

Company Registration No. 5296095

Isobar Global Limited

Report and Financial Statements

31 December 2008

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Isobar Global Limited

Report and financial statements 2008

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Isobar Global Limited

Report and financial statements 2008

Officers and professional advisers

Directors

S C Frogley
N Morris

Secretary

S C Frogley

Registered Office

180 Great Portland Street
London
W1W 5QZ

Auditors

Deloitte LLP
Chartered Accountants
London

Isobar Global Limited

Directors' report

The directors present their annual report on the affairs of the company together with the audited financial statements for the year ended 31 December 2008.

Business review and principal activities

The company is a wholly owned subsidiary of Aegis Group plc and operated as part of the group's Aegis Media division. On 31 December 2007, the Company transferred all of its trade and net liabilities to a fellow group undertaking, Aegis Media Limited. The trading business of the Company will now be operated as a division of Aegis Media Limited and the Company has been dormant during the year. As a result, these financial statements are prepared on a basis other than going concern.

The balance sheet on page 8 of the financial statements shows the Company's financial position which consists principally of an intercompany payable to Aegis Media Limited as a result of the transfer of trade and net liabilities as described above.

There have been no significant events since the balance sheet date that require adjustment to, or disclosure in the financial statements.

The Company's directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business because it ceased trading as at 31 December 2007. The Company does not use derivative financial instruments.

Results and dividend

The result on ordinary activities after taxation for the year was £nil (2007 – loss of £2,110,000). The directors do not recommend the payment of a dividend (2007 – £Nil) for the year.

Directors

Directors who served throughout the year are shown on Page 1.

Disclosure of information to auditors

Each of the directors at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps he/she ought to have taken as a director 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.

Auditors

On 1 December 2008, Deloitte & Touche LLP changed its name to Deloitte LLP. Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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



S C Frogley
Director

3 November 2009

Isobar Global Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 and of the profit or loss of the company for that period. 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; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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 Isobar Global Limited

We have audited the financial statements of Isobar Global Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. 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

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 are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we 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.

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.

Independent auditors' report to the members of Isobar Global Limited (continued)

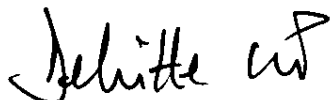
Opinion

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 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 information given in the Directors' Report is consistent with the financial statements.

Emphasis of matter – Financial statements prepared on a basis other than that of a going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.



Deloitte LLP
Chartered Accountants and Registered Auditors
London, United Kingdom

21 November 2009

Isobar Global Limited

Profit and loss account Year ended 31 December 2008

	Notes	2008 £'000	2007 £'000
Turnover		-	11,976
Cost of sales		-	(10,368)
		<hr/>	<hr/>
Gross profit		-	1,608
Administrative expenses		-	(3,723)
		<hr/>	<hr/>
Operating result/(loss)	2	-	(2,115)
Net finance charges	4	-	(70)
		<hr/>	<hr/>
Result/(loss) on ordinary activities before taxation		-	(2,185)
Taxation	5	-	74
		<hr/>	<hr/>
Result/(loss) on ordinary activities after taxation	8	-	(2,111)
		<hr/>	<hr/>

All amounts relate to discontinued operations.

The Company has no recognised gains and losses during the current and prior years other than the result/loss for the current and prior year and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the reported result/loss for the current and prior years stated and their historical cost equivalents.

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Isobar Global Limited**Balance sheet
31 December 2008**

	Notes	2008 £'000	2007 £'000
Creditors: amounts falling due within one year	6	(2,286)	(2,286)
Net current liabilities		(2,286)	(2,286)
Net liabilities		(2,286)	(2,286)
Called up share capital	7	-	-
Profit and loss account	8	(2,286)	(2,286)
Shareholders' deficit	9	(2,286)	(2,286)

The notes form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 3 November 2009. Company number 5296095

Signed on behalf of the Board of Directors



S C Frogley
Director

Isobar Global Limited

Notes to the accounts Year ended 31 December 2008

1. Accounting policies

Basis of preparation

The Company transferred its trade and net liabilities at the 31 December 2007 to Aegis Media Limited and has not traded during the year. As required by FRS 18 Accounting Policies, the directors have prepared the financial statements on a basis that the Company is no longer a going concern.

