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MEDIABILITY LIMITED

DIRECTORS REPORT AND ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1990

The Company has pleasure in presenting the accounts of the Company for the year to 31st March 1990.

ACTIVITY

The activity of the Company is that of an advertising agency.

RESULTS AND REVIEW

	<u>1990</u>	<u>1989</u>
Profits after Taxation	168,542	64,458
Dividends Paid	200,000	-
	(31,458)	64,458
Balance brought forward	<u>105,356</u>	<u>40,898</u>
Balance carried forward	<u>£ 73,898</u>	<u>£105,356</u>

The increased profit follows the obtaining of Recognition from the The Newspaper Publishers Association Ltd.

DIRECTOR'S SHAREHOLDING

Mr. A. Grundy has been the only Director of the Company, and together with his family continues to hold all the shares in the company.

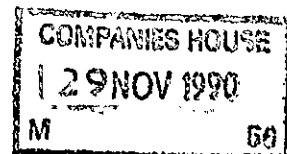
AUDITORS

Messrs. Jno. Brierley & Son have indicated their willingness to be reappointed.



MRS. A. N. GRUNDY

Secretary



MEDIABILITY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 1990

		<u>1990</u>	<u>1989</u>
<u>TURNOVER</u>	(Note 1)	3,866,990	690,373
<u>OPERATING EXPENSES</u>		<u>3,514,731</u>	<u>717,541</u>
<u>GROSS PROFIT</u>		352,259	172,832
<u>ADMINISTRATION EXPENSES</u>		<u>158,441</u>	<u>96,899</u>
<u>OPERATING PROFIT</u>	(Note 2)	193,818	75,933
<u>INTEREST RECEIVABLE</u>	(Note 3)	<u>48,736</u>	<u>12,025</u>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		242,554	87,958
<u>TAXATION</u>	(Note 4)	<u>74,012</u>	<u>23,500</u>
		168,542	64,458
<u>DIVIDENDS PAID</u>		<u>200,000</u>	<u>-</u>
<u>RETAINED DEFICIT (1989 PROFIT) FOR THE YEAR</u>		£ <u>31,458</u>	£ <u>64,458</u>

MEDIABILITY LIMITED

BALANCE SHEET AS AT 31st MARCH 1990

	<u>1990</u>	<u>1989</u>
<u>FIXED ASSETS</u>		
Tangible Assets (Note 5)	2,076	24,394
<u>CURRENT ASSETS</u>		
Debtors (Note 6)	499,844	310,354
Bank & Cash Balances	<u>446,443</u>	<u>533,655</u>
	<u>946,287</u>	<u>844,009</u>
<u>Less: CURRENT LIABILITIES</u>		
Bank Overdraft	304,353	284,534
Creditors due within one year (Note 7)	<u>560,112</u>	<u>468,513</u>
	<u>864,465</u>	<u>753,047</u>
	<u>81,822</u>	<u>90,962</u>
	<u>£ 83,898</u>	<u>£115,356</u>
<u>CAPITAL AND RESERVES</u>		
<u>CALLED UP SHARE CAPITAL</u> (Note 8)	10,000	10,000
<u>RESERVES</u> (Note 9)	<u>73,898</u>	<u>105,356</u>
	<u>£ 83,898</u>	<u>£115,356</u>


A. GRUNDY - Director

REPORT OF THE AUDITORS TO THE MEMBERS OF

MEDIABILITY LIMITED

We have audited the financial statements on pages 2 to 6 in accordance with approved Auditing Standards.

In our opinion the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of affairs of the company at 31st March 1990 and of the profit and source and application of funds of the company for the year then ended, and comply with the Companies Act 1985.


JNO. BRIERLEY & SON

Chartered Accountants

25th September 1990

O L D H A M

04-12-90

MEDIABILITY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1990

1. ACCOUNTING POLICIES

a) Accounting Convention

These financial statements have been prepared in accordance with the historical cost convention. The principal accounting policies which the Directors have adopted within the convention are set out below:-

b) Depreciation

The provision for depreciation is calculated on the cost of fixed assets in order to write off such cost over their estimated useful lives. The rates used are as follows:-

Motor Vehicles	25% straight line
Fixtures & Fittings	20% straight line.

c) Turnover

Turnover represents charges for goods and services provided by the company net of Value Added Tax.

