

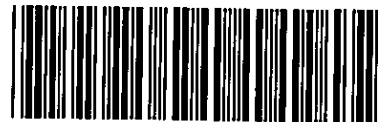
Registered number: 02980909

Colombus Communications Limited

Annual report

for the year ended 31 March 2012

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Colombus Communications Limited

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Colombus Communications Limited

Directors and advisers

Registered office

30 City Road
London
EC1Y 2AG

Directors

D H Elgie
B C Brien
T Bonnet

Company secretary

City Group plc
30 City Road
London
EC1Y 2AG

Bankers

Barclays Bank plc
180 Oxford Street
London
W1D 1EA

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Colombus Communications Limited

Directors' report for the year ended 31 March 2012

The directors present their annual report together with the audited financial statements of the company for the year ended 31 March 2012

Results and dividends

The results for the Columbus Communications Limited show a profit for the financial year after tax of £87,000 (2011 £119,000)

No dividends were declared and paid during the year (2011 £nil)

The profit on ordinary activities before tax of £122,000 (2011 £168,000) is arrived at after a management charge of £311,000 (2011 £318,000)

Ultimate parent undertaking

The directors consider that the ultimate parent undertaking of the company is Creston plc

Principal activities, trading review and future developments

The principal activity of the company continued to be the provision of marketing communications services

The directors of Creston plc conduct a trading review and assess future developments on a divisional basis, rather than at an individual business unit level. For this reason, the company's directors believe that a discussion of the group's trading would not be appropriate for an understanding of the development, performance or position of the company's business

A trading review and assessment of future developments of the Communications division of Creston plc, which includes the company, is discussed on pages 20 to 21 of the group's annual report which does not form part of this report

Principal risks and uncertainties

The directors of Creston plc manage the group's risks at a group level, rather than at an individual business unit level. For this reason, the company's directors believe that a discussion of the group's risks would not be appropriate for an understanding of the development, performance or position of the company's business

The principal risks and uncertainties of Creston plc, which include those of the company, are discussed on pages 37 to 39 of the group's annual report which does not form part of this report

Key performance indicators ("KPIs")

The directors of Creston plc manage the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the company's business

Colombus Communications Limited

Directors' report for the year ended 31 March 2012 (continued)

The development, performance and position of the Communications division of Creston plc, which includes the company, is discussed on pages 20 to 21 of the group's annual report which does not form part of this report

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were

D H Elgie
B C Brien
T Bonnet (appointed 09/01/2012)

Company registration number

The company registration number is 02980909

Liability insurance

The company has procured liability insurance for all directors and officers of the company. There are no outstanding claims or provisions at the balance sheet date

Financial risk management

The directors' financial risk management objective is to maximise financial assets and minimise financial liabilities whilst not engaging in speculation. The financial risks faced by the company include (see note 13 for further information)

- Interest rates earned on cash and short-term investments,
- Foreign currency fluctuations, and
- Credit risk

The directors manage each of the above mentioned financial risks as follows

- Continually review short-term investments to ensure maximum rates of return are being achieved,
- Only short-term investments are entered into,
- Actively review and approve the terms of the parties to significant commercial contracts where payment is not anticipated in advance,
- Hold cash and short-term investments in the currencies of anticipated expenditure, and
- Look to negotiate flexible exchange rate mechanisms in client contracts where fees are invoiced in foreign currencies

Colombus Communications Limited

Directors' report for the year ended 31 March 2012 (continued)

Statement of 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 prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 company and of the profit or loss of the 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed,
- 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Disclosure of Information to Auditors

In the case of each person who were directors at the time this report was signed, the following applies:

- so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the Board


B G Brien
Director
12th July 2012

Colombus Communications Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COLOMBUS COMMUNICATIONS LIMITED

We have audited the financial statements of Columbus Communications Limited for the year ended 31 March 2012 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 March 2012 and of its profit and cash flows for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

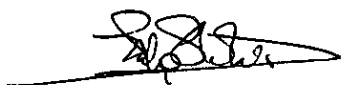
Colombus Communications Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COLOMBUS COMMUNICATIONS LIMITED (continued)

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
- we have not received all the information and explanations we require for our audit



Philip Stokes (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

12th July 2012

Colombus Communications Limited

Statement of Comprehensive Income for the year ended 31 March 2012

	Note	2012 £'000	2011 £'000
Turnover (billings)		<u>7,405</u>	<u>5,662</u>
Revenue		642	694
Operating costs	3	<u>(520)</u>	<u>(526)</u>
Profit before finance income, finance costs and income tax	4	122	168
Finance income		-	-
Finance costs		<u>-</u>	<u>-</u>
Profit before income tax		122	168
Income tax	6	<u>(35)</u>	<u>(49)</u>
Profit for the financial year		87	119
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>87</u>	<u>119</u>

