

Provenance Communications Limited

Report and Financial Statements

Year Ended

31 December 2012

Company Number 05629153



Provenance Communications Limited

**Report and financial statements
for the year ended 31 December 2012**

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Directors

M A S MacLennan
J Hewitt

Secretary and registered office

J Hewitt 36 Golden Square London W1F 9EE.

Company number

05629153

Auditors

BDO LLP 55 Baker Street London W1U 7EN (resigned 29 August 2012)
KPMG 15 Canada Square London EC4 5GL (appointed 30 August 2012)
55 Baker Street London W1U 7EN.

Provenance Communications Limited

**Report of the directors
for the year ended 31 December 2012**

The directors present their report together with the audited financial statements for the year ended 31 December 2012.

Results and dividends

The profit and loss account is set out on page 5. The company did not trade during the year

No interim dividend was paid during the year (2011 - £Nil).

The directors did not recommend the payment of a final dividend (2011 - £Nil).

Directors

The current directors of the company are:

M A S MacLennan	
J Boardman	(resigned 21 November 2012)
J Hewitt	(appointed 26 June 2012)

Going concern

After making due and careful enquiry, the directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the company would have adequate resources to continue in operational existence for the foreseeable future should management decide to recommence trading, given the ongoing support of another M&C Saatchi group company, M&C Saatchi (UK) Limited. For this reason, the directors continue to adopt a 'Going Concern' basis in preparing the financial statements.

Provenance Communications Limited

Report of the directors for the year ended 31 December 2012 (*Continued*)

Directors' responsibilities

The directors are responsible for preparing the report of the directors 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 Accounting Standards and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they 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 year.

In preparing these financial statements, the directors are required to:

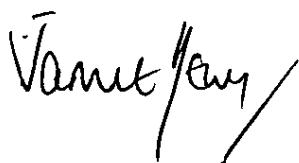
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

Small entity exemption

The company has taken the advantage of the small companies exemption in order to exclude certain disclosures otherwise required.

On behalf of the Board



J Hewitt
Director

24 May 2013

Provenance Communications Limited

**Profit and loss account
for the year ended 31 December 2012**

	Note	2012 £'000	2011 £'000
Billings	2	-	17
Revenue		-	13
Administrative expenses		-	(86)
Operating loss	4	-	(73)
Loss on ordinary activities before taxation		-	(73)
Taxation on loss on ordinary activities	5	-	(79)
Loss on ordinary activities after taxation	9,10	-	(152)

All amounts relate to discontinued activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 6 to 10 form part of these financial statements

Provenance Communications Limited

**Balance sheet
at 31 December 2012**

<i>Company number 05629153</i>	Note	2012 £'000	2012 £'000	2011 £'000	2011 £'000
Current assets					
Debtors	6	6		-	
Creditors: amounts falling due within one year	7	(940)		(934)	
Net current liabilities			(934)		(934)
Net liabilities			(934)		(934)
Capital and reserves					
Called up share capital	8		-		-
Profit and loss account	9		(934)		(934)
Shareholders' deficit	10		(934)		(934)

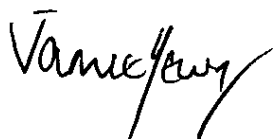
For the year ending 31 December 2012 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

Director's responsibilities,

- The members have not required the company to obtain an audit of its accounts for the year ended 31 December 2012 in accordance with section 476,
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on *24 May 2013*



**J Hewitt
Director**

The notes on pages 6 to 10 form part of these financial statements.

Provenance Communications Limited

**Cash flow Statement
as at 31 December 2012**

	Note	2012	2011
Net cash (outflow)/inflow from operating activities	12	-	(8)
Capital expenditure and financial investment			
Proceeds from sale of tangible assets		-	8
		<hr/>	<hr/>
Movement in cash		-	-
		<hr/>	<hr/>

The notes on pages 6 to 10 form part of these financial statements

Provenance Communications Limited

Notes forming part of the financial statements for the year ended 31 December 2012

1 Accounting policies

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

The company's parent, M&C Saatchi (UK) Limited, has undertaken to continue to provide such financial support as the company requires for its continued operations for a year of not less than one year from the balance sheet date.

The following principal accounting policies have been applied:

Billings and revenue

Billings represents the gross amounts billed to clients in respect of revenue earned and other client recharges, net of discounts and sales taxes.

Revenue comprises commission and fees: commission, is recognised when there is a right to consideration through the performance of duties, usually when advertisements appear in the media, and when production work is completed; fees being the income charged to clients for services provided, are recognised over the period of the relevant assignments or agreements.

Tangible fixed assets and depreciation

Tangible assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight line basis over the assets' estimated useful lives, as follows.

