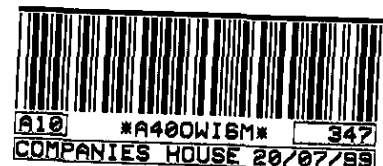


Company No. 138566Q

FORDS PUBLICITY (BRISTOL) LIMITED
GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1998

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FORDS PUBLICITY (BRISTOL) LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 30 September 1998.

Principal activities

The principal activity of the group is the design and management of retail display and merchandising projects.

Business review

The group once again traded ahead of budget with business outside of the UK continuing to increase. The ability to handle global projects will be further enhanced by the recently signed strategic alliance with CDA America.

The group profit for the year after taxation amounted to £43,480. Dividends of £20,614 were proposed leaving £22,866 retained.

Directors

The directors in office at the end of the year are listed below. T A Wills resigned from the Board on 10 July 1998. S P Henley and M Brown were appointed to the Board on 31 July 1998.

In accordance with the company's articles of association all directors retire from the Board at the annual general meeting and being eligible offer themselves for re-election.

The interests of the directors in the share capital of the company at 1 October 1997 (or the date of their appointment to the Board if later) and 30 September 1998 were as follows:

	'A' Ordinary shares of £1 each		Ordinary shares of £1 each	
	1998	1997	1998	1997
M J Law	10,229	7,845	375	251
S P Henley	1,777	1,777	83	57
M Brown	454	454	34	17

FORDS PUBLICITY (BRISTOL) LIMITED

REPORT OF THE DIRECTORS

Continued

Directors' responsibilities for the financial statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group 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;
- 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, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Year 2000 compliance

Many computer systems which express dates using only the last two digits of the year may malfunction due to the date change to the Year 2000. This risk to the business relates not only to the company's computer systems, but also to some degree on those of the company's customers and suppliers.

The company has reviewed its computer systems for the impact of the Year 2000 date change. An impact analysis has been prepared to identify the major risks, and action plans have been developed to address these in advance of critical dates. The plans give priority to the systems which could have a significant financial or legal impact if they were to fail.

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD



M J Law
Director

14 July 1999

**REPORT OF THE AUDITORS TO THE MEMBERS OF
FORDS PUBLICITY (BRISTOL) LIMITED**

We have audited the financial statements on pages 4 to 18 which have been prepared under the accounting policies set out on pages 4 and 5.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

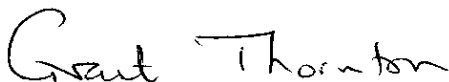
Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 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 of the state of affairs of the company and the group at 30 September 1998 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

Bristol

14 July 1999

FORDS PUBLICITY (BRISTOL) LIMITED

PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

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

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

Basis of consolidation

The group financial statements consolidate those of the company and its subsidiary undertakings drawn up to 30 September 1998.

Turnover

Turnover is the total amount receivable by the group for goods supplied and services provided, excluding VAT and trade discounts.

Depreciation

Depreciation is calculated to write down the cost less the estimated residual value of all tangible fixed assets over their expected useful lives. The rates generally applicable are:

Motor vehicles	25% to 33%
Fixtures, fittings and equipment	15% to 25%

Investments

Investments are included at cost less amounts written off.

Stock

Stock is stated at the lower of cost and net realisable value.

Long-term contract balances included in work in progress are stated at cost, after provision has been made for any foreseeable losses and the deduction of applicable payments on account.

Deferred taxation

Deferred taxation is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Debit balances arising in respect of advance corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

FORDS PUBLICITY (BRISTOL) LIMITED

PRINCIPAL ACCOUNTING POLICIES

Continued

Foreign currencies

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

Contributions to pension funds

Defined Contribution Schemes

The pension costs charged against profits represent the amount of the contributions payable to the schemes in respect of the accounting period.

