

BSMG WORLDWIDE (EUROPE) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2005

Registered number: 3981620



BSMG WORLDWIDE (EUROPE) LIMITED

Director's report for the year ended 31 December 2005

The directors present their report and the audited financial statements of the company for the year ended 31 December 2005.

Principal activities

The company's principal activity during the year was that of a holding company.

Review of business and future developments

The company will continue to fulfil its current role as a non-trading holding company.

Results and dividends

The company's loss for the financial year amounted to £1,043 (2004: £8,500,789). No dividends were declared or paid during the year (2004: nil).

Directors and their interests

The directors who held office during the year are given below:

K Greene

P Perry

L Joy

T Sutton (appointed 14 February 2005)

Neither of the directors have discloseable interests in this company, in the immediate parent company or in its ultimate holding company under the Companies Act 1985 schedule 7:2A.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently with the exception of the changes arising on the adoption of new accounting standards in the year as explained on page 7 under Note 1 'Accounting policies'. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2005 and that applicable United Kingdom accounting standards have been followed.

BSMG WORLDWIDE (EUROPE) LIMITED

Director's report for the year ended 31 December 2005 (*continued*)

Statement of directors' responsibilities (*continued*)

The directors are responsible for keeping proper accounting records that 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.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board



K Greene
Director

6 October 2006

Independent auditors' report to the members of BSMG Worldwide (Europe) Limited

We have audited the financial statements of BSMG Worldwide (Europe) Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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.

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 31 December 2005 and of its loss for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered
Auditors
10 Bricket Road
St Albans AL1 3JX

9 October 2006

BSMG WORLDWIDE (EUROPE) LIMITED

Profit and loss account for the year ended 31 December 2005

	Note	2005 £'000	2004 £'000
Operating costs		(1)	(8,488)
Operating loss	4	(1)	(8,488)
Interest payable and similar charges	5	-	(17)
Loss on ordinary activities before taxation		(1)	(8,505)
Tax on loss on ordinary activities	6	-	4
Retained loss for the financial year		(1)	(8,501)

All amounts relate to continuing activities.

There are no material differences between the loss on ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalents.

There are no recognised gains or losses other than those included in the profit and loss account above.

BSMG WORLDWIDE (EUROPE) LIMITED

Balance Sheet as at 31 December 2005

	Note	2005 £'000	2004 £'000
Fixed assets			
Investments	7	1,868	1,868
Current assets			
Debtors	8	113	458
		113	458
Creditors – Amounts falling due within one year	9	(13,984)	(14,328)
Net current liabilities		(13,871)	(13,870)
Total assets less current liabilities		(12,003)	(12,002)
Capital and reserves			
Called up share capital	10	2,554	2,554
Share premium account	11	7,663	7,663
Profit and loss reserve	11	(22,220)	(22,219)
Total shareholders' deficit	12	(12,003)	(12,002)

The financial statements on pages 4 to 11 were approved by the board of directors on 6 October 2006 and were signed on its behalf by:



K Greene
Director

BSMG WORLDWIDE (EUROPE) LIMITED

Notes to the financial statements for the year ended 31 December 2005

1 Accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable United Kingdom accounting standards. The principal accounting policies are set out below.

(a) Parent support

It is the current intention of the ultimate parent undertaking, The Interpublic Group of Companies Inc, to continue to finance the company to enable it to meet its liabilities as they fall due. The directors believe that it is therefore appropriate to prepare the accounts on a going concern basis.

(b) Investments

Fixed asset investments are shown at cost less provision for impairment.

(c) Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

(d) Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates and laws 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 substantively enacted by the balance sheet date. Deferred tax assets and liabilities recognised have not been discounted.

BSMG WORLDWIDE (EUROPE) LIMITED

Notes to the financial statements for the year ended 31 December 2005 (*continued*)

1 Accounting policies (*continued*)

(e) Changes in accounting policies

The company has adopted FRS 21, 'Events after the balance sheet date', FRS 25, 'Financial instruments: disclosure and presentation' and FRS 28, 'Corresponding amounts' in these financial statements. The adoption of these standards represents a change in accounting policy but does not affect the results for the current period or require restatement of the comparatives.

