

LANGLAND ADVERTISING DESIGN & MARKETING LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006

Company Registration No. 2633451 (England and Wales)

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LANGLAND ADVERTISING DESIGN & MARKETING LIMITED

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LANGLAND ADVERTISING DESIGN & MARKETING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2006

The directors present their report and financial statements for the year ended 30 September 2006.

Principal activities

The principal activity of the company is that of a full service advertising agency specialising in the healthcare sector.

The company has enjoyed another successful year of trading with a 24% increase in gross income and Langland is now working in partnership with fourteen of the world's top twenty pharmaceutical companies.

The Directors remain committed to carefully sustained growth, achieved through offering the very highest levels of creativity and service to all our clients.

There have been no events since the balance sheet date which materially affect the position of the Company.

Directors

The following directors have held office since 1 October 2005:

P. Chin

J. Chin

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	30 September 2006	1 October 2005
P. Chin	-	50
J. Chin	-	50

	Ordinary shares of 10p each	
	30 September 2006	1 October 2005
P. Chin	500	-
J. Chin	500	-

In the year a resolution was passed to subdivide the authorised share capital of 1,000 Ordinary shares of £1 each in to 10,000 shares of 10p each.

Charitable donations	2006	2005
	£	£
During the year the company made the following payments:		
Charitable donations	55,831	57,746

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Nunn Hayward be reappointed as auditors of the company will be put to the Annual General Meeting.

LANGLAND ADVERTISING DESIGN & MARKETING LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2006

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 of the profit or loss of the company 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 which 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.

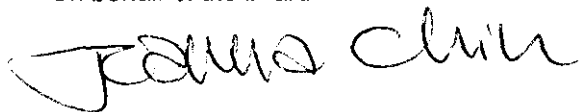
Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



J. Chin

Director

5 January 2007

LANGLAND ADVERTISING DESIGN & MARKETING LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF LANGLAND ADVERTISING DESIGN & MARKETING LIMITED

We have audited the financial statements of Langland Advertising Design & Marketing Limited for the year ended 30 September 2006 set out on pages 5 to 14. 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 the directors and auditors

As described in the Statement of Directors' Responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, and whether in our opinion the information given in the directors' report is consistent with the financial statements. We also 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.

LANGLAND ADVERTISING DESIGN & MARKETING LIMITED

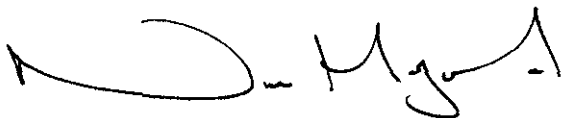
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF LANGLAND ADVERTISING DESIGN & MARKETING LIMITED

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 30 September 2006 and of its profit for the year then ended and 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.



Nunn Hayward

29 JANUARY 2007

Chartered Accountants
Registered Auditor

Sterling House
20 Station Road
Gerrards Cross
Bucks
SL9 8EL

LANGLAND ADVERTISING DESIGN & MARKETING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2006

	Notes	2006 £	2005 £
Turnover	2	6,915,151	5,411,343
Cost of sales		(2,474,786)	(1,836,948)
Gross profit		4,440,365	3,574,395
Administrative expenses		(2,939,115)	(2,530,362)
Operating profit	3	1,501,250	1,044,033
Other interest receivable and similar income	4	55,033	47,861
Profit on ordinary activities before taxation		1,556,283	1,091,894
Tax on profit on ordinary activities	5	(473,530)	(347,280)
Profit for the year	12	1,082,753	744,614

The profit and loss account has been prepared on the basis that all operations are continuing operations.

