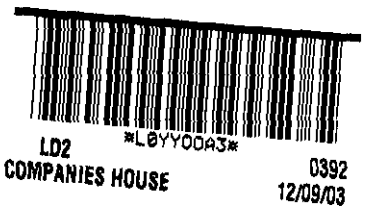
Company Registration No. 1267021

P.O.A. HOLDINGS LIMITED

Report and Financial Statements

31 December 2002



Deloitte & Touche
London

P.O.A. HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS 2002

CONTENTS

	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the accounts	8

P.O.A. HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS 2002

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D Sullivan
P W G Richardson
L Mellman
D Barker
A J de Courcy Thompson
B Townshend

SECRETARY

B Townshend

REGISTERED OFFICE

14 New Burlington Street
London
W1X 2LR

BANKERS

Barclays Bank
PO Box 544
54 Lombard Street
London
EC3V 9EX

SOLICITORS

Hammonds
7 Devonshire Square
Cutlers Gardens
London
EC2M 4YH

AUDITORS

Deloitte & Touche
Chartered Accountants
London

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITY

The principal activity of the company is that of a holding company.

RESULTS AND DIVIDENDS

The results of the company for the year are set out on page 5. The directors do not recommend payment of a dividend (2001: £nil).

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and subsequently, together with their interests in the shares of the company, were as follows:

	10p 'C' ordinary shares	
	2002	2001
D Sullivan (Chairman)	3,800	3,800
P W G Richardson	-	-
L Mellman	-	-
D Barker	-	-
A J de Courcy Thompson	-	-
B Townshend	-	-

Mr P W G Richardson is a director of the company's ultimate holding company. His interest in the share capital of the ultimate holding company is disclosed in their financial statements.

The directors who held office during the year had interests in the ordinary share options of the ultimate holding company, WPP Group plc, as follows:

	Number of options			
	At 1 January 2002	Granted in year	Exercised in year	At 31 December 2002
A J de Courcy Thompson	7,013	7,664	-	14,677
L Mellman	36,216	22,994	(2,900)	56,310
D Barker	177,016	22,994	-	200,010

None of the directors had any other interest in the share capital of the company, or any other group company other than that stated above.

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

Secretary

30th May 2003

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year 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;
- 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 Act 1985. They are also responsible for the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF P.O.A. HOLDINGS LIMITED

We have audited the financial statements of P.O.A. Holdings Limited for the year ended 31 December 2002 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes 1 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 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 with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 as at 31 December 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants and Registered Auditors
London

30 May 2003

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2002

	Note	2002 £	2001 £
Other income	2	-	156,584
Exceptional items	3	-	(156,584)
OPERATING LOSS	3	-	-
Finance charges (net)	4	8,920	9,802
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		8,920	9,802
Tax on loss on ordinary activities	5		-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		8,920	9,802
Retained loss, beginning of year		(1,135,015)	(1,144,817)
Retained loss, end of year	11	(1,126,095)	(1,135,015)

All results relate to continuing activities.

The accompanying notes are an integral part of this profit and loss account.

There are no recognised gains or losses in either year other than the profit/(loss) for that year.

BALANCE SHEET
31 December 2002

	Note	2002 £	2001 £
FIXED ASSETS			
Investments	6	4,666	4,666
CURRENT ASSETS			
Debtors	7	844	674
Cash at bank and in hand		346,198	295,085
		347,042	295,759
CREDITORS: amounts falling due within one year	8	-	(1,427,905)
NET CURRENT ASSETS/(LIABILITIES)		347,042	(1,132,146)
CREDITORS: amounts falling due after one year	9	(1,470,268)	-
NET LIABILITIES		(1,118,560)	(1,127,480)
EQUITY CAPITAL AND RESERVES			
Called up share capital	10	1,336	1,336
Share premium account	11	6,189	6,189
Capital redemption reserve	11	10	10
Profit and loss account	11	(1,126,095)	(1,135,015)
SHAREHOLDERS' DEFICIT	12	(1,118,560)	(1,127,480)

These financial statements were approved by the Board of Directors on 30th May 2003.

Signed on behalf of the Board of Directors



B Townshend
Director

CASH FLOW STATEMENT
Year ended 31 December 2002

	Note	2002 £	2001 £
Net cash inflow from operating activities	14	42,193	55,487
Returns on investments and servicing of finance			
Interest received		8,997	9,877
Interest paid		(77)	(75)
Increase in cash in the year	15,16	51,113	65,289

The accompanying notes are an integral part of this cash flow statement.

NOTES TO THE ACCOUNTS
Year ended 31 December 2002

1. ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, are set out below.

Basis of accounting

The financial statements are prepared under the historical cost convention, and in accordance with applicable financial reporting and accounting standards.

At 31 December 2002 the company had net liabilities of £1,118,560 (2001 - £1,127,480). The company was cash generative during the year ended 31 December 2002 and had a cash balance of £346,198 (2001 - £295,085) on that date. The directors are confident that future activities will move the company into a net asset position and accordingly, have prepared the financial statements on a going concern basis.

Consolidated financial statements have not been prepared because the company is a subsidiary undertaking of a company registered in Great Britain and exemption has been obtained under section 228 of the Companies Act 1985.

Investments

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

Taxation

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.

Deferred taxation (which arises from differences in the timing of the recognition of items, principally depreciation, in the financial statements and by the tax authorities) has been calculated using the liability method. Deferred tax is provided on timing differences which will probably reverse, at the rates of tax likely to be in force at the time of reversal. Deferred tax is not provided on timing differences which, in the opinion of the directors, will probably not reverse.

2. OTHER INCOME

Other income relates to a management fee charged to Portland Outdoor Advertising Limited, the company's principal subsidiary undertaking.