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of the leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

FORDS PUBLICITY (BRISTOL) LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

FOR THE YEAR ENDED 30 SEPTEMBER 1998

	Note	1998 £	1997 £
Turnover	1	6,154,958	8,410,976
Cost of sales		<u>(3,734,537)</u>	<u>(5,475,927)</u>
Gross profit		2,420,421	2,935,049
Administrative expenses		<u>(2,374,397)</u>	<u>(2,922,652)</u>
Operating profit		46,024	12,397
Net interest	2	<u>58,579</u>	<u>68,293</u>
Profit on ordinary activities before taxation	1	104,603	80,690
Tax on profit on ordinary activities	4	<u>(61,123)</u>	<u>(15,722)</u>
Profit for the financial year	14	43,480	64,968
Dividends	5	<u>(20,614)</u>	<u>(18,740)</u>
Profit transferred to reserves	13	<u>22,866</u>	<u>46,228</u>
By the company		(4,964)	7,342
By the subsidiary undertaking		<u>27,830</u>	<u>38,886</u>
		<u>22,866</u>	<u>46,228</u>

There were no recognised gains or losses other than the profit for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

FORDS PUBLICITY (BRISTOL) LIMITED
COMPANY PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 1998

	Note	1998 £	1997 £
Turnover		201,020	304,406
Administrative expenses		<u>(237,536)</u>	<u>(325,731)</u>
Operating loss		(36,516)	(21,325)
Net interest	2	<u>58,579</u>	<u>50,873</u>
Profit on ordinary activities before taxation		22,063	29,548
Tax on profit on ordinary activities	4	<u>(6,413)</u>	<u>(3,466)</u>
Profit for the financial year		15,650	26,082
Dividends	5	<u>(20,614)</u>	<u>(18,740)</u>
(Loss)/profit transferred to reserves	13	<u>(4,964)</u>	<u>7,342</u>

There were no recognised gains or losses other than the loss for the year.

The accompanying accounting policies and notes form an integral part of these financial statements.

FORDS PUBLICITY (BRISTOL) LIMITED

CONSOLIDATED BALANCE SHEET AT 30 SEPTEMBER 1998

	Note	£	1998 £	1997 £
Fixed assets				
Tangible assets	6		461,409	484,130
Investments	7		300	300
			<u>461,709</u>	<u>484,430</u>
Current assets				
Stocks	8	209,927		368,298
Debtors	9	1,288,350		1,221,956
Cash at bank and in hand		<u>1,017,689</u>		<u>1,906,569</u>
		2,515,966		3,496,823
Creditors: amounts falling due within one year	10	<u>(1,978,310)</u>		<u>(3,000,154)</u>
Net current assets			<u>537,656</u>	<u>496,669</u>
Total assets less current liabilities			999,365	981,099
Provision for liabilities and charges				
Deferred taxation	11		-	(4,600)
			<u>999,365</u>	<u>976,499</u>
Capital and reserves				
Called up share capital	12		18,740	18,740
Share premium	13		2,506	2,506
Capital redemption reserve	13		12,049	12,049
Capital reserve	13		41,109	41,109
Profit and loss account	13		<u>924,961</u>	<u>902,095</u>
Shareholders' funds	14		<u>999,365</u>	<u>976,499</u>

The financial statements were approved by the Board of Directors on 14 July 1999.

M J Law

M J Law
Director

The accompanying accounting policies and notes form an integral part of these financial statements.

FORDS PUBLICITY (BRISTOL) LIMITED

COMPANY BALANCE SHEET AT 30 SEPTEMBER 1998

	Note	£	1998 £	1997 £
Fixed assets				
Investments	7		67,833	<u>67,833</u>
Current assets				
Debtors	9	74,338		60,564
Cash at bank and in hand		<u>914,969</u>		<u>925,370</u>
		989,307		985,934
Creditors: amounts falling due within one year	10	<u>(719,379)</u>		<u>(711,042)</u>
Net current assets			<u>269,928</u>	<u>274,892</u>
Total assets less current liabilities			<u>337,761</u>	<u>342,725</u>
Capital and reserves				
Called up share capital	12		18,740	18,740
Share premium	13		2,506	2,506
Capital redemption reserve	13		12,049	12,049
Profit and loss account	13		<u>304,466</u>	<u>309,430</u>
Shareholders' funds			<u>337,761</u>	<u>342,725</u>

The financial statements were approved by the Board of Directors on 14 July 1999.

