

NEW ARTICLE  
FEATURE

UK Quoted  
Sector

# Marketing monitor

# STABILITY

## Digital is the only discipline to show double digit growth

Income across the digital companies surveyed showed an increase of 14% from the last issue of Marketing Monitor. The next highest income growth was advertising at 4%. Design and DMSP both showed a slight decline.

Overall this issue of Marketing Monitor generally reports fairly stable results across most marketing services disciplines in both productivity and profitability.

The only notable improvement in productivity was generated by digital agencies which managed to control staff numbers as income grew. However, they still lag behind the Kingston Smith W1 minimum £80,000 – £100,000 per head target. As usual the advertising, media buyers and PR sectors all achieved an average of over £100,000 per head.

Profitability also remained fairly stable. The average for the six disciplines ranged widely from 7.6% to 20.8%. Media buyers who achieved the top end have always had a lower cost base, and the next highest was PR at 16.6%. DMSP continued to show a decline in margin and remains the lowest at 7.6%. Kingston Smith W1 recommend marketing services business target at least a 15% margin, and unfortunately most disciplines have some way to go to reach this and the current pressures on marketing budgets is going to make any improvement even more difficult!

---

## INCOME ACROSS THE DIGITAL COMPANIES SURVEYED SHOWED AN INCREASE OF 14% FROM THE LAST ISSUE OF MARKETING MONITOR

The key to profitability lies within the ratio of staff costs to gross income and the three disciplines with the best ratio achieved the highest margins. Kingston Smith W1 recommends a target of 55%, so with a ratio of 56%, it is surprising that advertising agencies were not able to achieve higher than an average 12.5% margin. However, they remain a high spender on non-staff costs such as premises and entertainment. Perhaps in these tougher times we will see cost savings being made in these areas.

It is not surprising that digital was again the highest growth sector, as it is now firmly established as core to the marketing mix for most brands. Digital and on-line methods of reaching audiences also lend themselves very well to measurability and thus are likely to be more recession resistant as marketers are able to better measure the return they are getting on their investment. We therefore expect to see continued growth ahead of other disciplines as digital continues to gain market share as the recession progresses. No longer acceptable is the old adage “I know that half of my marketing spend works – I just don’t know which half!”

## Continued tight control over staff costs generates healthy margins

**Margins increase slightly to 12.5% as agencies improve the ratio of staff costs to gross income to within a fraction of the Kingston Smith W1 target**

### Productivity

Productivity has improved by 1% since the last edition of *Marketing Monitor* with gross income per head of £106,000. This exceeds our target of £100,000 with more than half of the agencies in the *Top 50* achieving this. The statistics remain unchanged at the top end of the scale with 16 of the *Top 50* achieving gross income per head of more than £120,000 with the majority of those being group-owned agencies.

Average employment costs per head are virtually unchanged since the last edition of *Marketing Monitor* at £59,077. Overhead costs have remained unchanged at £33,000 per head as agencies have started to tighten their belts. Operating profit per head increased to £13,300 which is still short of our target of £15,000 per head and is likely to be at its peak now as the reported results start to filter through from agencies feeling the pressures of the recession.

### Profitability

Operating profit margin has increased slightly to 12.5% and follows the sharp increase seen in the last edition of *Marketing Monitor*. Staff costs as a percentage of gross income have fallen slightly to 55.6% and are only marginally

in excess of our target of 55% but it shows the commitment of agencies not to overspend on staff as the expected decrease in revenue kicks in.

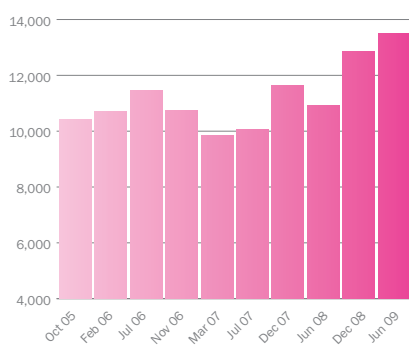
As mentioned above, non-staff costs, which account for 31% of gross income, are unchanged from the last edition of *Marketing Monitor* and have shown an increase of 8%. However, the increase in gross income and unchanged staff costs have ensured profit margins have not suffered as a result.

### Conclusion

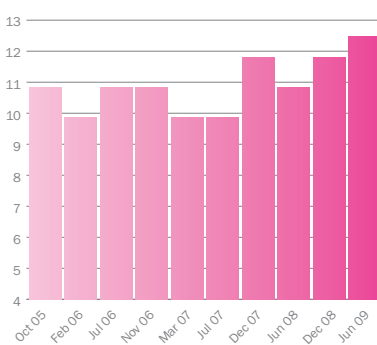
Most agencies have positioned themselves well to deal with the expected effects of the recession. Productivity is at an all time high and this has been effectively and efficiently translated into operating profits. Staff costs and overheads have been managed within acceptable levels to ensure profitability can absorb any decrease in revenue.

