

Registration number 2064310

**Mediability Limited**  
**Abbreviated accounts**  
**for the year ended 31 March 2004**



**Barlow Andrews**  
**Chartered Accountants**  
**Bolton**

## **Mediability Limited**

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## **Mediability Limited**

### **Director's report for the year ended 31 March 2004**

The director presents his report and the accounts for the year ended 31 March 2004.

#### **Principal activity and review of the business**

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

#### **Results, dividends and future developments**

The results for the year are set out on page 3.

The director does not recommend payment of a final dividend.

#### **Director and his interest**

The director holding office during the year was Mr A Grundy and, together with other family members, he held all of the shares in the company at both year end dates.

#### **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 the affairs of the company and of the profit or loss of the company for that year. In preparing these 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.

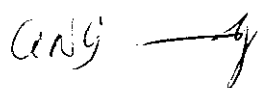
The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **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 25 June 2004 and signed on its behalf by



**Mrs A Grundy**  
**Secretary**

**Independent 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 2004 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of director and auditors**

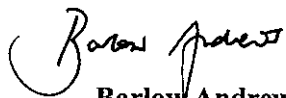
The director is responsible for preparing abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act 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 2004, and the abbreviated accounts on pages 3 to 11 are properly prepared in accordance with that provision.

  
**Barlow Andrews**  
Chartered Accountants and  
Registered Auditors  
Carlyle House  
78 Chorley New Road  
Bolton

25 June 2004

# **Mediability Limited**

## **Abbreviated profit and loss account for the year ended 31 March 2004**

|                                                      |              | <b>2004</b>           | <b>2003</b>           |
|------------------------------------------------------|--------------|-----------------------|-----------------------|
|                                                      | <b>Notes</b> | <b>£</b>              | <b>£</b>              |
| <b>Gross profit</b>                                  |              | 869,066               | 1,001,578             |
| Administrative expenses                              |              | (717,698)             | (672,182)             |
| <b>Operating profit</b>                              | <b>2</b>     | <u>151,368</u>        | <u>329,396</u>        |
| Other interest receivable and similar income         | <b>3</b>     | <u>44,020</u>         | <u>50,355</u>         |
| <b>Profit on ordinary activities before taxation</b> |              | 195,388               | 379,751               |
| Tax on profit on ordinary activities                 | <b>5</b>     | (50,901)              | (106,628)             |
| <b>Profit on ordinary activities after taxation</b>  |              | 144,487               | 273,123               |
| Dividends                                            | <b>6</b>     | -                     | (500,000)             |
| <b>Retained profit/(loss) for the year</b>           |              | <u>144,487</u>        | <u>(226,877)</u>      |
| Retained profit brought forward                      |              | <u>267,862</u>        | <u>494,739</u>        |
| <b>Retained profit carried forward</b>               |              | <u><u>412,349</u></u> | <u><u>267,862</u></u> |

The company had no acquisitions or discontinued operations in the above two financial years.

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

The notes on pages 6 to 11 form an integral part of these financial statements.

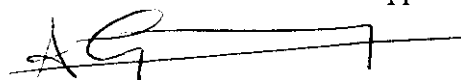
**Mediability Limited**

**Abbreviated balance sheet  
as at 31 March 2004**

|                                                       |       | 2004               |                | 2003               |                |
|-------------------------------------------------------|-------|--------------------|----------------|--------------------|----------------|
|                                                       | Notes | £                  | £              | £                  | £              |
| <b>Fixed assets</b>                                   |       |                    |                |                    |                |
| Tangible assets                                       | 7     |                    | 33,499         |                    | 49,527         |
| <b>Current assets</b>                                 |       |                    |                |                    |                |
| Debtors                                               | 8     | 1,212,818          |                | 1,094,603          |                |
| Cash at bank and in hand                              |       | 788,398            |                | 835,997            |                |
|                                                       |       | <u>2,001,216</u>   |                | <u>1,930,600</u>   |                |
| <b>Creditors: amounts falling due within one year</b> | 9     | <u>(1,609,914)</u> |                | <u>(1,699,813)</u> |                |
| <b>Net current assets</b>                             |       |                    | <u>391,302</u> |                    | <u>230,787</u> |
| <b>Total assets less current liabilities</b>          |       |                    | <u>424,801</u> |                    | <u>280,314</u> |
| <b>Provisions for liabilities and charges</b>         | 10    |                    | <u>(2,452)</u> |                    | <u>(2,452)</u> |
| <b>Net assets</b>                                     |       |                    | <u>422,349</u> |                    | <u>277,862</u> |
| <b>Capital and reserves</b>                           |       |                    |                |                    |                |
| Called up share capital                               | 12    |                    | 10,000         |                    | 10,000         |
| Profit and loss account                               |       |                    | <u>412,349</u> |                    | <u>267,862</u> |
| <b>Equity shareholders' funds</b>                     | 13    |                    | <u>422,349</u> |                    | <u>277,862</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 were approved by the Board on 25 June 2004 and signed on its behalf by

