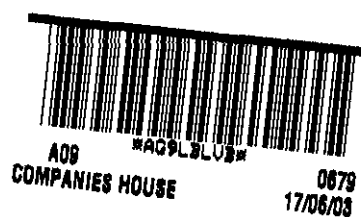


Company Registration No: 4338921

CHARTERHOUSE DIRECT MEDIA LIMITED

DIRECTORS REPORT
AND ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2002



Director: Mr. S. Davies

Secretary: Mrs. A. Davies

Registered Office: 3 Second Avenue
Sandbach
Cheshire
CW11 4NY

Company Registration: 4338921

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CHARTERHOUSE DIRECT MEDIA LIMITED

DIRECTORS REPORT

The Director submits his report for the year ended 31 December 2002. The company was formed on 12th December 2001 but only commenced trading on 1st April 2002.

Review of the Business

The Company's principal activity during the year was provision of media advertising services.

Directors and their Interests

The Director in office having a beneficial interest in the Ordinary Share Capital was as follows:

31.12.02

Mr. S. Davies

2

Small Company Exemptions

Advantage has been taken in the preparation of this report of special exemptions applicable to small companies.

Auditors

The Company has taken advantage of the special exemptions applicable to small Companies under Sections 249A to 249E of the Companies Act 1985 (Audit Exemption) Regulations 1994 and has elected to dispense with the appointment of auditors.

By Order of the Board



Mrs. A. Davies - Company Secretary
21 May 2003

CHARTERHOUSE DIRECT MEDIA LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2002

	Notes	31.12.02	
		£	£
FIXED ASSETS	7		167
CURRENT ASSETS			
Cash in Hand & Bank		844	
CURRENT LIABILITIES			
Amounts falling due within one year	6	3548	
		3548	
Current Assets less Current Liabilities			(2704)
			(2537)
CAPITAL AND RESERVES			
Called up Share Capital	9		2
Profit & Loss Account	10		(2539)
Total Shareholders Funds	8		(2537)

The Company was entitled to the exemption for an audit conferred by subsection (1) of section 249A 1985 Companies Act.

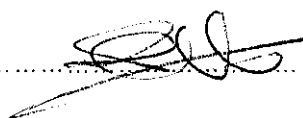
No notice has been deposited under subsection (2) of section 249B in relation to the accounts for this financial year.

The Director acknowledges his responsibility for: -

- i. Ensuring that the Company keeps accounting records that comply with section 221 of the Companies Act 1985.
- ii. Preparing accounts which give a true and fair view of the state of the affairs of the company as at the end of the financial year and of its loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the Company.

The Directors have taken advantage in the preparation of these financial statements of special exemptions provided by Part 1 of Schedule 8 to the Companies Act 1985 on the bases that the company qualifies as a small company.

The financial statements on pages 2 to 6 were approved by the board of directors on 21 May 2003.

..... Mr. S. Davies - Director

CHARTERHOUSE DIRECT MEDIA LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2002

	Notes	31.12.02
		£
Turnover	2	4617
Cost of Sales		1467
Administrative Expenses		5689
Operating Profit/(Loss) on Ordinary Activities	4	(2539)
Tax on Profit on Ordinary Activities	5	-
Profit/(Loss) for Period carried to Reserves	10	(2539)

Movements in reserves are shown in note 8.

The Company's activities were commenced during the above financial period.

There were no recognised gains or losses in 2002 other than the profit for the financial period.

CHARTERHOUSE DIRECT MEDIA LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2002

1. ACCOUNTING POLICIES

Accounting Convention

The accounts are prepared under the historical cost convention.

The Company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available in Section 246 to 247 of the Companies Act 1985 for small companies.

Depreciation is charged to write off the assets over their expected useful lives as follows: -

Office Fixtures & Fittings	25% Reducing Balance
----------------------------	----------------------

2. TURNOVER

Turnover represents net invoiced sales falling within the Company's ordinary activities.

3. STAFF

	31.12.02
	£
Salaries	2880
Social Security Costs	6
	2886

4. OPERATING PROFIT

This is stated after charging: -

	31.12.02
	£
Depreciation of tangible fixed assets	56
Director Salary	2880

CHARTERHOUSE DIRECT MEDIA LIMITED

NOTES TO THE ACCOUNTS CONTINUED

5. TAX ON ORDINARY ACTIVITIES

	31.12.02
	£
Corporation tax on profit on ordinary Activities at Small Companies Rate	-

6. CREDITORS: amounts falling due within one year

	31.12.02
	£
Other Creditors	3270
PAYE & VAT	278
	3548

7. TANGIBLE FIXED ASSETS

	Fixtures & Fittings
	£
Additions	223
Cost at 31.12.02	223
Charge for period	56
Depreciation at 31.12.02	56
Net Book Value 31.12.02	167

CHARTERHOUSE DIRECT MEDIA LIMITED

NOTES TO THE ACCOUNTS CONTINUED

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	31.12.02
	£
Loss for the financial period representing A net subtraction to Shareholders Funds	(2539)
Share Capital Introduced	2
	—
Closing Shareholders Funds	(2537)
	==

9. CALLED UP SHARE CAPITAL

	31.12.02	
	No. of	£
	Shares	
<u>Authorised</u> Ordinary Shares of £1 each	100	100
<u>Allotted Called Up & Fully Paid</u> Ordinary Shares of £1 each	2	2

10. PROFIT AND LOSS ACCOUNT

	31.12.02
	£
Retained Loss for Year	(2539)
	—
As at 31 December	(2539)
	==

11. POST BALANCE SHEET EVENTS

There are no post balance sheet events that effect the financial statements.