M.J. Law

M J Law
Director

The accompanying accounting policies and notes form an integral part of these financial statements.

FORDS PUBLICITY (BRISTOL) LIMITED
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 1998

	Note	£	1998 £	1997 £
Net cash (outflow)/inflow from operating activities	15		(808,861)	<u>494,516</u>
Returns on investments and servicing of finance				
Interest received		58,579		50,873
Rents and other income received		<u>-</u>		<u>17,420</u>
Net cash inflow from returns on investments and servicing of finance			<u>58,579</u>	<u>68,293</u>
			(750,282)	<u>562,809</u>
Taxation				
UK corporation tax paid			(12,631)	<u>(30,617)</u>
Capital expenditure				
Purchase of tangible fixed assets		(176,618)		(465,543)
Sale of tangible fixed assets		<u>57,210</u>		<u>50,931</u>
Net cash outflow from capital expenditure			<u>(119,408)</u>	<u>(414,612)</u>
Net cash (outflow)/inflow before financing			(882,321)	117,580
Equity dividends paid			<u>(6,559)</u>	<u>(24,362)</u>
(Decrease)/increase in cash	17		<u>(888,880)</u>	<u>93,218</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

FORDS PUBLICITY (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 1998

1 Turnover and profit on ordinary activities before taxation

The turnover and profit before taxation are attributable to the design and management of retail display and merchandising projects.

The profit on ordinary activities is stated after:

	1998	1997
	£	£
Auditors' remuneration	10,000	10,000
Depreciation of tangible fixed assets	132,762	91,646
Operating lease rentals:		
Motor vehicles	8,073	8,074
Other	78,925	37,844

2 Net interest

	1998	1997
	£	£
Bank deposit interest	58,579	50,873
Rent receivable	-	3,555
Other income	-	13,865

3 Directors and employees

Staff costs during the year were as follows:

	1998	1997
	£	£
Wages and salaries	1,105,123	1,992,186
Social security costs	99,286	192,089
Pension costs	435,866	45,218

The average number of employees of the group during the year was 26 (1997: 24) made up as follows:

	1998	1997
	Number	Number
Office administration and sales	14	14
Production	4	4
Art studio	8	6

FORDS PUBLICITY (BRISTOL) LIMITED**NOTES TO THE FINANCIAL STATEMENTS***Continued***FOR THE YEAR ENDED 30 SEPTEMBER 1998****3 Directors and employees (continued)**

Remuneration in respect of directors was as follows:

	1998	1997
	£	£
Emoluments	394,435	637,977
Pension contributions to money purchase pension schemes	178,576	24,903
	<u>573,011</u>	<u>662,880</u>
Compensation for loss of office	53,736	-
	<u>626,747</u>	<u>662,880</u>

During the year 2 directors (1997: 2 directors) participated in money purchase pension schemes.

The amounts set out above include remuneration in respect of the highest paid director as follows:

	1998	1997
	£	£
Emoluments	94,584	405,906
Pension contributions to money purchase pension schemes	159,088	14,495
	<u>253,672</u>	<u>420,401</u>

4 Tax on profit on ordinary activities

The taxation charge represents:

The group	1998	1997
	£	£
Corporation tax @ 21% (1997: 22.5%)	30,645	1,840
Deferred taxation	(4,600)	4,600
Adjustment in respect of prior year:		
Corporation tax	<u>35,078</u>	<u>9,282</u>
	<u>61,123</u>	<u>15,722</u>
The company		
Corporation tax @ 21% (1997: 22.5%)	967	4,986
Adjustment in respect of prior year	<u>5,446</u>	<u>(1,520)</u>
	<u>6,413</u>	<u>3,466</u>

FORDS PUBLICITY (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Continued

FOR THE YEAR ENDED 30 SEPTEMBER 1998

5 Dividends

	1998 £	1997 £
Ordinary shares - interim dividend of £nil per share paid June 1998 (1997: 65p)	-	408
'A' Ordinary shares - interim dividend of £nil per share paid June 1998 (1997: 65p)	-	11,773
Ordinary shares - proposed final dividend of £1.10 per share (1997: 35p)	691	220
'A' Ordinary shares - proposed final dividend of £1.10 per share (1997: 35p)	19,923	6,339
	<u>20,614</u>	<u>18,740</u>