**OPERATING PROFIT MARGIN HAS INCREASED SLIGHTLY TO 12.5% AND FOLLOWS THE SHARP INCREASE SEEN IN THE LAST EDITION...**

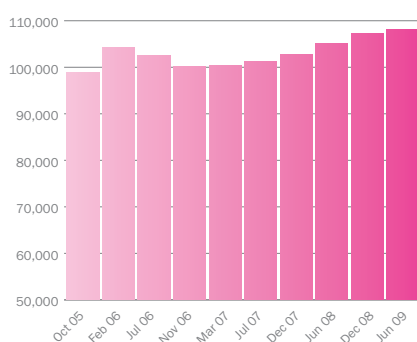
Operating profit per head (£)



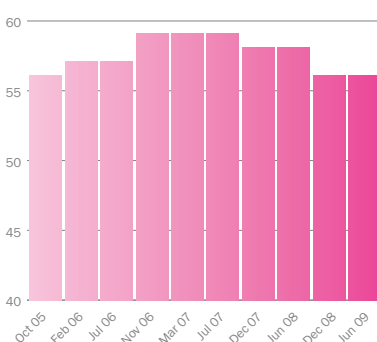
Operating profit: Gross income (%)



Gross income per head (£)



Employment costs: Gross income (%)



# Productivity remains healthy as profitability shows continued improvement

## Productivity

Productivity within the sector has remained healthy since the last *Marketing Monitor*. Gross income per head has shown a slight decrease to £100,970, although remains above our target range of £80,000 to £100,000.

Operating profit per head has showed a fifth consecutive rise within this publication at £16,891 up from £16,577. Once again this is above our target for a well-run agency which should aim to generate operating profit per head of at least £15,000.

Employment costs per head have shown a slight increase to £60,628. Non-staff costs have been well controlled showing a decrease of 1% as a whole. That they show a decrease is unsurprising in the current climate and we can expect to see a further reduction in later issues of *Marketing Monitor*.

## Profitability

The PR sector has posted strong results in profitability. Operating margins have increased by 0.3% to 16.6%, and remain comfortably within our target range of 15-20% and highlight the savings that consultancies have made.

The combined effect of a slight decrease in gross income per head but an increase in employment costs per head has resulted in the ratio of employment costs to gross income increasing very slightly to 60% and therefore remaining above our suggested maximum of 55%. However, consultancies continue to make a healthy margin at this level.

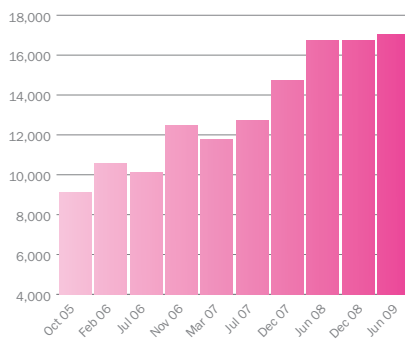
## Conclusion

As a whole the PR sector has shown little change since the last issue of *Marketing Monitor*. Productivity remains healthy and operating profit margins continue to show that PR is of the strongest performing of the marketing services sectors.

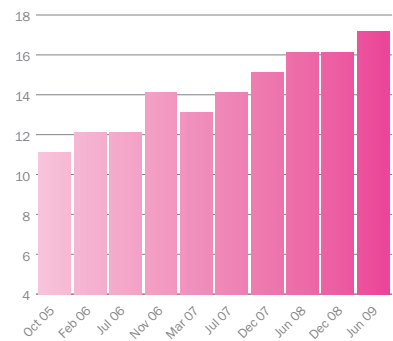
The majority of the latest filed accounts used within this *Marketing Monitor* do not take into account the full effects of the economic downturn. However with the results outlined above, the PR sector is in a strong position to ride out the current economic storm. This combined with the early and decisive action that we are seeing with redundancies should mean that we experience minimal casualties at company level when compared to some other marketing services disciplines.

**NON-STAFF COSTS HAVE BEEN WELL CONTROLLED SHOWING A DECREASE OF 1% AS A WHOLE**

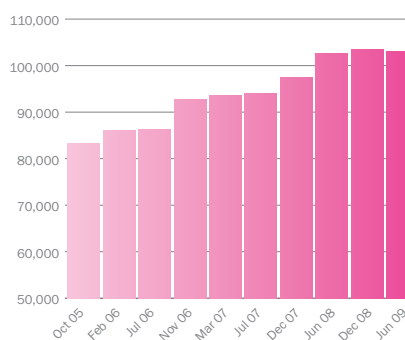
Operating profit per head (£)



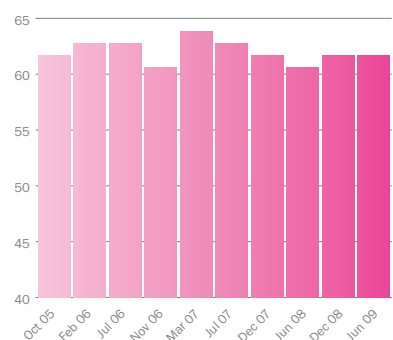
Operating profit: Gross income (%)



Gross income per head (£)



Employment costs: Gross income (%)



## Productivity decreases but profitability increases as overhead cuts filter through to the bottom line

### Productivity

There has been a slight decrease in designers' productivity since the last issue of *Marketing Monitor*. Gross income per head has fallen by 1% to £82,592, this is now at its lowest value than at any time since July 2007. Despite this, Gross income per head remains within the target range of £80,000 to £100,000.

Staff numbers within the branding and design sector rose by 6.2% but employment costs increased by 10.5% in the same period. As a result, employment costs per head rose by 5.7% to £52,379.

There has been a substantial increase in operating profit for a majority of the selected 30 design companies. This has resulted in an increase in operating profit per head of 29% to £10,242 and shows that many have tightened their belts and reduced overheads.

### Profitability

Employment costs as a proportion of gross income has increased from 59.4% to 63.4%. This ratio has now increased by 5.9% since this time last year and moves further away from our target range of 50-55%.

Despite increased employment costs, the margin of operating profit to gross income has increased healthily from 9.5% to 12.3%. The increase has been driven by savings in non-staff costs. Designers should aim to achieve a ratio of operating to gross income of at least 15%.