Furniture, fittings and other equipment	10% to 25%
Computer equipment	33%

Pensions

The company does not operate any company pension schemes. The company makes payments to certain employees to enable them to contribute to their personal pension plans. Payments are charged to the profit and loss account in the year they are due.

Going concern basis

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business review and Financial risk management objectives and policies on pages 1 to 2. The company has considerable financial resources together with long-term relationships with a number of customers.

As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Provenance Communications Limited

**Notes forming part of the financial statements
for the year ended 31 December 2012 (Continued)**

1 Accounting policies (Continued)

Foreign currency

Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

2 Billings

All billings arose from the principal activity of the company which was carried out in the United Kingdom.

3 Employees

	2012	2011
	£'000	£'000
Staff costs for all employees including directors, consist of.		
Wages and salaries	-	72
Social security costs	-	5
Other pension costs	-	-
	<u> </u>	<u> </u>
	-	77
	<u> </u>	<u> </u>
	Number	Number
The average monthly number of employees during the year including executive directors, was as follows:		
	-	1
	<u> </u>	<u> </u>

4 Operating loss

	2012	2011
	£'000	£'000
This is arrived at after charging:		
Depreciation of tangible fixed assets	-	1
	<u> </u>	<u> </u>

Provenance Communications Limited

**Notes forming part of the financial statements
for the year ended 31 December 2012 (Continued)**

5 Taxation on loss from ordinary activities

	2012 £'000	2011 £'000
<i>Current tax</i>		
UK corporation tax on loss of the year	-	(20)
Adjustment in respect of prior years	-	1
<i>Deferred tax</i>		
Recognised losses carried forward	-	98
	<hr/>	<hr/>
Taxation on loss from ordinary activities	-	79
	<hr/>	<hr/>

A deferred tax asset of £234,000 (2011 - £234,000) in respect of losses has not been recognised as there is no certainty, at the balance sheet date, of future profits to utilise them.

The tax charge for the year differs from that obtained by using the standard rate of UK corporation tax. The differences are explained below:

	2012 £'000	2011 £'000
Loss on ordinary activities before tax	-	(73)
	<hr/>	<hr/>
Loss on ordinary activities at the standard rate of UK corporation tax of 24.5% (2011 – 26.5%)	-	(20)
Effects of:		
Tax losses utilised in the year	-	19
Prior year adjustment	-	80
	<hr/>	<hr/>
Tax charge for the year	-	79
	<hr/>	<hr/>

6 Debtors

	2012 £'000	2011 £'000
Other debtors	6	-
	<hr/>	<hr/>
	6	-
	<hr/>	<hr/>

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**Notes forming part of the financial statements
for the year ended 31 December 2012 (Continued)**

7 Creditors: amounts falling due within one year

	2012 £'000	2011 £'000
Amounts owed to group companies	940	934
	<u>940</u>	<u>934</u>

8 Share capital

	Allotted, called up and fully paid 2012 Number	2011 Number
'A' ordinary shares of £1 each	65	65
'B' ordinary shares of £1 each	35	35
	<u>100</u>	<u>100</u>
	£	£
'A' ordinary shares of £1 each	65	65
'B' ordinary shares of £1 each	35	35
	<u>100</u>	<u>100</u>

The 'A' and 'B' ordinary shares rank pari passu except as set out in the Articles of Association.

9 Profit and loss account

	£'000
At 1 January 2012	(934)
Loss for the year	-
	<u>(934)</u>
At 31 December 2012	<u>(934)</u>

Provenance Communications Limited

**Notes forming part of the financial statements
for the year ended 31 December 2012 (Continued)**

10 Reconciliation of movements in shareholders' deficit

	2012 £'000	2011 £'000
Loss for the year and net decrease to shareholder deficit	-	(152)
Opening shareholders' deficit	(934)	(782)
	<hr/>	<hr/>
Closing shareholders' deficit	(934)	(934)
	<hr/>	<hr/>

11 Related party transactions

The company paid £Nil (2011 - £Nil) to its immediate parent company as its share of group overhead costs for the year. At the year end the amount owed to the immediate parent company was £940,000 (2011 - £934,000).

12 Reconciliation of operating loss to net cash outflow from operating activities

	2012 £'000	2011 £'000
Operating loss	-	(73)
Depreciation	-	1
Decrease in debtors	(6)	47
Increase in creditors	6	17
	<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities	-	(8)
	<hr/>	<hr/>

13 Ultimate parent company

At 31 December 2012, the company's immediate parent company was M&C Saatchi (UK) Limited. The ultimate parent company and controlling party was M&C Saatchi plc.

Copies of the consolidated financial statements of both companies are available from Companies House.