

BSMG WORLDWIDE (EUROPE) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

Registered number. 3981620



BSMG WORLDWIDE (EUROPE) LIMITED

Profit and loss account for the year ended 31 December 2006

	Note	2006 £'000	2005 £'000
Operating costs		-	(1)
Operating loss	4	-	(1)
Interest payable and similar charges		-	-
Loss on ordinary activities before taxation		-	(1)
Tax on loss on ordinary activities	5	-	-
Loss for the financial year		-	(1)

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 2006

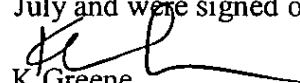
	Note	2006 £'000	2005 £'000
Fixed assets			
Investments	6	1,868	1,868
Current assets			
Debtors	7	113	113
		113	113
Creditors – Amounts falling due within one year	8	(13,984)	(13,984)
Net current liabilities		(13,871)	(13,871)
Total assets less current liabilities		(12,003)	(12,003)
Capital and reserves			
Called up share capital	9	2,554	2,554
Share premium account	10	7,663	7,663
Profit and loss reserve	10	(22,220)	(22,220)
Total equity shareholders' deficit	11	(12,003)	(12,003)

For the year ended 31 December 2006 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985. Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

The directors acknowledge responsibility for

- ensuring the company keeps accounting records which comply with section 221 and
- preparing accounts which give a true and fair view of the state of the affairs of the company as at the end of the financial year, in accordance with the requirements of section 226, and which comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company

The financial statements on pages 1 to 7 were approved by the board of directors on 16 July 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 2006

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 2006 (*continued*)

1 Accounting policies (*continued*)

(e) Changes in accounting policies

The company has adopted FRS 20, 'Share-based Payment'. The adoption of this standard 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

Audit fees were borne by another group company in 2005 and 2006.

5 Taxation

	2006 £'000	2005 £'000
Tax charge		
Current tax charge	-	-
Loss on ordinary activities before taxation	-	1
Tax credit at 30% of loss on ordinary activities	-	1
Group relief	-	(1)
	-	-

BSMG WORLDWIDE (EUROPE) LIMITED

Notes to the financial statements for the year ended 31 December 2006 (*continued*)

6 Fixed asset investments

	2006 £'000
Cost	
As at 1 January and 31 December	22,209
Provision for impairment	
As at 1 January and 31 December	20,341
Net book value as at 1 January and 31 December	1,868

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

7 Debtors

	2006 £'000	2005 £'000
Corporation tax receivable	113	113

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

BSMG WORLDWIDE (EUROPE) LIMITED

Notes to the financial statements for the year ended 31 December 2006 (*continued*)

8 Creditors – Amounts falling due within one year

	2006 £'000	2005 £'000
Amounts due to group undertakings	13,962	13,962
Other taxation and social security	22	22
	13,984	13,984

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

9 Called up share capital

	2006 £'000	2005 £'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

10 Reserves

	Share premium £'000	Profit and loss account £'000
As at 1 January 2006	7,663	(22,220)
Result for the financial year	-	-
As at 31 December 2006	7,663	(22,220)

BSMG WORLDWIDE (EUROPE) LIMITED

Notes to the financial statements for the year ended 31 December 2006 *(continued)*

11 Reconciliation of movement in equity shareholders' deficit

	2006 £'000
Opening shareholders' deficit	(12,003)
Result for the financial year	-
Closing shareholders' deficit	(12,003)

12 Ultimate parent undertaking

The immediate parent undertaking is CMGRP UK Limited, a company registered in England and Wales. Copies of the financial statements of CMGRP UK Limited are available at 84 Eccleston Square, London SW1V 1PX.

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 84 Eccleston Square, London SW1V 1PX.