6 Tangible fixed assets

The group	Fixtures fittings & equipment £	Motor vehicles £	Total £
Cost			
At 1 October 1997	362,673	280,206	642,879
Additions	27,291	149,327	176,618
Disposals	(3,268)	(124,699)	(127,967)
At 30 September 1998	<u>386,696</u>	<u>304,834</u>	<u>691,530</u>
Depreciation			
At 1 October 1997	65,286	93,463	158,749
Provided in the year	65,376	67,386	132,762
Eliminated on disposals	(340)	(61,050)	(61,390)
At 30 September 1998	<u>130,322</u>	<u>99,799</u>	<u>230,121</u>
Net book amount at 30 September 1998	<u>256,374</u>	<u>205,035</u>	<u>461,409</u>
<i>Net book amount at 30 September 1997</i>	<u>297,387</u>	<u>186,743</u>	<u>484,130</u>

FORDS PUBLICITY (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Continued

FOR THE YEAR ENDED 30 SEPTEMBER 1998

7 Fixed asset investments

	The group Investments other than loans £	The company Investments other than loans £	Shares in group undertakings £
Cost and net book amount At 30 September 1998 and 30 September 1997	<u>300</u>	<u>300</u>	<u>67,533</u>

Investments other than loans include:

The group and the company

Investment listed on a recognised stock exchange

1998 and 1997 £
<u>300</u>

At 30 September 1998 the group held more than 10% of the allotted share capital of the following companies, all of which are subsidiary undertakings:

	Class of share capital held	Proportion held by parent company	by the group	Nature of business
Fords Group Holdings (Bristol) Limited	Ordinary	100%	-	Holding company
Brennan Ford (Canada) Limited	Ordinary	-	100%	Dormant
Fords Design Group Limited	Ordinary	-	100%	Design/ Publicity

8 Stocks

	1998 £	The group 1997 £
Work in progress		
Cost	260,614	583,274
Less: Payments on account	<u>(50,687)</u>	<u>(214,976)</u>
	<u>209,927</u>	<u>368,298</u>

FORDS PUBLICITY (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Continued

FOR THE YEAR ENDED 30 SEPTEMBER 1998

9 Debtors

	1998	The group	1998	The company
	£	1997	£	1997
		£		£
Trade debtors	1,216,290	1,175,844	-	-
Amounts owed by group undertakings	-	-	27,874	27,874
Corporation tax	7,091	1,640	7,091	1,640
Other debtors	4,700	4,300	-	-
Prepayments and accrued income	60,269	40,172	39,373	31,050
	<u>1,288,350</u>	<u>1,221,956</u>	<u>74,338</u>	<u>60,564</u>

10 Creditors: amounts falling due within one year

	1998	The group	1998	The company
	£	1997	£	1997
		£		£
Payments received on account	460,644	425,289	-	-
Trade creditors	419,443	754,143	-	-
Amounts owed to group undertakings	-	-	565,323	443,101
Corporation tax	72,293	13,750	10,458	6,626
Social security and other taxes	102,144	76,402	17,676	21,083
Proposed dividend	20,614	6,559	20,614	6,559
Accruals and deferred income	903,172	1,724,011	105,308	233,673
	<u>1,978,310</u>	<u>3,000,154</u>	<u>719,379</u>	<u>711,042</u>

11 Deferred taxation

The group

Deferred taxation is provided for in full using a tax rate of 21%.

	1998	1997
	£	£
Accelerated capital allowances	11,000	10,400
Other timing differences	(11,000)	(5,800)
	<u>-</u>	<u>4,600</u>

FORDS PUBLICITY (BRISTOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Continued

FOR THE YEAR ENDED 30 SEPTEMBER 1998

12 Share capital

	1998	1997
	£	£
Authorised		
Ordinary shares of £1 each	1,000	1,000
'A' Ordinary shares of £1 each	29,500	29,500
	<u>30,500</u>	<u>30,500</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	628	628
'A' Ordinary shares of £1 each	18,112	18,112
	<u>18,740</u>	<u>18,740</u>

The two classes of shares rank pari passu in respect of entitlement to dividends and participation in surplus profits on a winding up.