### Conclusion

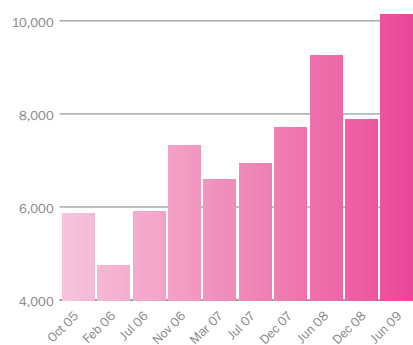
Pressure from clients on prices and for more time consuming new business processes are inevitably affecting productivity but designers have responded with tight cost control in order to remain profitable.

The full impact of the recession will be seen in results not yet published. In the current climate it may be necessary to allow staff costs to absorb as much as 60% of gross income. More will be difficult to sustain even in light of reduced overheads.

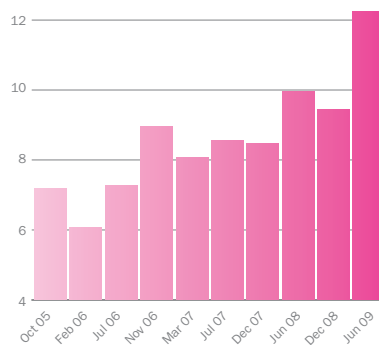
---

**THERE HAS BEEN A SUBSTANTIAL INCREASE IN OPERATING PROFIT FOR A MAJORITY OF THE SELECTED 30 DESIGN COMPANIES**

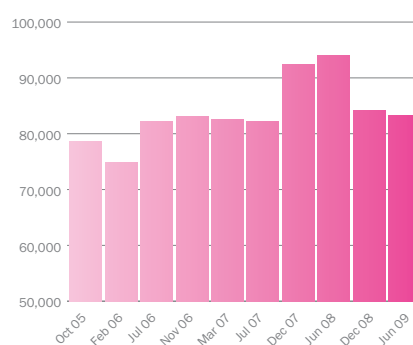
Operating profit per head (£)



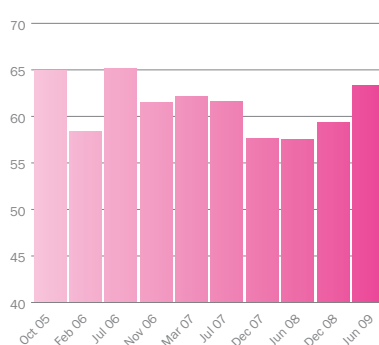
Operating profit: Gross income (%)



Gross income per head (£)



Employment costs: Gross income (%)



## Profit margins and productivity remain stable in difficult market conditions

**Both gross income and employment costs increase by 3% and operating profit margin remains at 20.8%**

### Productivity

The trends highlighted in the previous issue of *Marketing Monitor* have not changed in this current period. Gross income per head, employment costs per head and operating profit per head have remained stable, indeed employment costs per head have been completely static. There will have been very little upward pressure on salaries in the past months and this is reflected in these figures.

Gross income rose by only 3% with gross income per head increasing marginally to £104,137. Yet again the Kingston Smith W1 benchmark figure of £100,000 has been surpassed.

The slight increase of just 0.5% in operating profit per head is a result of the gross income increasing by around 0.5% and a total stagnation of the employment costs per head during the period. It is good to see that staff costs appear to be controlled.

Employment costs (salaries and wages) have increased by a small amount (3%) but still only accounts for 52% of gross income. This remains within our target benchmark of 50-55% and is, as ever, the best of the marketing services disciplines and is also the only one to have hit our target benchmark.

### Conclusion

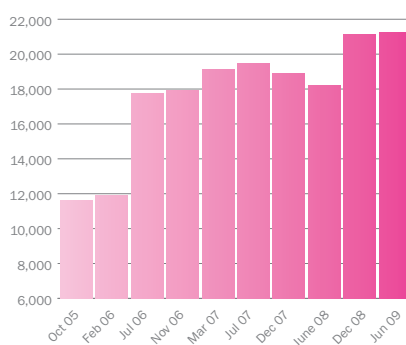
The media buyers sector has performed consistently well and continues to attain and exceed our suggested benchmarks for the industry. The coming months are still likely to be difficult and may erode profit margins for the latter part of the year.

## EMPLOYMENT COSTS HAVE INCREASED BY A SMALL AMOUNT BUT STILL ONLY ACCOUNTS FOR 52% OF GROSS INCOME

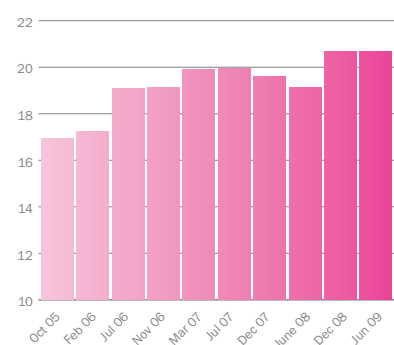
### Profitability

The stable productivity has predictably led to stable profitability. In absolute terms operating profits have increased by 3% since the last issue of *Marketing Monitor*. The operating profit margin now stands at 20.8% which is exactly the same as that in the last issue of *Marketing Monitor* and again exceeds our suggested industry benchmark of between 15% and 20%. Yet again media buyers have reported the highest operating profit margin of all of the marketing services disciplines.