All profits arose from continuing operations


The accompanying notes on pages 11 to 23 form an integral part of these financial statements

Colombus Communications Limited

Balance Sheet as at 31 March 2012

	Note	2012 £'000	2011 £'000
Assets			
Non-current assets			
Property, plant and equipment	7	2	35
		<u>2</u>	<u>35</u>
Current assets			
Inventories and work in progress		-	-
Income tax receivable		-	-
Trade and other receivables	8	3,474	3,691
Deferred income tax assets	11	3	-
Cash and cash equivalents	9	35	0
		<u>3,512</u>	<u>3,691</u>
Liabilities			
Current liabilities			
Trade and other payables	10	(1,139)	(1,477)
Income tax payable		(94)	(54)
Deferred income tax liabilities	11	-	(1)
		<u>(1,233)</u>	<u>(1,532)</u>
Net current assets		2,279	2,159
Total assets less current liabilities		2,281	2,194
Net assets		2,281	2,194
Shareholders' equity			
Share capital	12	1	1
Retained earnings		2,280	2,193
Total equity attributable to owners of the parent		2,281	2,194

The financial statements, which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and the related notes, were approved by the Board on 12th July 2012 and were signed by



 B C Brian
 Director

Registered number 02980909

Colombus Communications Limited

Statement of Changes in Equity for the year ended 31 March 2012

	Share capital	Retained Earnings	Total Equity
Changes in Equity for 2011	£'000	£'000	£'000
At 1 April 2010	1	2,074	2,075
Profit for the financial year and total comprehensive income	-	119	119
At 31 March 2011 and 1 April 2011	1	2,193	2,194
Changes in Equity for 2012			
Profit for the financial year and total comprehensive income	-	87	87
At 31 March 2012	1	2,280	2,281

All equity is attributable to owners of the parent

Colombus Communications Limited

Statement of Cash Flows for the years ended 31 March 2012

	Note	2012 £'000	2011 £'000
Cash flows from operating activities			
Cash generated from operations	14	102	(144)
Income tax paid		-	-
Net cash generated from / (used in) operating activities		102	(144)
Cash flows from investing activities			
Purchase of property, plant and equipment	7	-	0
Net cash outflow from investing activities		-	0
Cash flows from financing activities			
Net cash used in financing activities		-	-
Net increase / (decrease) in cash and cash equivalents		102	(144)
Cash and cash equivalents at start of year	9	(67)	77
Cash and cash equivalents at end of year	9	35	(67)

Colombus Communications Limited

Notes to the financial statements

1 Principal accounting policies

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention. The company's domicile and country of incorporation is England and Wales, its registered office is 30 City Road, London EC1Y 2AG.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Standards, amendments and interpretations not yet effective for the financial year beginning 1 April 2012 and have not been early adopted by the Company:

- Amendment to IAS 12, 'Income taxes' (effective for periods beginning on or after 1 January 2012). This amendment introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, SIC 21, 'Income taxes – recovery of revalued non-depreciable assets', will no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC 21, which is withdrawn.
- Amendment to IAS 1, 'Financial statement presentation' (effective for periods beginning on or after 1 July 2012). The main change resulting from these amendments is a requirement for entities to group items presented in Other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).
- IFRS 13, 'Fair value measurement' (effective for periods beginning on or after 1 January 2013). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs.

Colombus Communications Limited

1 Principal accounting policies (continued)

Turnover

Turnover represents amounts received or receivable from clients, for the rendering of services and is stated after deduction of trade discounts and excluding value added tax or similar sales taxes outside the United Kingdom

Turnover is recognised at fair value as service activity progresses on the following basis

- 1 Project fees are recognised over the period of the relevant assignments or agreements
- 2 Retainer fees are spread over the period of the contract on a straight-line basis
- 3 Third party production fees are recognised at the point the client accepts delivery of each component of a project

Turnover includes all charges paid to external suppliers where they are retained to perform part or all of a client assignment

Revenue

The revenue derived from commissions on media placements, projects and fees for creative services are recognised on each contract in proportion to the level of services performed. Retainer fees are recognised on a straight line basis over the contract period. The level of services performed are assessed based on the relevant criteria including proportion of costs incurred, time-based recognition for retainers and milestones. Incentive-based revenue is recognised when the relevant target has been met.

