

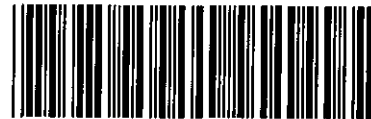
Companies House
Company Number : 2886697

MEDIAVEST (MANCHESTER) LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 28 FEBRUARY 2006

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COMPANIES HOUSE

**FINLAY ROBERTSON
Chartered Accountants
and Registered Auditors**

**Brook House
77 Fountain Street
Manchester M2 2EE**

MEDIAVEST (MANCHESTER) LIMITED

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DIRECTORS AND OFFICERS

Directors:

A D Jeal
D A Lucas
A W Blease
P J Catlow
I Lees
J R Marshall
N J Cross
A H Wright
J M Reddington
S J Prior
K A King
J Hall
L Worthington
J Thomas
S Lohman
C Reid
E Muscant
C Varley

Secretary and Registered Office:

A W Blease
5th Floor
Brook House
77 Fountain Street
Manchester
M2 2EE

MEDIAVEST (MANCHESTER) LIMITED

REPORT OF THE DIRECTORS

The directors present their report and audited accounts for the year ended 28 February 2006.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company's principal activity, and that of its subsidiaries, MediaVest (Leeds) Limited and Touchpoint Communications Limited, continued to be the selling of media advertising space and time. The principal activity of its subsidiary Kay Investments 14 is that of an investment company.

The directors are pleased to report that all trading targets have been exceeded in the group's financial year both in terms of turnover and profit and expect 2006/2007 to continue to be profitable.

RESULTS AND DIVIDENDS

The Group recorded a profit after tax for the financial year of £3,342,139 (2005 : £2,638,337). During the year interim dividends of £2,387,520 (2005 : £2,300,000) were paid to 'A', 'B', 'C' and 'D' shareholders as detailed in note 8 to the accounts.

On 3 July 2006 the 1,250 issued 'D' ordinary shares of £1 each in the share capital of the company were reclassified into 1,250 'C' ordinary shares.

A dividend of £600,000 was paid on 27 July 2006 and a further dividend of £600,000 was paid on 9 October 2006 to the 'A', 'B' and 'C' shareholders.

DIRECTORS

The directors in office and their beneficial interests in the issued ordinary share capital of the company were:-

NUMBER OF SHARES At 28 February 2006

	'A' Ordinary Shares	'B' Ordinary Shares	'C' Ordinary Shares	'D' Ordinary Shares
A D Jeal	37,500	-	-	-
D A Lucas	37,500	-	-	-
A W Blease	-	-	-	-
J R Marshall	-	-	-	-
I Lees	-	-	7,000	1,000
P J Catlow	-	-	4,750	250
N J Cross	-	-	3,000	-
A H Wright	-	-	-	-
J M Reddington	-	-	-	-
S J Prior	-	-	-	-
K A King	-	-	-	-
J Hall	-	-	-	-
L Worthington	-	-	-	-
J Thomas	-	-	-	-
R S Lightfoot	-	-	-	-
S Lohman	-	-	-	-
C Reid	-	-	-	-
E Muscant	-	-	-	-

Mr C Varley was appointed to the Board on 3 April 2006 and Mr R S Lightfoot resigned from the Board on 31 May 2006.

MEDIAVEST (MANCHESTER) LIMITED
REPORT OF THE DIRECTORS (Continued)

NUMBER OF SHARES At 28 February 2005				
	'A' Ordinary Shares	'B' Ordinary Shares	'C' Ordinary Shares	'D' Ordinary Shares
A D Jeal	37,500	-	-	-
D A Lucas	37,500	-	-	-
A W Blease	-	-	-	-
J R Marshall	-	-	-	-
C A Nolan	1,000	-	-	-
I Lees	-	-	6,000	1,000
P J Catlow	-	-	4,750	250
N J Cross	-	-	3,000	-
A H Wright	-	-	-	-
A J Croft	-	-	-	-
S Bradley	-	-	-	-
J M Reddington	-	-	-	-
S J Prior	-	-	-	-
K A King	-	-	-	-
J Hall	-	-	-	-
L Worthington	-	-	-	-
J Thomas	-	-	-	-
R S Lightfoot	-	-	-	-
R Brown	-	-	-	-

On 16 February 1999 and 31 March 2000 the company adopted share option schemes for certain of its directors. Details of options exercised in the year are as follows:

I Lees: Options Exercised

Option Shares	Date Granted
1,000 'C' Ordinary Shares	16 February 1999

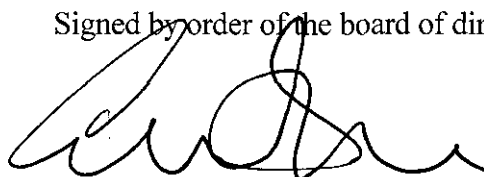
POLITICAL AND CHARITABLE CONTRIBUTIONS

The group contributed £7,510 (2005 : £4,183) to charities during the year. No political donations were made (2005 : £Nil).

AUDITORS

Finlay Robertson offer themselves for re-election under Section 385(2) Companies Act 1985.

Signed by order of the board of directors



Brook House
77 Fountain Street
Manchester
M2 2EE

A W Blease
Director

24 October 2006

MEDIAVEST (MANCHESTER) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 28 FEBRUARY 2006

The directors are responsible for preparing the Annual Report and accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these accounts the directors are 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 accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 1985. They are 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.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
MEDIAVEST (MANCHESTER) LIMITED**

We have audited group and parent company accounts of MediaVest (Manchester) Limited for the year ended 28 February 2006 which comprise the Group Profit and Loss Account, Group Balance Sheet, Company Balance Sheet, Group Cash Flow Statement and the related notes. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters which we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions which we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the Annual Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors Responsibilities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited accounts. This other information comprises only the Directors Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.


BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the group's and 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 accounts 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 accounts.

OPINION

In our opinion the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and parent company's affairs as at 28 February 2006 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


FINLAY ROBERTSON
Chartered Accountants
and Registered Auditors

Brook House
77 Fountain Street
Manchester M2 2EE

24 October 2006

MEDIAVEST (MANCHESTER) LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 28 FEBRUARY 2006

	Note	2006 £	2005 £
TURNOVER	2	196,764,713	197,990,610
Cost of sales		(183,014,549)	(185,514,981)
GROSS PROFIT		13,750,164	12,475,629
Administrative expenses		(10,365,011)	(9,587,263)
GROUP OPERATING PROFIT	3	3,385,153	2,888,366
Share of associates operating profit		354,349	358,574
Profit on disposal of fixed assets		1,858	1,391
Profit / (loss) on deemed part-disposal of subsidiary		2,485	(3,280)
Income from other fixed asset investments		4,466	-
Amounts written off investments		-	(50,001)
Interest receivable and similar income			
Group		860,108	786,675
Associates		15,276	22,192
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4,623,695	4,003,917
Tax on profit on ordinary activities			
Group	6	(1,136,282)	(1,181,000)
Associates		(93,543)	(100,427)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		3,393,870	2,722,490
Minority interests		(51,731)	(84,153)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND MINORITY INTEREST	18, 19	3,342,139	2,638,337

CONTINUING OPERATIONS

All of the company's activities in the above two financial years derived from continuing operations.

TOTAL RECOGNISED GAINS AND LOSSES

The company had no recognised gains or losses, other than the profit for the above two financial years.

The notes on pages 10 to 27 form part of these accounts.

MEDIAVEST (MANCHESTER) LIMITED

CONSOLIDATED BALANCE SHEET AT 28 FEBRUARY 2006

	Note	2006 £	2005 £
FIXED ASSETS			
Intangible assets	9	29,563	30,186
Tangible assets	10	561,941	593,875
Investment in associates	11	248,159	279,577
Other investments	12	3,425	3,425
		<hr/>	<hr/>
		843,088	907,063
CURRENT ASSETS			
Current asset investments	13	36,214	-
Debtors	14	24,795,121	25,671,965
Cash at bank and in hand		20,168,263	18,549,265
		<hr/>	<hr/>
		44,999,598	44,221,230
CREDITORS: Amounts falling due within one year	15	(43,364,786)	(43,641,849)
		<hr/>	<hr/>
NET CURRENT ASSETS		1,634,812	579,381
		<hr/>	<hr/>
NET ASSETS		2,477,900	1,486,444
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	16	114,856	113,608
Share premium account	18	227,298	198,868
Share option reserve	18	21,000	21,000
Capital reserve	18	795	3,280
Profit and loss account	18	2,065,767	1,113,689
		<hr/>	<hr/>
EQUITY SHAREHOLDERS' FUNDS	19	2,429,716	1,450,445
Equity minority interests		48,184	35,999
		<hr/>	<hr/>
		2,477,900	1,486,444
		<hr/>	<hr/>

The accounts were approved by the board on 24 October 2006


A D Jeal
Director

The notes on pages 10 to 27 form part of these accounts.