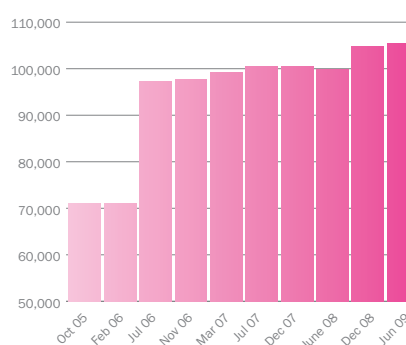
Operating profit per head (£)



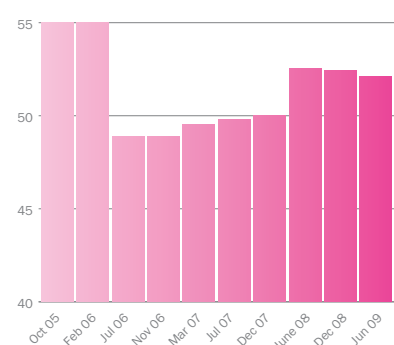
Operating profit: Gross income (%)



Gross income per head (£)



Employment costs: Gross income (%)



## Lowest profitability since 1993 caused by fee income falling whilst staff costs continue to rise

**Recent data shows how the recession has had a negative impact on the DMSP sector with reductions in all key ratios.**

The effects of the recession have hit the reported results of companies in the Direct Marketing and Sales Promotions (DMSP) sector in this edition of *Marketing Monitor* with a slight fall in fee income, particularly towards the end of 2008, causing a decline in both productivity and profitability.

### Productivity

The decrease in total fee income, reported by the Top 40 DMSP agencies, combined with a slightly surprising 3% increase in staff numbers means that gross income per head has fallen further away from our £100,000 target to £83,662.

Despite the fall in income levels staff numbers have continued to increase to an all time high, although the rate of increase has at least slowed. This suggests that, although the difficult market conditions that everybody has been experiencing for some time now have now started to filter through into reported results, the effects of the corresponding corrections to head count and overheads are yet to kick in fully.

Employment costs have increased by 1% with employment costs per head also rising marginally since the last edition of *Marketing Monitor*. This indicates agencies are aware of the difficult market and are starting to control costs.

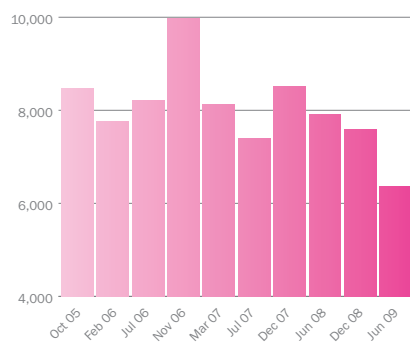
As a result of the above, employment costs now consume 62% of gross income which is an increase from the previously reported 60%. This is primarily due to the drop in total fee income. As pressure on fee income continues it will be interesting to see how quickly this ratio improves.

### Profitability

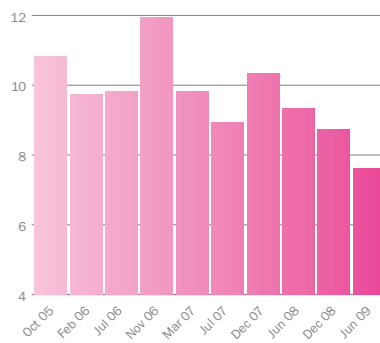
The operating profit margin has fallen quite significantly from 8.7% to 7.6%. This is the lowest level of profitability that we have seen in this sector since 1993 and is due to the combined effect of staff costs increasing at the same time as fee income has been falling. Operating profit per head, the key measure of profitability and productivity combined has fallen by almost 15% to £6,368. This is even further away from the KSW1 benchmark target of £15,000 and clearly shows that much greater cost savings and efficiencies are urgently required for DMSP agencies to return to historic levels of profitability.

## THE OPERATING PROFIT MARGIN HAS FALLEN QUITE SIGNIFICANTLY FROM 8.7% TO 7.6%

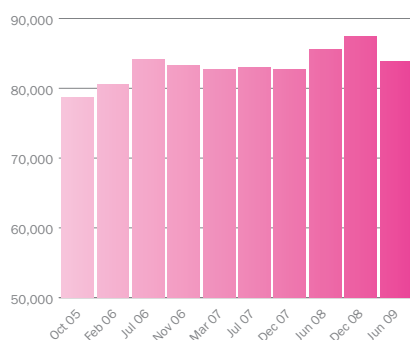
Operating profit per head (£)



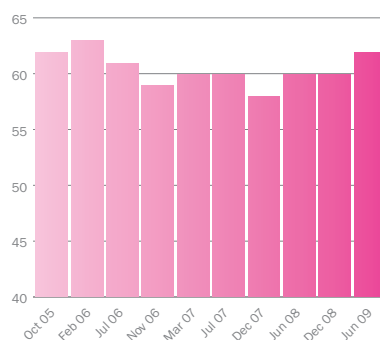
Operating profit: Gross income (%)



Gross income per head (£)



Employment costs: Gross income (%)



### Conclusion

The results reported in this edition of *Marketing Monitor* show a sector that has been hit by falling levels of income, but has failed at this stage to make corresponding adjustments to its cost base. This has led to a significant drop in both margins and profit per head to the lowest levels seen for over 15 years.

# Top line growth achieved as agencies increase their headcount

**Gross income increases by nearly 14% and controlled recruitment leads to improved productivity**

**Productivity**

Overall gross income across the sample increased by 13.7% from our last issue of *Marketing Monitor*. This shows that the digital sector is still growing at a significant rate.

However, staff numbers increased by only 10% in the same period. This would suggest that whilst agencies are confident they will continue to win new business they are mindful of the need to get more from the existing staff they have.