Pension costs

Retirement benefits to employees are provided by defined contribution schemes that are funded by the company and employees. Payments are made to pension trusts that are financially separate from the company. These costs are charged against profits as incurred.

Current and deferred income tax

The income tax expense represents the sum of the tax currently payable and deferred tax. Tax is charged or credited in the Statement of comprehensive income, except when it relates to items recognised in other comprehensive income or directly to equity, in which case the deferred tax is also recognised in other comprehensive income or equity respectively.

The current income tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current income tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Colombus Communications Limited

1 Principal accounting policies (continued)

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or the initial recognition (other than a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of the deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised.

Dividends

Dividends distributed to the company's shareholders are recognised as a liability in the Company's financial statements in the year in which the dividends are approved and paid by the Company's shareholders.

Property, plant and equipment

All property, plant and equipment is stated at historical cost (or fair value on acquisition where appropriate) less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost, less the estimated residual value of each asset evenly over its expected useful economic life, as follows:

Leasehold property	Period of the lease
Motor vehicles	4 years
Fixtures, fittings and equipment	3 - 10 years

Long term receivables

Long term receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Discounting is not applied.

Inventories and work in progress

Inventories are stated at the lower of cost and net realisable value. The cost of work in progress includes the costs of direct materials and purchases, and the costs of direct labour plus clients' agreed overheads based on normal levels of activity.

Work in progress is stated at the lower of cost and net realisable value. The cost of work in progress is the invoiced cost of goods and services supplied by outside parties for jobs in production.

Net realisable value is based on estimated invoice value less further costs expected to be incurred to completion. No element of profit is included in the valuation of work in progress.

Colombus Communications Limited

1 Principal accounting policies (continued)

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment

Impairment of receivables

A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of comprehensive income within operating costs. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'operating costs' in the Statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Equity

Equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Share Capital

Share capital is stated at the value of allotted and paid up amount.

Share premium account

Share premium arises from capital raised in an issue of shares, net of costs, to the extent that it exceeds the nominal value of the shares.

Leases

Leases that do not transfer significant risk and reward are classified as operating leases and the payments made under them are charged to the Statement of comprehensive income on a straight-line basis over the lease term. Lease incentives are spread over the term of the lease.

Financial instruments

Financial assets and financial liabilities are recognised on the company's balance sheet when the company becomes a party to the contractual provisions of the instrument. Issue costs are offset against the proceeds of such instruments.

Colombus Communications Limited

1 Principal accounting policies (continued)

Foreign currencies

Transactions in currencies other than the company's functional and presentational currency, Sterling, are recorded at the exchange rate prevailing on the date of the transaction. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate prevailing on the balance sheet date.

Exchange differences arising on the settlement of monetary assets and liabilities and those arising on retranslation are included within operating expenses in the year in which the difference arose.

2 Critical accounting judgments

The company makes estimates and judgements concerning the future and the resulting estimates may, by definition, vary from the related actual results. The directors considered the critical accounting estimates and judgements used in the financial statements and concluded that the main areas are as follows:

Long term contracts

The company undertakes projects which have the characteristics of long-term contracts on behalf of its clients. At each balance sheet date, management estimates the stage of completion for each project based on time and specific project milestones, recognising income and associated costs appropriately.

Bad debt provisions

A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. Management would exercise judgement over the evidence obtained as to the amount that should be provided for. There were no bad debt provisions for 2012 and 2011 and the receivables balance was not deemed to be impaired.

Recoverability of work in progress and accrued income

The company incurs costs on behalf of clients from third parties. The company also accrues income for time spent on projects where this has not been billed. At each balance sheet date, management will assess the recoverability of these balances based on discussions with the client and comparing to the budget schedule. A judgement will then be made as to whether a provision is required or whether costs need to be written off.