LANGLAND ADVERTISING DESIGN & MARKETING LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 30 SEPTEMBER 2006

	Notes	2006 £	2005 £
Profit for the financial year		1,082,753	744,614
Prior year adjustment	13	-	68,747
		<hr/>	<hr/>
Total gains and losses recognised since last financial statements		<u>1,082,753</u>	<u>813,361</u>

LANGLAND ADVERTISING DESIGN & MARKETING LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Tangible assets	7		454,573		412,660
Current assets					
Stocks		154,092		88,333	
Debtors	8	2,528,830		2,094,380	
Cash at bank and in hand		1,647,380		982,097	
		<u>4,330,302</u>		<u>3,164,810</u>	
Creditors: amounts falling due within one year	9	<u>(1,665,921)</u>		<u>(1,241,269)</u>	
Net current assets			<u>2,664,381</u>		<u>1,923,541</u>
Total assets less current liabilities			<u><u>3,118,954</u></u>		<u><u>2,336,201</u></u>
Capital and reserves					
Called up share capital	11		100		100
Profit and loss account	12		<u>3,118,354</u>		<u>2,336,101</u>
Shareholders' funds	13		<u><u>3,118,954</u></u>		<u><u>2,336,201</u></u>

These 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 and authorised for issue on 5 January 2007



P. Chin
Director



J. Chin
Director

LANGLAND ADVERTISING DESIGN & MARKETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services provided to clients, net of VAT.

Revenue from turnover is recognised as contract activity progresses to reflect the full or partial performance of the contractual obligations.

The above amounted to a change in accounting policy in the year ended 30 September 2005 and resulted in a prior year adjustment as shown in the comparative figures for the Statement of Recognised Gains and Losses. The previous policy was to account for sales on an invoice basis. The revised policy is consistent with the requirements of Financial Reporting Standard 5 as clarified by the further guidance offered in UITF 40.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Short leasehold improvements	over the length of the lease
Office equipment	33.3% straight line
Office furniture and fixtures	33.3% / 25% straight line
Motor vehicles	25% straight line

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock and work in progress

Work in progress representing goods and services bought in is accounted for at the lower of cost and net realisable value.

1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.7 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

LANGLAND ADVERTISING DESIGN & MARKETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2006

2 Turnover

In the year to 30 September 2006 12.38% (2005 - 9.83%) of the company's turnover was to markets outside the United Kingdom.

3 Operating profit	2006 £	2005 £
Operating profit is stated after charging:		
Depreciation of tangible assets	153,571	135,755
Loss on foreign exchange transactions	3,619	-
Operating lease rentals	138,529	114,184
Auditors' remuneration	13,443	5,450
Directors' emoluments	207,750	196,000
and after crediting:		
Profit on disposal of tangible assets	(22,890)	(8,704)
Profit on foreign exchange transactions	-	(960)

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2005 - 2).

4 Investment income	2006 £	2005 £
Bank interest	54,038	47,861
Other interest	995	-
	<u>55,033</u>	<u>47,861</u>

LANGLAND ADVERTISING DESIGN & MARKETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2006

5	Taxation	2006 £	2005 £
	Domestic current year tax		
	U.K. corporation tax	494,206	347,268
	Adjustment for prior years	(20,676)	12
		<hr/>	<hr/>
	Current tax charge	473,530	347,280
		<hr/>	<hr/>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	1,556,283	1,091,894
		<hr/>	<hr/>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005 - 30.00%)	466,885	327,568
		<hr/>	<hr/>
	Effects of:		
	Non deductible expenses	16,671	18,512
	Depreciation add back	39,204	38,115
	Capital allowances	(28,554)	(28,301)
	Adjustments to previous periods	(20,676)	12
	Other tax adjustments	-	(8,626)
		<hr/>	<hr/>
		6,645	19,712
		<hr/>	<hr/>
	Current tax charge	473,530	347,280
		<hr/>	<hr/>
6	Dividends	2006 £	2005 £
	Ordinary interim paid	300,000	200,000
		<hr/>	<hr/>

LANGLAND ADVERTISING DESIGN & MARKETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2006

