31 December 2005 (*Continued*)

## 15 Share capital

	31 December 2005 £	31 March 2005 £
<i>Authorised</i>		
<i>Equity share capital</i>		
100 ordinary shares of £1 each	-	1,000
100,000 ordinary 'A' shares of 0.5 pence each	500	-
100,000 ordinary 'B' shares of 0.5 pence each	500	-
	<hr/>	<hr/>
	1,000	1,000
	<hr/>	<hr/>
	31 December 2005 £	31 March 2005 £
<i>Allotted, called up and fully paid</i>		
<i>Equity share capital</i>		
100 ordinary shares of £1 each	-	100
10,000 ordinary 'A' shares of 0.5 pence each	50	-
10,000 ordinary 'B' shares of 0.5 pence each	50	-
	<hr/>	<hr/>
	100	100
	<hr/>	<hr/>

During the period the 1,000 £1 ordinary shares were sub-divided into 100,000 ordinary 'A' shares of 0.5 pence each and 100,000 ordinary 'B' shares of 0.5 pence each.

## 16 Reserves

	Profit and loss account £
At 1 April 2005	37,342
Profit for the period	339,363
	<hr/>
At 31 December 2005	376,705
	<hr/>

**17 Commitments under operating leases**

The company had annual commitments under non-cancellable operating leases as set out below:

	<b>31 December 2005 Land and buildings £</b>	<b>31 March 2005 Land and buildings £</b>
Operating leases which expire:		
In two to five years	<b>178,693</b>	<b>178,693</b>

**18 Related party disclosures***Related party transactions and balances*

Consultancy fees and computer rentals of £10,480 (31 March 2005 - £Nil) were paid during the period to Curve Corporation Limited, a company jointly controlled by Mr R A Lawrence.

At 31 December 2005, Mr B J P Cotton and Mr P F Miller were owed £Nil (31 March 2005 - £20,000) and £Nil (31 March 2005 - £20,000) respectively, by the company. Interest at a rate of 7.5% was payable in the comparative year on these balances. Mr B J P Cotton and Mr P F Miller waived interest charges of £3,000 in the comparative year.

**19 Ultimate parent company and parent undertaking of larger group**

At 31 December 2005 the company's ultimate parent company was aQuantive, Inc., a company incorporated in the United States of America. aQuantive, Inc. is the parent of both the smallest and largest groups of which the company is a member.

Copies of the consolidated financial statements of aQuantive, Inc. are available on the internet at [www.aquantive.com](http://www.aquantive.com).