

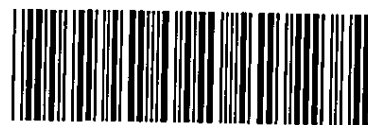
Registered number: 2005521

IG COMMUNICATIONS LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012



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IG COMMUNICATIONS LIMITED

COMPANY INFORMATION

DIRECTORS C R Adams (resigned 31 January 2012)
S P Withey
M Morrow (appointed 31 January 2012)

COMPANY SECRETARY J K Lees

REGISTERED NUMBER 2005521

REGISTERED OFFICE 15-17 Huntsworth Mews
London
NW1 6DD

BANKERS Lloyds TSB Bank plc
PO Box 72
Bailey Drive
Gillingham Business Park
Kent
ME8 0LS

IG COMMUNICATIONS LIMITED

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IG COMMUNICATIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

The Directors present their report and the financial statements for the year ended 31 December 2012

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year was that of an intermediate holding company. This activity is unlikely to change in the foreseeable future.

BUSINESS REVIEW

The Company made operating losses of £5.1 million in the year, as a result of impairing certain investments in subsidiaries. The company recognised interest income of £5.5 million. Net assets have decreased slightly to £80.1 million (2011: £81.6 million).

RESULT

The loss for the year, after taxation, amounted to £625,000 (2011 - profit £3,882,000).

DIRECTORS

The Directors who served during the year and subsequently were

C R Adams (resigned 31 January 2012)
S P Withey
M Morrow (appointed 31 January 2012)

GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development and position, are set out above. The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with Huntsworth plc and fellow subsidiaries.

On the basis of their assessment of the Company's financial position, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

This report was approved by the board on

20 June 2013

and signed on its behalf



J K Lees
Secretary

IG COMMUNICATIONS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

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 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 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 judgments 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,
- 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.

IG COMMUNICATIONS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	2012 £000	2011 £000
Administrative expenses		(5,060)	(273)
OPERATING LOSS	2	(5,060)	(273)
Income from shares in group undertakings		-	248
Interest receivable and similar income	4	5,495	5,684
Interest payable and similar charges	5	(227)	(208)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		208	5,451
Tax on profit on ordinary activities	6	(833)	(1,569)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	12	(625)	3,882

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and loss account

The notes on pages 5 to 11 form part of these financial statements

IG COMMUNICATIONS LIMITED
REGISTERED NUMBER: 2005521

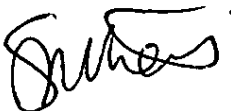
BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note	£000	2012 £000	£000	2011 £000
FIXED ASSETS					
Investments	7		213,600		219,700
CURRENT ASSETS					
Debtors	8	116,133		113,259	
CREDITORS: amounts falling due within one year	9	(3,326)		(5,927)	
NET CURRENT ASSETS			112,807		107,332
TOTAL ASSETS LESS CURRENT LIABILITIES			326,407		327,032
CREDITORS: amounts falling due after more than one year	10		(245,440)		(245,440)
NET ASSETS			80,967		81,592
CAPITAL AND RESERVES					
Called up share capital	11		10,092		10,092
Share premium account	12		95,129		95,129
Merger reserve	12		58,005		58,005
Profit and loss account	12		(82,259)		(81,634)
SHAREHOLDERS' FUNDS	13		80,967		81,592

The Directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006 ("the Act") and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Act

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



S P Withey
Director

20/6/13

IG COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

1.2 Related party transactions

The Company has taken advantage of the exemption under FRS 8 not to disclose transactions with group undertakings as a subsidiary which is wholly owned by the ultimate parent undertaking.

1.3 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.5 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.6 Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

IG COMMUNICATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

1. ACCOUNTING POLICIES (continued)

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

2. OPERATING LOSS

The operating loss is stated after charging/(crediting)

	2012	2011
	£000	£000
Difference on foreign exchange	(1,040)	273
Impairment of investment in subsidiaries	6,100	-

Auditor's remuneration in the current and prior year was borne by Huntsworth plc. If the auditors' remuneration was borne by this company it would have been £1,200 (2011: £1,200)

3. STAFF COSTS AND DIRECTORS' EMOLUMENTS

The Company has no employees other than the Directors, who did not receive any remuneration (2011: £NIL)

4. INTEREST RECEIVABLE

	2012	2011
	£000	£000
Interest receivable from group companies	5,495	5,684

5. INTEREST PAYABLE

	2012	2011
	£000	£000
On loans from group undertakings	227	208

IG COMMUNICATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

6 TAXATION

	2012 £000	2011 £000
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	851	1,574
Adjustments in respect of prior periods	(18)	(5)
Tax on profit on ordinary activities	833	1,569