  
**Mr A Grundy**  
**Director**

The notes on pages 6 to 11 form an integral part of these financial statements.

# **Mediability Limited**

## **Cash flow statement for the year ended 31 March 2004**

|                                                                                        | Notes | 2004<br>£       | 2003<br>£        |
|----------------------------------------------------------------------------------------|-------|-----------------|------------------|
| <b>Reconciliation of operating profit to net cash inflow from operating activities</b> |       |                 |                  |
| Operating profit                                                                       |       | 151,368         | 329,396          |
| Depreciation                                                                           |       | 9,098           | 27,617           |
| (Increase) in debtors                                                                  |       | (118,215)       | 901,580          |
| (Decrease) in creditors                                                                |       | (31,291)        | (879,719)        |
| <b>Net cash inflow from operating activities</b>                                       |       | <u>10,960</u>   | <u>378,874</u>   |
| <b>Cash flow statement</b>                                                             |       |                 |                  |
| Net cash inflow from operating activities                                              |       | 10,960          | 378,874          |
| Returns on investments and servicing of finance                                        | 15    | 44,020          | 50,355           |
| Taxation                                                                               | 15    | (109,509)       | (157,782)        |
| Capital expenditure                                                                    | 15    | 6,930           | 4,433            |
|                                                                                        |       | <u>(47,599)</u> | <u>275,880</u>   |
| Equity dividends paid                                                                  |       | -               | (500,000)        |
| <b>Decrease in cash in the year</b>                                                    |       | <u>(47,599)</u> | <u>(224,120)</u> |
| <b>Reconciliation of net cash flow to movement in net debt (Note 16)</b>               |       |                 |                  |
| <b>Decrease in cash in the year</b>                                                    |       | (47,599)        | (224,120)        |
| <b>Net funds at 1 April 2003</b>                                                       |       | <u>835,997</u>  | <u>1,060,117</u> |
| <b>Net funds at 31 March 2004</b>                                                      |       | <u>788,398</u>  | <u>835,997</u>   |

## Mediability Limited

### Notes to the abbreviated financial statements for the year ended 31 March 2004

#### 1. Accounting policies

##### 1.1. Accounting convention

The accounts are prepared 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<br>and equipment | - 20% Straight Line |
| Motor vehicles                      | - 25% Straight Line |

##### 1.4. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

##### 1.5. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

#### 2. Operating profit

|                                                            | 2004              | 2003              |
|------------------------------------------------------------|-------------------|-------------------|
|                                                            | £                 | £                 |
| Operating profit is stated after charging:                 |                   |                   |
| Depreciation and other amounts written off tangible assets | 16,138            | 27,874            |
| Auditors' remuneration                                     | 5,170             | 3,900             |
|                                                            | <u>          </u> | <u>          </u> |
| and after crediting:                                       |                   |                   |
| Profit on disposal of tangible fixed assets                | 7,040             | 257               |
|                                                            | <u>          </u> | <u>          </u> |