7 Tangible fixed assets

	Short leasehold improvements	Office Equipment	Office furniture and fixtures	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 October 2005	334,497	215,153	161,065	234,118	944,833
Additions	29,099	19,023	21,713	125,650	195,485
Disposals	-	(1,199)	(9,374)	(83,514)	(94,087)
At 30 September 2006	363,596	232,977	173,404	276,254	1,046,231
Depreciation					
At 1 October 2005	135,824	172,105	103,801	120,443	532,173
On disposals	-	(1,199)	(9,374)	(83,514)	(94,087)
Charge for the year	41,411	30,315	18,913	62,933	153,572
At 30 September 2006	177,235	201,221	113,340	99,862	591,658
Net book value					
At 30 September 2006	186,361	31,756	60,064	176,392	454,573
At 30 September 2005	198,673	43,048	57,264	113,675	412,660

8 Debtors

	2006	2005
	£	£
Trade debtors	2,485,900	2,055,402
Other debtors	8,685	8,823
Prepayments and accrued income	34,245	30,155
	2,528,830	2,094,380

Trade debtors include £433,299 (2005: £528,482) relating to amounts recoverable on uninvoiced work at the balance sheet date in line with accounting policy 1.2 relating to revenue recognition.

LANGLAND ADVERTISING DESIGN & MARKETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2006

9	Creditors: amounts falling due within one year	2006 £	2005 £
	Trade creditors	331,392	343,200
	Corporation tax	527,685	380,747
	Other taxes and social security costs	306,933	205,256
	Other creditors	63,204	45,111
	Accruals and deferred income	436,707	266,955
		<u>1,665,921</u>	<u>1,241,269</u>

10 Pension costs

Defined contribution

	2006 £	2005 £
Contributions payable by the company for the year	<u>139,095</u>	<u>124,173</u>

11 Share capital

	2006 £	2005 £
Authorised		
1,000 Ordinary shares of £1 each	-	1,000
10,000 Ordinary shares of 10p each	<u>1,000</u>	<u>-</u>
	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	-	100
1,000 Ordinary shares of 10p each	<u>100</u>	<u>-</u>

During the year a resolution was passed to subdivide the authorised share capital of 1,000 Ordinary shares of £1 each in to 10,000 shares of 10p each.

Also during the year the company has adopted an employee share option scheme and has granted options under the terms thereof. Options remain outstanding as at 30 September 2006 in respect of 52 ordinary 10p shares in the capital of the company at a price of £1,500 per share. The options are exercisable i) at any time from and including the date of grant (26 July 2006) in respect of 26 shares; and ii) at any time from the satisfaction of performance criteria for the year ended 30 September 2007 in respect of the remaining 26 shares.

LANGLAND ADVERTISING DESIGN & MARKETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2006

12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 October 2005	2,336,101
Profit for the year	1,082,753
Dividends paid	(300,000)
Balance at 30 September 2006	<u>3,118,854</u>

13 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Profit for the financial year	1,082,753	744,614
Dividends	(300,000)	(200,000)
Net addition to shareholders' funds	<u>782,753</u>	<u>544,614</u>
Opening shareholders' funds	2,336,201	1,791,587
Closing shareholders' funds	<u>3,118,954</u>	<u>2,336,201</u>

Opening shareholders' funds for the year ended 30 September 2005 were originally £1,722,840 before adding prior year adjustments of £68,747.

The prior year adjustment occurs as a result of the change in accounting policy in 2005 as described at accounting policy 1.2.

The change of accounting policy in 2005 has no effect on the current year results, but for the year ended 30 September 2005, turnover was increased by £255,470, trade debtors by £528,482 and work in progress reduced by £300,318. The net effect on the profit before taxation in 2005 was an increase of £125,937 which resulted in an increase in the tax liability of £41,244.

LANGLAND ADVERTISING DESIGN & MARKETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2006

14 Financial commitments

At 30 September 2006 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 September 2007:

	Land and buildings	
	2006	2005
	£	£
Operating leases which expire:		
Between two and five years	136,678	21,678
In over five years	-	115,000
	<u>136,678</u>	<u>136,678</u>

15 Control

The ultimate controlling party is Mr and Mrs Chin, who own 100% of the issued share capital and are the directors of the company.