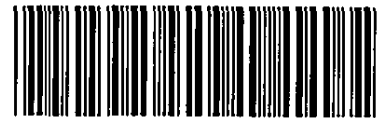


Company Registration Number: 4062639

Concept Outdoor (UK) Limited

**Financial Statements
for the year ended 30 June 2008**

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**Concept Outdoor (UK) Limited
Directors' Report
for the year ended 30 June 2008**

The directors present their report and the audited financial statements of the company for the year ended 30 June 2008.

Principal activities

The principal activity of the company is that of outdoor advertising.

Review of the business and future developments

The directors intend to continue the above activity for the foreseeable future.

Both the level of business and the year end financial position were satisfactory.

The profit and loss account for the year is set out on page 5.

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of the Pacific Investments II Limited Group, which include those of the company, are discussed within the "Principal risks and uncertainties" paragraph in the directors' report in the consolidated financial statements of Pacific Investments II Limited, which do not form part of this report.

Key performance indicators ("KPIs")

Given the straight forward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Dividends

The directors do not recommend the payment of a dividend (2007: £nil).

The preference shareholders have waived their right to a dividend in respect of the year.

Liquidity and interest rate risk

The company has access to funding from its parent company which constitutes long term funding and in respect of which, repayment will not be demanded in the foreseeable future. This is sufficient for current and planned future operations. Interest rate exposure is not considered a risk given the size of the company's operations and the nature of its interest bearing assets and liabilities. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Directors

The directors of the company at 30 June 2008, all of whom have been directors for the whole of the year ended on that date, unless stated otherwise, are listed below:

SLG Wilson

SR Smith

SD Roberts

SA Holder is the Company Secretary.

**Concept Outdoor (UK) Limited
Directors' Report (continued)
for the year ended 30 June 2008**

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently in the preparation of the financial statements. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 June 2008 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 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.

Statement of disclosure of information to auditors

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

Auditors

Through elective resolutions the company has dispensed with the holding of annual general meetings, the laying of financial statements before annual general meetings and the appointment of auditors annually.

By Order of the Board



SA Holder
Company Secretary
124 Sloane Street
London SW1X 9BW

16 January 2009

**Report of the Independent Auditors to the Member of
Concept Outdoor (UK) Limited**

We have audited the financial statements of Concept Outdoor (UK) Limited for the year ended 30 June 2008 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.

This report is made solely to the company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with United Kingdom law and 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 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 other transactions is not disclosed.

We read the Directors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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.

Report of the Independent Auditors to the Member of
Concept Outdoor (UK) Limited (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 30 June 2008 and of its profit for the year then ended;
- 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 for the year ended 30 June 2008.

Grant Thornton UK LLP

Grant Thornton UK LLP
Registered Auditors
Chartered Accountants
London

16 January 2009

Concept Outdoor (UK) Limited

**Profit and Loss Account
for the year ended 30 June 2008**

	Note	2008 £	2007 £
Turnover		1,271,306	901,108
Cost of sales		(859,946)	(634,647)
Gross profit		<u>411,360</u>	<u>266,461</u>
Administrative expenses		(288,503)	(308,287)
Profit/(loss) on ordinary activities before interest and taxation		<u>122,857</u>	<u>(41,826)</u>
Interest receivable	4	4,875	4,539
Interest payable and similar charges	5	(116,208)	(109,200)
Profit/(loss) on ordinary activities before taxation		<u>11,524</u>	<u>(146,487)</u>
Taxation	6	-	-
Profit/(loss) for the year		<u>11,524</u>	<u>(146,487)</u>

The operating profit derives wholly from continuing operations.

There are no recognised gains or losses other than the profit for the year shown above.

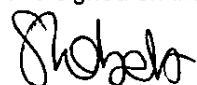
The notes on pages 7 to 14 form an integral part of these financial statements.