3 Operating costs

	2012	2011
	£'000	£'000
Staff costs (note 5)	56	71
Depreciation charges	25	24
Other expenses	439	431
	520	526

Colombus Communications Limited

4 Profit before finance income, finance costs and income tax

The profit before finance income, finance costs and taxation is stated after charging

	2012 £'000	2011 £'000
Staff costs (note 5)	56	71
Management fee	311	318
Rent	106	117
Other office and general	15	1
FX losses/(gains)	7	(5)
Depreciation of property, plant and equipment - owned assets	25	24

In both 2012 and 2011 the fee for the provision of audit services has been borne by a Creston plc group company

5 Employees and directors

Staff costs comprise	2012 £'000	2011 £'000
Wages and salaries	46	63
Social security costs	10	8
Other costs	-	-
	56	71

Average number of persons (including executive directors) employed by the company

	2012 Number	2011 Number
Administration	5	4

Directors received no emoluments in respect of their services to the company (2011 £nil)

Colombus Communications Limited

6 Income tax

	2012	2011
	£'000	£'000
The tax charge comprises		
Current tax		
Corporation tax at 26% (2011 28%)	39	51
Total current tax	<u>39</u>	<u>51</u>
Deferred tax		
Origination and reversal of timing differences	(4)	(2)
Total deferred tax (note 11)	<u>(4)</u>	<u>(2)</u>
Tax charge for the year	<u><u>35</u></u>	<u><u>49</u></u>

The tax rate for the year is different from the standard rate of corporation tax in the UK, i.e. 26% (2011 28%). The differences are explained below

	2012	2011
	£'000	£'000
Profit before tax	122	168
Profit before tax multiplied by standard rate of corporation tax in the UK of 24% (2011 28%)	32	47
Effects of		
Expenses not deductible for tax purposes	3	2
Total tax for the year	<u><u>35</u></u>	<u><u>49</u></u>

Factors affecting future tax charges.

A resolution passed by Parliament on 26 March 2012 reduced the main rate of corporation tax to 24% from 1 April 2012. In addition to this change in the rate of Corporation tax, a number of further changes to the UK Corporation tax system were announced in the March 2012 UK Budget Statement. Legislation to reduce the main rate of Corporation tax from 24% to 23% from 1 April 2013 is expected to be included in the Finance Act 2012. Further reductions to the main rate are proposed to reduce the rate to 22% from 1 April 2014. These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

The effect of the changes expected to be enacted in the Finance Act 2012 and the proposed reduction of the main rate of Corporation tax to 22% from 1 April 2014 are not expected to have a material impact on the deferred tax asset included within the financial statements.

Colombus Communications Limited

7 Property, plant and equipment

	Leasehold improvements £'000	Office equipment £'000	Total £'000
Cost			
At 1 April 2010	71	41	112
Additions	0	0	0
At 31 March 2011 and 1 April 2011	71	41	112
At 31 March 2011 and 1 April 2011	71	41	112
Additions	-	1	1
Disposals	(71)	(3)	(74)
At 31 March 2012	0	39	39
Accumulated Depreciation			
At 1 April 2010	33	20	53
Charge for the year	16	8	24
At 31 March 2011 and At 1 April 2011	49	28	77
At 31 March 2011 and 1 April 2011	49	28	77
Charge for the year	12	13	25
Disposals	(61)	(4)	(65)
At 31 March 2012	0	37	37
Net book value			
At 31 March 2011	22	13	35
At 31 March 2012	0	2	2

Depreciation charges have been charged through operating costs in the Statement of comprehensive income

Colombus Communications Limited

8 Trade and other receivables

	2012 £'000	2011 £'000
Trade receivables	364	100
Less provision for impairment of trade receivables	-	-
Net trade receivables	<u>364</u>	<u>100</u>
Amounts due from fellow subsidiary companies	3,102	3,518
Other receivables	1	-
Prepayments and accrued income	7	73
	<u>3,474</u>	<u>3,691</u>

The company is satisfied that the majority of its clients are of sound creditworthiness

The ageing analysis of net trade receivables is as follows

	Carrying value as at 31 March £'000	Neither past due nor impaired £'000	Past due but not impaired		
			Up to 3 months £'000	3 to 6 months £'000	Greater than 6 months £'000
2012	364	312	47	0	5
2011	100	96	3	0	1

Past due amounts are not considered impaired where collection is still considered likely

The carrying amounts of the trade and other receivables are denominated in the following currencies

	2012 £'000	2011 £'000
Sterling	3,618	3,687
Euros	0	4
	<u>3,618</u>	<u>3,691</u>

There were no provisions for impairment of trade receivables (2011 £nil)

9 Cash and cash equivalents

	2012 £'000	2011 £'000
Cash at bank and in hand	<u>35</u>	<u>0</u>

Colombus Communications Limited

10 Trade and other payables

	2012 £'000	2011 £'000
Bank overdraft	-	(67)
Trade payables	(451)	(561)
Social security and other taxes	(50)	(82)
Accruals and deferred income	(351)	(638)
Amounts due to fellow subsidiary companies	(286)	(128)
Other payables	(1)	(1)
	<u>(1,139)</u>	<u>(1,477)</u>

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The Directors consider that the carrying amount of trade payables approximates to their fair value.

