

**Company Registration Number 4520540**

**MUSTOE MERRIMAN LEVY GROUP  
HOLDINGS LIMITED**

**Report and Financial Statements**

**Year ended 31 December 2008**

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# **MUSTOE MERRIMAN LEVY GROUP HOLDINGS LIMITED**

## **REPORT AND FINANCIAL STATEMENTS**

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# **MUSTOE MERRIMAN LEVY GROUP HOLDINGS LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

I Jackson (resigned 19 September 2008)  
N Mustoe (resigned 19 September 2008)  
A Levy (appointed 18 September 2008 and resigned 19 September 2008)  
P Martin (appointed 19 September 2008)  
A Field (appointed 19 September 2008)  
S Lawton (appointed 19 September 2008)

### **SECRETARY**

Hexagon Registrars Limited (resigned 19 September 2008)  
R H Collins (appointed 19 September 2008)

### **REGISTERED OFFICE**

87-91 Newman Street  
London  
W1T 3EY

### **AUDITORS**

Deloitte LLP  
Bristol

## **MUSTOE MERRIMAN LEVY GROUP HOLDINGS LIMITED**

### **DIRECTORS' REPORT**

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

This directors' report has been prepared in accordance with the special provisions relating to small companies under Section 417(1) of the Companies Act 2006.

### **PRINCIPAL ACTIVITY**

The principal activity of the company is an intermediary holding company.

### **REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

This company is an intermediary holding company therefore annual activity is limited. The directors have a reasonable expectation that the company will continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### **RESULTS AND DIVIDENDS**

The results for the year are shown on page 5.

The profit after taxation for the year was £nil (2007: £10,000). No dividends were paid in the year (2007: £nil).

### **DIRECTORS**

The directors who served throughout the year are as shown on page 1.

### **AUDITORS**

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

BDO Stoy Hayward LLP resigned during the year and Deloitte LLP were appointed.

A resolution to reappoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



**S M Lawton**  
Director

16 October 2009

## **MUSTOE MERRIMAN LEVY GROUP HOLDINGS LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**

### **MUSTOE MERRIMAN LEVY GROUP HOLDINGS LIMITED**

We have audited the financial statements of Mustoe Merriman Levy Group Holdings Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes 1 to 8. These financial statements have been prepared under 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 financial statements in accordance with applicable United Kingdom law and United Kingdom 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 framework and are properly prepared in accordance with the Companies Act 1985. We also report on the consistency of the directors' report 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**

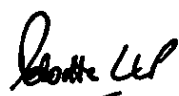
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the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

#### **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 2008 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the directors' report is consistent with the financial statements.



**DELOITTE LLP**

Chartered Accountants and Registered Auditors  
Bristol, United Kingdom

20 October 2009

# MUSTOE MERRIMAN LEVY GROUP HOLDINGS LIMITED

## PROFIT AND LOSS ACCOUNT for the year ended 31 December 2008

	Note	2008 £'000	2007 £'000
Other operating income		-	10
<b>OPERATING PROFIT, BEING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	-	10
Tax on profit on ordinary activities	4	-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>		-	10

There are no recognised gains or losses for the current or prior financial years other than as stated in the profit and loss account. Accordingly, no separate statement of total recognised gains and losses has been presented.

All of the company's operations are classed as continuing activities.

# MUSTOE MERRIMAN LEVY GROUP HOLDINGS LIMITED

## BALANCE SHEET At 31 December 2008

	Note	2008 £'000	2007 £'000
<b>FIXED ASSETS</b>			
Investments	5	479	194
<b>CURRENT ASSETS</b>			
Amounts owed by Group undertakings		285	-
<b>CURRENT LIABILITIES</b>			
Amounts owed to Group undertakings		(285)	-
<b>NET CURRENT ASSETS</b>		-	-
<b>NET ASSETS</b>		<u>479</u>	<u>194</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	6	324	39
Capital redemption reserve	7	4,822	4,822
Profit and loss account	7	(4,667)	(4,667)
<b>SHAREHOLDERS' FUNDS</b>	7	<u>479</u>	<u>194</u>

These financial statements were approved by the Board of Directors on 16 October 2009

Signed on behalf of the Board of Directors



**S M Lawton**  
Director



# **MUSTOE MERRIMAN LEVY GROUP HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008**

### **1. ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The particular accounting policies adopted, which have been consistently applied throughout the current and the prior financial periods are described below.

#### **Cash flow statement**

Under Financial Reporting Standard (FRS) 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

#### **Group accounts**

The company is exempt by virtue of Section 228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

#### **Related party transactions**

As the company is a wholly owned subsidiary of Tribal Group plc, it has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

#### **Tax**

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

In accordance with FRS 19, deferred taxation is provided in full on timing differences which represent an asset or liability at the balance sheet 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 tax assets are recognised 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.

