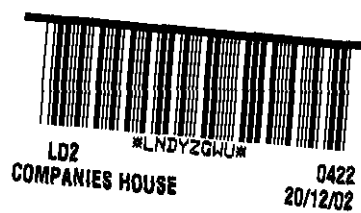


MERCHANT GROUP LIMITED

**Abbreviated financial statements
for the year ended 28th February 2002**

Registered no: 2104264



MERCHANT GROUP LIMITED

Abbreviated financial statements for the year ended 28th February 2002

Registered no: 2104264

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**Report of the independent auditors to the directors of
MERCHANT GROUP LIMITED
Under section 247B of the
Companies Act 1985**

We have examined the abbreviated financial statements on pages 2 to 6 together with the annual financial statements of Merchant Group Limited for the year ended 28th February 2002, prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246 of and Schedule 8A to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985 and whether the abbreviated financial statements are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the annual financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements are properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the annual financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985 and the abbreviated financial statements to be delivered are properly prepared in accordance with those provisions.

A large, stylized handwritten signature in black ink, which appears to read 'PricewaterhouseCoopers', is written over the printed name of the firm.

PricewaterhouseCoopers
Chartered Accountants & Registered Auditors

London
19 December 2002

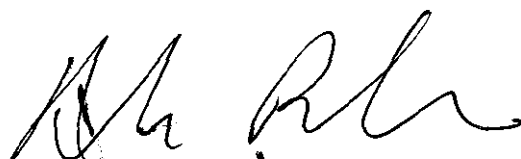
MERCHANT GROUP LIMITED
Abbreviated balance sheet at 28th February 2002

	Notes	2002 £	£	As restated 2001 £	£
Fixed assets					
Investments	3		5		5
Current assets					
Work in progress		100,661		30,118	
Debtors	4	976,395		990,014	
Cash at bank and in hand		210,625		309,572	
		-----		-----	
		1,287,681		1,329,704	
Creditors: amounts falling due within one year		(1,266,461)		(1,308,767)	
		-----		-----	
Net current assets			21,220		20,937
			-----		-----
Net assets			21,225		20,942
			=====		=====
Capital and reserves					
Called up share capital	5		2		2
Profit and loss account			21,223		20,940
			-----		-----
Equity shareholders' funds			21,225		20,942
			=====		=====

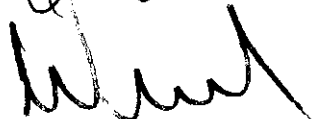
The abbreviated financial statements have been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

Approved by the board of directors on 17 December 2002 and signed on its behalf by:

Director



Director



MERCHANT GROUP LIMITED**Notes to the abbreviated financial statements
for the year ended 28th February 2002****1. Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Work in progress

Work in progress comprises expenditure rechargeable to clients and is stated at the lower of cost and net realisable value.

Fixed asset investments

Fixed asset investments are stated at cost. Shares held within trusts are written down to their recoverable amount, being the exercise price of options granted over them.

Deferred taxation

The implementation of FRS 19, Deferred Tax, requires a full rather than partial provision for deferred tax. Whilst this is a change in accounting policy for the company, no prior year adjustment to the deferred tax provision is required. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date and that result in an obligation to pay more tax in the future or right to pay less tax in the future. An asset is not recognised to the extent that the transfer of economic benefits in future is uncertain.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Pension costs

The company makes contributions to various defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents the contributions payable by the company to the funds.

MERCHANT GROUP LIMITED

Notes to the abbreviated financial statements for the year ended 28th February 2002 (cont'd)

1. Principal accounting policies (cont'd)

Group Accounts

In accordance with Section 248(1) of the Companies Act 1985, the company has not prepared consolidated financial statements for the group as the group is classified as a small group.

Change in accounting policy

The company has adopted UITF 32 – Employee benefit trust and other intermediate payments. As a result, money held in trust at each year end is included as cash at bank and in hand on the balance sheet of the company, and shares held in trust are included in investments. The net income and expenses of the trust are reflected in the company's profit and loss account.