The carrying amounts of the trade and other payables are denominated in Sterling.

11 Deferred taxation

The deferred taxation asset of £3,000 (2011 £1,000 liability) recognised in the financial statements is set out below.

	2012 £'000	2011 £'000
Accelerated capital allowances	3	(1)
	<u>3</u>	<u>(1)</u>

The movement in the year is analysed as follows.

	2012 £'000	2011 £'000
As at 1 April	(1)	(3)
Statement of comprehensive income	4	2
As at 31 March	<u>3</u>	<u>(1)</u>

The company has recognised deferred tax assets where there are forecast profits in the next twelve months from which the future reversal of the underlying timing differences can be deducted.

12 Share capital

	2012 £	2011 £
Authorised		
1,000 (2011 1,000) Ordinary shares of £1 each	1,000	1,000
Allotted and fully paid		
1,000 (2011 1,000) Ordinary shares of £1 each	1,000	1,000

Colombus Communications Limited

13 Financial instruments

The risk factors that the Company faces are listed below. These are reviewed and monitored by the senior management team.

Interest Rate Risk

There is no material interest rate risk as the company does not have any significant borrowings or debt, and they have been in a positive cash balance over all the year ends disclosed in these financial statements. The 2011 bank overdraft position is a book overdraft position only.

Liquidity Risk

The company's principal financial instrument is cash. The company has other financial instruments such as trade receivables, trade payables and work in progress that arise directly from its operations. The financing of daily working capital requirements is satisfied through operating cash generation and the availability of short term working capital facilities from Creston plc. Liquidity does not therefore pose a high risk for the company.

Credit Risk

Credit risk is managed on a company basis. It arises from credit exposures to customers, including outstanding receivables and committed transactions. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The company will also carry out credit checks using Dun and Bradstreet (where available) as to the credit worthiness of new clients.

Currency Risk

The company is not exposed to any material foreign exchange risk except through retainer fees, project fees and third party production costs incurred on behalf of its customers. The company mitigates this risk by agreeing the rate in advance with customers for any commitments incurred on their behalf or passing the realised foreign exchange gain or loss to the customer.

Capital Risk Management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets.

Financial assets	2012	2011
	£'000	£'000
Cash at bank and in hand	35	0
Net trade receivables	364	100
	2012	2011
	£'000	£'000
Financial liabilities		
Bank overdraft	0	67
Trade payables	451	561
Other payables	1	129

The fair values of the financial assets and liabilities are estimated to be equivalent to their book values.

Colombus Communications Limited

14 Reconciliation of profit for the year to operating cash flow

	2012	2011
	£'000	£'000
Profit for the financial year	87	119
Taxation	35	49
Profit before taxation	122	168
Finance costs	-	-
Finance income	-	-
Profit before finance income, finance costs, and taxation	122	168
Depreciation of property, plant and equipment	25	24
(Profit)/loss on disposal of property, plant and equipment	10	0
Decrease/(increase) in trade and other receivables	216	218
(Decrease)/increase in trade and other payables	(271)	(554)
Cash generated from / (used in) operating activities	102	(144)

Colombus Communications Limited

15 Ultimate controlling party

The immediate parent undertaking is Creston plc

The directors consider that the ultimate controlling party of this company is Creston plc, a company incorporated in the UK

The largest and smallest group of undertakings for which consolidated financial statements have been drawn up is that headed by Creston plc. Copies of the consolidated financial statements can be obtained from the company's registered office at 30 City Road, London, EC1Y 2AG

16 Related party transactions

During the year, the company entered into transactions with related parties as follows

	Sales		Purchases	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Emery Mclaven Orr Limited	3,102	1,395	790	-
Tullo Marshall Warren Limited	3,515	3,801	-	318
Nelson Bostock Limited	-	-	198	-

At 31 March 2012 £87,326 was due to Emery McLaven Orr Limited (2011 £670,617 due from)

At 31 March 2012 £198,474 was due to Nelson Bostock Limited (2011 £128,417)

At 31 March 2012 £3,101,887 (2011 £2,847,270) was due from Tullo Marshall Warren Limited

Creston plc is the company's immediate parent and ultimate controlling party. Emery Mclaven Orr Limited, Tullo Marshall Warren Limited & Nelson Bostock Limited are fellow subsidiary companies