MEDIAVEST (MANCHESTER) LIMITED

COMPANY BALANCE SHEET AT 28 FEBRUARY 2006

		2006	2005
	Note	£	£
FIXED ASSETS			
Intangible assets	9	29,563	30,186
Tangible assets	10	543,944	573,390
Investment in subsidiaries	11	112,324	112,324
Investment in associates	11	42,500	42,500
Other investments	11	3,425	3,425
		<u>731,756</u>	<u>761,825</u>
CURRENT ASSETS			
Debtors	14	22,296,042	22,935,433
Cash at bank and in hand		19,169,001	17,149,522
		<u>41,465,043</u>	<u>40,084,955</u>
CREDITORS: Amounts falling due within one year	15	<u>(40,016,500)</u>	<u>(39,674,286)</u>
NET CURRENT ASSETS		<u>1,448,543</u>	<u>410,669</u>
NET ASSETS		<u><u>2,180,299</u></u>	<u><u>1,172,494</u></u>
CAPITAL AND RESERVES			
Called up share capital	16	114,856	113,608
Share premium account	18	212,868	198,868
Share option reserve	18	21,000	21,000
Profit and loss account	18	1,831,575	839,018
EQUITY SHAREHOLDERS' FUNDS	19	<u><u>2,180,299</u></u>	<u><u>1,172,494</u></u>

~~The accounts were approved by the board on 24 October 2006~~

A D Jeal
Director

The notes on pages 10 to 27 form part of these accounts.

MEDIAVEST (MANCHESTER) LIMITED
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 28 FEBRUARY 2006

	Note	2006 £	2005 £
Net cash inflow from operating activities	21a	5,568,684	4,720,840
Dividends from associated companies		307,500	187,038
Returns on investments and servicing of finance	21b	797,917	695,347
Taxation		(2,430,680)	(1,233)
Capital expenditure and financial investment	21c	(291,151)	(487,967)
Equity dividends paid		(2,387,520)	(2,300,000)
Financing	21d	54,248	67,397
		<hr/>	<hr/>
Increase in cash in the year		1,618,998	2,881,422
		<hr/>	<hr/>

**RECONCILIATION OF NET CASH FLOW
TO MOVEMENT IN NET FUNDS**

Increase in cash in the year	22	1,618,998	2,881,422
Net funds at 1 March 2005		18,549,265	15,667,843
		<hr/>	<hr/>
Net funds at 28 February 2006	22	20,168,263	18,549,265
		<hr/>	<hr/>

The notes on pages 10 to 27 form part of these accounts

MEDIAVEST (MANCHESTER) LIMITED

NOTES TO THE ACCOUNTS

28 FEBRUARY 2006

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared in accordance with applicable accounting standards under the historical cost convention.

Consolidation

The group accounts incorporate the accounts of the company's subsidiary undertakings, MediaVest (Leeds) Limited, Touchpoint Communications Limited and Kay Investments 14.

Turnover

Turnover represents the gross amount of billings on which commission is earned and fee income. Commission is recognised either at the time the related advertisement appears or on an on going basis as the related production work progresses. Turnover is stated net of Value Added Tax and cash discounts.

Intangible Assets

Intangible assets represent the clearly defined costs incurred in acquiring a timeshare in a residential property. Its carrying value is reviewed annually by the directors to determine whether there should be a reduction to reflect any permanent diminution in value. Costs are amortised over the period of commercial benefit to the company. This is currently estimated to be 55 years from the date of acquisition.

Tangible Fixed Assets

The cost of tangible fixed assets includes only expenditure incurred in bringing the assets into working condition for their intended use. Depreciation is provided on all tangible fixed assets to write off the cost less estimated residual value of each asset evenly over its estimated useful life as follows:

Leasehold Improvements	over 5 years
Office Equipment	over 3 years
Motor Vehicles	over 4 years

Deferred Taxation

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

Foreign Currencies

Transactions denominated in foreign currencies are translated into Sterling at the rate of exchange ruling at the month end after the transaction. Assets and liabilities in foreign currencies are translated into Sterling at rates of exchange ruling at the end of the financial year. All exchange differences are dealt with in the profit and loss account.