Basis of accounting

The financial statements are prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards and on a consistent basis in the current and prior year.

Foreign currencies

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are translated at the rates of exchange ruling at the date of the transaction.

Turnover and recognition of income

Turnover in the prior year comprises the net value of billings (excluding VAT) of services supplied in the normal course of business. It reflects the costs of advertising expenditure and the related commissions and fees charged to the company's own clients and to other advertising agencies in respect of their clients. Commissions are recognised as income when they are earned in accordance with the agreements with the clients.

Cash flow statement

The financial statements of Aegis Group plc for the year ended 31 December 2008 contain a consolidated statement of cash flows. Therefore the Company has taken advantage of the exemption granted under FRS 1 (revised) whereby it is not required to publish its own statement of cash flows.

Taxation

Current taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation

Full provision is made for timing differences that have arisen but not reversed at the balance sheet date between the treatment of certain items for tax and accounting purposes. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. The Company has chosen not to discount deferred tax balances.

Isobar Global Limited

Notes to the accounts Year ended 31 December 2008

2. Operating result/ (loss)

Operating result/ (loss) is stated after charging/ (crediting):

	2008 £'000	2007 £'000
Fees payable to the Company's auditors for the audit of the annual accounts	-	8
Depreciation	-	46
Operating lease charges	-	265
Research expenditure	-	56
Foreign exchange gains	-	(287)
Group recharge income received from other group undertakings	-	(3,883)
Amortisation of intangible fixed assets	-	403
	<u>-</u>	<u>403</u>

The auditors' remuneration of £1,000 for the audit of the Company's financial statements has been borne by Aegis Media Limited and is dealt with in their financial statements.

3. Staff costs

Particulars of employees (including directors) are shown below:

Staff costs during the year amounted to:

	2008 £'000	2007 £'000
Wages and salaries	-	3,178
Social security costs	-	501
Other pension costs	-	147
Bonuses	-	855
Share-based payment charge	-	267
	<u>-</u>	<u>4,948</u>

The average number of employees during the year was as follows:

	2008 Number	2007 Number
Sales	-	2
Administration	-	41
	<u>-</u>	<u>43</u>

Directors' remuneration during the year was as follows:

	2008 £'000	2007 £'000
Emoluments	-	991
Pension contributions	-	114
	<u>-</u>	<u>1,105</u>

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Notes to the accounts Year ended 31 December 2008

3. Staff costs (continued)

No retirement benefits are accruing to any director (2007: 2 directors) under a money purchase (defined contribution) pension scheme.

The highest paid director's remuneration included:

	2008 £'000	2007 £'000
Emoluments	-	775
Pension contributions	-	92
	<u>-</u>	<u>867</u>

4. Net finance (charges)/income

	2008 £'000	2007 £'000
Interest receivable from bank	-	53
Interest payable to group undertaking	-	(123)
	<u>-</u>	<u>(70)</u>

5. Tax on result/ (loss) on ordinary activities

	2008 £'000	2007 £'000
Current		
Corporation tax at 28.5 % (2007: 30%)	-	(74)
Prior year adjustment	-	-
	<u>-</u>	<u>(74)</u>
Tax on result/(loss) on ordinary activities	<u>-</u>	<u>(74)</u>

The tax assessed for the year is higher than the standard blended rate of UK corporation tax at 28.5 % (2007: 30%)

The differences are explained below:

Result/(loss) on ordinary activities before tax	-	(2,185)
Tax on result/ (loss) at statutory blended rate at 28.5 % (2007: 30%)	-	(655)
Effects of:		
Expenses not deductible for tax purposes	-	581
Current tax credit	-	(74)

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Notes to the accounts Year ended 31 December 2008

6. Creditors: amounts falling due within one year

	2008 £'000	2007 £'000
Amounts owed to other group undertakings	2,286	2,286
	<u>2,286</u>	<u>2,286</u>

The amount owed to the fellow group undertaking is not interest bearing and payable on demand.