**Mediability Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 March 2004**

|                                                                                            |                |                |
|--------------------------------------------------------------------------------------------|----------------|----------------|
| <b>3. Interest receivable and similar income</b>                                           | <b>2004</b>    | <b>2003</b>    |
|                                                                                            | <b>£</b>       | <b>£</b>       |
| Bank interest                                                                              | <u>44,020</u>  | <u>50,355</u>  |
| <b>4. Employees</b>                                                                        |                |                |
| <b>Number of employees</b>                                                                 | <b>2004</b>    | <b>2003</b>    |
| The average monthly numbers of employees<br>(including the director) during the year were: |                |                |
|                                                                                            | <u>9</u>       | <u>9</u>       |
| <b>Employment costs</b>                                                                    | <b>2004</b>    | <b>2003</b>    |
|                                                                                            | <b>£</b>       | <b>£</b>       |
| Wages and salaries                                                                         | 525,066        | 454,459        |
| Social security costs                                                                      | <u>59,785</u>  | <u>56,233</u>  |
|                                                                                            | <u>584,851</u> | <u>510,692</u> |
| <b>4.1. Director's emoluments</b>                                                          | <b>2004</b>    | <b>2003</b>    |
|                                                                                            | <b>£</b>       | <b>£</b>       |
| Remuneration and other emoluments                                                          | <u>321,960</u> | <u>267,671</u> |

# **Mediability Limited**

## **Notes to the abbreviated financial statements for the year ended 31 March 2004**

### **5. Tax on profit on ordinary activities**

| <b>Analysis of charge in period</b>          | <b>2004<br/>£</b> | <b>2003<br/>£</b> |
|----------------------------------------------|-------------------|-------------------|
| <b>Current tax</b>                           |                   |                   |
| UK corporation tax at 23.20% (2003 - 27.44%) | 48,038            | 106,646           |
| Adjustments in respect of previous periods   | 2,863             | 31                |
|                                              | <u>50,901</u>     | <u>106,677</u>    |
| Total current tax charge                     | <u>50,901</u>     | <u>106,677</u>    |
| <b>Deferred tax</b>                          |                   |                   |
| Timing differences, origination and reversal | -                 | (49)              |
| Total deferred tax                           | <u>-</u>          | <u>(49)</u>       |
| Tax on profit on ordinary activities         | <u>50,901</u>     | <u>106,628</u>    |

### **Factors affecting tax charge for period**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (23%). The differences are explained below:

|                                                                                                                     | <b>2004<br/>£</b> | <b>2003<br/>£</b> |
|---------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Profit on ordinary activities before taxation                                                                       | <u>195,388</u>    | <u>379,751</u>    |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (31 March 2003 : 27%) | 45,327            | 104,213           |
| <b>Effects of:</b>                                                                                                  |                   |                   |
| Expenses not deductible for tax purposes                                                                            | 1,962             | 2,863             |
| Capital allowances for period in excess of depreciation                                                             | 749               | (430)             |
| Adjustments to tax charge in respect of previous periods                                                            | 2,863             | 31                |
| Current tax charge for period                                                                                       | <u>50,901</u>     | <u>106,677</u>    |

### **6. Dividends**

|                                    | <b>2004<br/>£</b> | <b>2003<br/>£</b> |
|------------------------------------|-------------------|-------------------|
| <b>Dividends on equity shares:</b> |                   |                   |
| Ordinary shares - interim paid     | <u>-</u>          | <u>500,000</u>    |

# **Mediability Limited**

## **Notes to the abbreviated financial statements for the year ended 31 March 2004**

| 7. <b>Tangible fixed assets</b> | <b>Fixtures,<br/>fittings and<br/>equipment</b> | <b>Motor<br/>vehicles</b> | <b>Total</b>  |
|---------------------------------|-------------------------------------------------|---------------------------|---------------|
|                                 | <b>£</b>                                        | <b>£</b>                  | <b>£</b>      |
| <b>Cost</b>                     |                                                 |                           |               |
| At 1 April 2003                 | 72,744                                          | 47,350                    | 120,094       |
| Additions                       | 110                                             | -                         | 110           |
| Disposals                       | -                                               | (23,350)                  | (23,350)      |
| At 31 March 2004                | <u>72,854</u>                                   | <u>24,000</u>             | <u>96,854</u> |
| <b>Depreciation</b>             |                                                 |                           |               |
| At 1 April 2003                 | 42,717                                          | 27,850                    | 70,567        |
| On disposals                    | -                                               | (23,350)                  | (23,350)      |
| Charge for the year             | 10,138                                          | 6,000                     | 16,138        |
| At 31 March 2004                | <u>52,855</u>                                   | <u>10,500</u>             | <u>63,355</u> |
| <b>Net book values</b>          |                                                 |                           |               |
| At 31 March 2004                | <u>19,999</u>                                   | <u>13,500</u>             | <u>33,499</u> |
| At 31 March 2003                | <u>30,027</u>                                   | <u>19,500</u>             | <u>49,527</u> |