Concept Outdoor (UK) Limited

**Balance Sheet
at 30 June 2008**

	Note	2008 £	2007 £
FIXED ASSETS			
Investments	8	-	-
Tangible assets	7	255,529	105,383
		<u>255,529</u>	<u>105,383</u>
CURRENT ASSETS			
Debtors	9	419,417	359,684
Cash at bank and in hand		11,913	101,143
		<u>431,330</u>	<u>460,827</u>
CREDITORS (amounts falling due within one year)	10	(1,091,264)	(989,330)
NET CURRENT LIABILITIES		<u>(659,934)</u>	<u>(528,503)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(404,405)</u>	<u>(423,120)</u>
CREDITORS (amounts falling due after more than one year)	11	(2,978,273)	(2,971,082)
NET LIABILITIES		<u>(3,382,678)</u>	<u>(3,394,202)</u>
CAPITAL AND RESERVES			
Called up share capital	12	1,000	1,000
Profit and loss account	14	(3,383,678)	(3,395,202)
SHAREHOLDER'S DEFICIT	15	<u>(3,382,678)</u>	<u>(3,394,202)</u>

The financial statements were approved by the Board of Directors on 16 January 2009 and signed on their behalf by



S Roberts
Director

The notes on pages 7 to 14 form an integral part of these financial statements.

Concept Outdoor (UK) Limited

Notes to the Financial Statements for the year ended 30 June 2008

1 Accounting policies

These financial statements are prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards.

The company is a subsidiary of the Pacific Investments II Limited group of companies and is included in the consolidated financial statements of Pacific Investments II Limited, which are publicly available. The company is therefore exempt from preparing its own consolidated financial statements. The financial statements therefore present information about the company as an individual undertaking and not about its group. Over 90% of the voting rights are controlled within the group and consequently the company is exempt under the terms of FRS 1 from preparing a cash flow statement. The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Pacific Investments II Limited group of companies or investees of that group.

The principal accounting policies of the company are set out below and have remained unchanged from the prior year.

Going concern

These financial statements have been prepared on a going concern basis which assumes the continued support of the parent company and group undertakings. The directors have received a letter from Concept Outdoor Worldwide Limited, confirming their support for a period of at least 12 months from the date of approval of the financial statements.

Turnover

Turnover represents the net amount receivable, excluding value added tax, of goods sold and services provided in respect of outdoor advertising. Revenue is recognised over the period of the underlying contract with the advertising customer. Turnover relates to the principal activity of the company and is derived wholly within the United Kingdom.

Tangible fixed assets

Tangible fixed assets are stated at their purchase price, together with any incidental expenses of acquisition.

Investments

Investments are stated at cost less any provisions for permanent diminution in value. Realised gains and losses are dealt with through the profit and loss account. A review for impairment is carried out if events or changes in circumstances indicate that the carrying amount may not be recoverable, in which case an impairment provision is recognised and charged to the profit and loss account.

Depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Billboards	5 - 10 years
Motor Vehicles	5 years
Office equipment	3 years

Concept Outdoor (UK) Limited

Notes to the Financial Statements for the year ended 30 June 2008 (continued)

1 Accounting policies (continued)

Operating leases

Operating lease rentals are charged to the profit and loss account in the year to which they relate.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated, but not reversed, at the balance sheet date that may give rise to an obligation 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.

Deferred tax assets are recognised only to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax assets and liabilities are not discounted.

Financial Instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2 Operating profit/(loss)

The operating profit/(loss) is stated after charging / (crediting):

	2008 £	2007 £
Auditors' remuneration	3,000	3,000
Depreciation of tangible fixed assets	40,275	50,662
Operating leases - sites	628,501	460,090
(Profit)/loss on sale of fixed assets	<u>(7,989)</u>	<u>25,208</u>

Concept Outdoor (UK) Limited

**Notes to the Financial Statements
for the year ended 30 June 2008 (continued)**

3 Staff costs

	2008 £	2007 £
Wages and salaries	125,965	139,875
Social security costs	13,856	15,311
	<u>139,821</u>	<u>155,186</u>

The average monthly number of employees during the period was 3 (2007: 4).

