

Adelphi Group Limited

Financial statements for the eleven months ended
31 December 1998 together with directors' and
auditors' reports

Registered number: 1975338



Directors' report

For the eleven months ended 31 December 1998

The directors present their annual report and the audited financial statements for the eleven months ended 31 December 1998.

Activities

The principal activity of the company is the holding company of a group whose activities include medical publishing, market research, the organisation of educational seminars and graphic design within the pharmaceutical industry. The company also undertakes disease specific research through its division, Adelphi Group Products. On 20 October 1998, the company was acquired by Diversified Agency Services Limited.

Results and dividends

The result for the year is shown on page 5.

Dividends and transfers to reserves

Details of dividends paid and proposed are shown in Note 7 to the financial statements. The retained profit for the period of £23,000 (31 January 1998 loss – £233,000) has been transferred to reserves.

The directors consider the company's state of affairs and future prospects to be satisfactory.

Directors' and their interests

The directors of the company and their shareholdings are detailed below:

B Ord £1.00 shares

Director	At 1 February 1998	Acquisition	Disposal	At 31 December 1998
E.S. Cooper	-	24,341*	(24,341)	-
L.T. Morgan	-	13,751*	(13,751)	-

B1 Ord £0.01 shares

Director	At 1 February 1998	Acquisition	Disposal	At 31 December 1998
E.S. Cooper	-	243,410	(243,410)	-
L.T. Morgan	-	137,510	(137,510)	-

C Ord £1.00 shares

Director	At 1 February 1998	Acquisition	Disposal	At 31 December 1998
D.G. Harrison	-	1,000	(1,000)	-
J. Hayes	-	13,750**	(13,750)	-

Ord £1.00 shares

Director	At 1 February 1998	Acquisition	Disposal	At 31 December 1998
E.S. Cooper	24,341	-	(24,341)*	-
J. Hayes	13,750	-	(13,750)**	-
L.T. Morgan	13,751	-	(13,751)*	-

* On 16 September 1998, these Ordinary £1.00 shares were converted into B Ordinary £1.00 shares.

** On 16 September 1998, these Ordinary £1.00 shares were converted into C Ordinary £1.00 shares.

Directors' report (continued)

Directors' and their interests (continued)

One director exercised share options in the period.

The directors who served during the period were as follows:

M.J. Birkin (appointed 20 October 1998)

E.S. Cooper

B.R. Emsell (alternate director, appointed 20 October 1998)

T.L. Harrison (alternate director, appointed 20 October 1998)

D.G. Harrison

J. Hayes

L.T. Morgan

N.R. Penrose (appointed 20 October 1998)

G. Turton

None of the directors had any interests in the share capital of the immediate parent company, Diversified Agency Services Limited.

During the period, certain of the directors entered into new employment contracts with the company and its immediate parent company, Diversified Agency Services Limited ("DAS") which provided for certain restrictions should their employment cease. The consideration for these restrictions has been dealt with in the financial statements of DAS.

Year 2000

The period to the year 2000 presents companies using any form of electronic system incorporating a calendar with the opportunity to ensure they are not vulnerable to potentially significant problems which could arise if steps are not taken ahead of time to eliminate the risk that systems will malfunction when the last two digits of the year roll over to '00'.

We have been reviewing and updating our systems so that they are "year 2000 compliant". Where changes are still necessary, we are installing software packages from a software house which is committed to delivering compliant systems.

Costs in respect of updating our systems have been expensed or capitalised as appropriate. Separable costs related to the preparation for the year 2000 are not identifiable.

Euro

Since the introduction of the single currency, the "euro", on 1 January 1999, which affects companies even outside the countries of the original eleven participants, the company continues to take actions to ensure that systems can handle the euro and that staff receive the appropriate training. The cost associated with the advent of the euro is not expected to be significant.

