

Registration number 04028821

Creative Lynx Limited
Directors' report and financial statements
for the year ended 31 December 2012

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Creative Lynx Limited

Company information

Directors	D Hunt D Murphy N Martin E Stapor N Orme
Secretary	A J Ross
Company number	04028821
Registered office	Havas House Hermitage Court Hermitage Lane Maidstone Kent ME16 9NT
Auditors	Constantin 25 Hosier Lane London EC1A 9LQ

Creative Lynx Limited

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Creative Lynx 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 activity and review of the business

The principal activity of the company continued to be that of a digital, marketing and creative agency, specialising in the Health, Education and Public sectors

The current uncertainty about the global economy for 2013 does not raise undue concern for Creative Lynx Limited given our recent strong performance, current forecasts and the pipeline of work for 2014

Results and dividends

The results for the year are set out on page 6

The directors have paid an interim dividend amounting to £709,376 and they do not recommend payment of a final dividend

Future developments

We anticipate a continuation of sustainable growth across all our core disciplines in line with the last three years, both in terms of new business and further development of existing clients

The new offerings the company has developed, specifically in relation to social listening and strategy substantially New products the company has developed are also expected to aid further growth

Principal risks and uncertainties

Risks are reviewed by the board and appropriate processes are put in place to monitor and mitigate them The key risks are set out below

Financial risk

The Company manages these risks internally and does not use derivative financial instruments

Liquidity risk

Sufficient funds are held by the Company to ensure that liabilities can be settled as they fall due

Creative Lynx Limited

Directors' report for the year ended 31 December 2012

Directors

The directors who served during the year are as stated below

B Geremia	(Appointed 24/05/2012 and Resigned 06/08/2012)
D Hunt	
N Martin	
D Murphy	(Appointed 24/05/2012)
L Young	(Resigned 24/05/2012)
E Stapor	(Appointed 08/08/2012)
N Orme	(Appointed 08/08/2012)
S Crossley	(Resigned 24/05/2012)
S Nicholas	(Resigned 24/05/2012)
D Whittingham	(Resigned 24/05/2012)

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 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 year. In preparing these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent, 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.

In so far as the directors are aware

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

Creative Lynx Limited

**Directors' report
for the year ended 31 December 2012**

Auditors

Constantin are deemed to be reappointed in accordance with an elective resolution made under Section 487(2) of the Companies Act 2006

The Directors' Report has been prepared taking advantage of exemptions available to medium sized companies under Section 445(3) and 417(7)

This report was approved by the Board on **21.6.13** and signed on its behalf by

A handwritten signature in black ink, appearing to be 'N Martin', with a long horizontal stroke extending to the right.

N Martin

Independent auditor's report to the members of Creative Lynx Limited

We have audited the financial statements of Creative Lynx Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement 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 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 explained more fully in the Directors' Report, 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

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 and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications of 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 December 2012 and of its profit for the year 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 matter prescribed by the Companies Act 2006

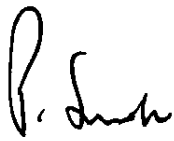
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the members of
Creative Lynx Limited**

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
- 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



**Peter Smith FCA (Senior Statutory Auditor)
For and on behalf of Constantin, Statutory Auditor**

**25 Hosier Lane
London
EC1A 9LQ**

Date 27 June 2013.

Creative Lynx Limited

**Profit and loss account
for the year ended 31 December 2012**

		Continuing operations	
		Year ended 31/12/12	8 months ended 31/12/11
	Notes	£	£
Turnover	2	9,123,693	4,774,383
Cost of sales		(5,477,470)	(2,604,305)
Gross profit		3,646,223	2,170,078
Administrative expenses		(2,025,288)	(1,057,788)
Operating profit	3	1,620,935	1,112,290
Other interest receivable and similar income	4	12,785	1,817
Interest payable and similar charges	5	(4,498)	(10,992)
Profit on ordinary activities before taxation		1,629,222	1,103,115
Tax on profit on ordinary activities	8	(433,814)	(333,648)
Profit on ordinary activities after taxation	15	1,195,408	769,467

There are no recognised gains or losses other than the profit or loss for the above two financial years

The notes on pages 9 to 21 form an integral part of these financial statements.