Directors' remuneration, included within the staff costs above:

	2008 £	2007 £
Aggregate emoluments	<u>65,000</u>	<u>55,420</u>

4 Interest receivable

	2008 £	2007 £
Bank deposit interest receivable	<u>4,875</u>	<u>4,539</u>

5 Interest payable and similar charges

	2008 £	2007 £
Interest payable to parent company	7,008	-
Finance charge on preference shares	109,200	109,200
	<u>116,208</u>	<u>109,200</u>

6 Taxation

	2008 £	2007 £
UK corporation tax at 28% (2007: 30%)	<u>-</u>	<u>-</u>

Concept Outdoor (UK) Limited

**Notes to the Financial Statements
for the year ended 30 June 2008 (continued)**

6.1 Reconciliation of tax charge

	2008 £	2007 £
Profit/(loss) on ordinary activities before taxation	11,524	(146,487)
Tax charge/(credit) on loss on ordinary activities at 28% (2007: 30%)	3,227	(43,946)
Expenses disallowed for tax purposes	31,751	33,790
Capital allowances (in excess of)/ less than depreciation	(18,057)	8,207
Unrelieved trading losses (utilised)/ carried forward	(16,920)	1,949
	<u>-</u>	<u>-</u>

6.2 Deferred tax asset

	2008 £ Unrecognised	2007 £ Unrecognised
Unrelieved trading losses carried forward	<u>624,635</u>	<u>641,555</u>

7 Tangible fixed assets

	Billboards £	Motor Vehicles £	Office Equipment £	Total £
Cost				
At 30 June 2007	235,157	-	-	235,157
Additions	178,605	12,514	1,665	192,784
Disposals	(20,501)	-	-	(20,501)
At 30 June 2008	<u>393,261</u>	<u>12,514</u>	<u>1,665</u>	<u>407,440</u>
Depreciation				
At 30 June 2007	129,774	-	-	129,774
Charge for the year	39,835	209	231	40,275
Disposals	(18,138)	-	-	(18,138)
At 30 June 2008	<u>151,471</u>	<u>209</u>	<u>231</u>	<u>151,911</u>
Net book value at 30 June 2008	<u>241,790</u>	<u>12,305</u>	<u>1,434</u>	<u>255,529</u>
Net book value at 30 June 2007	<u>105,383</u>	<u>-</u>	<u>-</u>	<u>105,383</u>

Concept Outdoor (UK) Limited

**Notes to the Financial Statements
for the year ended 30 June 2008 (continued)**

8 Investments

Investment in subsidiary undertaking	£
Cost at 30 June 2008 and 30 June 2007	100
Provision at 30 June 2008 and 30 June 2007	(100)
Net book value at 30 June 2008 and 30 June 2007	<u>-</u>

Name of undertaking	% owned	% voting rights	Holding	Nature of business	Place of incorporation
Concept Outdoor Limited	100%	100%	Ordinary shares	Non-trading	England & Wales

9 Debtors

	2008 £	2007 £
Trade debtors	236,373	133,735
Prepayments and accrued income	183,044	217,853
Other taxation and social security	-	8,096
	<u>419,417</u>	<u>359,684</u>

10 Creditors (amounts falling due within one year)

	2008 £	2007 £
Trade creditors	44,134	164,615
Amounts due to other group companies	67,313	8,693
Amounts due to subsidiary undertaking	17,467	17,467
Other taxation and social security	18,826	-
Accruals and deferred income	179,124	143,355
Fixed cumulative preference dividend of 20%	764,400	655,200
	<u>1,091,264</u>	<u>989,330</u>

Concept Outdoor (UK) Limited

Notes to the Financial Statements for the year ended 30 June 2008 (continued)

11 Creditors (amounts falling due after one year)

	2008 £	2007 £
Amounts due to immediate parent undertaking	2,432,273	2,425,082
Preference shares classed as financial liabilities	546,000	546,000
	<u>2,978,273</u>	<u>2,971,082</u>

Shares classed as financial liabilities	2008 £	2007 £
Preference shares	55	55
Share premium	545,945	545,945
	<u>546,000</u>	<u>546,000</u>

12 Share capital

At 30 June 2008 and 30 June 2007, the authorised and issued share capital of the company comprised:

	Authorised		Allotted, Issued and fully paid	
	Number	£	Number	£
<u>Shares classed as equity:</u>				
'A' Special Ordinary Shares of £1	1,000	1,000	-	-
'A' Ordinary Shares of £1	1,000	1,000	750	750
'B' Ordinary Shares of £1	1,000	1,000	250	250
Deferred Shares of £1	1,000	1,000	-	-
	<u>4,000</u>	<u>4,000</u>	<u>1,000</u>	<u>1,000</u>
<u>Shares classed as financial liabilities:</u>				
Preference Shares of 0.01p	1,000,000	100	546,000	55