Directors' report (continued)

Subsequent events

The company dissolved its interest in AMM Adelphi LLC with effect from 31 January 1999. In May 1999, the company sold its entire interest in Mapi Research Institute SA.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

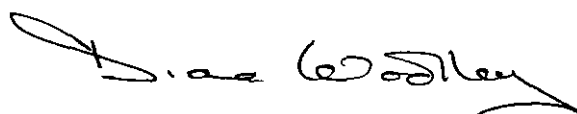
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

During the year Deloitte & Touche resigned as auditors and Arthur Andersen were appointed. The directors will place a resolution before the annual general meeting to reappoint Arthur Andersen as auditors for the ensuing year.

Adelphi Mill
Bollington
Macclesfield
Cheshire
SK10 5JB

By order of the Board,



D.R. Woolley
Secretary

18 August 1999

Auditors' report

London

To the Shareholders of Adelphi Group Limited:

We have audited the financial statements on pages 5 to 20 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 to 9.

Respective responsibilities of directors and auditors.

As described on page 3 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 1998 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Arthur Andersen

Arthur Andersen

Chartered Accountants and Registered Auditors

1 Surrey Street

London

WC2R 2PS

18 August 1999

Profit and loss account

For the period ended 31 December 1998

	Notes	Eleven months ended 31 December 1998 £'000	Year ended 31 January 1998 £'000
Turnover	1	4,974	3,713
Cost of sales		(2,231)	(1,115)
Gross profit		2,743	2,598
Administrative expenses		(2,978)	(2,638)
Other operating income		26	38
Operating loss		(209)	(2)
Income from shares in group undertakings		736	-
Income from participating interests		10	-
Interest receivable and similar income	4	63	45
Interest payable and similar charges	5	(137)	(146)
Profit/(loss) on ordinary activities before taxation	3	463	(103)
Tax on profit/(loss) on ordinary activities	6	17	(20)
Profit/(loss) on ordinary activities after taxation		480	(123)
Dividends	7	(457)	(110)
Retained profit/(loss) for the financial period		23	(233)
Retained profit brought forward		236	469
Retained profit carried forward		259	236

The above results all derive from continuing operations.

The company has no recognised gains or losses other than the loss for the financial period and the preceding year. Accordingly a Statement of Total Recognised Gains and Losses has not been prepared.

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

Balance sheet

31 December 1998

	Notes	31 December 1998 £'000	31 January 1998 £'000
Fixed assets			
Tangible assets	8	1,949	2,087
Investments	9	75	183
		<u>2,024</u>	<u>2,270</u>
Current assets			
Debtors	10	2,696	846
Cash at bank and in hand		-	480
		<u>2,696</u>	<u>1,326</u>
Creditors: amounts falling due within one year	11	(3,359)	(2,376)
Net current liabilities		<u>(663)</u>	<u>(1,050)</u>
Total assets less current liabilities		<u>1,361</u>	<u>1,220</u>
Creditors: amounts falling due after more than one year	12	(195)	(663)
Provision for liabilities and charges	13	(77)	(94)
Net assets		<u>1,089</u>	<u>463</u>
Capital and reserves			
Called-up share capital	14	277	125
Share premium account	15	378	7
Capital redemption reserve	15	95	95
Profit and loss account	15	339	236
Equity shareholders' funds		<u>1,089</u>	<u>463</u>

Signed on behalf of the Board,



D.G. Harrison

Director

18 August 1999

The accompanying notes are an integral part of this balance sheet.

Notes to the financial statements

31 December 1998

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently through the period and the preceding year.

a) Accounting convention

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

b) Change of year end

The company has changed its accounting reference date to 31 December 1998 in line with that of its ultimate UK parent company, Omnicom Europe Limited. This has resulted in an 11 month accounting period from 1 February 1998 to 31 December 1998 (31 January 1998: 12 months).

c) Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Fixtures and furniture	10-20% per annum
Motor vehicles	20% per annum
Computers and machinery	12.5-20% per annum

d) Amounts recoverable on contracts

Profit is recognised on long term work in progress in proportion to the stage of completion of the work where the financial outcome can be foreseen with reasonable certainty. Amounts recoverable on long term contracts are included in debtors and comprise any excess of cumulative turnover over cumulative payments on account.

Advance and progress payments are included under creditors to the extent that they exceed the related work in progress.

e) Pension costs

The company contributes to the Adelphi Group Limited pension scheme which is a defined contribution scheme for employees. Contributions are charged to the profit and loss account as they fall due.