Holders of ordinary shares have one vote for every share held. Holders of 'A' ordinary shares are not entitled to vote.

13 Share premium account and reserves

The group	Share premium account £	Capital redemption reserve £	Capital reserve £	Profit and loss account £
At 1 October 1997	2,506	12,049	41,109	902,095
Retained loss for the year	-	-	-	22,866
At 30 September 1998	<u>2,506</u>	<u>12,049</u>	<u>41,109</u>	<u>924,961</u>
The company		Share premium account £	Capital redemption reserve £	Profit and loss account £
At 1 October 1997		2,506	12,049	309,430
Retained profit for the year		-	-	(4,964)
At 30 September 1998		<u>2,506</u>	<u>12,049</u>	<u>304,466</u>

The capital reserve represents the excess value of the net assets over the cost of investment in the subsidiary undertakings and arises on consolidation.

FORDS PUBLICITY (BRISTOL) LIMITED**NOTES TO THE FINANCIAL STATEMENTS***Continued***FOR THE YEAR ENDED 30 SEPTEMBER 1998****14 Reconciliation of movements in shareholders' funds**

	1998	1997
	£	£
Profit for the financial year	43,480	64,968
Dividends	(20,614)	(18,740)
Net increase in shareholders' funds	22,866	46,228
Shareholders' funds at 1 October 1997	976,499	930,271
Shareholders' funds at 30 September 1998	999,365	976,499

15 Net cash inflow from operating activities

	1998	1997
	£	£
Operating profit	46,024	12,397
Depreciation	132,762	91,647
Loss on sale of tangible fixed assets	9,366	13,410
Decrease/(increase) in stocks	158,371	(102,614)
Increase in debtors	(60,943)	(469,221)
(Decrease)/increase in creditors	(1,094,441)	948,897
Net cash (outflow)/inflow from operating activities	(808,861)	494,516

16 Reconciliation of net cash flow to movement in net funds

	1998	1997
	£	£
Change in net funds resulting from cash flows and movement in net funds in the year	(888,880)	93,218
Net funds at 1 October 1997	1,906,569	1,813,351
Net funds at 30 September 1998	1,017,689	1,906,569

FORDS PUBLICITY (BRISTOL) LIMITED**NOTES TO THE FINANCIAL STATEMENTS***Continued***FOR THE YEAR ENDED 30 SEPTEMBER 1998****17 Analysis of changes in net funds**

	1997	Cash flow	1998
	£	£	£
Cash in hand and at bank	<u>1,906,569</u>	<u>(888,880)</u>	<u>1,017,689</u>

18 Capital commitments

Neither the group nor the company had any capital commitments at 30 September 1998 or 30 September 1997.

19 Contingent liabilities

There were no contingent liabilities at 30 September 1998 or 30 September 1997.

20 Pensions**Defined Contribution Schemes**

The group operates defined contribution schemes for the benefit of the directors and employees. The assets of the schemes are administered by trustees in funds independent from those of the group.

21 Leasing commitments**The group**

Operating lease payments amounting to £83,311 (1997: £88,337) are due within one year. The leases to which these amounts relate expire as follows:

	1998		1997	
	Land and buildings	Other	Land and buildings	Other
	£	£	£	£
In one year or less	-	2,018	-	-
Between one and five years	<u>75,688</u>	<u>5,605</u>	<u>75,688</u>	<u>12,649</u>
	<u>75,688</u>	<u>7,623</u>	<u>75,688</u>	<u>12,649</u>

22 Transactions with related parties

During the year the company sold a car to J McCrory, a director of Fords Design Group Limited who retired in the year, for £16,500. There was no balance outstanding at the year end.

23 Controlling related party

M J Law is the company's controlling related party by virtue of his shareholding.