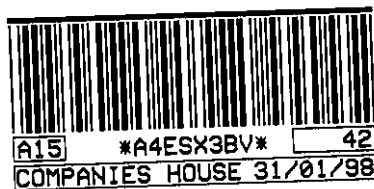


**METROBUS ADVERTISING LIMITED**  
**DIRECTORS' REPORT AND ACCOUNTS**  
**31 DECEMBER 1996**  
**REGISTERED NO: 2754342**



## **METROBUS ADVERTISING LIMITED**

### **DIRECTORS' REPORT**

The directors present their report and the accounts for the year to 31 December 1996.

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The company did not trade during the year.

### **CHANGE OF OWNERSHIP**

On 24 January 1997 the company's immediate parent company was acquired by TDI Advertising Limited.

### **DIRECTORS**

The directors who held office during and immediately after the period were:

J Male	(appointed 24 January 1997)
W A Applebaum	(appointed 24 January 1997)
T Dyer	(resigned 24 January 1997)
J Smallwood	(resigned 24 January 1997)
P M Cosgrove	(resigned 24 January 1997)

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are required by the Companies Act 1985 to prepare financial statements for each accounting period which give a true and fair view of the state of affairs of the company as at the end of the financial period and the profit or loss for the financial period.

The directors consider that in preparing the financial statements on pages 4 to 9 the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

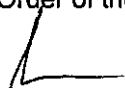
## **METROBUS ADVERTISING LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

#### **AUDITORS**

A resolution concerning the appointment of Coopers & Lybrand is to be proposed at the Annual General Meeting.

By Order of the Board



J F Swainson  
Secretary  
19 January 1998

*Price Waterhouse*



## **AUDITORS' REPORT TO THE MEMBERS OF METROBUS ADVERTISING LIMITED**

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

### **Respective responsibilities of directors and auditors**

As described on page 1 the 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 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 31 December 1996 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse  
Chartered Accountants  
and Registered Auditors

19 January 1998

**METROBUS ADVERTISING LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 1996**

	<u>1996</u> £	<u>1995</u> £
<b>TURNOVER</b> (Note 1)	-	1,900,473
Cost of Sales	<u>-</u>	<u>(1,588,166)</u>
<b>GROSS PROFIT</b>	-	312,307
Administration expenses	<u>-</u>	<u>(339,434)</u>
<b>OPERATING LOSS</b>	-	(27,127)
Profit on sale of trade	-	300,000
Interest payable (Note 3)	<u>-</u>	<u>(7,153)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> (Note 2)	-	265,720
Tax on profit/(loss) on ordinary activities (Note 5)	<u>-</u>	<u>-</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<u>-</u>	<u>265,720</u>

From 1 October 1995 all operations were transferred to the parent undertaking and hence discontinued within the company.

The notes on pages 6 to 9 form part of these accounts.

# METROBUS ADVERTISING LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 1996

	<u>1996</u> £	<u>1995</u> £
<b>FIXED ASSETS</b>		
Investments (Note 6)	<u>2</u>	<u>2</u>
	2	2
<b>CURRENT ASSETS</b>		
Debtors (Note 7)	18,659	427,778
Cash at bank and in hand	<u>-</u>	<u>7,903</u>
	18,659	435,681
<b>CREDITORS - Amounts falling due within one year (Note 8)</b>	<u>-</u>	<u>(417,022)</u>
<b>NET CURRENT ASSETS</b>	<u>18,659</u>	<u>18,659</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u>18,661</u>	<u>18,661</u>
<b>CAPITAL AND RESERVES</b>		
Called up share capital (Note 9)	19,719	19,719
Share premium account (Note 10)	52,736	52,736
Profit and loss account (Note 10)	183,057	183,057
Goodwill reserve (Note 10)	<u>(236,851)</u>	<u>(236,851)</u>
<b>SHAREHOLDERS' FUNDS</b>	<u>18,661</u>	<u>18,661</u>
APPROVED BY THE BOARD ON 19 January 1998		

J M Male

DIRECTOR

The notes on pages 6 to 9 form part of these accounts.

## **METROBUS ADVERTISING LIMITED**

### **NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 1996**

#### **1 ACCOUNTING POLICIES**

##### **Basis of accounting**

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

##### **Turnover**

Turnover represents the sale of goods and services to third parties. All sales are stated net of Value Added Tax. All turnover has arisen in the UK from the sale of bus advertising.

