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MEDIABILITY LIMITED
ACCOUNTS FOR THE YEAR ENDED
31st MARCH 1994

JNO. BRIERLEY & SON
— CHARTERED ACCOUNTANTS —



MEDIABILITY LIMITED

DIRECTORS REPORT AND ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1994

The Company has pleasure in presenting the accounts of the Company for the year to 31st March 1994.

ACTIVITY

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

RESULTS AND REVIEW

	<u>1994</u>	<u>1993</u>
Profits after Taxation	196,272	140,866
Dividends	<u>195,000</u>	<u>110,000</u>
	1,272	30,866
Balance brought forward	<u>165,871</u>	<u>135,005</u>
Balance carried forward	<u>£167,143</u>	<u>£165,871</u>

The results for the year have been good and the financial position is regarded as satisfactory.

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.

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MRS. A. N. GRUNDY

24th August 1994

Secretary

MEDIABILITY LIMITED

ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1994

DIRECTORS' RESPONSIBILITIES

IN RESPECT OF THE PREPARATION OF THE ACCOUNTS

The directors are required by law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the result of the Company for that period. The financial statements must comply with the requirements of the Companies Act 1985.

It is the directors' responsibility to ensure that adequate accounting records are maintained, that the assets of the Company are safeguarded and that fraud and other irregularities are prevented and detected.

The Board of Directors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the financial statements.

In addition, the directors confirm that applicable accounting standards have been followed.

AUDITORS' REPORT TO THE MEMBERS OF MEDIABILITY LIMITED

We have audited the financial statements on pages 3 to 6 which have been prepared under the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described above, 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 statements and to report our opinion to you.

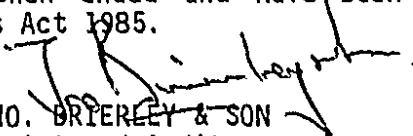
BASIS OF OPINION

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 the affairs of the Company at 31st March 1994, and of the result of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


JNO. BRIERLEY & SON
Registered Auditors
Chartered Accountants
OLDHAM

24th August 1994

MEDIABILITY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 1994

		<u>1994</u>	<u>1993</u>
<u>TURNOVER</u>	(Note 1)	6,434,163	3,814,765
<u>OPERATING EXPENSES</u>		<u>5,870,768</u>	<u>3,378,457</u>
<u>GROSS PROFIT</u>		563,395	436,308
<u>ADMINISTRATION EXPENSES</u>		<u>320,792</u>	<u>269,635</u>
<u>OPERATING PROFIT</u>	(Note 2)	242,603	166,673
<u>INTEREST RECEIVABLE</u>	(Note 3)	<u>24,642</u>	<u>26,181</u>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		267,245	192,854
<u>TAXATION</u>	(Note 4)	<u>70,973</u>	<u>51,988</u>
		196,272	140,866
<u>DIVIDENDS</u>	(Note 5)	<u>195,000</u>	<u>110,000</u>
<u>RETAINED PROFIT FOR THE YEAR</u>		£ <u>1,272</u>	£ <u>30,866</u>