As a result, gross income per head, a key indicator of productivity, continued to improve, rising by 3% to over £75,000. This is an encouraging move in the right direction away from the disappointing productivity levels that we have seen in recent issues of *Marketing Monitor*.

**...GROSS INCOME PER HEAD, A KEY INDICATOR OF PRODUCTIVITY, CONTINUED TO IMPROVE, RISING BY 3% TO OVER £75,000**

Employment costs per head have remained largely static, which, when combined with the statistics above suggests the mix of staff has not changed significantly. It is no surprise that we are not seeing large salary increases in the current climate.

**Profitability**

Operating profit margins have dipped marginally to 9.8% from 10% reported previously. Whilst this is slightly disappointing, this result is comparable to some of the other sectors monitored here.

The key ratio of employment costs to gross income, (in those of the sample that disclose staff costs) has improved from 63.0% to 61.6%. The increase in productivity mentioned above has been achieved without increasing staff costs per head, thus causing this ratio to improve. It is encouraging to see that agencies

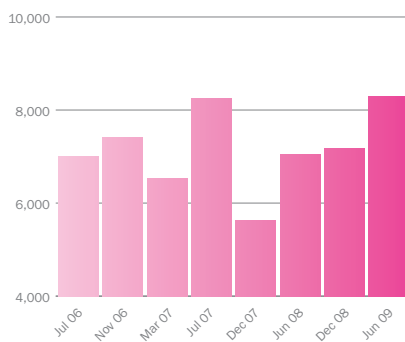
are driving up efficiencies and utilising spare capacity and this needs to continue in order to push the sector towards our target of 55%.

**Conclusion**

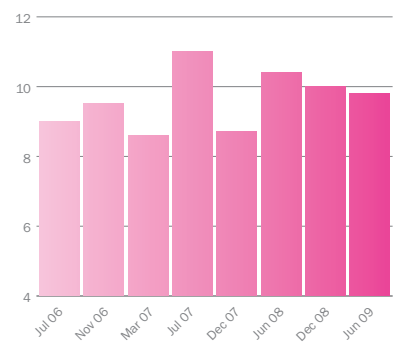
The Digital sector continues to grow with fee income increasing yet again and it remains the highest growth sector of all the marketing services disciplines surveyed.

Digital agencies need to work towards improving their Key Performance Indicators and to ensure that a balance is achieved between taking on additional staff to service new work and making sure that existing staff are being used to full capacity. Freelance resource must continue to be an important part of the staff mix in these uncertain times when it is more difficult than ever to predict when project income will fall.

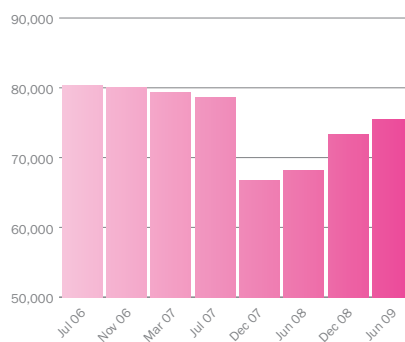
**Operating profit per head (£)**



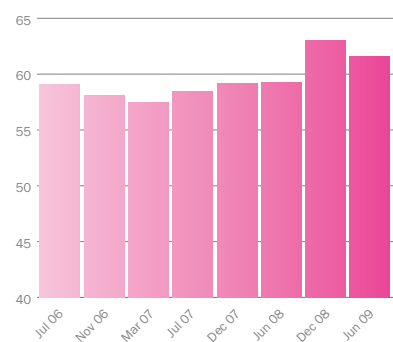
**Operating profit: Gross income (%)**



**Gross income per head (£)**



**Employment costs: Gross income (%)**



## Latest published results show a 20% increase in income

### Profitability and Productivity

The latest published results of the quoted UK groups in the marketing services sector paint a mixed picture. Overall gross income grew by 20% from the previous results recorded by the same groups with only four companies reporting a fall in income levels. Fee income growth was spread relatively widely across the

sector, ranging from a 28% drop to a near trebling of income at the other end of the scale. Of course much of this growth is the effect of full results filtering through from acquisitions made in 2007.

Overall the average operating profit margin across the sample fell from 13.6% to 12.0%. Three quarters of companies reported an increase in their absolute operating profit levels. However, only six companies reported an operating profit margin above our target of 15%, and a further nine companies achieved margins of between 10% and 15%. The decrease in average margin is not entirely unexpected as many groups will have had a tough last quarter and perhaps last half of 2008 which will have dragged margins down.

Indeed, a disappointing six groups made operating losses compared to just two groups in the previous year. It is widely expected that 2009 margins will show a further decrease as pressure on marketing budgets continues and shows little signs of full recovery just yet.

