

**M&C SAATCHI
IP LIMITED**

Report and Financial
Statements

Period Ended
31 December 2011

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COMPANIES HOUSE

Company number 7498729

M&C SAATCHI IP LIMITED

Contents

Period Ended 31 December 2011

	Page:
Statutory Information and Advisors	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	6
Balance Sheet	7
Notes forming part of the Financial Statements	8

M&C SAATCHI IP LIMITED
Statutory Information and Advisors
Period Ended 31 December 2011

Directors

J Hewitt
A Blackstone

Secretary and registered office

A Blackstone, 36 Golden Square, London, W1F 9EE

Company number

7498729

Bankers

National Westminster Bank plc, 21 Lombard Street, London, EC3P 3AR

Solicitors

Olswang, 90 High Holborn, London, WC1V 6XX

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

M&C SAATCHI IP LIMITED

Report of the Directors

Period Ended 31 December 2011

Directors' report

The Directors present their report together with the audited financial statements for the period ended 31 December 2011

Results and dividends

The profit and loss account of the Company for the period is set out on page 6. The company was incorporated on 19 January 2011.

During the year a dividend of £Nil was paid. The Directors do not recommend the payment of a final dividend

Principal activity, trading review and future developments

The principal activity of the Company during the period was the acquisition of a Brazilian client list from Paschoal Fabra Neto and Fernando Martis De Macedo Soares Quinteiro

The key risk in the Company is intercompany debt default. The Directors review the risk of default regularly and provide against the risk of default where necessary

Directors

The Directors during the period were

J Hewitt
A Blackstone

Events since the end of the period

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the Company, the results of the Company or the state of affairs of the Company in subsequent financial years

M&C SAATCHI IP LIMITED
Report of the Directors (continued)
Period Ended 31 December 2011

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group and company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

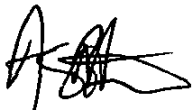
Auditors

All of the current directors have taken all steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office. An elective resolution was passed in accordance with Section 487 of the Act, to dispense of the obligation to re-appoint the auditors annually.

In preparing this director's report, advantage has been taken of the small companies' regime.

By order of the Board



A Blackstone

Secretary

28 June 2012

Date

M&C SAATCHI IP LIMITED
Report of the Independent auditors
Period Ended 31 December 2011

Independent Auditor's Report To The Members of M&C Saatchi IP Limited

We have audited the financial statements of M&C Saatchi IP Limited for the period 19 January 2011 to 31 December 2011 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made; or

M&C SAATCHI IP LIMITED
Report of the Independent Auditors (continued)
Period Ended 31 December 2011

- we have not received all the information and explanations we require for our audit
- the directors were not entitled to prepare the financial statements and the directors report in accordance with the small companies' regime.



Scott McNaughton (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date
28 June 2012

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

M&C SAATCHI IP LIMITED

Profit and Loss Account

Period Ended 31 December 2011

	Note	2011 £'000
Administration Expenses		287
Other Income		(86)
		<hr/>
Operating loss	3	(201)
Interest payable	4	(7)
		<hr/>
Loss on ordinary activities before taxation		(208)
Taxation on losses on ordinary activities	5	(55)
		<hr/>
Loss for the financial year	9,10	(153)
		<hr/>

All amounts relate to continuing activities

All recognised gains and losses are included in the profit and loss account

The notes on pages 8 to 11 form part of these financial statements

M&C SAATCHI IP LIMITED

Balance Sheet

At 31 December 2011

Company Number 7498729	Note	2011 £'000	2011 £'000
Fixed assets			
Intangible assets	6		658
Current assets			
Debtors -within one year	7	141	
		<u>141</u>	
Creditors amounts falling due within one year	8	952	
Net current liabilities			<u>(811)</u>
Net Liabilities			<u>(153)</u>
Capital and reserves			
Called up share capital	9		
Profit and loss account	9		(153)
Shareholders' deficit	9,10		<u>(153)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board and authorised for issue on

J Hewitt
Director
28 June 2012



The notes on pages 8 to 11 form part of these financial statements

M&C SAATCHI IP LIMITED
Notes Forming Part of the Financial Statements
At 31 December 2011