##### **Depreciation**

Depreciation is calculated in order to write off the cost of tangible assets over their estimated useful lives.

The estimated useful lives of such assets are as follows:

Leasehold property improvements	6-7 years
Office equipment	4 years
Fixtures and fittings	6-7 years

##### **Taxation**

Corporation tax is provided on the assessable profits of the company at the appropriate rates in force. Taxation deferred or accelerated by the effect of timing differences is accounted for, at anticipated rates, only to the extent that is probable that a liability or asset will crystallise.

##### **Accounting for advertising contracts**

Licence rental costs are charged to the profit and loss account over the period of the agreement. Income and other direct expenditure relating to advertising contracts is recognised evenly over the period of the contracts, which are up to 24 months duration.

##### **Goodwill**

Consideration paid for contract to advertise on bus fleets and forward order book is written off immediately on acquisition to the goodwill reserve.

# METROBUS ADVERTISING LIMITED

## NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 1996 (CONTINUED)

### 2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging

	<u>1996</u>	<u>1995</u>
	£	£
Staff costs:		
Wages and salaries	-	255,585
Social security costs	-	23,384
Depreciation	-	17,213
Operating lease rental	-	46,415
Auditors' remuneration	-	3,500
- audit services	-	
- non audit services	-	500

### 3 INTEREST PAYABLE

	<u>1996</u>	<u>1995</u>
	£	£
Interest payable on bank loans and overdrafts repayable within 5 years	-	7,153

### 4 DIRECTORS' EMOLUMENTS

	<u>1996</u>	<u>1995</u>
	£	£
Emoluments	-	44,439

The emoluments of the chairman amounted to £Nil (1995-£4,565) and of the highest paid director £Nil (1995-£34,201). Emoluments of all directors were in the following ranges:

	<u>1996</u>	<u>1995</u>
	Number	Number
£Nil - £5,000	3	3
£5,001 - £10,000	-	1
£30,001 - £35,000	-	1

### 5 TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1996</u>	<u>1995</u>
Corporation tax recoverable at 33%	-	-

No deferred tax asset is recognised in the accounts.



# METROBUS ADVERTISING LIMITED

## NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 1996 (CONTINUED)

### 6 INVESTMENTS

	<u>1996</u>	<u>1995</u>
	£	£
Shares in subsidiary undertaking at cost	2	2
	=	=

The company owns 100% of the share capital of TDI (FB) Limited (formerly Buspak FB Limited), a company registered in England and Wales. The principal activity of the company is bus advertising.

### 7 DEBTORS

	<u>1996</u>	<u>1995</u>
	£	£
Trade debtors	-	14,597
Amounts owed by group undertakings	18,659	370,131
Other debtors	-	4,844
Prepayments	-	-
Corporation tax recoverable	-	19,268
Other taxation and social security	-	<u>18,938</u>
	<u>18,659</u>	<u>427,778</u>
	=====	=====

### 8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1996</u>	<u>1995</u>
	£	£
Bank loans and overdrafts (secured)	-	146,241
Trade creditors	-	90,228
Amounts owed to group undertakings	-	153,288
Accruals and deferred income	-	<u>27,265</u>
	-	<u>417,022</u>
	=====	=====

### 9 CALLED UP SHARE CAPITAL

	<u>1996</u>	<u>1995</u>
	£	£
<b>Authorised:</b>		
30,000 ordinary shares of £1 each	30,000	30,000
	=====	=====
<b>Allocated and fully paid:</b>		
19,719 ordinary shares of £1 each	19,719	19,719
	=====	=====

# **METROBUS ADVERTISING LIMITED**

## **NOTES TO THE ACCOUNTS - YEAR ENDED 31 DECEMBER 1996 (CONTINUED)**

### **10 RESERVES**

	Goodwill <u>reserve</u> £	Share premium <u>account</u> £	Profit and <u>loss account</u> £
At 31 December 1996 and 1995	(236,851)	52,736	183,057
	=====	=====	=====

### **11 SHAREHOLDER STRUCTURE**

At 31 December 1996, the company was a subsidiary of Independent Newspapers Holdings Limited and its ultimate parent undertaking was Independent Newspapers plc registered in the Republic of Ireland.

From 24 January 1997 the company became a subsidiary of TDI Limited, a company registered in England and Wales. The ultimate parent undertaking is CBS Corporation of the USA, a company listed on the New York Stock Exchange.