2 Consolidated financial statements

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by section 228 of the Companies Act 1985.

3 Cash flow statement and related party disclosures

The company is a wholly-owned subsidiary of The Interpublic Group of Companies Inc, incorporated in the USA, and is included in the consolidated financial statements of The Interpublic Group of Companies Inc which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1. The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of The Interpublic Group of Companies Inc or investees of The Interpublic Group of Companies Inc.

4 Operating loss

	2005 £'000	2004 £'000
Operating loss is stated after charging		
Exceptional charge on impairment of fixed asset investment	-	8,488
	-	8,488

Audit fees were borne by another group company in 2004 and 2005.

BSMG WORLDWIDE (EUROPE) LIMITED

Notes to the financial statements for the year ended 31 December 2005 (*continued*)

5 Interest payable and similar charges

	2005 £'000	2004 £'000
Loan and loan notes	-	17
	-	17

6 Taxation

	2005 £'000	2004 £'000
Tax credit		
Current tax credit	-	4
Loss on ordinary activities before taxation	1	8,505
Tax credit at 30% of loss on ordinary activities	1	2,552
Non deductible expenditure	-	(2,547)
Group relief	(1)	-
Prior year under provision	-	(1)
	-	4

7 Fixed asset investments

	2005 £'000
Cost	
As at 1 January 2005 and 31 December 2005	22,209
Provision for impairment	
As at 1 January 2005 and 31 December 2005	20,341
Net book value as at 1 January 2005 and 31 December 2005	1,868

BSMG WORLDWIDE (EUROPE) LIMITED

Notes to the financial statements for the year ended 31 December 2005 (*continued*)

7 Fixed asset investments (*continued*)

BSMG Worldwide (Europe) Limited has shareholdings in the following companies:

	Country of registration or incorporation	% shareholding	Principal activity
GJW Holdings Limited	England and Wales	100	Dormant
Square Mile Holdings Limited	England and Wales	100	Holding company

8 Debtors

	2005 £'000	2004 £'000
Amounts owed by group undertakings	-	341
Other debtors	-	4
Corporation tax receivable	113	113
	113	458

Amounts owed by group undertakings were unsecured, interest free and repayable on demand.

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Notes to the financial statements for the year ended 31 December 2005 (*continued*)

9 Creditors – Amounts falling due within one year

	2005 £'000	2004 £'000
Loan notes	-	14
Amounts due to group undertakings	13,962	14,286
Other taxation and social security	22	22
Accruals and deferred income	-	6
	13,984	14,328

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

10 Called up share capital

	2005 £'000	2004 £'000
Authorised		
2,554,449 ordinary shares of £1 each	2,554	2,554
Allotted and fully paid		
2,554,449 ordinary shares of £1 each	2,554	2,554

11 Reserves

	Share premium £'000	Profit and loss account £'000
As at 1 January 2005	7,663	(22,219)
Retained loss for the financial year	-	(1)
As at 31 December 2005	7,663	(22,220)

BSMG WORLDWIDE (EUROPE) LIMITED

Notes to the financial statements for the year ended 31 December 2005 (*continued*)

12 Reconciliation of movement in shareholders' deficit

2005
£'000

Opening shareholders' deficit	(12,002)
Loss for the financial year	(1)
Closing shareholders' deficit	(12,003)

13 Ultimate parent undertaking

The immediate parent undertaking is CMGRP UK Limited (previously Weber Shandwick Limited), a company registered in England and Wales. Copies of the financial statements of CMGRP UK Limited are available at 21-23 Meard Street, London, W1F 0EY.

The ultimate parent undertaking and controlling party is The Interpublic Group of Companies Inc, incorporated in the USA, which is the parent undertaking of the largest group to consolidate these financial statements. Copies of the consolidated financial statements of The Interpublic Group of Companies Inc can be obtained from the Company Secretary at 1272 Avenue of the Americas, New York 10020.

The smallest group of which the company is a member and for which group financial statements are prepared is that of Interpublic Limited, a company registered in England and Wales. Copies of the consolidated financial statements of Interpublic Limited are available at 21-23 Meard Street, London, W1F 0EY.