A prior year adjustment arises on the implementation of UITF 32 – Employee benefit trust and other intermediate payment arrangements. UITF 32 requires the assets and liabilities held by a trust to be treated as if they were held by the company. Accordingly a prior year adjustment was required. In addition as a result of a constructive obligation for awards payable to staff and tax liabilities of the trust, an accrual was made for £309,385. The cash held by the Merchant Group Deferred Remuneration Scheme at 28 February 2001 was reinstated, increasing cash at bank and in hand by £309,385. In addition to the above, profit before tax in the preceding year has been increased by £4,683 being the trust interest receivable less amounts payable to the trust beneficiaries incurred in the year ended 28 February 2001.

On 30 January 2001 shares in Cantos Communications Limited were bought by monies paid into the Brunswick Group Employee Benefit Trust. A prior year adjustment was required to show this investment as if the shares were held by the company. Consequently fixed asset investments and opening shareholders funds were adjusted by £31,095 (see note 3). Following the issue of share options, the shares were written down to their recoverable amount being the exercise price of the options granted (see note 3).

2. Directors' interests in contracts

Merchant Group Limited has business dealings with certain companies, in which the directors of the company have interests as follows:

A Parker, L E Charlton and J A Fenwick are directors of and have beneficial interests in the shares of Brunswick Group Limited and Trinity Management Communications Limited. A Parker and J A Fenwick are directors of and have beneficial interests in the shares of Brunswick Group Services Limited. L E Charlton has beneficial interests in the shares of Brunswick Group Services Limited. A Parker is a director of and has beneficial interests in the shares of Cantos Communications Limited.

MERCHANT GROUP LIMITED

Notes to the abbreviated financial statements for the year ended 28th February 2002 (cont'd)

2. Directors' interests in contracts (cont'd)

J A Fenwick and L E Charlton have beneficial interests in the shares of Cantos Communications Limited. A Parker and J A Fenwick are directors of and A Parker has beneficial interests in the shares of The Lincoln Centre Limited.

During the year the value of transactions with the above companies was as follows:

	Purchases from £	Sales to £
Brunswick Group Limited	240,669	141,677
Brunswick Group Services Limited	102,187	-
Trinity Management Communications Limited	-	4,820
Cantos Communications Limited	-	28,105
The Lincoln Centre Limited	-	1,277

All transactions with the above companies were carried out in the ordinary course of business on normal commercial terms.

At 28th February 2002 £2,116 was due from Brunswick Group Limited and £3,883 from Cantos Communications Limited.

3. Fixed asset investments

	Shares held by EBT £	Subsidiary companies £	Total £
Cost:			
At 1 March 2001 as restated (see note 1)	31,095	4	31,099
Additions	-	-	-
	=====	=====	=====
At 28 February 2002	31,095	4	31,099
	=====	=====	=====
Provision against cost:			
At 1 March 2001 as restated (see note 1)	31,094	-	31,094
Charge for the year	-	-	-
	=====	=====	=====
At 28 February 2002	31,094	-	31,094
	=====	=====	=====

MERCHANT GROUP LIMITED

Notes to the abbreviated financial statements for the year ended 28th February 2002 (cont'd)

3. Fixed asset investments (cont'd)

	Shares held by EBT £	Subsidiary companies £	Total £
Net book value:			
At 28 February 2002	1	4	5
	=====	=====	=====
At 28 February 2001	1	4	5
	=====	=====	=====

Merchant Group Limited holds 100% of the issued share capital of Merchant Corporate Design Limited and Publitzing Limited. Both companies are incorporated in England and Wales and have a share capital of 2 £1 shares and reserves of £2. Neither company has traded since its incorporation.

The shares held are in Cantos Communications Limited and amount to 0.09% of that company's ordinary share capital and 0.5% of the preference share capital at 28th February 2002.

4. Debtors

All debtors are due within one year.

5. Called up share capital

	Ordinary shares of £1 each	
	2002	2001
Authorised:		
Value	£1,000	£1,000
	=====	=====
Number	1,000	1,000
	=====	=====
Allotted, called up and fully paid:		
Value	£2	£2
	=====	=====
Number	2	2
	=====	=====

6. Ultimate parent company

The ultimate parent company is Wynnstay Covers Limited, a company registered in England and Wales.