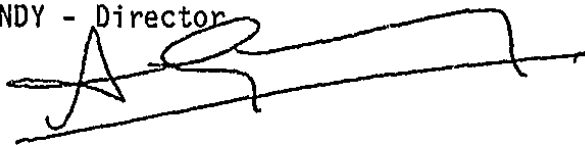
MEDIABILITY LIMITED

BALANCE SHEET AT 31st MARCH 1994

	<u>1994</u>	<u>1993</u>
<u>FIXED ASSETS</u>		
Tangible Assets (Note 6)	37,245	56,398
<u>CURRENT ASSETS</u>		
Debtors (Note 7)	772,417	487,193
Bank & Cash Balances	<u>534,731</u>	<u>389,882</u>
	<u>1,307,148</u>	<u>877,075</u>
<u>Less: CURRENT LIABILITIES</u>		
Creditors due within one year (Note 8)	<u>1,159,344</u>	<u>741,071</u>
<u>NET CURRENT ASSETS</u>	<u>147,804</u>	<u>136,004</u>
	185,049	192,402
Creditors due after one year (Note 9)	<u>(7,906)</u>	<u>(16,531)</u>
	<u>£177,143</u>	<u>£175,871</u>
<u>CAPITAL AND RESERVES</u>		
<u>CALLED UP SHARE CAPITAL</u> (Note 10)	10,000	10,000
<u>RESERVES</u> (Note 11)	<u>167,143</u>	<u>165,871</u>
	<u>£177,143</u>	<u>£175,871</u>

Approved by the Director on 24th August 1994.

A. GRUNDY - Director



MEDIABILITY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1994

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

1994

1993

is stated after charging:-

Auditors Remuneration	£4,000	£3,500
Depreciation	£16,197	£14,584
Directors Remuneration	£75,365	£64,823

Directors Remuneration

Pension	10,000	20,000
Salaries & Fees	65,365	44,823
	<u>£75,365</u>	<u>£64,823</u>

The remuneration of the chairman excluding pension contributions was £65,365 £44,823

Highest Paid Director	Chairman	Chairman
	<u>Remuneration</u>	<u>Remuneration</u>

Staff costs £124,402 £96,415

Average No. of Employees 8 7

3. INTEREST RECEIVABLE

Bank Interest £24,642 £26,181

4. TAXATION

Corporation Tax	73,000	54,500
Less Overprovision for prior years	(2,027)	(2,512)
	<u>£70,973</u>	<u>£51,988</u>

5. DIVIDENDS

Paid	100,000	-
Proposed	95,000	110,000
	<u>£195,000</u>	<u>£110,000</u>

MEDIABILITY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1994

6. FIXED ASSETS - Tangible Assets

	<u>Motor Vehicle</u>	<u>Fixtures & Fittings</u>	<u>TOTAL</u>
<u>COST</u>			
At 31.3.93	70,975	20,526	91,501
Additions in the year	-	3,273	3,273
Sales	(23,000)	-	(23,000)
At 31.3.94	<u>£47,975</u>	<u>£23,799</u>	<u>£71,774</u>
<u>DEPRECIATION</u>			
At 31.3.93	28,213	6,890	35,103
On Sales	(16,771)	-	(16,771)
Charge for the year	11,994	4,203	16,197
At 31.3.94	<u>£23,436</u>	<u>£11,093</u>	<u>£34,529</u>
<u>NET BOOK VALUE</u> at 31.3.94	<u>£24,539</u>	<u>£12,706</u>	<u>£37,245</u>
at 31.3.93	<u>£42,762</u>	<u>£13,636</u>	<u>£56,398</u>

7. DEBTORS

	<u>1994</u>	<u>1993</u>
Trade Debtors	768,683	479,176
Prepayments	2,512	5,462
Other Debtors	1,222	2,555
	<u>£772,417</u>	<u>£487,193</u>

8. CREDITORS - due within 1 year

Hire Purchase	8,625	8,625
Proposed Dividend	95,000	110,000
Trade Creditors	574,037	405,140
Accruals	400,092	153,661
Corporation Tax	38,484	37,833
Other Taxes	42,643	9,640
Directors Loan Account	463	463
Other Creditors	-	15,709
	<u>£1,159,344</u>	<u>£741,071</u>

9. CREDITORS - due after 1 year

Hire Purchase	£ 7,906	£ 16,531
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10. SHARE CAPITAL

Authorised, Issued & Fully Paid

Ordinary Shares of £1 each	<u>£10,000</u>	<u>£10,000</u>
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11. RESERVES

At 31st March 1993	165,871	135,005
Profit for the year	1,272	30,866
At 31st March 1994	<u>£167,143</u>	<u>£165,871</u>

12. CASHFLOW STATEMENT

The Company has taken advantage of the exemption permitted by FRS1 whereby a cashflow statement need not be prepared by a small company as defined by the Companies Act 1985.