MEDIAVEST (MANCHESTER) LIMITED

NOTES TO THE ACCOUNTS

28 FEBRUARY 2006

1. ACCOUNTING POLICIES (continued)

Operating Leases

Rentals payable under operating leases are charged to profit and loss account on a straight line basis over the terms of the lease.

Pensions

The company contributes to individual pension schemes for certain of the directors. These are money purchase pension schemes and the yearly contribution for each director is taken directly to the profit and loss account.

2. TURNOVER AND PROFIT

Turnover and pre-tax profit were all attributable to the principal activities of the group and were generated wholly in the United Kingdom.

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2006 £	2005 £
Directors' remuneration	2,621,404	2,183,363
Auditors' remuneration for audit services	34,500	22,250
Amortisation of intangible assets	623	623
Depreciation of owned tangible fixed assets	288,730	273,194
Operating lease rentals:		
Hire of plant and equipment	9,286	8,833
Other	531,768	532,775
Currency gains	(2,865)	(1,873)

During the year the auditors received fees in respect of non-audit services of £22,620 (2005: £21,400). The fees were for taxation services and advice in connection with the group.

MEDIAVEST (MANCHESTER) LIMITED

NOTES TO THE ACCOUNTS

28 FEBRUARY 2006

	2006 £	2005 £
4. DIRECTORS' REMUNERATION		
Directors emoluments for management services	2,508,778	2,098,628
Pension contributions	112,626	84,735
	<hr/>	<hr/>
	2,621,404	2,183,363
	<hr/>	<hr/>
Highest paid director:		
Aggregate emoluments	551,007	393,615
Pension contributions	19,020	22,500
	<hr/>	<hr/>
	570,027	416,115
	<hr/>	<hr/>

The number of directors to whom retirement benefits are accruing under money purchase schemes amounts to 10 (2005: 10).

One director exercised share options in the year in respect of 1,000 'C' Ordinary Shares.

	2006 £	2005 £
5. STAFF COSTS		
Wages and salaries	6,396,534	5,328,702
Social security costs	736,801	619,317
Pension costs	(72,099)	355,620
	<hr/>	<hr/>
	7,061,236	6,303,639
	<hr/>	<hr/>

The pension costs are in respect of money purchase schemes for certain of the group directors. £75,150 was due in respect of pension costs as at 28 February 2006 (2005: £305,240).

The average number of employees during the year was as follows:

	Number	Number
Management	47	45
Media	88	80
Administration	30	32
	<hr/>	<hr/>
	165	157
	<hr/>	<hr/>

MEDIAVEST (MANCHESTER) LIMITED

NOTES TO THE ACCOUNTS

28 FEBRUARY 2006

	2006	2005
	£	£
6. TAX ON PROFIT ON ORDINARY ACTIVITIES		
(i) Current tax		
UK Corporation tax charge at 30% (2005: 30%)	1,336,773	1,271,817
Adjustment in respect of previous periods	(190,765)	(60,875)
	<hr/>	<hr/>
Total current tax (note 6(ii))	1,146,008	1,210,942
Deferred tax (note 6(iii))	(9,726)	(29,942)
	<hr/>	<hr/>
Tax on profit on ordinary activities	1,136,282	1,181,000
	<hr/>	<hr/>
(ii) Factors affecting the current tax charge for the year		
Profit on ordinary activities before taxation	4,620,856	4,003,917
Less: share of associates' profit before taxation	(369,625)	(380,766)
	<hr/>	<hr/>
	4,251,231	3,623,151
	<hr/>	<hr/>
Tax at 30%	1,275,369	1,086,945
Tax effect of:		
Expenses not deductible for tax purposes	122,941	160,223
Depreciation charge in excess of capital allowances	11,946	2,028
Losses unrelieved	-	19,982
Expenses non deductible on a paid basis	(69,027)	-
Marginal relief	(4,658)	-
Adjustments in respect of previous periods	(190,765)	(60,875)
Rounding	202	2,639
	<hr/>	<hr/>
Current tax charge for the year	1,146,008	1,210,942
	<hr/>	<hr/>
(iii) Deferred Tax Asset		
At 1 March 2005	(62,361)	(32,419)
Depreciation in advance of capital allowances	(9,726)	(29,942)
	<hr/>	<hr/>
At 28 February 2006	(72,087)	(62,361)
	<hr/>	<hr/>

The deferred tax asset is included within debtors in note 14.

