

MEDIABILITY LIMITED
ABBREVIATED FINANCIAL STATEMENTS
31 MARCH 2000

Registered number: 2064310

BARLOW ANDREWS
CHARTERED ACCOUNTANTS
BOLTON



MEDIABILITY LIMITED
ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 March 2000

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MEDIABILITY LIMITED
COMPANY INFORMATION

31 March 2000

NUMBER	2064310
DIRECTOR	Mr A Grundy
SECRETARY	Mrs A Grundy
REGISTERED OFFICE	Langley House Stanneylands Road WILMSLOW Cheshire
BANKERS	National Westminster Bank plc 4 Grove Street WILMSLOW Cheshire
AUDITORS	Barlow Andrews Chartered Accountants Carlyle House 78 Chorley New Road BOLTON

MEDIABILITY LIMITED**DIRECTOR'S REPORT****31 March 2000**

The director presents his report and the abbreviated financial statements for the year ended 31 March 2000.

Principal activity

The principal activity of the company is that of an advertising agency.

Business review

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £118,295. The company is expecting to maintain its current level of profitability throughout the next financial year.

Results and dividends

The results for the year are shown in the profit and loss account on page 5. An ordinary dividend amounting to £312,717 has been paid and a final dividend of £95,000 has been proposed.

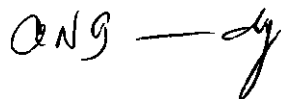
Directors

The Director holding office during the year was Mr A Grundy and, together with his family, he held all of the shares in the Company at the beginning and end of the year.

Auditors

Barlow Andrews have agreed to offer themselves for re-appointment as auditors of the company.

On behalf of the board



Langley House
Stanneylands Road
WILMSLOW
Cheshire

Mrs A Grundy
Secretary

21 July 2000

MEDIABILITY LIMITED**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

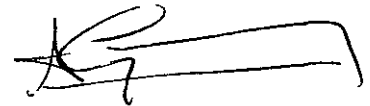
Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements the director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

21 July 2000

On behalf of the board

A handwritten signature in black ink, appearing to be 'A Grundy', written over a horizontal line.

Mr A Grundy
Director

MEDIABILITY LIMITED

**Auditors' report to
Mediability Limited
under section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements set out on pages 5 to 13, together with the financial statements of the company for the year ended 31 March 2000 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The director is responsible for preparing the abbreviated financial statements in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

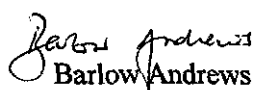
Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages 5 to 13 are properly prepared in accordance with those provisions.

BOLTON
21 July 2000


Barlow Andrews
Chartered Accountants
& Registered Auditors

MEDIABILITY LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2000

	Note	2000 £	1999 £
Gross profit		1,000,768	1,099,638
Net operating expenses			
Administrative expenses		(548,243)	(664,019)
Other operating income		47,321	49,556
Profit on ordinary activities before taxation		499,846	485,175
Taxation	5	(121,228)	(134,234)
Profit on ordinary activities after taxation		378,618	350,941
Dividends	6	(407,717)	(326,600)
Retained (loss)/profit for the year	13	(29,099)	24,341

Movements in reserves are shown in note 13.

None of the company's activities were acquired or discontinued during the above two financial years.

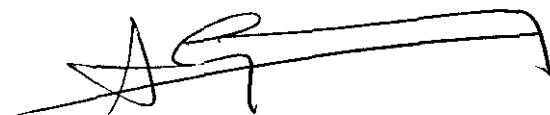
There are no recognised gains and losses in 2000 or 1999 other than the (loss)/profit for the year.

MEDIABILITY LIMITED
ABBREVIATED BALANCE SHEET
at 31 March 2000

	Note	2000		1999	
		£	£	£	£
Fixed assets					
Tangible assets	7		67,545		91,258
Current assets					
Debtors	8	1,606,168		1,483,710	
Cash at bank and in hand		282,395		366,791	
		<u>1,888,563</u>		<u>1,850,501</u>	
Creditors: amounts falling due within one year	9	<u>(1,837,813)</u>		<u>(1,794,365)</u>	
Net current assets			50,750		56,136
Total assets less current liabilities			<u>118,295</u>		<u>147,394</u>
Capital and reserves					
Called up share capital	12		10,000		10,000
Profit and loss account	13		108,295		137,394
Total shareholders' funds	11		<u>118,295</u>		<u>147,394</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The abbreviated financial statements on pages 5 to 13 were approved by the board of directors on 21 July 2000 and signed by:



Mr A Grundy
Director

MEDIABILITY LIMITED
CASH FLOW STATEMENT
for the year ended 31 March 2000

	Note	2000		1999	
		£	£	£	£
Net cash inflow from operating activities	14		361,119		126,998
Taxation					
Corporation tax paid			(126,879)		(110,791)
Capital expenditure and financial investment					
Purchase of tangible fixed assets			(5,919)		(65,188)
			228,321		(48,981)
Equity dividends paid			(312,717)		(26,600)
Decrease in cash			(84,396)		(75,581)

MEDIABILITY LIMITED**NOTES ON ABBREVIATED FINANCIAL STATEMENTS****31 March 2000****1 Accounting policies****Basis of accounting**

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

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Motor vehicles	25% per annum
Fixtures and fittings	20% per annum

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pensions**Defined contribution scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Turnover

The turnover for the year was derived from the company's principal activity. The whole of the turnover is attributable to the UK market.