#### **Investments**

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

#### **Going concern**

In accordance with their responsibilities as directors, the directors have considered the appropriateness of the going concern basis for the preparation of the financial statements.

This company is an intermediary holding company therefore annual activity is limited. The directors have a reasonable expectation that the company will continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

## MUSTOE MERRIMAN LEVY GROUP HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

#### 2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

On average, the company had 2 employees during the year (2007: 2).

The directors' remuneration for I Jackson and N Mustoe are disclosed in the accounts for Mustoes Limited.

S M Lawton and P J Martin are directors of Tribal Group plc and their emoluments and pension details are disclosed in the group accounts.

A Field is remunerated by Tribal Holdings Limited. As an employee of Tribal Holdings Limited, he received emoluments of £14,000 and pension contributions of £3,000 from this company.

Where directors are remunerated by other Group companies for their services to the group as a whole, it is not practicable to allocate their remuneration between their services as directors of this company and their services as directors of other group companies.

#### 3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The auditors remuneration of £1,000 was borne by another group company (2007: £1,000).

#### 4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2008 £'000	2007 £'000
<b>Current tax</b>		
UK corporation tax on profits for the year	-	-
The standard rate of current tax for the year, based on United Kingdom weighted average rate of corporation tax over the year, was 28.5% (2007: 30%). The actual tax charge for the previous year differs from the standard rate for the reasons set out in the following reconciliation:		
	£'000	£'000
Profit on ordinary activities before tax	-	10
	£'000	£'000
Tax on profit on ordinary activities at weighted average rate	-	3
Effects of:		
Non taxable income	-	(3)
<b>Current tax for the year</b>	-	-

# MUSTOE MERRIMAN LEVY GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

### 5. INVESTMENTS HELD AS FIXED ASSETS

	Shares in subsidiary undertakings £'000
<b>Cost</b>	
At 1 January 2008	16,032
Addition	285
	<hr/>
At 31 December 2008	16,317
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<b>Provisions</b>	
At 1 January 2008 and 31 December 2008	(15,838)
	<hr/>
<b>Net book value</b>	
At 31 December 2008	479
	<hr/>
At 31 December 2007	194
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On 19 September 2008, the company purchased an additional 285,250 ordinary shares of £1 each in Mustoes Limited for their nominal value.

The company holds interest in the following companies incorporated in Great Britain:

Subsidiary		Class of share held	Proportion of nominal value held
Mustoes Limited	(Advertising)	£1 Ordinary	100%
Mustoe Merriman Levy Holdings Limited	(Non-trading)	£1 Ordinary	100%

# MUSTOE MERRIMAN LEVY GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

6. SHARE CAPITAL	2008 £'000	2007 £'000
<b>Authorised</b>		
3,086,080 'A' ordinary shares of £0.01 each (2007: 3,086,080)	31	31
771,520 'B' ordinary shares of £0.01 each (2007: 771,520)	8	8
496,142,300 ordinary shares of £0.01 each (2007: 13,942,300)	4,961	139
Nil 'P' redeemable shares of £0.01 each (2007: 482,200,000)	-	4,822
100 deferred shares of £0.01 each (2007: 100)	-	-
	<u>5,000</u>	<u>5,000</u>
	<b>£'000</b>	<b>£'000</b>
<b>Allotted, called up and fully paid</b>		
3,086,080 'A' ordinary shares of £0.01 each (2007: 3,086,080)	31	31
771,520 'B' ordinary shares of £0.01 each (2007: 771,520)	8	8
28,525,000 ordinary shares of £0.01 each (2007: nil)	285	-
	<u>324</u>	<u>39</u>

On 19 September 2008, 482,200,000 authorised but unissued 'P' redeemable shares of £0.01 each were redesignated as 482,200,000 ordinary shares of £0.01 each.

On 19 September 2008, the company issued 28,525,000 ordinary shares of £0.01 each for their nominal value.

### Rights of shares

The 'A' and 'B' ordinary shares, and the ordinary shares rank pari passu in all respects.

# MUSTOE MERRIMAN LEVY GROUP HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

### 7. COMBINED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES

	<b>Called up share capital £'000</b>	<b>Capital redemption reserve £'000</b>	<b>Profit and loss account £'000</b>	<b>Total 2008 £'000</b>	<b>Total 2007 £'000</b>
Balance at the start of the year	39	4,822	(4,667)	194	184
Profit for the financial year	-	-	-	-	10
Share issue	285	-	-	285	-
<b>Balance at the end of the year</b>	<b>324</b>	<b>4,822</b>	<b>(4,667)</b>	<b>479</b>	<b>194</b>

### 8. ULTIMATE PARENT COMPANY UNDERTAKING

The company's immediate parent company is EC1 Holdings Limited.

The company's ultimate parent company and controlling party is Tribal Group plc which is incorporated in the United Kingdom. Tribal Group plc is the smallest and largest group for which group financial statements are prepared. The consolidated financial statements of this company are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.