7. Called-up share capital

	2008 £	2007 £
Authorised		
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

8. Reserves

	Profit and loss account £'000
At 1 January 2008	(2,286)
Result for the year	-
	<u>(2,286)</u>
At 31 December 2008	<u>(2,286)</u>

9. Reconciliation of movements in shareholders' deficit

	2008 £	2007 £
Opening shareholders' deficit	(2,286)	(442)
Result/(loss) for the year	-	(2,111)
Share-based payment	-	267
	<u>(2,286)</u>	<u>(2,286)</u>
Closing shareholders' deficit	<u>(2,286)</u>	<u>(2,286)</u>

10. Guarantees

The Company is party to a £450m composite cross guarantee with other group companies in order to secure banking facilities. Under the terms of the guarantee, each company is jointly and severally liable for any liability to the group's banker, which cannot be met by the company in whose name the liability exists.

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Notes to the accounts

Year ended 31 December 2008

11. Ultimate parent undertaking

The ultimate parent undertaking is Aegis Group plc, a company which is incorporated in Great Britain and registered in England and Wales.

Aegis Group plc is the parent undertaking of the smallest and largest group for which group financial statements are prepared and of which the Company is a member. The consolidated financial statements of this group are available to the public and may be obtained from Aegis Group plc, 180 Great Portland Street, London W1W 5QZ.

12. Related party transactions

The company has taken advantage of the exemption granted under FRS 8 not to disclose related party transactions during the current or prior year with other group companies, due to the fact that it meets the criterion of a 90% subsidiary as defined by FRS 8. There were no other related party transactions during the year.

13. Share-based payments

The Company recognised a total expense of £Nil (2007: £266,590) in respect of share-based payments in the year. Share-based payments include share options and conditional share awards issued by the ultimate holding company, Aegis Group plc to employees of the Company. As all employees were transferred to Aegis Media Limited on 31 December 2007 the share options belonging to these individuals were also transferred.

Share options

The grant price for share options is equal to the average quoted market price of the Group's shares at the date of grant. The vesting period is typically three years. If share options remain unexercised after a period of ten years from the date of grant, the options expire. Share options are forfeited if the employee leaves the Group before the options vest and are subject to earnings per share performance conditions. Further details can be found in the Remuneration Report of Aegis Group plc's Annual Report and Accounts.

Details of Aegis Group plc's share options outstanding at the balance sheet date with respect to employees of Isobar Global Limited are as follows:

	2008		2007	
	Number of Share Options	Weighted Average Exercise Price (in pence)	Number of Share Options	Weighted Average Exercise Price (in pence)
Outstanding at beginning of period	-	-	221,424	105.4
Exercised during the period	-	-	(328,449)	98.24
Expired during the period	-	-	(150,000)	125.70
Granted during the period	-	-	251,273	147.50
Internal transfer within Aegis Group	-	-	941,891	116.93
Transferred to Aegis Media Limited	-	-	(936,139)	127.56
	<hr/>		<hr/>	
Outstanding at the end of the period	-	-	-	-
	<hr/>		<hr/>	
Exercisable at the end of the period	-	-	-	-
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Isobar Global Limited

Notes to the accounts Year ended 31 December 2008

13. Share-based payments (continued)

The fair value of share options in 2007 was determined using a stochastic model and the following assumptions:

	2007 £'000
Expected volatility	19.0%
Risk free rate	5.7%
Expected dividend yield	1.4%

Expected volatility was determined by considering the historical volatility of the Group's share price over the previous three years, with certain periods where the share price was particularly volatile for specific reasons, being disregarded as these were not considered to be indicative of expected future volatility. The expected life used in the model has been adjusted based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The Company recognised a total expense of £nil (2007: £90,879) in respect of share options in the year.

Conditional share awards

The vesting period is typically three years. The extent to which awards vest is determined partly by reference to the Group's Total shareholder Return (TSR) performance relative to a group of similar businesses and partly by reference to the Group's earnings per share growth rate relative to the retail price index. Further details are provided in the Remuneration Report of Aegis Group plc's Annual Report and Accounts.

The fair value of conditional share awards was determined using a stochastic model using the assumptions given in the table above.

The Company recognised a total expense of £nil (2007: £175,711) in respect of conditional share awards in the year.