Notes to the financial statements (continued)

1 Accounting policies (continued)

f) Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Advance corporation tax payable on dividends paid or provided for in the year is written off, except when recoverability against corporation tax payable is considered to be reasonably assured.

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

g) Investments

Investments are stated at cost less provision for impairment.

h) Turnover

Turnover represents the value of work done in the period. In the opinion of the directors, the turnover and profits of the group derive from a single class of business. Geographical analysis of turnover is not disclosed as, in the opinion of the directors, this could be prejudicial to the interests of the company.

i) Leases

Assets held under finance leases and hire purchase contracts are capitalised at their fair value on the inception of the leases and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding.

The costs of operating leases are charged to the profit and loss account as they accrue.

j) Foreign currency translation

Transactions denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the dates of the transactions.

Assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Exchange differences are dealt with through the profit and loss account.

k) Group accounts

As permitted under s228 Companies Act 1985, consolidated financial statements have not been prepared as the company is a subsidiary of Omnicom Europe Limited, a company incorporated in the UK which itself produces consolidated financial statements (Note 22).

Notes to the financial statements (continued)

1 Accounting policies (continued)

1) Cash flow statement

The company has taken advantage of the exemption under FRS1 (Revised) from producing a cash flow statement as it is a wholly owned subsidiary undertaking of Ommicom Group Inc. in whose financial statements the company is consolidated (Note 22).

2 Directors and employees

	11 months ended 31 December 1998 £'000	Year ended 31 January 1998 £'000
Directors' remuneration		
Emoluments	232	273
Company contributions to money purchase pension schemes	24	24
	<u>256</u>	<u>297</u>
	Number	Number
Number of directors who are members of the company's defined contribution pension scheme	<u>4</u>	<u>4</u>
	Number	Number
Average monthly number of persons employed (including executive directors):		
- Sales and production	18	21
- Administration	21	12
	<u>39</u>	<u>33</u>
	11 months ended 31 December 1998 £'000	Year ended 31 January 1998 £'000
Staff costs during the period (including executive directors):		
Wages and salaries	1,017	894
Social security costs	101	89
Pension costs	86	86
	<u>1,204</u>	<u>1,069</u>

Notes to the financial statements (continued)

3 Profit/(loss) on ordinary activities before taxation

	11 months ended 31 December 1998 £'000	Year ended 31 January 1998 £'000
Profit/(loss) on ordinary activities before taxation is stated after charging:		
Depreciation of owned assets	354	334
Depreciation of assets held under finance leases	88	129
Amounts written off in respect of fixed asset investments	107	-
Operating lease rentals		
-plant and machinery	3	5
-other (gross of group recharges)	249	342
Auditors' remuneration		
-audit	23	22
-non-audit	-	12
	<hr/>	<hr/>

4 Interest receivable and similar income

	11 months ended 31 December 1998 £'000	Year ended 31 January 1998 £'000
Bank interest	63	45
	<hr/>	<hr/>

5 Interest payable and similar charges

	11 months ended 31 December 1998 £'000	Year ended 31 January 1998 £'000
Bank loans and overdrafts	54	58
Other loans	38	52
Finance lease interest	45	36
	<hr/>	<hr/>
	137	146
	<hr/>	<hr/>

Notes to the financial statements (continued)

6 Tax on profit/(loss) on ordinary activities

	31 December 1998 £'000	31 January 1998 £'000
United Kingdom corporation tax at 31% (31 January 1998 - 29.8%)	-	10
Deferred taxation	(17)	10
	<u>(17)</u>	<u>20</u>