Creative Lynx Limited

**Balance sheet
as at 31 December 2012**

	Notes	31/12/12		31/12/11	
		£	£	£	£
Fixed assets					
Intangible assets	9		736,629		801,633
Tangible assets	10		232,792		302,994
			<u>969,421</u>		<u>1,104,627</u>
Current assets					
Debtors	11	4,014,074		3,274,747	
Cash at bank and in hand		1,835,941		1,292,886	
		<u>5,850,015</u>		<u>4,567,633</u>	
Creditors: amounts falling due within one year	12	<u>(3,145,110)</u>		<u>(2,450,779)</u>	
Net current assets			<u>2,704,905</u>		<u>2,116,854</u>
Total assets less current liabilities			3,674,326		3,221,481
Creditors: amounts falling due after more than one year	13		(24,584)		(43,698)
Provisions for liabilities	8		<u>(18,353)</u>		<u>(32,426)</u>
Net assets			<u>3,631,389</u>		<u>3,145,357</u>
Capital and reserves					
Called up share capital	14		100		100
Profit and loss account	15	-	<u>3,631,289</u>		<u>3,145,257</u>
Shareholders' funds	16		<u>3,631,389</u>		<u>3,145,357</u>

The financial statements were approved by the Board on 21.6.13 and signed on its behalf by



N Martin
Director

Registration number 04028821

The notes on pages 9 to 21 form an integral part of these financial statements.

Creative Lynx Limited

**Cash flow statement
for the year ended 31 December 2012**

		Year ended 31/12/12 £	8 months ended 31/12/11 £
	Notes		
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		1,620,935	1,112,290
Depreciation		173,677	121,336
Decrease in stocks		-	26,313
Increase in debtors		(739,327)	(737,798)
Increase in creditors		825,495	652,923
Net cash inflow from operating activities		<u>1,880,780</u>	<u>1,175,064</u>
Cash flow statement			
Net cash inflow from operating activities		1,880,780	1,175,064
Returns on investments and servicing of finance	20	8,287	(9,175)
Taxation	20	(575,717)	-
Capital expenditure	20	(38,471)	(117,632)
		<u>1,274,879</u>	<u>1,048,257</u>
Equity dividends paid		(709,376)	(305,415)
		<u>565,503</u>	<u>742,842</u>
Financing	20	(28,013)	(458,505)
Increase in cash in the year		<u>537,490</u>	<u>284,337</u>
Reconciliation of net cash flow to movement in net funds (Note 21)			
Increase in cash in the year		537,490	284,337
Cash outflow from decrease in finance leases and hire purchase contracts		28,013	18,493
Cash outflow from decrease in debt due within 1 year		-	237,647
Cash outflow from decrease in debt due after 1 year		-	202,365
		<u>565,503</u>	<u>742,842</u>
Movement in net funds in the year		1,214,043	471,201
Net funds at 1 January 2012		<u>1,214,043</u>	<u>471,201</u>
Net funds at 31 December 2012		<u>1,779,546</u>	<u>1,214,043</u>

Creative Lynx Limited

Notes to the financial statements for the year ended 31 December 2012

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board

1.2. Turnover

Turnover represents amounts receivable for goods and services provided net of VAT and discounts. Turnover is recognised on contracts, if the final outcome can be assessed with reasonable certainty, by recognising in the profit and loss account turnover and related costs as contract activity progresses

1.3. Goodwill

Goodwill, being the amount paid in connection with the acquisition of Creative Lynx Partnership in 2004, is being amortised evenly over its estimated useful life of 20 years

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

Leasehold improvements	-	Over life of the lease
Computer equipment	-	33% straight line
Fixtures, fittings and equipment	-	25% reducing balance
Motor vehicles	-	25% reducing balance

1.5. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.6. Amounts recoverable on contracts

Amounts recoverable on long term contracts, which are included in debtors are stated at the net sales value of the work done after provisions for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments received on account

Amounts recoverable on contracts, which are included in debtors, are stated at the net sales value of the income recognised after provision for contingencies and anticipated future losses on contract, less amount invoiced on account

Where invoices raised exceed the value recognised the excess is included within accruals as deferred income

Creative Lynx Limited

Notes to the financial statements for the year ended 31 December 2012

1.7. Pensions

The company operates a defined contribution pension scheme

The amount charged to the Profit and Loss Account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Balance Sheet.

