

MEDIABILITY LIMITED

DIRECTORS REPORT AND ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1995

The Company has pleasure in presenting the accounts of the Company for the year to 31st March 1995.

ACTIVITY

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

RESULTS AND REVIEW

	<u>1995</u>	<u>1994</u>
Profits after Taxation	251,101	196,272
Dividends	210,000	195,000
	<u>41,101</u>	<u>1,272</u>
Balance brought forward	167,143	165,871
Balance carried forward	<u>£208,244</u>	<u>£167,143</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 July 1995

Secretary



MEDIABILITY LIMITED

ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1995

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.

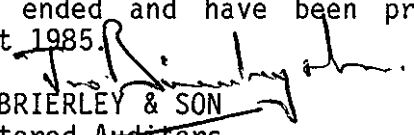
BASIS OF OPINION

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 1995, 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
O L D H A M

24th July 1995

MEDIABILITY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 1995

		<u>1995</u>	<u>1994</u>
<u>TURNOVER</u>	(Note 1)	7,926,634	6,434,163
<u>OPERATING EXPENSES</u>		<u>7,284,452</u>	<u>5,870,768</u>
<u>GROSS PROFIT</u>		642,182	563,395
<u>ADMINISTRATION EXPENSES</u>		<u>327,012</u>	<u>320,792</u>
<u>OPERATING PROFIT</u>	(Note 2)	315,170	242,603
<u>INTEREST RECEIVABLE</u>	(Note 3)	<u>37,708</u>	<u>24,642</u>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		352,878	267,245
<u>TAXATION</u>	(Note 4)	<u>101,777</u>	<u>70,973</u>
		251,101	196,272
<u>DIVIDENDS</u>	(Note 5)	<u>210,000</u>	<u>195,000</u>
<u>RETAINED PROFIT FOR THE YEAR</u>		£ 41,101	£ 1,272

MEDIABILITY LIMITED
BALANCE SHEET AT 31st MARCH 1995

	<u>1995</u>	<u>1994</u>
<u>FIXED ASSETS</u>		
Tangible Assets (Note 6)	32,571	37,245
<u>CURRENT ASSETS</u>		
Debtors (Note 7)	732,796	772,417
Bank & Cash Balances	<u>666,247</u>	<u>534,731</u>
	<u>1,399,043</u>	<u>1,307,148</u>
<u>Less: CURRENT LIABILITIES</u>		
Creditors due within one year (Note 8)	<u>1,213,370</u>	<u>1,159,344</u>
<u>NET CURRENT ASSETS</u>	<u>185,673</u>	<u>147,804</u>
	218,244	185,049
Creditors due after one year (Note 9)	<u>-</u>	<u>(7,906)</u>
	<u>£218,244</u>	<u>£177,143</u>
<u>CAPITAL AND RESERVES</u>		
<u>CALLED UP SHARE CAPITAL</u> (Note 10)	10,000	10,000
<u>RESERVES</u> (Note 11)	<u>208,244</u>	<u>167,143</u>
	<u>£218,244</u>	<u>£177,143</u>

Approved by the Director on 24th July 1995.

A. GRUNDY - Director



MEDIABILITY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1995

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

1995

1994

is stated after charging:-

Auditors Remuneration	£4,500	£4,000
Depreciation	£13,842	£16,197
Directors Remuneration	£85,000	£75,365

Directors Remuneration

Pension	35,000	10,000
Salaries & Fees	50,000	65,365
	<u>£85,000</u>	<u>£75,365</u>

The remuneration of the chairman excluding pension contributions was £50,000 £65,365

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

Staff costs £113,461 £124,402

Average No. of Employees 8 8

3. INTEREST RECEIVABLE

Bank Interest £37,708 £24,642

4. TAXATION

Corporation Tax	99,000	73,000
Underprovision for prior years	2,777	(2,027)
	<u>£101,777</u>	<u>£70,973</u>

5. DIVIDENDS

Paid	120,000	100,000
Proposed	90,000	95,000
	<u>£210,000</u>	<u>£195,000</u>

MEDIABILITY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 1995

6. FIXED ASSETS - Tangible Assets

	<u>Motor Vehicles</u>	<u>Fixtures & Fittings</u>	<u>TOTAL</u>
<u>COST</u>			
At 31.3.94	47,975	23,799	71,774
Additions in the year	23,000	4,964	27,964
Sales	(30,074)	-	(30,074)
At 31.3.95	<u>£40,901</u>	<u>£28,763</u>	<u>£69,664</u>
<u>DEPRECIATION</u>			
At 31.3.94	23,436	11,093	34,529
On Sales	(11,278)	-	(11,278)
Charge for the year	9,097	4,745	13,842
At 31.3.95	<u>£21,255</u>	<u>£15,838</u>	<u>£37,093</u>
<u>NET BOOK VALUE</u> at 31.3.95	<u>£19,646</u>	<u>£12,925</u>	<u>£32,571</u>
at 31.3.94	<u>£24,539</u>	<u>£12,706</u>	<u>£37,245</u>

7. DEBTORS

	<u>1995</u>	<u>1994</u>
Trade Debtors	727,172	768,683
Prepayments	5,624	2,512
Other Debtors	-	1,222
	<u>£732,796</u>	<u>£772,417</u>

8. CREDITORS - due within 1 year

Hire Purchase	-	8,625
Proposed Dividend	90,000	95,000
Trade Creditors	643,622	574,037
Accruals	386,122	400,092
Corporation Tax	48,175	38,484
Other Taxes	44,988	42,643
Directors Loan Account	463	463
	<u>£1,213,370</u>	<u>£1,159,344</u>

9. CREDITORS - due after 1 year

Hire Purchase	<u>NIL</u>	<u>£ 7,906</u>
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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 1994	167,143	165,871
Profit for the year	41,101	1,272
At 31st March 1995	<u>£208,244</u>	<u>£167,143</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.