2. OPERATING PROFIT

1990

1989

is stated after charging:-

Auditors Remuneration	£2,025	£1,650
Depreciation	£5,209	£4,498
Directors Remuneration	£33,983	£35,882

Directors Remuneration

Salaries & Fees	£33,983	£35,882
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The remuneration of the chairman was	£33,983	£35,882
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Highest Paid Director	Chairman	Chairman
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Remuneration Remuneration

Staff costs	£96,898	£64,844
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Average No. of Employees	<u>6</u>	<u>4</u>
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3. INTEREST RECEIVABLE

Bank Interest	£48,736	£12,025
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4. TAXATION

Corporation Tax at 35%	76,500	23,500
<u>Less Overprovisions for prior years</u>	<u>2,488</u>	<u>-</u>
	£74,012	£23,500

5. FIXED ASSETS - Tangible Assets

	<u>Motor Vehicle</u>	<u>Fixtures & Fittings</u>	<u>TOTAL</u>
<u>COST</u>			
At 31.3.89	23,000	4,011	27,011
Additions in the year	-	620	620
Sales	(23,000)	-	(23,000)
At 31.3.90	-	4,631	4,631
<u>DEPRECIATION</u>			
At 31.3.89	958	1,659	2,617
On Sales	(5,271)	-	(5,271)
Charge for the year	4,313	896	5,209
At 31.3.90	-	2,555	2,555
<u>NET BOOK VALUE at 31.3.90</u>	<u>NIL</u>	<u>£2,076</u>	<u>£2,076</u>
at 31.3.89	£27,042	£2,352	£24,394

MEDIABILITY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1990

6.	<u>DEBTORS</u>	<u>1990</u>	<u>1989</u>
	Trade Debtors	474,539	310,264
	Prepayments	5,315	-
	Other Debtors	19,990	90
		<u>£499,844</u>	<u>£310,354</u>
7.	<u>CREDITORS</u>		
	Trade Creditors	402,846	371,279
	Sundry Creditors	2,215	544
	Accruals	59,871	19,515
	Corporation Tax	92,527	54,500
	Other Taxes	(1,248)	7,133
	Directors Loan Account	463	12,104
	Other Creditors	3,438	3,438
		<u>£560,112</u>	<u>£468,513</u>
8.	<u>SHARE CAPITAL</u>		
	<u>Authorised, Issued & Fully Paid</u>		
	Ordinary Shares of £1 each	<u>£10,000</u>	<u>£10,000</u>
9.	<u>RESERVES</u>		
	At 31st March 1989	105,356	40,898
	Deficit for year (1989 Profit)	(31,458)	64,458
	At 31st March 1990	<u>£ 73,898</u>	<u>£105,356</u>

MEDIABILITY LIMITED
STATEMENT OF SOURCES AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31st MARCH 1990

	<u>1990</u>	<u>1989</u>
<u>SOURCES OF FUNDS</u>		
Profit before Taxation	242,554	87,958
Depreciation	5,209	4,498
	<u>247,763</u>	<u>92,456</u>
Sales of Fixed Assets	17,729	4,502
	<u>£265,492</u>	<u>£ 96,958</u>
<u>APPLICATION OF FUNDS</u>		
Fixed Assets Purchased	620	23,450
Taxation Paid	35,985	-
Dividends Paid	200,000	-
Working Capital		
Debtors Increase	189,490	293,459
Creditors Increase	<u>53,572</u>	<u>(391,934)</u>
	<u>135,918</u>	<u>(98,475)</u>
	<u>£372,523</u>	<u>£(75,025)</u>
<u>BANK AND CASH BALANCES</u>		
At 31st March 1990	142,090	249,121
At 31st March 1989	<u>249,121</u>	<u>77,138</u>
	<u>£(107,031)</u>	<u>£171,983</u>