7 Dividends

	31 December 1998 £'000	31 January 1998 £'000
Ordinary shares: £nil paid/proposed (31 January 1998 - 76p per share)	-	79
A ordinary shares:		
- interim paid of 63.1p per share (31 January 1998 - 11.9p per share)	13	3
- final proposed of 34.16p per share (31 January 1998 - £1.25 per share)	7	27
B ordinary shares		
- final proposed of 34.16p per share (31 January 1998 - £nil)	74	-
C ordinary shares		
- final proposed of 34.16p per share (31 January 1998 - £nil)	11	-
B1 ordinary shares:		
- interim scrip dividend paid of 10.00p per share (31 January 1998 - £nil)	80	-
- final proposed of 34.16p per share (31 January 1998 - £nil)	272	-
Equity dividends	<u>457</u>	<u>109</u>
Preference shares - nil paid / proposed (31 January 1998 - 8.3p per share)	-	1
Non-equity dividends	<u>-</u>	<u>1</u>

Notes to the financial statements (continued)

8 Tangible fixed assets

	Fixtures and fittings £'000	Motor vehicles £'000	Computers and machinery £'000	Total £'000
Cost				
At 31 January 1998	1,289	764	1,755	3,808
Additions	33	308	169	510
Disposals	-	(369)	-	(369)
At 31 December 1998	<u>1,322</u>	<u>703</u>	<u>1,924</u>	<u>3,949</u>
Depreciation				
At 31 January 1998	451	230	1,040	1,721
Charge for the year	71	140	231	442
Disposals	-	(163)	-	(163)
At 31 December 1998	<u>522</u>	<u>207</u>	<u>1,271</u>	<u>2,000</u>
Net book value				
At 31 December 1998	<u>800</u>	<u>496</u>	<u>653</u>	<u>1,949</u>
At 31 January 1998	<u>838</u>	<u>534</u>	<u>715</u>	<u>2,087</u>

Included in motor vehicles and computers/ machinery are assets of net book value of £495,839 (31 January 1998 - £645,000) held under finance leases.

Notes to the financial statements (continued)

9 Fixed asset investments

	Subsidiary companies shares at cost £'000	Associated companies shares at cost £'000	Loans £'000	Total £'000
Cost				
At 31 January 1998	33	88	62	183
Additions	-	-	-	-
Disposals	-	(1)	-	(1)
At 31 December 1998	<u>33</u>	<u>87</u>	<u>62</u>	<u>182</u>
Written off				
At 31 January 1998	-	-	-	-
Written off in the period	11	34	62	107
At 31 December 1998	<u>11</u>	<u>34</u>	<u>62</u>	<u>107</u>
Net book value				
At 31 December 1998	<u>22</u>	<u>53</u>	<u>-</u>	<u>75</u>
At 31 January 1998	<u>33</u>	<u>88</u>	<u>62</u>	<u>183</u>

Notes to the financial statements (continued)

9 Fixed asset investments (continued)

The principal subsidiary companies are:

	<u>% of Issued Ordinary Share Capital held by company</u>	<u>Nature of Business</u>
Adelphi Communications Limited	100%	Medical Publishing
Adelphi International Research Limited	100%	Market Research
Adelphi Learning Systems Limited	100%	Training (non-trading)
Baseline Graphics Limited	100%	Graphic Design (non-trading)

All the above companies are incorporated in Great Britain.

Adelphi USA Inc.	100%	Medical Publishing and Market Research
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The above company is incorporated in USA.

The principal associated and joint venture companies are:

	<u>% of Issued Ordinary Share Capital held by company</u>	<u>Nature of Business</u>	<u>Country of Incorporation</u>
AMM Adelphi LLC (Note 20)	50%	Medical Publishing	USA
MAPI Research Institute SA (Note 20)	50%	Quality of Life Instruments and Training	France
MAPI Values USA LLC	50%	Health Outcome Research	USA
MAPI Values Sarl	50%	Health Outcome Research	France
MAPI Values Limited	48%	Health Outcome Research	Great Britain
The Outcomes Partnership LLC	33%	Health Outcome Research	USA
Medical Data Collection France	25%	Health Outcome Research	France

Notes to the financial statements (continued)

10 Debtors

	31 December 1998 £'000	31 January 1998 £'000
Trade debtors	542	331
Amounts recoverable on contracts	449	9
Amounts owed by group undertakings	1,177	16
Amounts owed by associated undertakings	274	238
Prepayments	254	225
Corporation tax recoverable	-	27
	<u>2,696</u>	<u>846</u>

