

MEDIABILITY LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2001

Registration Number 2064310



A22 *AZW227L1* 0270
COMPANIES HOUSE 19/01/02

BARLOW ANDREWS
CHARTERED ACCOUNTANTS
BOLTON

MEDIABILITY LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2001

CONTENTS

	Page
Director's Report	1
Auditors' Report	2
Abbreviated Profit and Loss Account	3
Balance Sheet	4
Cash Flow Statement	5
Notes to the Financial Statements	6 - 11

MEDIABILITY LIMITED**Director's Report
for the year ended 31 March 2001**

The director presents his report and the accounts for the year ended 31 March 2001.

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 5 shows a satisfactory position, with shareholders funds amounting to £295,187. 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 set out on page 3. An ordinary dividend amounting to £150,000 has been paid during the year. It is not proposed to pay a final dividend.

Director and his Interest

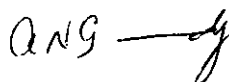
The Director holding office during the year was Mr A Grundy and, together with his family, he held all of the shares in the Company at the beginning and the end of the year.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Barlow Andrews be reappointed as auditors of the company will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

This report was approved by the Board on 17 October 2001 and signed on its behalf by



Mrs A Grundy
Secretary

MEDIABILITY LIMITED**Auditors' Report to Mediability Limited
under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 3 to 11 together with the financial statements of Mediability Limited for the year ended 31 March 2001 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of director and auditors

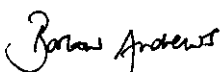
The director is responsible for preparing abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision 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 accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did 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 accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 31 March 2001, and the abbreviated accounts on pages 3 to 11 are properly prepared in accordance with that provision.



Barlow Andrews

**Chartered Accountants and
Registered Auditors**

17 October 2001

MEDIABILITY LIMITED

Abbreviated Profit and Loss Account for the year ended 31 March 2001

		2001	2000
	Notes	£	£
Gross profit		989,938	1,000,768
Administrative expenses		(614,995)	(548,243)
Operating profit	2	<u>374,943</u>	<u>452,525</u>
Interest receivable and similar income	3	64,155	47,321
Interest payable and similar charges	4	<u>(202)</u>	<u>-</u>
Profit on ordinary activities before taxation		438,896	499,846
Tax on profit on ordinary activities	7	<u>(112,004)</u>	<u>(121,228)</u>
Profit on ordinary activities after taxation		326,892	378,618
Dividends	8	<u>(150,000)</u>	<u>(407,717)</u>
Retained profit/(loss) for the year		176,892	(29,099)
Retained profit brought forward		<u>108,295</u>	<u>137,394</u>
Retained profit carried forward		<u><u>285,187</u></u>	<u><u>108,295</u></u>

There are no recognised gains or losses other than the profit or loss for the above two financial years.

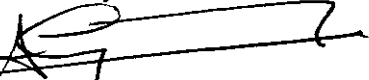
MEDIABILITY LIMITED

Balance Sheet **as at 31 March 2001**

		2001		2000	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	9		79,602		67,545
Current Assets					
Debtors	10	1,840,601		1,606,168	
Cash at bank and in hand		421,580		282,395	
		<u>2,262,181</u>		<u>1,888,563</u>	
Creditors: amounts falling due within one year	11	<u>(2,046,596)</u>		<u>(1,837,813)</u>	
Net Current Assets			<u>215,585</u>		<u>50,750</u>
Total Assets Less Current Liabilities			<u>295,187</u>		<u>118,295</u>
Capital and Reserves					
Called up share capital	13		10,000		10,000
Profit and loss account			<u>285,187</u>		<u>108,295</u>
Equity Shareholders' Funds	14		<u>295,187</u>		<u>118,295</u>

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The abbreviated accounts on pages 3 to 11 were approved by the Board on 17 October 2001 and signed on its behalf by



Mr A Grundy
Director

MEDIABILITY LIMITED

Cash Flow Statement for the year ended 31 March 2001

	Notes	2001 £	2000 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		374,943	452,525
Depreciation		32,567	29,632
(Increase) in debtors		(234,433)	(122,458)
Increase in creditors		266,776	309,737
Net cash inflow from operating activities		<u>439,853</u>	<u>669,436</u>
CASH FLOW STATEMENT			
Net cash inflow from operating activities		439,853	669,436
Returns on investments and servicing of finance	17	63,953	47,321
Taxation	17	(74,997)	(182,517)
Capital expenditure	17	(44,624)	(5,919)
		<u>384,185</u>	<u>528,321</u>
Equity dividends paid		(245,000)	(612,717)
Increase in cash in the year		<u>139,185</u>	<u>(84,396)</u>
Reconciliation of net cash flow to movement in net funds (Note 18)			
Increase in cash in the year		139,185	(84,396)
Net funds at 1 April 2000		<u>282,395</u>	<u>366,791</u>
Net funds at 31 March 2001		<u>421,580</u>	<u>282,395</u>

MEDIABILITY LIMITED

Notes to the Abbreviated Financial Statements for the year ended 31 March 2001

1. Accounting Policies

1.1. Accounting convention

The accounts are prepared in accordance with applicable accounting standards and under the historical cost convention.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	- 20% Straight Line
Motor vehicles	- 25% Straight Line

1.4. 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.

