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Registered no: NI 20709

**Viacom Outdoor Limited**  
**Annual report**  
**for the year ended 31 December 2002**



# **Viacom Outdoor Limited**

## **Annual report for the year ended 31 December 2002**

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## **Directors and advisers**

### **Directors**

Tina Haut  
John Swainson  
Tom Goddard

### **Secretary**

John Hyde

### **Registered office**

Waterfront Plaza  
8 Laganbank Road  
Belfast

### **Solicitors**

Bigger & Strahan  
Sinclair House  
89 Royal Avenue  
Belfast

### **Bankers**

Lloyds TSB  
P O Box 17328  
11 – 15 Monument Street  
London  
EC3V 9JA

### **Registered auditors**

PricewaterhouseCoopers LLP  
Waterfront Plaza  
8 Laganbank Road  
Belfast

## Directors' report for the year ended 31 December 2002

The directors present their report and the audited financial statements for the year ended 31 December 2002.

### Principal activities

The principal activities of the company are as contractors in outdoor media generally and, in particular, the sale of advertising space on the Ulsterbus and Citybus fleets in Northern Ireland.

### Review of business and future developments

The directors consider the results for the year to be satisfactory. The company will continue to seek every opportunity to increase profitable turnover.

### Results and dividends

The profit for the financial year is £193,077 (2001: £54,982). The directors do not recommend the payment of a dividend.

### Directors and their interests

The directors of the company during the year are listed on page 1.

In accordance with the articles of association the directors are not required to retire by rotation.

The interests of the directors of the company in the shares of the company at 31 December 2002, together with their interests at 1 January 2002, were:

	31 December 2002 Number	1 January 2002 Number
<b>Ordinary shares of £1 each</b>		
Tina Haut	-	-
John Swainson	-	-
Tom Goddard	-	-

### 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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

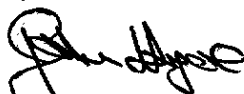
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies (Northern Ireland) Order 1986. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Directors' report for the year ended 31 December 2002 (continued)**

### **Auditors**

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the Annual General Meeting.

By order of the board

A handwritten signature in black ink, appearing to read 'John Hyde', is written over the printed name.

John Hyde  
Secretary

23 October 2003

## Independent auditors' report to the members of Viacom Outdoor Limited

We have audited the financial statements, which comprise the profit and loss account, the balance sheet and the related notes.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable Northern Ireland law and United Kingdom accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Article 243 of the Companies (Northern Ireland) Order 1986 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 in to 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 (Northern Ireland) Order 1986. 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.

### Basis of audit 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 at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies (Northern Ireland) Order 1986.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Belfast  
23 October 2003

**Profit and loss account  
for the year ended 31 December 2002**

	Notes	2002 £	2001 £
<b>Turnover</b>	2	<b>2,652,332</b>	2,466,620
Cost of sales		(1,774,028)	(1,689,501)
<b>Gross profit</b>		<b>878,304</b>	777,119
Net operating expenses	3	(630,223)	(642,182)
<b>Operating profit</b>	4	<b>248,081</b>	134,937
Interest payable and similar charges	7	16,461	(42,266)
<b>Profit on ordinary activities before taxation</b>		<b>264,542</b>	92,671
Tax on profit on ordinary activities	8	(71,465)	(37,689)
<b>Profit for the financial year</b>	13	<b>193,077</b>	54,982

All amounts above relate to continuing operations of the company.

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

## Balance sheet at 31 December 2002

	Notes	2002 £	2001 £
<b>Fixed assets</b>			
Tangible assets	9	307,698	364,264
<b>Current assets</b>			
Debtors	10	972,686	1,067,360
Cash at bank and in hand		179,810	194,147
		1,152,496	1,261,507
<b>Creditors: amounts falling due within one year</b>	11	(982,271)	(1,340,925)
<b>Net current assets/(liabilities)</b>		170,225	(79,418)
<b>Total assets less current liabilities</b>		477,923	284,846
<b>Net assets</b>		477,923	284,846
<b>Capital and reserves</b>			
Called up share capital	12	1,000	1,000
Capital redemption reserve	13	99,000	99,000
Profit and loss account	13	377,923	184,846
<b>Equity shareholders' funds</b>	14	477,923	284,846

The financial statements on pages 5 to 12 were approved by the board on 23 October 2003 and were signed on its behalf by:

John Swainson  
Director



Tom Goddard  
Director



## Notes to the financial statements for the year ended 31 December 2002

### 1 Accounting policies

These financial statements are prepared on the going concern basis under the historical cost convention and in accordance with the Companies (Northern Ireland) Order 1986 and applicable accounting standards. The principal accounting policies are set out below.

#### Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used are as follows:

	%
Outdoor advertising displays	20
Motor vehicles	25
Office furniture and equipment	15
Computer equipment	33

The cost of freehold and long leasehold land is not depreciated.

#### Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases') the assets are treated as if they had been purchased outright. The corresponding leasing commitments are shown as obligations to the lessor. Depreciation is charged to the profit and loss account on a straight line basis over the shorter of the lease terms and the useful lives of equivalent owned assets. Lease payments are treated as consisting of capital and interest elements and the interest is charged to revenue in proportion to the reducing capital element outstanding.

Rentals under operating leases are charged to revenue as incurred.

#### Turnover

Turnover, which excludes value added tax and trade discounts, represent the invoiced value of goods and services supplied.

#### Deferred taxation

Deferred tax 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 profit and its results as stated in the financial statements. Deferred tax assets and liabilities recognised have not been discounted.

#### Pension costs

Contributions are charged to the profit and loss account in the period to which they relate.

### 2 Analysis of turnover and results

Turnover and results relate to the company's main activity that is carried out in the United Kingdom and Republic of Ireland.

**3 Net operating expenses**

	2002	2001
	£	£
Administration expenses	594,051	609,086
Distribution expenses	36,172	33,096
	630,223	642,182

**4 Operating profit**

	2002	2001
	£	£
<b>This is stated after charging:</b>		
Depreciation		
- owned assets	131,988	139,425
- under hire purchase and finance leases	-	13,207
Auditors' remuneration	7,250	7,000
Loss on disposal of tangible fixed assets	66	10,188

**5 Directors' emoluments**

	2002	2001
	£	£
Aggregate emoluments	-	-

**6 Employee information**

	2002	2001
	£	£
<b>Staff costs</b>		
Wages and salaries	331,729	294,583
Social security costs	29,224	24,280
Pension contributions	9,444	8,919
	370,397	327,782

## 6 Employee information (continued)

	2002 Number	2001 Number
<b>Average monthly number of persons employed by the company (including directors) during the year by activity</b>		
Management	2	2
Operations	7	6
Selling and administration	6	5
	<b>15</b>	<b>13</b>

## 7 Interest payable and similar charges

	2002 £	2001 £
On bank loan and overdraft	2,333	2,682
On hire purchase and finance leases contracts	700	1,090
On other loans	(19,494)	38,494
	<b>(16,461)</b>	<b>42,266</b>

## 8 Tax on profit on ordinary activities

	2002 £	2001 £
<b>Current tax:</b>		
UK corporation tax at 30%	89,109	44,547
Adjustment in respect of previous periods	91	(172)
<b>Total current tax</b>	<b>89,200</b>	<b>44,375</b>
<b>Deferred tax:</b>		
Accelerated capital allowances and other timing differences	(17,735)	(6,686)
<b>Total deferred tax</b>	<b>(17,735)</b>	<b>(6,686)</b>
<b>Tax on profit on ordinary activities</b>	<b>71,465</b>	<b>37,689</b>

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2002 £	2001 £
<b>Profit on ordinary activities before tax</b>	<b>264,542</b>	<b>92,671</b>
Profit on ordinary activities multiplied by standard rate in the UK 30% (2001: 30%)	79,363	27,801
Effects of:		
Expenses not deductible for tax purposes	812	1,260
Accelerated capital allowances and other timing differences	8,934	15,486
Adjustments in respect of previous periods	91	(172)
<b>Current tax charge for the period</b>	<b>89,200</b>	<b>44,375</b>

Factors that may affect future tax charges:

Based on current capital investment plans, the company does not expect to continue to be able to claim capital allowances in excess of depreciation in future years.

Deferred tax liabilities have not been discounted

## 9 Tangible fixed assets

	Land £	Outdoor advertising displays £	Motor vehicles £	Office furniture & equipment £	Total £
<b>Cost</b>					
At 1 January 2002	60,000	1,178,453	51,543	97,704	1,387,700
Additions	-	38,392	26,197	12,805	77,394
Disposals	-	(29,522)	(11,403)	(11,068)	(51,993)
<b>At 31 December 2002</b>	<b>60,000</b>	<b>1,187,323</b>	<b>66,337</b>	<b>99,441</b>	<b>1,413,101</b>
<b>Depreciation</b>					
At 1 January 2002	-	927,441	36,243	59,752	1,023,436
Charge for year	-	103,378	12,404	16,206	131,988
Disposals	-	(28,509)	(11,403)	(10,109)	(50,021)
<b>At 31 December 2002</b>	<b>-</b>	<b>1,002,310</b>	<b>37,244</b>	<b>65,849</b>	<b>1,105,403</b>
<b>Net book value</b>					
<b>At 31 December 2002</b>	<b>60,000</b>	<b>185,013</b>	<b>29,093</b>	<b>33,592</b>	<b>307,698</b>
At 31 December 2001	60,000	251,012	15,300	37,952	364,264