11 Creditors: amounts falling due within one year

	31 December 1998 £'000	31 January 1998 £'000
Obligations under finance leases	221	257
Bank loans and overdrafts	1,039	197
Payments on account	519	498
Trade creditors	421	147
Amounts owed to group undertaking	440	701
Taxation and social security	166	341
ACT on proposed dividends	-	27
Other creditors	33	-
Accruals and deferred income	156	102
Proposed dividend - equity shareholders	364	106
	<u>3,359</u>	<u>2,376</u>

12 Creditors: amounts falling due after more than one year

	31 December 1998 £'000	31 January 1998 £'000
Obligations under finance leases	179	263
Bank loans	16	400
	<u>195</u>	<u>663</u>

Notes to the financial statements (continued)

12 Creditors: amounts falling due after more than one year (continued)

Borrowings are payable as follows:

	31 December 1998 £'000	31 January 1998 £'000
Bank loans and overdrafts		
On demand or within one year	1,039	197
Between one and two years	16	100
Between two and five years	-	300
	<u>1,055</u>	<u>597</u>

	31 December 1998 £'000	31 January 1998 £'000
Finance leases		
On demand or within one year	221	257
Between one and two years	179	205
Between two and five years	-	58
	<u>400</u>	<u>520</u>

13 Provisions for liabilities and charges

Deferred taxation

	31 December 1998 £'000	31 January 1998 £'000
At 31 January 1998	94	84
(Credit)/charge for the year	<u>(17)</u>	<u>10</u>
At 31 December 1998	<u>77</u>	<u>94</u>

	Provided		Unprovided	
	31 December 1998 £'000	31 January 1998 £'000	31 December 1998 £'000	31 January 1998 £'000
Capital allowances in excess of depreciation	<u>77</u>	<u>94</u>	<u>-</u>	<u>-</u>

Notes to the financial statements (continued)

14 Called-up share capital

	31 December 1998 £'000	31 January 1998 £'000
<i>Authorised</i>		
30,000 A Ordinary shares of £1 each	30	30
330,000 B Ordinary shares of £1 each	330	-
800,000 B1 Ordinary shares of £0.01 each	8	-
32,000 C Ordinary shares of £1 each	32	-
70,000 11% Preference shares of £1 each	-	70
300,000 Ordinary shares of £1 each	-	300
	<u>400</u>	<u>400</u>
<i>Allotted and fully paid</i>		
A Ordinary shares of £1 each	21	21
B Ordinary shares of £1 each	217	-
B1 Ordinary shares of £0.01 each	8	-
C Ordinary shares of £1 each	31	-
Ordinary shares of £1 each	-	104
	<u>277</u>	<u>125</u>

During the period:

- (a) On 16th September 1998, the authorised share capital was converted and redesignated with 30,000 'A' Ordinary shares of £1 each, 330,000 'B' Ordinary shares of £1 each, 32,000 'C' Ordinary shares of £1 each and 800,000 B1 Ordinary shares of £0.01 each.
- (b) 79,655 Ordinary £1.00 shares were converted into B Ordinary £1.00 shares and 137,500 B ordinary £1 shares were issued for a consideration of £275,000.
- (c) 796,550 B1 ordinary £0.01 shares were issued as a scrip dividend, at the value of the cash alternative of £0.10 per share.
- (d) 24,500 Ordinary £1.00 shares were converted into C Ordinary £1.00 shares and 6,200 C ordinary £1 shares were issued under director share option schemes at a consideration of £248,000; details of the shares issued to a director are provided in the Directors' Report.

All of the issued shares rank *pari passu* with respect to rights to dividends, amounts payable on redemption, amounts receivable on a winding up and voting rights.