Rights regarding income

The 'A' Ordinary Shares and the 'A' Special Ordinary Shares rank pari passu for any dividend or other distribution by the company. The 'B' Ordinary Shares do not carry any right to dividend unless or until the occurrence of a listing, a take-over, a liquidation or a winding up of the company. Following any of these events the 'B' Ordinary Shares, 'A' Ordinary Shares and the 'A' Special Ordinary Shares (together the "Ordinary Shares") rank pari passu for any dividend or other distribution by the company. The Deferred Shares do not carry any right to dividend or other distribution by the company.

Concept Outdoor (UK) Limited

Notes to the Financial Statements for the year ended 30 June 2008 (continued)

12 Share capital (continued)

Rights regarding capital

On a return of assets on liquidation, reduction of capital or otherwise, the surplus capital of the company is returned as follows, and in the following order:

- 1 to the Preference Shareholders an amount equal to the capital paid up on the Preference Shares together with any arrears of or deficiency of the fixed cumulative dividend on such shares;
- 2 to the Ordinary Shareholders a sum equal to any premium paid on such Ordinary Shares;
- 3 to the Ordinary Shareholders a sum equal to the nominal value of such shares (to the extent paid up);
- 4 to the A Ordinary Shareholders and the A Special Ordinary Shareholders so as to give them an IRR of not less than 20% on their investment in the company;
- 5 to the Deferred Shareholders a sum equal to the nominal value of such shares (to the extent paid up); and
- 6 the balance of such assets (if any) shall belong to and be distributed amongst the Ordinary Shareholders *pari passu*.

Rights regarding voting

The 'A' Ordinary Shareholders and the 'A' Special Ordinary Shareholders have the right to receive notice of and to attend, speak and vote at all general meetings of the company. The 'B' Ordinary Shareholders have the right to receive notice of and to attend and speak at all general meetings of the company but not to vote unless or until the occurrence of a listing, a take-over or a liquidation or a winding up of the company. The Deferred Shareholders and Preference Shareholders do not have the right to receive notice of or to attend or vote at any general meeting of the company at any time.

Conversion of 'B' Shares

In certain circumstances which relate either to the occurrence of a listing, a take-over, a liquidation or a winding up of the company or to the cessation of employment of a 'B' Ordinary Shareholder who is an employee or a director of the company, the 'B' Ordinary Shares may be converted into Deferred Shares. The circumstances in which this conversion may arise are set out in full in the Articles of Association of the company.

13 Share premium

	2008 £	2007 £
<u>Classed as financial liabilities:</u>		
Premium arising on issue of preference shares	<u>545,945</u>	<u>545,945</u>

14 Profit and loss account

	£
At 30 June 2007	(3,395,202)
Profit for the year	11,524
At 30 June 2008	<u>(3,383,678)</u>

Concept Outdoor (UK) Limited

Notes to the Financial Statements for the year ended 30 June 2008 (continued)

15 Reconciliation of movement in shareholder's deficit

	£
At 30 June 2007	(3,394,202)
Profit for the year	11,524
At 30 June 2008	<u>(3,382,678)</u>

16 Operating leases

The company had annual commitments under non-cancellable operating leases on plant and equipment expiring as follows:

	2008 £	2007 £
In less than one year	37,500	34,250
In two to five years	432,100	461,853
In more than five years	100,000	100,000
	<u>569,600</u>	<u>596,103</u>

17 Parent company, ultimate parent company and ultimate controlling party

The company's immediate parent company is Concept Outdoor Worldwide Limited, a company registered in England and Wales.

The company's ultimate parent company is Pacific Investments II Limited, a company registered in England and Wales, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Pacific Investments II Limited's consolidated financial statements can be obtained from Companies House.

In the opinion of the directors, the ultimate controlling party of the company is J.L. Beckwith, a director and majority shareholder of the ultimate parent company.

18 Capital commitments and contingencies

There were no contingent liabilities or capital commitments at 30 June 2008 (2007: £nil).