3. OPERATING LOSS

The operating loss is stated after charging:

	2002 £	2001 £
Exceptional items	-	156,584
Auditors remuneration	-	-

Exceptional items

The directors have made a provision for impairment of certain investments of £Nil (2001 - £128,661) and have made provisions of £Nil (2001 - £27,923) against certain balances receivable from subsidiary undertakings.

There were no employees during the year (2001 – nil). The directors received no remuneration for their services from the company in either year.

NOTES TO THE ACCOUNTS
Year ended 31 December 2002

4. FINANCE CHARGES (NET)

	2002 £	2001 £
Interest receivable	8,997	9,877
Interest payable and similar charges	(77)	(75)
	8,920	9,802

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

The company did not trade during the year. In the opinion of the directors there is no corporation tax liability and there is no provided or unprovided deferred taxation.

6. FIXED ASSET INVESTMENTS

	2002 £	2001 £
Subsidiary undertakings	4,664	4,664
Joint ventures	2	2
Associated undertakings	-	-
	4,666	4,666

a) Principal investments

The company has investments in the following principal operating subsidiary undertakings, joint ventures, associated undertakings and other investments.

	Country of incorporation	Principal activity	Proportion held
Subsidiary undertakings			
Portland Outdoor Advertising Limited	Great Britain	Buying of outdoor advertising	100%
Portland Polska sp.Z.0.0,a	Poland	Buying of outdoor advertising	100%
Portland Hungary Kft	Hungary	Buying of outdoor advertising	100%
Portland Asia Pacific Limited	Hong Kong	Buying of outdoor advertising	100%
Poster Plan Limited	Ireland	Buying of outdoor advertising	51%
Prime Ads International Limited	Great Britain	Buying of outdoor advertising	51%
Poster Sites Management Limited	Great Britain	Buying of outdoor advertising	100%
Portland Romania Advertising SRL	Romania	Buying of outdoor advertising	100%
Servicios Portland de Venezuela CA	Venezuela	Buying of outdoor advertising	100%
Joint Ventures			
Media Insight Outdoor Limited	Great Britain	Buying of outdoor advertising	50%
International Outdoor Systems Limited	Great Britain	Marketing & selling of software	45%
Associated undertakings			
Portland MCM Limited	Great Britain	Buying of outdoor advertising	40%
Portland OMI	Russia	Buying of outdoor advertising	40%

NOTES TO THE ACCOUNTS
Year ended 31 December 2002

6. FIXED ASSET INVESTMENTS (continued)

b) Investments in subsidiary undertakings

	£
Cost	
Beginning and end of year	181,404
Provision for impairment	
Beginning of year	176,740
Charge in year	-
End of year	176,740
Net book value	
Beginning of year	4,664
End of year	4,664

c) Investments in joint ventures

	£
Cost	
Beginning and end of year	2

d) Associated undertakings

	£
Cost and net book value	
Beginning and end of year	3,385
Provision for impairment	
Beginning of year	3,385
Charge in year	-
End of year	3,385
Net book value	
Beginning of year	-
End of year	-

7. DEBTORS

	2002 £	2001 £
Other debtors	844	674
	844	674

NOTES TO THE ACCOUNTS
Year ended 31 December 2002

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Amount owed to subsidiary undertakings	-	1,427,905

9. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2002 £	2001 £
Amount owed to subsidiary undertakings	1,470,269	-

10. CALLED UP SHARE CAPITAL

	2002 £	2001 £
Authorised		
A ordinary shares of 10p each	375	375
B ordinary shares of 10p each	375	375
C ordinary shares of 10p each	720	720
	1,470	1,470
Allotted, called up and fully paid		
A ordinary shares of 10p each	375	375
B ordinary shares of 10p each	375	375
C ordinary shares of 10p each	586	586
	1,336	1,336

There is no difference in the rights attaching to each class of share.

11. RESERVES

	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total £
Beginning of year	1,336	6,189	10	(1,135,015)	(1,127,480)
Retained profit for the year				8,920	8,920
End of year	1,336	6,189	10	(1,126,095)	(1,118,560)

NOTES TO THE ACCOUNTS
Year ended 31 December 2002

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2002 £	2001 £
Opening shareholders' deficit	(1,127,480)	(1,137,282)
Profit/(loss) attributable to equity shareholders	8,920	9,802
Closing shareholders' deficit	(1,118,560)	(1,127,480)

NOTES TO THE ACCOUNTS
Year ended 31 December 2002

13. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

Capital commitments

There were no capital commitments at the end of the year (2001 – £nil).

Contingent liabilities

There were no contingent liabilities at the end of the year (2001 – £nil).

Cross guarantee

An unlimited cross guarantee and debentures exists between the company, Portland Outdoor Advertising Limited and Poster Sites Management Limited, in respect of an overdraft facility.

14. RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2002 £	2001 £
Operating loss	-	-
Investment impairment	-	128,661
Decrease in debtors	(170)	28,214
Decrease in creditors	42,364	(101,388)
Net cash inflow from operating activities	42,194	55,487

15. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	£
Net funds at 1 January 2002	295,085
Increase in cash in the year	51,113
Net funds at 31 December 2002	346,198

16. ANALYSIS OF NET FUNDS

	At 1 January 2002 £	Cash flow £	At 31 December 2002 £
Cash at bank	295,085	51,113	346,198

17. ULTIMATE HOLDING COMPANY

The directors regard WPP Group plc as the ultimate parent company and controlling party. The only group in which the results of P.O.A. Holdings Limited and its subsidiary undertakings are consolidated is headed by WPP Group plc, a copy of whose financial statements may be obtained from WPP Group plc, 27 Farm Street, London W1J 5RJ.