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2011 - *higher than*) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%). The differences are explained below

	2012 £000	2011 £000
Profit on ordinary activities before tax	208	5,451
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	51	1,444
Effects of:		
Expenses not deductible for tax purposes	1,494	195
Adjustments to tax charge in respect of prior periods	(18)	(5)
Non-taxable income	(694)	(65)
Current tax charge for the year (see note above)	833	1,569

Factors that may affect future tax charges

The UK's Finance Act 2012 introduced legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013. The UK Government has also announced that it intends to enact further reductions in the main rate of corporation tax to 21% from 1 April 2014 and to 20% by 1 April 2015. The effect of these reductions in the rate to 20% is not considered to be significant for these accounts. The actual impact will be dependent on the deferred tax position at that time.

IG COMMUNICATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

7. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000	Other fixed asset investments £000	Total £000
Cost or valuation			
At 1 January 2012 and 31 December 2012	279,077	15	279,092
Impairment			
At 1 January 2012	59,392	-	59,392
Charge for the year	6,100	-	6,100
At 31 December 2012	65,492	-	65,492
Net book value			
At 31 December 2012	213,585	15	213,600
<i>At 31 December 2011</i>	219,685	15	219,700

IG COMMUNICATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

7. FIXED ASSET INVESTMENTS (continued)

Subsidiary undertakings

The following were the principal subsidiary undertakings of the company

Name	Class of shares	Holding
Citigate & Trimedia Norden AB	Ordinary	100 %
Huntsworth Spain SL	Ordinary	100 %
Citigate First Financial BV	Ordinary	100 %
Citigate Dewe Rogerson iMAGE Pte Limited	Ordinary	100 %
Dewe Rogerson Group Limited	Ordinary	100 %
Huntsworth Holdings GmbH	Ordinary	100 %
Citigate Communications Group Limited	Ordinary	100 %

8. DEBTORS

	2012	2011
	£000	£000
Amounts owed by group undertakings	116,063	113,188
Other debtors	70	71
	116,133	113,259

Interest is receivable on intercompany loan notes of US\$30 million (£18.2 million) at 6.75% per annum, on intercompany loan notes of US\$26.3 million (£15.9 million) at 7.5% per annum and on intercompany loan notes of £40.4 million at LIBOR plus 2.5%

**9 CREDITORS:
Amounts falling due within one year**

	2012	2011
	£000	£000
Amounts owed to group undertakings	2,119	4,724
Corporation tax	1,207	1,203
	3,326	5,927

**10. CREDITORS:
Amounts falling due after more than one year**

	2012	2011
	£000	£000
Amounts owed to group undertakings	245,440	245,440

IG COMMUNICATIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

11. SHARE CAPITAL

	2012	2011
	£000	£000
Authorised		
262,000,000 Ordinary shares of £0.05 each	13,100	13,100
Allotted, called up and fully paid		
201,842,734 Ordinary shares of £0.05 each	10,092	10,092

12. RESERVES

	Share premium account £000	Merger reserve £000	Profit and loss account £000
At 1 January 2012	95,129	58,005	(81,634)
Loss for the year			(625)
At 31 December 2012	95,129	58,005	(82,259)

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012	2011
	£000	£000
Opening shareholders' funds	81,592	77,710
(Loss)/profit for the year	(625)	3,882
Closing shareholders' funds	80,967	81,592

14. CONTINGENT LIABILITIES

In connection with the Group's banking and borrowing facilities, on 15 March 2011 the Company and certain other group companies entered into cross-guarantee and indemnity arrangements with Lloyds TSB Bank plc, The Royal Bank of Scotland plc and Clydesdale Bank plc. The guaranteed facilities of these companies at 31 December 2012 were £110.0 million (2011: £110.0 million).

The Company is registered with HM Revenue & Customs as a member of a group for VAT purposes and as a result is jointly and severally liable on a continuing basis for amounts owing by any other members of that group in respect of unpaid VAT. At the balance sheet date the outstanding VAT group liability was £2.0 million (2011: £2.2 million).

IG COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

15 OPERATING LEASE COMMITMENTS

At 31 December 2012 the Company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2012	2011	2012	2011
	£000	£000	£000	£000
Expiry date				
Within 1 year	-	88	-	-

The cost of these operating leases is borne by another Group company

16 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent company is Huntsworth Holdings Limited. The ultimate parent company is Huntsworth plc. Huntsworth plc is the smallest and largest group to consolidate these financial statements. Copies of Huntsworth plc's consolidated financial statements, which include the Company, are available from its registered office at 15-17 Huntsworth Mews, London, NW1 6DD.