MEDIAVEST (MANCHESTER) LIMITED

NOTES TO THE ACCOUNTS

28 FEBRUARY 2006

7. PROFIT ATTRIBUTABLE TO MEDIAVEST (MANCHESTER) LIMITED

As permitted by Section 230 of the Companies Act 1985, no separate profit and loss account is presented in respect of the parent company.

The profit after taxation for the accounting period dealt with in the accounts of the parent company, MediaVest (Manchester) Limited, was £3,380,077 (2005 : £2,508,825)

8. DIVIDENDS

	2006 £	2005 £
Ordinary 'A' – First interim paid of £8.15 per share (2005: £6.59)	619,565	501,099
Ordinary 'B' – First interim paid of £10.94 per share (2005: £8.85)	250,000	200,000
Ordinary 'C' – First interim paid of £8.15 per share (2005: £6.59)	120,245	90,663
Ordinary 'D' – First interim paid of £8.15 per share (2005: £6.59)	10,190	8,238
Ordinary 'A' – Second interim paid of £11.31 per share (2005: £12.36)	859,659	939,561
Ordinary 'B' – Second interim paid of £15.18 per share (2005: £16.59)	346,880	375,000
Ordinary 'C' – Second interim paid of £11.31 per share (2005: £12.36)	166,842	169,986
Ordinary 'D' – Second interim paid of £11.31 per share (2005: £12.36)	14,139	15,453
	<hr/>	<hr/>
	2,387,520	2,300,000
	<hr/>	<hr/>

A dividend of £600,000 was paid on 27 July 2006 and a further dividend of £600,000 was paid on 9 October 2006 to the 'A', 'B' and 'C' shareholders.

MEDIAVEST (MANCHESTER) LIMITED

NOTES TO THE ACCOUNTS

28 FEBRUARY 2006

9. INTANGIBLE FIXED ASSETS – GROUP AND COMPANY

**Timeshare
£**

Cost

At 1 March 2005

31,120

At 28 February 2006

31,120

Amortisation

At 1 March 2005

934

Charge for year

623

At 28 February 2006

1,557

Net Book Value

At 28 February 2006

29,563

At 28 February 2005

30,186

MEDIAVEST (MANCHESTER) LIMITED

NOTES TO THE ACCOUNTS

28 FEBRUARY 2006

10. TANGIBLE FIXED ASSETS – GROUP

	Leasehold Improvements £	Office Equipment £	Motor Vehicles £	Total £
Cost				
At 1 March 2005	410,106	1,014,118	-	1,424,224
Additions	66,443	179,502	12,851	258,796
Disposals	-	(2,000)	-	(2,000)
	<hr/>	<hr/>	<hr/>	<hr/>
At 28 February 2006	476,549	1,191,620	12,851	1,681,020
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 March 2005	144,062	686,287	-	830,349
Charge for the year	76,307	210,017	2,406	288,730
	<hr/>	<hr/>	<hr/>	<hr/>
At 28 February 2006	220,369	896,304	2,406	1,119,079
	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value				
At 28 February 2006	256,180	295,316	10,445	561,941
	<hr/>	<hr/>	<hr/>	<hr/>
At 28 February 2005	266,044	327,831	-	593,875
	<hr/>	<hr/>	<hr/>	<hr/>

MEDIAVEST (MANCHESTER) LIMITED

NOTES TO THE ACCOUNTS

28 FEBRUARY 2006

10. TANGIBLE FIXED ASSETS - COMPANY

	Leasehold Improvements £	Office Equipment £	Motor Vehicles £	Total £
Cost				
At 1 March 2005	406,448	981,726	-	1,388,174
Additions	66,443	168,671	12,851	247,965
Disposals	-	(2,000)	-	(2,000)
	<hr/>	<hr/>	<hr/>	<hr/>
At 28 February 2006	472,891	1,148,397	12,851	1,634,139
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 March 2005	143,513	671,271	-	814,784
Charge for the year	75,575	197,430	2,406	275,411
	<hr/>	<hr/>	<hr/>	<hr/>
At 28 February 2006	219,088	868,701	2,406	1,090,195
	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value				
At 28 February 2006	253,803	279,696	10,445	543,944
	<hr/>	<hr/>	<hr/>	<hr/>
At 28 February 2005	262,935	310,455	-	573,390
	<hr/>	<hr/>	<hr/>	<hr/>

MEDIAVEST (MANCHESTER) LIMITED**NOTES TO THE ACCOUNTS****28 FEBRUARY 2006****11. FIXED ASSET INVESTMENTS****PRINCIPLE GROUP INVESTMENTS**

The parent company and the group have investments in the following undertakings, associates and other investments which principally affected the profits or net assets of the group.