MEDIABILITY LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 March 2000

3 Operating profit

	2000 £	1999 £
Operating profit is stated after crediting:		
Interest receivable	47,321	49,556
and after charging:		
Staff costs (note 4)	433,128	462,354
Auditors' remuneration	4,000	4,500
Auditors' remuneration - non-audit work	35,538	13,128
Depreciation of tangible fixed assets (note 7):		
Owned assets	29,632	26,433

4 Directors and employees

	2000 £	1999 £
Staff costs including directors' emoluments		
Wages and salaries	348,431	269,902
Social security costs	33,697	17,452
Pension costs	51,000	175,000
	433,128	462,354
Average monthly number employed including executive directors:	Number 9	Number 7
Directors	£	£
Emoluments	237,744	91,810
Company contributions to money purchase pension schemes	51,000	175,000
	288,744	266,810

Defined contribution pension scheme

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £51,000 (1999 £175,000).

MEDIABILITY LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 March 2000

5 Taxation

	2000 £	1999 £
Corporation tax on profit on ordinary activities at 30% (1999 21%)	74,964	134,234
Under provision in prior year	46,264	-
	<u>121,228</u>	<u>134,234</u>

6 Dividends

	2000 £	1999 £
Equity - ordinary-interim	312,717	26,600
Equity - ordinary-final	95,000	300,000
	<u>407,717</u>	<u>326,600</u>

7 Tangible fixed assets

	Motor Vehicles £	Fixtures and Fittings £	Total £
Cost			
1 April 1999	54,303	99,578	153,881
Additions	-	5,919	5,919
	<u>54,303</u>	<u>105,497</u>	<u>159,800</u>
31 March 2000			
Depreciation			
1 April 1999	23,265	39,358	62,623
Charge for the year	18,997	10,635	29,632
	<u>42,262</u>	<u>49,993</u>	<u>92,255</u>
31 March 2000			
Net book amount			
31 March 2000	<u>17,464</u>	<u>50,081</u>	<u>67,545</u>
1 April 1999	<u>31,038</u>	<u>60,220</u>	<u>91,258</u>

MEDIABILITY LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 March 2000

8 Debtors

	2000 £	1999 £
Amounts falling due within one year		
Trade debtors	1,212,384	1,056,915
Other debtors	386,872	385,838
Prepayments and accrued income	6,912	40,957
	<u>1,606,168</u>	<u>1,483,710</u>

9 Creditors: amounts falling due within one year

	2000 £	1999 £
Trade creditors	1,281,112	858,424
Other creditors - proposed dividends	95,000	300,000
Corporation tax	71,630	132,919
Other taxation and social security	44,737	8,490
Accruals and deferred income	345,334	494,532
	<u>1,837,813</u>	<u>1,794,365</u>

10 Deferred taxation

Deferred taxation at 31 March 2000 amounted to an asset of £3,985 (1998 £10,378), being the total excess of depreciation over capital allowances and other short term timing differences. This has not been provided for in the accounts.

MEDIABILITY LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 March 2000

11 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
Profit for the financial year	378,618	350,941
Dividends	<u>(407,717)</u>	<u>(326,600)</u>
Net (subtraction from)/addition to shareholders' funds	(29,099)	24,341
Opening shareholders' funds	<u>147,394</u>	<u>123,053</u>
Closing shareholders' funds	<u><u>118,295</u></u>	<u><u>147,394</u></u>

12 Called up share capital

	2000		1999	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid				
Ordinary shares	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

13 Profit and loss account

	2000 £
1 April 1999	137,394
Retained loss for the year	<u>(29,099)</u>
31 March 2000	<u><u>108,295</u></u>

MEDIABILITY LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 March 2000

14 Notes to the cash flow statement

Reconciliation of operating profit
to operating cash flows

	1999 £	2000 £
Operating profit	499,846	485,175
Depreciation charges	29,632	26,433
Increase in debtors	(178,096)	(85,012)
(Decrease)/increase in creditors	9,737	(299,598)
Net cash inflow from operating activities	361,119	126,998

Analysis of changes in net debt

	At start of year £	Cash flows £	At end of year £
Cash at bank and in hand	366,791	(84,396)	282,395
Total	366,791	(84,396)	282,395

Reconciliation of net cash flow to movement in net debt

	2000 £	1999 £
Decrease in cash in the year	(84,396)	(75,582)
Change in net debt resulting from cash flows	(84,396)	(75,582)
Net debt at 1 April 1999	366,791	442,373
Net debt at 31 March 2000	282,395	366,791

15 Related parties

Control

The company is controlled by Mr A Grundy.