1.8. Taxation

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

Deferred taxation is recognised in respect of all material timing differences that have originated but not been 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 future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, 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 difference can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statement. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.9. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss Account.

Creative Lynx Limited

Notes to the financial statements for the year ended 31 December 2012

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK

	Year ended 31/12/12	8 months ended 31/12/11
Geographical market		
UK	6,487,291	3,320,552
Europe	2,281,619	1,167,985
Rest of the World	354,783	285,846
	<u>9,123,693</u>	<u>4,774,383</u>

3. Operating profit

	Year ended 31/12/12 £	8 months ended 31/12/11 £
Operating profit is stated after charging/(crediting)		
Depreciation and other amounts written off intangible assets	65,004	43,336
Depreciation and other amounts written off tangible assets	109,285	78,000
Operating lease rentals		
- Land and buildings	212,181	123,310
- Office equipment	28,001	19,926
Auditors' remuneration	27,600	6,550
Profit on disposal of tangible fixed assets	(612)	-
Net foreign exchange gain	<u>(20,138)</u>	<u>(43,579)</u>

4. Interest receivable and similar income

	Year ended 31/12/12 £	8 months ended 31/12/11 £
Bank interest	<u>12,785</u>	<u>1,817</u>

Creative Lynx Limited

**Notes to the financial statements
for the year ended 31 December 2012**

	Year ended 31/12/12	8 months ended 31/12/11
5. Interest payable and similar charges	£	£
Interest payable on loans < 1 yr	149	7,703
Hire purchase interest	4,349	3,289
	<u>4,498</u>	<u>10,992</u>
6. Employees		
Number of employees	Year ended 31/12/12	8 months ended 31/12/11
The average monthly numbers of employees (including the directors) during the year were		
Directors	5	6
Production	112	76
	<u>117</u>	<u>82</u>
Employment costs	31/12/12	31/12/11
	£	£
Wages and salaries	3,868,099	1,805,577
Social security costs	408,878	200,244
Pension costs	6,456	8,000
	<u>4,283,433</u>	<u>2,013,821</u>

Creative Lynx Limited

**Notes to the financial statements
for the year ended 31 December 2012**

	Year ended 31/12/12 £	8 months ended 31/12/11 £
6.1. Directors' remuneration		
Remuneration and other emoluments	438,065	346,765
Pension contributions	5,000	8,000
	<u>443,065</u>	<u>354,765</u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>1</u>	<u>1</u>
Highest paid director	£	£
Amounts included above		
Emoluments and other benefits	132,852	71,485
Pension contributions	-	8,000
	<u>132,852</u>	<u>79,485</u>

7. Pension costs

The company operates a defined contribution pension scheme in respect of the employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £6,456 (2011 - £8,000).

There were no amounts outstanding at year end (2011 - £nil).

Creative Lynx Limited

**Notes to the financial statements
for the year ended 31 December 2012**

8. Tax on profit on ordinary activities

	Year ended 31/12/12 £	8 months ended 31/12/11 £
Analysis of charge in period		
Current tax		
UK corporation tax	447,887	301,222
Total current tax charge	<u>447,887</u>	<u>301,222</u>
Deferred tax		
Timing differences, origination and reversal	(14,073)	32,426
Total deferred tax	<u>(14,073)</u>	<u>32,426</u>
Tax on profit on ordinary activities	<u>433,814</u>	<u>333,648</u>

Factors affecting tax charge for period

The tax assessed for the period differs from the standard rate of corporation tax in the UK (24.50 per cent). The differences are explained below

	£	£
Profit on ordinary activities before taxation	<u>1,629,222</u>	<u>1,103,115</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.50% (31 December 2011: 26.00%)	399,159	286,810
Effects of:		
Expenses not deductible for tax purposes	33,848	21,715
Depreciation for year in excess of / (less than) capital allowances	<u>14,880</u>	<u>(7,303)</u>
Current tax charge for period	<u>447,887</u>	<u>301,222</u>

