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MAINSTREAM NETWORK LIMITED
REPORT & FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 1993



MAINSTREAM NETWORK LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 1993

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MAINSTREAM NETWORK LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

Director

Mr. H. Northwood

Secretary

Mrs. B.J. Milner

Company Number

2744573 (England)

Auditors

Reed Taylor
1 Tyburn Lane
Harrow
Middlesex HA1 3AG

Bankers

National Westminster Bank Plc
19 Shaftesbury Avenue
London W1A 4QQ

Registered Office

1 Tyburn lane
Harrow
Middlesex HA1 3AG

MAINSTREAM NETWORK LIMITED

Director's Report

The director submits his report and financial statements for the period ended June 30 1993 .

Activities

The company was incorporated on 27 August 1992 and commenced trading on the same day.

The Company's principal activity during the period was that of publishing .

Results and Dividends

The trading profit before taxation for the period amounted to £67,952 .

The director does not recommend the payment of a dividend .

Director

The present membership of the board is set out on page 2 . The director served throughout the period .

The director's interest in the ordinary shares of the company and parent company at date of incorporation and at 30 June 1993 was :

	<u>Company</u>	<u>Parent</u>
Mr. H. Northwood	Nil	Nil

Close Company

In the opinion of the director the company is a close company under the provisions of the Income & Corporation Taxes Act 1988 .

Auditors

Reed Taylor , Chartered Accountants and Registered Auditor have expressed their willingness to continue in office and offer themselves for re-election in accordance with Section 385 of the Companies Act 1985 .

Approved by the Board
and signed on behalf of the Board



Mrs. B.J. Milner
Secretary

Dated : 29/11/1993

MAINSTREAM NETWORK LIMITED

DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial period 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 then apply them consistently ;
- make judgements and estimates that are reasonable and prudent ;
- state whether applicable accounting standards have been followed , subject to any material departures disclosed and explained in the financial statements ;
- 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 . The director 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 .

REPORT OF THE AUDITORS
TO THE MEMBERS OF
MAINSTREAM NETWORK LIMITED

We have audited the financial statements on pages 6 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 11 .

Respective Responsibilities of Director and Auditors

As described on page 4 , the Company's Director 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 .

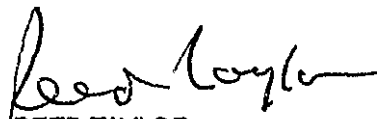
Basis of opinion

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 affairs of the Company as at 30 June 1993 and of the profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985 .



REED TAYLOR
Chartered Accountants and
Registered Auditor

Dated : 29/11/1993

MAINSTREAM NETWORK LIMITED

PROFIT AND LOSS ACCOUNT

Period ended 30 June 1993.

	<u>Note</u>	<u>1993</u> <u>£</u>
Turnover	2	106,444
Cost of sales		<u>30,477</u>
GROSS PROFIT		75,967
Administration expenses		<u>8,015</u>
OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	67,952
Tax on profit on ordinary activities	5	<u>22,617</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION TRANSFERRED TO RESERVES		<u>45,335</u>

The company has no recognised gains and losses in the period other than the profit for the period .

The whole of the turnover and operating profit is attributable to discontinued operations .

The notes on pages 11 and 12 form part of these accounts .

MAINSTREAM NETWORK LIMITED

BALANCE SHEET

As at 30 June 1993

	Note	£	1993	£
CURRENT ASSETS				
Debtors	6	68,418		
Cash at bank and in hand		<u>36</u>		
		68,454		
CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR	7	<u>23,117</u>		
NET CURRENT ASSETS				45,337
				<u>45,337</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				<u>45,337</u>
CAPITAL AND RESERVES				
Called up share capital	8		2	
Profit and loss account			<u>45,335</u>	
			45,337	

Approved by the Director :

Mr. H. Northwood



Dated 29/7/1993

The notes on pages 11 and 12 form part of these accounts .

MAINSTREAM NETWORK LIMITED

CASH FLOW STATEMENT

Period ended 30 June 1993

	<u>1993</u> <u>£</u>
NET CASH INFLOW FROM OPERATING ACTIVITIES	34
FINANCING	
Issue of share capital	<u>2</u>
INCREASE IN CASH EQUIVALENTS	<u>36</u>

The notes on pages 11 and 12 form part of these accounts .

MAINSTREAM NETWORK LIMITED
NOTES TO THE CASH FLOW STATEMENT

Period ended 30 June 1993

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>1993</u> £	
Operating profit	67,952	
Increase in debtors	(68,418)	
Increase in creditors excluding taxation	<u>500</u>	
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>34</u>	
2. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS	<u>1993</u> £	
Balance as at 27 August 1992	Nil	
Net cash inflow	<u>36</u>	
Balance at 30 June 1993	<u>36</u>	
3. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET	<u>1993</u> £	
Cash at bank and In hand	<u>36</u>	
4. ANALYSIS OF CHANGES IN FINANCING DURING THE PERIOD	<u>Share capital</u> £	<u>Loan finance</u> £
Balance as at 27 August 1992	Nil	Nil
Cash inflow from refinancing	<u>2</u>	<u>Nil</u>
Balance as at 30 June 1993	<u>2</u>	<u>Nil</u>

The notes on pages 11 and 12 form part of these accounts .

MAINSTREAM NETWORK LIMITED
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Period ended 30 June 1993

	<u>1993</u> £
PROFIT FOR THE FINANCIAL PERIOD	45,335
NEW SHARE CAPITAL SUBSCRIBED TO	<u>2</u>
NET ADDITION TO SHAREHOLDERS' FUNDS	45,337
OPENING SHAREHOLDERS' FUNDS	<u>NIL</u>
CLOSING SHAREHOLDERS' FUNDS	<u><u>45,337</u></u>

The notes on pages 11 and 12 form part of these accounts .

MAINSTREAM NETWORK LIMITED

NOTES TO THE ACCOUNTS

Period ended 30 June 1993

1. ACCOUNTING POLICIES

(a) Accounting convention

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

(b) Foreign Currencies

Transactions in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Translation differences are dealt with in the profit and loss account.

(c) Turnover

Turnover represents the invoiced amount of goods sold and services provided (stated net of Value Added Tax).

2. TURNOVER

Turnover and profit before tax is attributable to the one principal activity of the company.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation	<u>1993</u>
is stated after charging:	£

Auditors' remuneration	<u>500</u>
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4. INFORMATION REGARDING DIRECTOR AND EMPLOYEES

	<u>1993</u>
	£

Director's emoluments	<u>Nil</u>
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Employee costs during the period:	£
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Wages and salaries	1,552
Social security costs	<u>150</u>

	<u>1,702</u>
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Average number of people employed:	<u>No.</u>
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Office and management (excluding director)	<u>2</u>
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5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1993</u>
	£

UK corporation tax at 33% based on the profit for the year	<u>22,617</u>
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MAINSTREAM NETWORK LIMITED
NOTES TO THE ACCOUNTS (continued)

Period ended 30 June 1993

6. DEBTORS	<u>1993</u> £
Amounts owed by group company	2
Other debtors	<u>68,416</u>
	<u>68,418</u>

7. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>1993</u> £
Corporation tax	22,617
Accruals	<u>500</u>
	<u>23,117</u>

8. SHARE CAPITAL	<u>1993</u> £
Ordinary shares £ 1 each :	
Authorised	<u>1,000</u>
Allotted, called up and fully paid	<u>2</u>

9. ULTIMATE HOLDING COMPANY

Portland Investments Limited , registered in England , is the ultimate holding company .