

LANGLAND ADVERTISING DESIGN & MARKETING LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2005

Company Registration No. 2633451



JOHN R NORMAN & CO
CHARTERED CERTIFIED ACCOUNTANTS



LANGLAND ADVERTISING DESIGN & MARKETING LIMITED

COMPANY INFORMATION

Directors

P. Chin
J. Chin

Secretary

J. Chin

Company number

2633451

Registered office

61 Thames Street
Windsor
Berkshire
SL4 1QW

Auditors

John R. Norman & Co.
Chartered Certified Accountants
Pinner
Middlesex
HA5 3NN

LANGLAND ADVERTISING DESIGN & MARKETING LIMITED

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LANGLAND ADVERTISING DESIGN & MARKETING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2005

The directors present their report and financial statements for the year ended 30 September 2005.

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 26% increase in gross profit and Langland is now working in partnership with seven of the world's top ten 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 2004:

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 2005	1 October 2004
P. Chin	50	50
J. Chin	50	50

Charitable donations	2005	2004
	£	£

During the year the company made or committed to the following payments:

Charitable donations	57,746	17,925
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Auditors

John R. Norman & Co. were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

LANGLAND ADVERTISING DESIGN & MARKETING LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2005

Directors' responsibilities

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 to 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.

Small company exemptions

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

28 November 2005

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 on pages 4 to 11 for the year ended 30 September 2005. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company 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 United Kingdom 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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



John R. Norman & Co.
Chartered Certified Accountants
Registered Auditors
Pinner, Middlesex.

13 DECEMBER 2005

LANGLAND ADVERTISING DESIGN & MARKETING LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2005

		2005	2004
		£	as restated £
	Notes		
Turnover		5,411,343	4,033,308
Cost of sales		(1,836,948)	(1,199,091)
Gross profit		3,574,395	2,834,217
Administrative expenses		(2,530,362)	(2,224,676)
Operating profit	2	1,044,033	609,541
Other interest receivable and similar income		47,861	33,257
Profit on ordinary activities before taxation		1,091,894	642,798
Tax on profit on ordinary activities	3	(347,280)	(195,793)
Profit on ordinary activities after taxation		744,614	447,005
Dividends	4	(200,000)	(200,000)
Retained profit for the year	11	544,614	247,005

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 2005**

		2005	2004
	Notes	£	as restated £
Profit for the financial year		744,614	447,005
Prior year adjustment	12	68,747	-
Total gains and losses recognised since last financial statements		<u>813,361</u>	<u>447,005</u>

LANGLAND ADVERTISING DESIGN & MARKETING LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 2005

		2005		2004 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	5		412,660		393,359
Current assets					
Stocks	6	88,333		61,537	
Debtors	7	2,094,380		1,355,400	
Cash at bank and in hand		982,097		740,312	
		<u>3,164,810</u>		<u>2,157,249</u>	
Creditors: amounts falling due within one year	8	<u>(1,241,269)</u>		<u>(759,021)</u>	
Net current assets			<u>1,923,541</u>		<u>1,398,228</u>
Total assets less current liabilities			<u>2,336,201</u>		<u>1,791,587</u>
Capital and reserves					
Called up share capital	10		100		100
Profit and loss account	11		<u>2,336,101</u>		<u>1,791,487</u>
Shareholders' funds - equity interests	12		<u>2,336,201</u>		<u>1,791,587</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.

The financial statements were approved by the Board on 28 November 2005

P. Chin
Director

J. Chin
Director

LANGLAND ADVERTISING DESIGN & MARKETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2005

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 amounts to a change in accounting policy and has resulted in a prior year adjustment as detailed in note 12. 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 pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