Creative Lynx Limited

**Notes to the financial statements
for the year ended 31 December 2012**

8. Tax on profit on ordinary activities (continued)

Deferred tax	31/12/12 £	31/12/11 £
Capital allowances in excess of depreciation or depreciation in excess of capital allowances	18,353	32,426
Provision for deferred tax	<u>18,353</u>	<u>32,426</u>
Provision at 1 January 2012	32,426	
Deferred tax credit in profit and loss account	<u>(14,073)</u>	
Provision at 31 December 2012	<u>18,353</u>	

9. Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2012	1,300,000
At 31 December 2012	<u>1,300,000</u>
Amortisation	
At 1 January 2012	498,367
Charge for year	65,004
At 31 December 2012	<u>563,371</u>
Net book values	
At 31 December 2012	<u>736,629</u>
At 31 December 2011	<u>801,633</u>

Creative Lynx Limited

**Notes to the financial statements
for the year ended 31 December 2012**

10. Tangible fixed assets	Leasehold improvements £	Computer equipment £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2012	130,575	312,092	48,751	146,942	638,360
Additions	8,812	46,159	-	-	54,971
Disposals	-	(160,817)	-	(51,892)	(212,709)
At 31 December 2012	<u>139,387</u>	<u>197,434</u>	<u>48,751</u>	<u>95,050</u>	<u>480,622</u>
Depreciation					
At 1 January 2012	44,008	200,593	21,621	69,144	335,366
On disposals	-	(160,817)	-	(36,004)	(196,821)
Charge for the year	27,877	57,670	6,783	16,955	109,285
At 31 December 2012	<u>71,885</u>	<u>97,446</u>	<u>28,404</u>	<u>50,095</u>	<u>247,830</u>
Net book values					
At 31 December 2012	<u>67,502</u>	<u>99,988</u>	<u>20,347</u>	<u>44,955</u>	<u>232,792</u>
At 31 December 2011	<u>86,567</u>	<u>111,499</u>	<u>27,130</u>	<u>77,798</u>	<u>302,994</u>

Included above are assets held under finance leases or hire purchase contracts as follows

Asset description	31/12/12		31/12/11	
	Net book value	Depreciation charge	Net book value	Depreciation charge
	£	£	£	£
Computer equipment	14,636	10,681	25,317	7,050
Motor vehicles	40,124	13,375	66,862	13,372
	<u>54,760</u>	<u>24,056</u>	<u>92,179</u>	<u>20,422</u>

Creative Lynx Limited

**Notes to the financial statements
for the year ended 31 December 2012**

11. Debtors	31/12/12	31/12/11
	£	£
Trade debtors	2,468,923	1,557,118
Amounts recoverable on long term contracts	71,707	307,992
Amounts owed by group undertakings	1,415,477	1,353,007
Other debtors	931	8,723
Prepayments and accrued income	57,036	47,907
	<u>4,014,074</u>	<u>3,274,747</u>
12. Creditors: amounts falling due within one year	31/12/12	31/12/11
	£	£
Bank overdraft	10,966	5,401
Net obligations under finance leases and hire purchase contracts	20,845	29,744
Trade creditors	173,948	210,804
Amounts owed to group undertaking	26,825	-
Corporation tax	424,455	552,285
Other taxes and social security costs	235,519	474,788
Directors' accounts	-	780
Other creditors	-	560
Accruals and deferred income	2,252,552	1,176,417
	<u>3,145,110</u>	<u>2,450,779</u>

Creative Lynx Limited

**Notes to the financial statements
for the year ended 31 December 2012**

13. Creditors: amounts falling due after more than one year	31/12/12	31/12/11
	£	£
Net obligations under finance leases and hire purchase contracts	<u>24,584</u>	<u>43,698</u>
Hire purchase creditors are secured against the asset to which they relate		
Net obligations under hire purchase contracts		
Repayable within one year	20,845	29,744
Repayable between one and five years	<u>24,584</u>	<u>43,698</u>
	45,429	73,442
Included within liabilities falling due within one year	<u>(20,845)</u>	<u>(29,744)</u>
	<u>24,584</u>	<u>43,698</u>
14. Share capital	31/12/12	31/12/11
	£	£
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
15. Equity Reserves		Profit and loss account
		£
At 1 January 2012		3,145,257
Profit for the year		1,195,408
Equity Dividends		<u>(709,376)</u>
At 31 December 2012		<u>3,631,289</u>