Land at net book value comprises:

	2002 £	2001 £
Freehold	41,500	41,500
Long leasehold	18,500	18,500
	<b>60,000</b>	<b>60,000</b>

Depreciation has not been charged on land which is stated at cost of £60,000 (2001: £60,000).

The net book value of tangible fixed assets includes an amount of £ Nil (2001: £12,153) in respect of assets held under finance leases and hire purchase agreements.

## 10 Debtors

	2002 £	2001 £
Trade debtors	897,531	985,084
Deferred tax asset	17,735	-
Prepayments and accrued income	57,420	82,276
	<b>972,686</b>	<b>1,067,360</b>



## 11 Creditors: amounts falling due within one year

	2002	2001
	£	£
Trade creditors	94,882	21,498
Amounts owed to group companies	395,709	946,521
Obligations under hire purchase and finance lease contracts	-	573
Corporation tax	89,109	47,590
Other tax and social security	64,953	53,820
Accruals and deferred income	337,618	270,923
	<b>982,271</b>	<b>1,340,925</b>

## 12 Called up share capital

	2002	2001
	£	£
<b>Authorised</b>		
100,000 ordinary shares of £1 each	100,000	100,000
<b>Allotted, called up and fully paid</b>		
1,000 ordinary shares of £1 each	1,000	1,000

## 13 Reserves

	Capital redemption reserve	Profit & loss account
	£	£
At 1 January 2002	99,000	184,846
Profit for the year	-	193,077
<b>At 31 December 2002</b>	<b>99,000</b>	<b>377,923</b>

## 14 Reconciliation of movements in shareholders' funds

	2002	2001
	£	£
Opening shareholders' funds	284,846	229,864
Profit for the financial year	193,077	54,982
<b>Closing shareholders' funds</b>	<b>477,923</b>	<b>284,846</b>

## 15 Pension obligations

The company makes contributions to a group personal pension plan on behalf of certain employees.

The total pension cost for the year was £9,444 (2001: £8,919). There were no significant prepaid or outstanding contributions at 31 December 2002.

## 16 Capital commitments

The company had no capital commitments at 31 December 2002 (2001: Nil).

## 17 Financial commitments

At 31 December 2002 the company had annual commitments under non-cancellable operating leases as follows:

	Land & buildings £
Expiring within one year	8,652
Expiring within two to five years	12,348

## 18 Related party disclosures

Viacom Outdoor Limited (company number 02866133 and registered in England and Wales and formerly known as TDI Advertising Limited) is a related party by virtue of its 75% shareholding in TDI Mail Holdings Limited which owns 100% of the ordinary share capital of Viacom Outdoor Limited (company number NI 20709 and registered in Northern Ireland and formerly known as TDI Metro (NI) Limited). The following transactions were conducted during the year with Viacom Outdoor Limited:

	2002 £	2001 £
Cash advances from Viacom Outdoor Limited	14,015	3,362
Management and payroll charges from Viacom Outdoor Limited	430,643	385,812
Cash repayments to Viacom Outdoor Limited	1,000,763	442,901

Viacom Outdoor Advertising Limited (formerly known as TDI Metro Limited) is a related party by virtue of Viacom Inc's (the group's ultimate controlling party) 100% shareholding in Viacom Outdoor Group which owns 100% of the share capital of Viacom Outdoor Advertising Limited.

The balances outstanding at 31 December 2002 were:

	2002 £	2001 £
Amounts owed to Viacom Outdoor Limited	370,746	931,127
Amounts owed to Viacom Outdoor Advertising Limited	24,963	15,394

## 19 Controlling party

The directors regard TDI Mail Holdings Limited, a company incorporated in England and Wales, as the controlling party by virtue of its controlling interest in the company's equity share capital. According to the register held by the company, TDI Mail Holdings Limited had a 100% interest in the equity share capital of Viacom Outdoor Limited at 31 December 2002.

## 20 Ultimate parent company/ultimate controlling party

The company regards Viacom Inc as the ultimate parent company/ultimate controlling party.