On average employment costs consumed 61.7% of gross income, a slight increase on the 61.0% in the comparative year. In total 10 (down from 14 in the previous year) groups managed to keep this ratio to within 60% or less, and of these groups all but one showed double digit margins. However, only four (down from seven) managed to stay within our recommended limit of 55%. With tougher times still to come in the marketing sector it is absolutely vital that companies take early

### Gross income (£)

Group	Year End	Latest £'000	Previous £'000	
WPP Group Plc	31/12/2008	<b>7,009,400</b>	5,850,400	▲
Aegis Group Plc	31/12/2008	<b>1,153,000</b>	946,600	▲
Huntsworth Plc	31/12/2008	<b>159,132</b>	152,271	▲
Chime Communications Plc	31/12/2008	<b>112,090</b>	96,509	▲
M&C Saatchi Plc	31/12/2008	<b>104,383</b>	87,620	▲
Creston Plc	31/03/2008	<b>80,516</b>	69,665	▲
Media Square Plc	29/02/2008	<b>74,787</b>	91,996	▼
Cello Group Plc	31/12/2008	<b>66,584</b>	56,812	▲
Next Fifteen Communications Group Plc	31/07/2008	<b>63,107</b>	59,268	▲
The Mission Marketing Group Plc	31/12/2008	<b>42,682</b>	33,047	▲
YouGov Plc	31/07/2008	<b>33,353</b>	11,656	▲
Digital Marketing Group Plc	31/03/2008	<b>33,079</b>	8,389	▲
Hasgrove Plc	31/12/2008	<b>27,327</b>	15,098	▲
Motivcom Plc	31/12/2008	<b>23,373</b>	16,917	▲
Optimisa Plc	31/12/2008	<b>12,522</b>	8,090	▲
Adventis Group Plc	31/12/2008	<b>12,260</b>	11,750	▲
Freshwater UK Plc	31/08/2008	<b>9,523</b>	4,655	▲
Ebiquity Plc	30/04/2008	<b>8,959</b>	9,146	▼
Chemistry Communications Group Plc	30/11/2008	<b>8,858</b>	8,375	▲
Cagney Plc	31/12/2008	<b>8,143</b>	7,527	▲
Twenty Plc	31/12/2008	<b>8,032</b>	9,730	▼
BrainJuicer Group Plc	31/12/2008	<b>6,864</b>	4,839	▲
Deal Group Media Plc	31/12/2008	<b>4,189</b>	2,945	▲
Argyll Consultancies Plc	31/03/2008	<b>2,299</b>	3,174	▼
<b>Total</b>		<b>211,279</b>	143,573	

and decisive action on both head count and staff costs to ensure that these remain in line with fee income, as managing this ratio is key to profitability.

Whilst fee income grew by an impressive 20% employee numbers went up by just 14%, and six groups cut staff numbers. This resulted in an increase in average gross income per head (the key measure of productivity) to £70,452. This is still some way short of our target of £80,000 - £100,000 and, given the increasing pressure to deliver more work for reduced fees it is difficult to see this improving in the short to medium term. Disappointingly only nine groups managed to achieve more than £80,000 per head.

Employment costs increased by 21% to a fraction under £5.6 billion and resulted in the average employee's salary increasing by around 2% to £43,044. This compares favourably with an average RPI in 2008 of 4.0%. We will no doubt see only a very marginal increase in this figure in the next set of results as many groups have been forced to reduce bonuses, implement pay freezes and pay cuts in order to keep staff costs in line with gross income.

The highest paid director's remuneration, across the quoted groups, ranged widely from between £104k to over £3.5 million. Ten groups paid between £100k and £200k, a further seven groups paid between £200k and £500k and the remaining seven groups paid their highest paid director more than £500k. With average margins of just 12% one has to consider whether some of these packages seem rather on the high side, as those highest paid directors do not always correlate with those groups achieving the best results. In fact of those groups reporting a decrease in operating profit seven also reported an increase in the highest paid director's remuneration.

**WITH TOUGHER TIMES STILL TO COME IN THE MARKETING SECTOR IT IS ABSOLUTELY VITAL THAT COMPANIES TAKE EARLY AND DECISIVE ACTION ON BOTH HEAD COUNT AND STAFF COSTS**

Other (non-staff) costs, including property costs per head increased by 5% from the previous set of results reported. Many marketing services companies took on larger more expensive properties during 2007 when the market was going well and further growth was anticipated. Unfortunately the very quick turn around in marketing spend caused by the recession could result in many agencies finding that fixed costs have very quickly become out of line with headcount and this will no doubt impact on margins.

**Key performance indicators**



## IN THE CURRENT CLIMATE, NOT ALL ACQUISITIONS ARE CONTINUING TO BE AS SUCCESSFUL AS HOPED AND SOME GROUPS ARE STRUGGLING TO SETTLE EARN OUT COMMITMENTS

### Balance sheet

Un-surprisingly the amount of goodwill written off by the quoted marketing services groups increased in their latest set of results.

The total goodwill written off was £107 million up from £35 million in the previous year.

However, total goodwill remaining on the industry balance sheet stands at a staggering £11.1 billion meaning that goodwill write downs represented less than one percent of the total value.

Listed groups must report under International Financial Reporting Standards (IFRS), and these do not permit amortisation of goodwill but instead groups must carry out annual impairment reviews.

Many will have heavily resisted any such impairment write downs due to the damaging effect on the balance sheet. However, in the current climate one has to wonder whether such high goodwill values are genuinely sustainable.

Across the groups cash reserves on average represent 58 days of administrative expenses which is close to the two months worth of cover that we would recommend. Beyond these cash reserves however there is very little positive on the industry balance sheet. If one takes into account the current assets and current liabilities then the overall picture is one of net current liabilities. In fact, a staggering 17 (compared to 12 in the comparative year) out of the 24 groups had net current liabilities. In short, these groups do not have enough liquid assets to cover their short term liabilities. In contrast we would recommend that groups hold three months worth of net current assets in the balance sheet. With the recession putting enormous pressure on the working capital cycle as clients take longer to pay, this is likely to mean cash flow problems for many of the groups.