Creative Lynx Limited

**Notes to the financial statements
for the year ended 31 December 2012**

16. Reconciliation of movements in shareholders' funds	31/12/12	31/12/11
	£	£
Profit for the year	1,195,408	769,467
Dividends	(709,376)	(305,415)
	<u>486,032</u>	<u>464,052</u>
Opening shareholders' funds	3,145,357	2,681,305
Closing shareholders' funds	<u>3,631,389</u>	<u>3,145,357</u>

17. Financial commitments

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

	Land and buildings		Other	
	31/12/12	31/12/11	31/12/12	31/12/11
	£	£	£	£
Expiry date:				
Between one and five years	-	-	39,784	26,568
In over five years	<u>173,577</u>	<u>173,577</u>	<u>-</u>	<u>-</u>
	<u>173,577</u>	<u>173,577</u>	<u>39,784</u>	<u>26,568</u>

Creative Lynx Limited

Notes to the financial statements for the year ended 31 December 2012

18. Related party transactions

Related party	Relationship	Nature of transaction	Amount	
			2012 £	2011 £
Havas Shared Services Ltd	Group undertaking	Payroll fees	800	-
Havas Worldwide London Ltd	Group undertaking	Management fee	83,881	-
Havas Life London Ltd	Group undertaking	Travel expenses	8,814	-
H4B London Ltd	Group undertaking	Property Rental	15,010	-
Havas Health, Inc	Group undertaking	Sales - Software development	62,470	-
Havas Life London Ltd	Group undertaking	Sales - Training	15,000	-

Related party	Relationship	Nature of transaction	Year end balance	
			2012 £ Dr/(Cr)	2011 £ Dr/(Cr)
Havas Health, Inc	Group undertaking	Sales - Software development	62,470	-
Havas Life London Ltd	Group undertaking	Travel expenses	(8,813)	-
H4B London Ltd	Group undertaking	Property rental	(18,012)	-
Creative Lynx Group Ltd	Parent company	Loan	1,352,007	1,352,007
Digital Lynx Ltd	Group undertaking	Loan	1,000	1,000

19. Ultimate parent undertaking

The company's immediate parent undertaking and controlling party is Creative Lynx Group Limited, a company incorporated in United Kingdom and registered in England and Wales and its ultimate parent company and controlling party is Havas SA , which is incorporated in France

The smallest and the largest group in which the results of the Company are consolidated is that headed by Havas SA , whose financial statements are available in English and French, from Havas SA , 29/30 quai de Dion Bouton, F92817 Puteaux Cedex, France

Creative Lynx Limited

**Notes to the financial statements
for the year ended 31 December 2012**

20. Gross cash flows

	31/12/12	31/12/11
	£	£
Returns on investments and servicing of finance		
Interest received	12,785	1,817
Interest paid	(4,498)	(10,992)
	<u>8,287</u>	<u>(9,175)</u>
Capital expenditure		
Payments to acquire tangible assets	(54,971)	(117,631)
Receipts from sales of tangible assets	16,500	-
	<u>(38,471)</u>	<u>(117,631)</u>
Financing		
Repayment of short term bank loan	-	(440,012)
Capital element of finance leases and hire purchase contracts	(28,013)	(18,494)
	<u>(28,013)</u>	<u>(458,506)</u>

21. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	1,292,886	543,055	1,835,941
Overdrafts	(5,401)	(5,565)	(10,966)
	<u>1,287,485</u>	<u>537,490</u>	<u>1,824,975</u>
Finance leases and hire purchase contracts	(73,442)	28,013	(45,429)
Net funds	<u>1,214,043</u>	<u>565,503</u>	<u>1,779,546</u>