| 8. <b>Debtors</b>              | <b>2004</b>      | <b>2003</b>      |
|--------------------------------|------------------|------------------|
|                                | <b>£</b>         | <b>£</b>         |
| Trade debtors                  | 1,117,995        | 1,061,773        |
| Prepayments and accrued income | 94,823           | 32,830           |
|                                | <u>1,212,818</u> | <u>1,094,603</u> |

| 9. <b>Creditors: amounts falling due<br/>within one year</b> | <b>2004</b>      | <b>2003</b>      |
|--------------------------------------------------------------|------------------|------------------|
|                                                              | <b>£</b>         | <b>£</b>         |
| Trade creditors                                              | 797,182          | 967,001          |
| Corporation tax                                              | 48,038           | 106,646          |
| Other taxes and social security costs                        | 38,717           | 75,209           |
| Director's accounts                                          | 1,297            | 1,483            |
| Accruals and deferred income                                 | 724,680          | 549,474          |
|                                                              | <u>1,609,914</u> | <u>1,699,813</u> |

**Mediability Limited**

**Notes to the abbreviated financial statements  
for the year ended 31 March 2004**

**10. Provisions for liabilities and charges**

**Deferred  
taxation  
(Note 11)  
£**

|                       |              |
|-----------------------|--------------|
| At 1 April 2003       | 2,452        |
| Movements in the year | -            |
| At 31 March 2004      | <u>2,452</u> |

**11. Provision for deferred taxation**

| <b>2004<br/>£</b>              | <b>2003<br/>£</b> |
|--------------------------------|-------------------|
| Accelerated capital allowances | <u>2,452</u>      |
| Provision at 1 April 2003      | <u>2,452</u>      |
| Provision at 31 March 2004     | <u>2,452</u>      |

**12. Share capital**

|                                           | <b>2004<br/>£</b> | <b>2003<br/>£</b> |
|-------------------------------------------|-------------------|-------------------|
| <b>Authorised</b>                         |                   |                   |
| 10,000 Ordinary shares of £1 each         | <u>10,000</u>     | <u>10,000</u>     |
| <b>Allotted, called up and fully paid</b> |                   |                   |
| 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 2004**

|                                                               |                |                  |
|---------------------------------------------------------------|----------------|------------------|
| <b>13. Reconciliation of movements in shareholders' funds</b> | <b>2004</b>    | <b>2003</b>      |
|                                                               | <b>£</b>       | <b>£</b>         |
| Profit for the year                                           | 144,487        | 273,123          |
| Dividends                                                     | -              | (500,000)        |
|                                                               | <u>144,487</u> | <u>(226,877)</u> |
| Opening shareholders' funds                                   | 277,862        | 504,739          |
| Closing shareholders' funds                                   | <u>422,349</u> | <u>277,862</u>   |

### **14. Controlling interest**

The company is controlled by Mr A Grundy.

### **15. Gross cash flows**

|                                                        |                  |                  |
|--------------------------------------------------------|------------------|------------------|
|                                                        | <b>2004</b>      | <b>2003</b>      |
|                                                        | <b>£</b>         | <b>£</b>         |
| <b>Returns on investments and servicing of finance</b> |                  |                  |
| Interest received                                      | <u>44,020</u>    | <u>50,355</u>    |
| <b>Taxation</b>                                        |                  |                  |
| Corporation tax paid                                   | <u>(109,509)</u> | <u>(157,782)</u> |
| <b>Capital expenditure</b>                             |                  |                  |
| Payments to acquire tangible assets                    | (110)            | (28,067)         |
| Receipts from sales of tangible assets                 | <u>7,040</u>     | <u>32,500</u>    |
|                                                        | <u>6,930</u>     | <u>4,433</u>     |

### **16. Analysis of changes in net funds**

|                          |                            |                       |                            |
|--------------------------|----------------------------|-----------------------|----------------------------|
|                          | <b>Opening<br/>balance</b> | <b>Cash<br/>flows</b> | <b>Closing<br/>balance</b> |
|                          | <b>£</b>                   | <b>£</b>              | <b>£</b>                   |
| Cash at bank and in hand | <u>835,997</u>             | <u>(47,599)</u>       | <u>788,398</u>             |
| <b>Net funds</b>         | <u>835,997</u>             | <u>(47,599)</u>       | <u>788,398</u>             |