1.5. Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the director considers that a liability to taxation is unlikely to materialise.

2. Operating profit	2001	2000
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	30,567	29,632
Loss on disposal of tangible fixed assets	2,000	-
Auditors' remuneration	4,000	4,000
Auditors' remuneration from non-audit work	22,686	35,538
	<u> </u>	<u> </u>
3. Interest receivable and similar income	2001	2000
	£	£
Bank interest	64,155	47,321
	<u> </u>	<u> </u>

MEDIABILITY LIMITED

Notes to the Abbreviated Financial Statements for the year ended 31 March 2001

4. Interest payable and similar charges	2001	2000
	£	£
On bank loans and overdrafts	202	-

5. Employees

Number of employees

The average monthly numbers of employees
(including the director) during the year were:

2001	2000
Number	Number
8	9

Employment costs

	2001	2000
	£	£
Wages and salaries	405,566	348,431
Social security costs	41,350	33,697
Other pension costs	-	51,000
	<u>446,916</u>	<u>433,128</u>

5.1. Director's emoluments

	2001	2000
	£	£
Remuneration and other emoluments	268,385	237,744
Pension contributions	-	51,000
	<u>268,385</u>	<u>288,744</u>

6. Pension costs

The company operates a defined contribution pension scheme in respect of the director. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £- (2000 - £51,000).

MEDIABILITY LIMITED

Notes to the Abbreviated Financial Statements for the year ended 31 March 2001

7.	Taxation	2001	2000
		£	£
	UK current year taxation		
	UK Corporation Tax at 24% (2000 - 22%)	108,637	74,964
	Prior years		
	UK Corporation Tax	3,367	46,264
		<u>112,004</u>	<u>121,228</u>
8.	Dividends	2001	2000
		£	£
	Dividends on equity shares:		
	Ordinary shares - Interim paid	150,000	312,717
	Ordinary shares - Final proposed	-	95,000
		<u>150,000</u>	<u>407,717</u>
9.	Tangible fixed assets		
		Fixtures, fittings equipment	Motor vehicles
		£	£
	Cost		
	At 1 April 2000	105,497	54,303
	Additions	3,824	60,800
	Disposals	(45,500)	-
	At 31 March 2001	<u>63,821</u>	<u>115,103</u>
	Depreciation		
	At 1 April 2000	49,993	42,262
	On disposals	(23,500)	-
	Charge for the year	19,181	11,386
	At 31 March 2001	<u>45,674</u>	<u>53,648</u>
	Net book values		
	At 31 March 2001	<u>18,147</u>	<u>61,455</u>
	At 31 March 2000	<u>55,504</u>	<u>12,041</u>

MEDIABILITY LIMITED

Notes to the Abbreviated Financial Statements for the year ended 31 March 2001

10. Debtors

	2001	2000
	£	£
Trade debtors	1,453,397	1,212,384
Other debtors	363,323	386,872
Prepayments and accrued income	23,881	6,912
	<u>1,840,601</u>	<u>1,606,168</u>

11. Creditors: amounts falling due within one year

	2001	2000
	£	£
Trade creditors	1,536,396	1,281,112
Corporation tax	108,637	71,630
Other taxes and social security costs	35,837	44,737
Accruals and deferred income	365,726	345,334
Proposed dividend	-	95,000
	<u>2,046,596</u>	<u>1,837,813</u>

12. Deferred Taxation

Deferred tax is analysed over the following timing differences:

	Not provided	
	2001	2000
	£	£
Accelerated capital allowances	<u>7,910</u>	<u>3,985</u>

13. Share capital

	2001	2000
	£	£
Authorised equity		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid equity		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

MEDIABILITY LIMITED

Notes to the Abbreviated Financial Statements for the year ended 31 March 2001

14. Reconciliation of movements in shareholders' funds

	2001	2000
	£	£
Profit for the year	326,892	378,618
Dividends	(150,000)	(407,717)
	<u>176,892</u>	<u>(29,099)</u>
Opening shareholders' funds	118,295	147,394
	<u>295,187</u>	<u>118,295</u>

15. Transactions with director

The following director had interest free loans during the year. The movements on these loans are as follows:

	Amount Owing	Maximum
	2001	in year
	£	£
Mr A Grundy	<u>1,583</u>	<u>12,071</u>

16. Gross Cash Flows

	2001	2000
	£	£
Returns on investments and servicing of finance		
Interest received	64,155	47,321
Interest paid	(202)	-
	<u>63,953</u>	<u>47,321</u>
Taxation		
Corporation tax paid	<u>(74,997)</u>	<u>(182,517)</u>
Capital expenditure		
Payments to acquire tangible assets	(64,624)	(5,919)
Receipts from sales of tangible assets	20,000	-
	<u>(44,624)</u>	<u>(5,919)</u>

MEDIABILITY LIMITED

Notes to the Abbreviated Financial Statements for the year ended 31 March 2001

17. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	282,395	139,185	421,580
Net funds	<u>282,395</u>	<u>139,185</u>	<u>421,580</u>