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards

The company's parent, M&C Saatchi plc, has undertaken to continue to provide such financial support as the company requires for its continued operations for a period of not less than one year from the date of approval of these financial statements

The following principal accounting policy has been applied:

(a) Intangible assets valuation policy

Intangible assets are stated at historical cost less accumulated amortisation and impairment. Intangible assets are amortised to residual values over the useful life of the asset as follows:

Customer relationships – 3 years

The need for any intangible asset impairment write down is assessed by comparison of the carrying value of the asset against the higher of value in use and fair value less cost to sell

(b) *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances are not discounted

(c) *Foreign currency*

Foreign currency transactions arising from normal trading activities are recorded in local currency at current exchange rates

Monetary assets and liabilities denominated in foreign currencies at year end are translated at the year end exchange rate

Foreign currency gains and losses are credited or charged to the profit and loss account as they arise

2 Directors' emoluments

The Directors received no emoluments during the year. The Company employed no staff during the period other than the directors

3 Operating loss

Other income arises through the provision by M&C Saatchi IP Limited of management advice, marketing and communication services and the use of Company intangible assets by M&C Saatchi F&Q Brazil Comunicacao LTDA.

Fees for the audit of the Company were borne by M&C Saatchi plc for both periods and have not been recharged to the company

M&C SAATCHI IP LIMITED
Notes Forming Part of the Financial Statements
At 31 December 2011

4	Interest	2011 £'000
	Interest payable to Group companies	(7)

5	Taxation on losses from ordinary activities	2011 £'000
	<i>Current tax</i>	
	UK corporation tax credit on losses of the period	(55)
	Taxation on losses on ordinary activities	(55)

The tax assessed for the year differs from that obtained by using the standard rate of corporation tax in the UK. The differences are explained below

	2011 £'000
Loss on ordinary activities before tax	(208)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 26.5% for 2011	(55)
Effects of	
Current tax credit for period	(55)

6	Intangible assets	2011 £'000
	<i>Cost</i>	
	At 19 January 2011	-
	Additions in the period	911
	At 31 December 2011	911
	<i>Accumulated amortisation</i>	
	At 19 January 2011	-
	Amortisation charge	253
	At 31 December 2011	253

M&C SAATCHI IP LIMITED
Notes Forming Part of the Financial Statements
At 31 December 2011

6	Intangible assets (continued)	2011 £'000
	<i>Net Book Value</i>	
	At 31 December 2011	<u>658</u>
	At 19 January 2011	<u>-</u>
7	Debtors	2011 £'000
	Due within one year	86
	Accrued Income	55
	Corporation tax	<u>141</u>
8	Creditors amounts falling due within one year	2011 £'000
	Amounts due to ultimate parent company	952
		<u>952</u>
9	Share capital and reserves	Allotted, called up and fully paid
		2011 £
	Two Ordinary shares of £1 each – full voting and dividend rights	2
	All shares were issued on Incorporation on 19 January 2011	

	Ordinary share capital £'000	Profit and loss account £'000
At 19 January 2011	-	-
Loss for the year	-	(153)
	<u>-</u>	<u>(153)</u>
At 31 December 2011	-	(153)
	<u>-</u>	<u>(153)</u>

M&C SAATCHI IP LIMITED
Notes Forming Part of the Financial Statements
At 31 December 2011

10 Reconciliation of movement in shareholder's deficits

	2011 £'000
Loss for the period	(153)
	<hr/>
Net decrease to shareholder's deficits	(153)
	<hr/>
Closing shareholder's deficits	(153)
	<hr/>

11 Cash flow statement

The Company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as a consolidated cash flow statement is included in the financial statements of its ultimate parent company

12 Ultimate parent company

At 31 December 2011, the Group's ultimate parent company was M&C Saatchi plc which is the parent of both the smallest and largest group of which the Company is a member

Copies of the consolidated financial statements of M&C Saatchi plc are available at Companies House.

13 Related Parties Transactions

During the year, the Group entered into the following transactions with related parties

Corporation Tax Recoverable was allocated through Group Relief These transactions are included in the Intercompany Note 8.