Total long term debt, which includes deferred consideration payable on acquisitions, has increased significantly as a result of merger and acquisition activity during 2007 and 2008, and now exceeds seven times the total operating profit being reported. Groups are heavily relying on the positive cash flows of those companies they have purchased, many at the top of the market, in order to help fund the deferred consideration. In the current climate, not all acquisitions are continuing

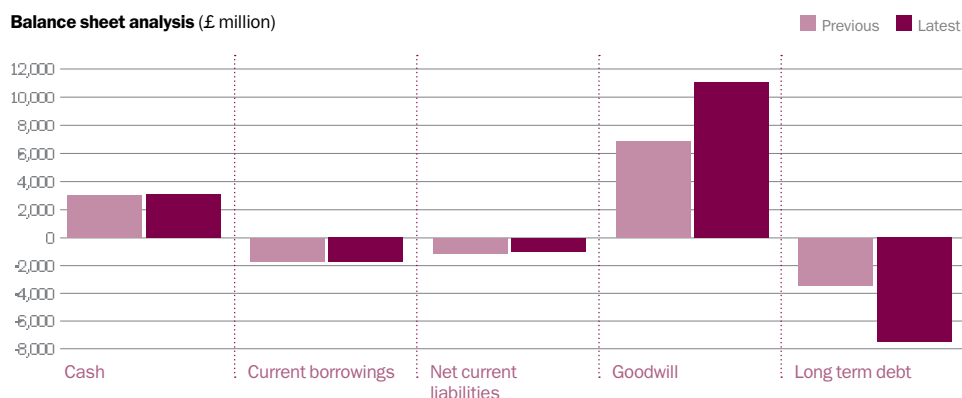
to be as successful as hoped and some groups are struggling to settle earn out commitments, with many offering loan notes or equity instead of cash. However even equity is proving difficult in times when shares are worth much less than a year or even two years ago.

Having such low balance sheet reserves and high levels of debt that require servicing is a very dangerous mix.

### How profits were made

	Latest £'000	Previous £'000	Change %
Gross income	<b>9,064,462,603</b>	7,566,478,802	19.8%
Employment costs	<b>5,594,762,064</b>	4,618,689,206	21.1%
Other operating costs	<b>2,376,718,151</b>	1,916,764,323	24.0%
Operating profit	<b>1,092,982,388</b>	1,031,025,273	6.0%
Pre tax profit	<b>922,911,687</b>	955,408,713	-3.4%

### Balance sheet analysis (£ million)



# Marketing services stocks show signs of recovery

The graph below follows the share prices of marketing services groups that are listed on either the London Stock Exchange or on the Alternative Investment Market. We have then tracked this against the FTSE index of the 100 leading shares since 1 January 2006.

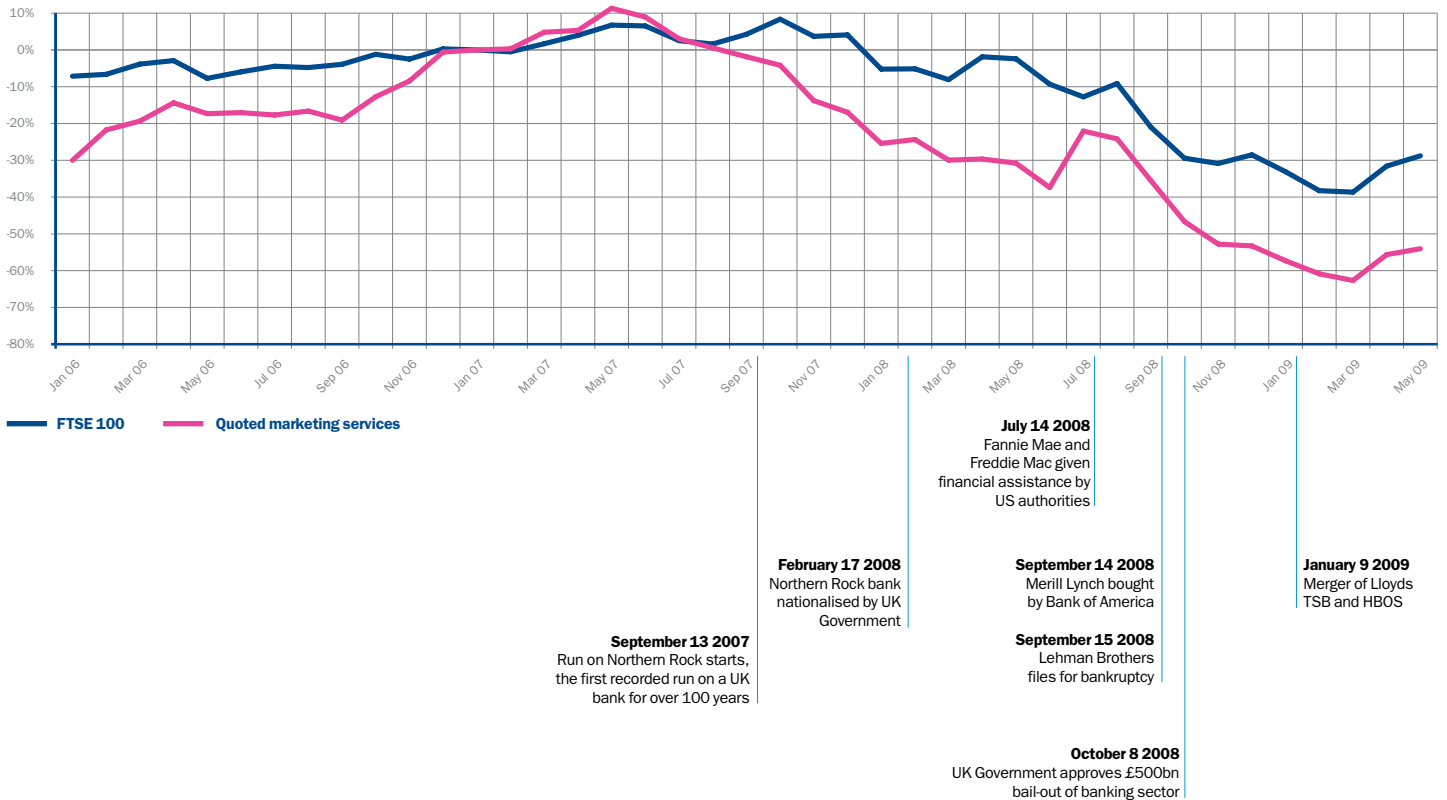
The clear link between the marketing services groups and the FTSE 100 companies has continued in the first half of 2009. The marketing services groups' share prices reacted more severely to the economic downturn, with a steeper decline towards the end of 2008, and it was hoped that they would also see a sharper recovery. However, surprisingly it has actually been the FTSE 100 that has seen better performance since the market as a whole reached its lowest point in March 2009.