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 2005

2	Operating profit	2005	2004
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	135,755	139,931
	Loss on disposal of tangible assets	-	256
	Loss on foreign exchange transactions	-	865
	Operating lease rentals	114,184	92,000
	Auditors' remuneration	5,450	4,200
	Directors' emoluments	196,000	196,008
	and after crediting:		
	Profit on disposal of tangible assets	(8,704)	-
	Profit on foreign exchange transactions	(960)	-
		<u></u>	<u></u>
3	Taxation	2005	2004
		£	as restated £
	Domestic current year tax		
	U.K. corporation tax	347,268	195,814
	Adjustment for prior years	12	(21)
		<u></u>	<u></u>
	Current tax charge	347,280	195,793
		<u></u>	<u></u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	1,091,894	642,798
		<u></u>	<u></u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2004: 30.00%)	327,568	192,839
		<u></u>	<u></u>
	Effects of:		
	Non deductible expenses	18,512	11,954
	Depreciation add back	38,115	42,045
	Capital allowances	(28,301)	(35,286)
	Adjustments to previous periods	12	(21)
	Other tax adjustments	(8,626)	(15,738)
		<u></u>	<u></u>
		19,712	2,954
		<u></u>	<u></u>
	Current tax charge	347,280	195,793
		<u></u>	<u></u>
4	Dividends	2005	2004
		£	£
	Ordinary final dividend paid	200,000	200,000
		<u></u>	<u></u>

LANGLAND ADVERTISING DESIGN & MARKETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2005

5 Tangible fixed assets

	Short leasehold improvements	Office Equipment	Office furniture and fixtures	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 October 2004	309,472	213,016	104,836	225,421	852,745
Additions	25,025	19,562	56,229	58,037	158,853
Disposals	-	(17,425)	-	(49,340)	(66,765)
At 30 September 2005	334,497	215,153	161,065	234,118	944,833
Depreciation					
At 1 October 2004	102,792	156,837	81,977	117,781	459,387
On disposals	-	(16,586)	-	(46,383)	(62,969)
Charge for the year	33,032	31,854	21,824	49,045	135,755
At 30 September 2005	135,824	172,105	103,801	120,443	532,173
Net book value					
At 30 September 2005	198,673	43,048	57,264	113,675	412,660
At 30 September 2004	206,681	56,179	22,858	107,641	393,359

6 Stocks and work in progress

	2005	2004 as restated
	£	£
Bought in goods and services	88,333	61,537

7 Debtors

	2005	2004 as restated
	£	£
Trade debtors	2,055,402	1,318,911
Other debtors	8,823	6,622
Prepayments and accrued income	30,155	29,867
	2,094,380	1,355,400

Trade debtors include £528,482 (2004: £272,012) 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 2005

8	Creditors: amounts falling due within one year	2005 £	2004 as restated £
	Trade creditors	343,200	117,193
	Corporation tax	380,747	195,814
	Other taxes and social security costs	205,256	217,676
	Other creditors	45,111	57,674
	Accruals and deferred income	266,955	170,664
		<u>1,241,269</u>	<u>759,021</u>

9 Pension costs

Defined contribution

	2005 £	2004 £
Contributions payable by the company for the year	<u>124,173</u>	<u>109,534</u>

10 Share capital

Authorised

	2005 £	2004 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid

	2005 £	2004 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 October 2004 as previously reported	1,722,740
Prior year adjustment - note 12	<u>68,747</u>
Balance at 1 October 2004 as restated	1,791,487
Retained profit for the year	<u>544,614</u>
Balance at 30 September 2005	<u>2,336,101</u>

LANGLAND ADVERTISING DESIGN & MARKETING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2005

12 Reconciliation of movements in shareholders' funds	2005	2004 as restated
	£	£
Profit for the financial year	744,614	447,005
Dividends	(200,000)	(200,000)
Net addition to shareholders' funds	544,614	247,005
Opening shareholders' funds	1,791,587	1,544,582
Closing shareholders' funds	2,336,201	1,791,587

Opening shareholders' funds 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 as described on page 7, accounting policy 1.2.

The effect on the Financial Statements as a result of the change has been to increase turnover by £255,470 (2004: £273,012), trade debtors by £528,482 (2004: £273,012) and reduce work in progress by £300,318 (2004: £170,786). The net effect on profit before taxation in the year is an increase of £125,937 (2004: £102,227) which results in an increase in the tax liability of £41,244 (2004: £33,479).

13 Financial commitments

At 30 September 2005 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2005	2004
	£	£
Expiry date:		
Between two and five years	21,678	-
In over five years	115,000	115,000
	136,678	115,000

14 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.