Notes to the financial statements (continued)

15 Reserves

	Share capital	Share premium	Profit and loss account	Capital redemption reserve
	£'000	£'000	£'000	£'000
At 31 January 1998	125	7	236	95
Share issues	144	379	-	-
Retained loss for the period	-	-	23	-
Scrip dividend adjustment	8	(8)	80	-
At 31 December 1998	<u>277</u>	<u>378</u>	<u>339</u>	<u>95</u>

16 Reconciliation of movements in shareholders' funds

	31 December 1998 £'000	31 January 1998 £'000
Profit/(loss) for the financial period	480	(123)
Dividends paid and proposed	(457)	(110)
Scrip dividend adjustment	80	-
New shares issued	<u>523</u>	<u>-</u>
Net addition to shareholders' funds	626	(233)
Opening shareholders' funds	<u>463</u>	<u>696</u>
Closing shareholders' funds	<u>1,089</u>	<u>463</u>

17 Financial commitments

Annual commitments under non-cancellable operating leases are as follows:

	31 December 1998		31 January 1998	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Expiry date				
- between two and five years	-	3	-	3
- after five years	<u>249</u>	<u>-</u>	<u>275</u>	<u>-</u>
	<u>249</u>	<u>3</u>	<u>275</u>	<u>3</u>

Diversified Agency Services Limited, jointly and severally with certain of its subsidiary undertakings including Adelphi Group Limited, has entered into a £8,000,000 collective net overdraft facility with Midland Bank plc. Midland Bank plc has the right to apply positive cash balances of the company against indebtedness or liability of any of the other companies named in the agreement. This facility is guaranteed by Omnicom Group Inc.

Notes to the financial statements (continued)

18 Pension arrangements

The company operates a defined contribution scheme for which the pension cost for the period amounted to £86,000 (31 January 1998 - £86,000).

19 Related party transactions

As a wholly owned subsidiary of Omnicom Group Inc., the company has taken advantage of the exemption in FRS8 "Related Party disclosures" not to disclose transactions with other members of the group headed by Omnicom Group Inc.

During the year the company entered into the following related party transactions which were on an arms length basis and in the normal course of business.

The company purchased and sold services to the following companies:

	Eleven months ended 31 December 1998		Year ended 31 January 1998	
	£000 Sales	£000 Purchases	£000 Sales	£000 Purchases
MAPI Research Institute Sarl	16	-	15	-
MAPI Values Limited	474	-	520	(4)
MAPI Values USA LLC	33	-	-	-
The Outcomes Partnership LLC	6	(15)	168	-
AMM Adelphi LLC	-	(1)	-	-
Adelphi USA Inc.	114	-	226	-

Adelphi Group Limited is a 50% shareholder of MAPI Research Institute Sarl, a 48% shareholder of MAPI Values Limited and an 100% shareholder of Adelphi USA Inc.

Adelphi Group Limited holds a 50% interest in MAPI Values USA LLC, a 33% interest in The Outcomes Partnership LLC and a 50% interest in AMM Adelphi LLC.

Notes to the financial statements (continued)

19 Related party transactions (continued)

At the year end the following amounts were due from related parties:

	31 December 1998 £000	31 January 1998 £000
MAPI Research Institute Srl	16	-
MAPI Values Limited	111	9
MAPI Values USA LLC	33	-
The Outcomes Partnership LLC	-	3
Adelphi USA Inc.	114	226
	<u>274</u>	<u>238</u>

20 Subsequent events

The company has dissolved its interest in AMM Adelphi LLC with effect from 31 January 1999. In May 1999, the company sold its entire interest in Mapi Research Institute SA.

21 Net current liabilities

The ultimate UK parent company, Omnicom Europe Limited, has confirmed that it will continue to support the company for the foreseeable future to enable it to meet its third party liabilities as they fall due. As a result, the directors have prepared the financial statements on the going concern basis.

22 Ultimate parent company

On 20 October 1998, the company was acquired by Diversified Agency Services Limited. Subsequent to this date, the company's results are included in the consolidated accounts of its United Kingdom parent company, Omnicom Europe Limited, whose principal place of business is at 239 Old Marylebone Road, London NW1 5QT.

Also from this date, the largest group in which the company's results are included is the consolidated accounts of the ultimate parent company, Omnicom Group Inc., a company incorporated in the United States of America. These consolidated accounts are available to the public and may be obtained from Omnicom Group Inc., 437 Madison Avenue, New York, NY 10022, U.S.A.