Looking at individual share prices in a bit more detail we can, however, see that the corner has been well and truly turned. The biggest groups (WPP and Aegis) have seen their share price rebound by over 25% since they bottomed out in late 2008 and some of the smaller groups, for example Creston, have

## THE CLEAR LINK BETWEEN THE MARKETING SERVICES GROUPS AND THE FTSE 100 COMPANIES HAS CONTINUED IN THE FIRST HALF OF 2009

seen their share prices more than double in the last six months. All but two of the quoted marketing services groups have seen an increase in their share price in recent months. However, despite signs of green shoots recovery in share prices, the stark reality is that on average marketing services stocks are still worth less now than they were 3 1/2 years ago. Depressingly, it is likely to take a very long time for shares to recover fully.

Kingston Smith W1 marketing services share price index vs FTSE 100



## About us

Kingston Smith W1 is based in London's West End, and the six partners specialise in advising creative, communications and consulting businesses on all aspects of finance, audit, accountancy and tax. Kingston Smith W1 is a specialist division of Kingston Smith LLP, one of the UK's top 20 audit and accounting firms.

Many of our clients are advertising, digital and other marketing services agencies but we also work with many TV and commercial production companies, consulting firms, live entertainment and music agencies. Our clients range from sizeable independents and multi-nationals, to start-ups which we have advised on a range of financial and business issues.

The businesses we work with have similar sets of challenges and opportunities, and with people being their key asset, employee incentive schemes and succession planning are just a few of the areas where Kingston Smith W1 regularly give tailored advice. Other issues such as recruitment, HR and remuneration are also very important. As part of Kingston Smith we can provide recruitment services through Balanced People, HR consultancy through HR Insight, and employee benefits advice through Blacktower Financial Advisers (authorised and regulated by the Financial Services Authority (FSA)).

Kingston Smith W1 also regularly advise in many other specialist areas such as business valuations, profit improvement reviews, business planning, due diligence on acquisitions, fundraising, grooming for sale and pre sale tax planning. Through the data we collate in our annual survey 'Financial Performance of Marketing Services Companies' we are also able to give invaluable benchmarking advice on numerous Key Performance Indicators. By working with businesses with similar challenges we can understand our clients better and are able to advise on a wide range of financial and non financial business issues to a greater depth.

## Contact us

**If you would like to discuss any of the matters arising in this edition or how we can help you, please contact one of the Kingston Smith W1 Partners by email or on 020 7304 4646.**

**Kingston Smith W1**  
141 Wardour Street  
London  
W1F 0UT

T 020 7304 4646

More information about Kingston Smith W1 and our services can be found at:  
**[www.kingstonsmithW1.co.uk](http://www.kingstonsmithW1.co.uk)**

**Amanda Merron, Partner**  
amerron@kingstonsmithW1.co.uk

**Cliff Ireton, Partner**  
cireton@kingstonsmithW1.co.uk

**David Childs, Partner**  
dchilds@kingstonsmithW1.co.uk

**Esther Carder, Partner**  
ecarder@kingstonsmithW1.co.uk

**Geraint Howells, Partner**  
ghowells@kingstonsmithW1.co.uk

**Graham Tyler, Partner**  
gtyler@kingstonsmithW1.co.uk



Marketing Monitor is available from Kingston Smith W1, 141 Wardour Street, London W1F 0UT Telephone 020 7304 4646, Fax 020 7304 4647, email ks@kingstonsmithW1.co.uk

© Kingston Smith W1 is a trading name of Kingston Smith LLP. Kingston Smith LLP is registered to carry on audit work and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales. Any opinions, views or comments contained in this document are intended for those clients and contacts of Kingston Smith W1 and Kingston Smith LLP and associated companies to whom it has been distributed. No responsibility for loss occasioned by any person acting or refraining from action as a result of the material in this newsletter can be accepted by the firm. The investments or services mentioned in this document may not be suitable for all recipients or be appropriate for their personal circumstances. The information in this document is believed to be correct but cannot be guaranteed. Opinions or comments expressed constitute our judgement as of this date and are subject to change without warning. This document is not intended as an offer or solicitation to buy or sell any investment nor is it to be construed as a personal recommendation. Past performance is not necessarily indicative of future performance. If you do not wish to receive this publication or any other information in future, please e-mail us at pd@kingstonsmith.co.uk stating 'unsubscribe Monitor' with your name and the postal address to which your issue is sent or ring 020 7304 4646. HR Insight is regulated and authorised by the Financial Services Authority A0029469.

Design by 300million