Subsidiary Undertakings

	MediaVest (Leeds) Limited	Touchpoint Communications Limited	Kay Investments 14
Country of incorporation	England	England	England
Principle activity	Selling of media space and time	Selling of media space and time	Investment company
Proportion of ordinary shares directly held	55.5%	66.67%	100.00%

Associates

	Media Vision (Integrated Media Specialists) Limited	SMRS Ltd
Country of incorporation	England	England
Principle activity	Selling of media space and time	Selling of media space and time
Proportion of ordinary shares directly held	50.00%	25.00%

Other investments

	Kay Investments 10
Country of incorporation	England
Principle activity	Investment company
Proportion of ordinary shares directly held	16.31%

MEDIAVEST (MANCHESTER) LIMITED

NOTES TO THE ACCOUNTS

28 FEBRUARY 2006

11. FIXED ASSET INVESTMENTS (continued)

Subsidiary undertakings

	Company £
COST	
At 1 March 2005 and at 28 February 2006	112,324

On 13 April 2004 the company acquired 66.67% of the issued share capital of Touchpoint Communications Limited for a consideration of £100. The subsidiary was incorporated and commenced trading on that date.

All subsidiary undertakings have been included with the consolidated accounts.

Associated undertakings

	Group £	Company £
COST OR SHARE OF NET ASSETS		
At 1 March 2005	279,577	42,500
Share of retained loss for the year	(31,418)	-
At 28 February 2006	248,159	42,500

During the year ending 28 February 2005, the company wrote off its holding in Effective Direct Marketing (2002) Limited. The company had previously held 50% of the ordinary share capital of this company which was incorporated in England and Wales and was engaged in the selling of media space and time. The associate ceased trading during 2004.

12. FIXED ASSET INVESTMENTS (continued)

Other investments

	Group £	Company £
COST OR VALUATION		
At 1 March 2005 and 28 February 2006	3,425	3,425

MEDIAVEST (MANCHESTER) LIMITED

NOTES TO THE ACCOUNTS

28 FEBRUARY 2006

13. CURRENT ASSET INVESTMENTS

Cost	Listed Investments £
Additions	52,230
Disposals	(16,016)
	<hr/>
At 28 February 2006	36,214
	<hr/>

Listed investments comprise investments listed on the London Stock Exchange, the market value of which at 28 February 2006 amounted to £35,543.

	2006		2005	
	Group £	Company £	Group £	Company £

14. DEBTORS

Amounts falling due within one year:

Trade debtors	22,612,122	20,352,308	24,730,898	22,159,000
Amounts owed by participating interests	-	-	17,630	17,630
Amount owed by group undertakings	-	45,115	-	-
Other debtors	370,430	305,222	10,233	1,429
Prepayments and accrued income	1,740,482	1,523,164	850,843	695,513
	<hr/>	<hr/>	<hr/>	<hr/>
	24,723,034	22,225,809	25,609,604	22,873,572

Amounts falling due after more than one the year :

Deferred taxation recoverable	72,087	70,233	62,361	61,861
	<hr/>	<hr/>	<hr/>	<hr/>
	24,795,121	22,296,042	25,671,965	22,935,433
	<hr/>	<hr/>	<hr/>	<hr/>

15. CREDITORS: Amounts falling due within one year

Trade creditors	34,268,534	31,515,891	34,853,544	31,302,373
Amounts due to group undertakings	-	68,550	-	70,100
Amounts due to participating interests	23,348	23,348	23,942	23,942
Taxation and social security	6,732,173	6,477,236	4,714,677	4,286,431
Other creditors	769,408	736,815	1,195,020	1,177,144
Accruals and deferred income	1,571,323	1,194,660	2,854,666	2,814,296
	<hr/>	<hr/>	<hr/>	<hr/>
	43,364,786	40,016,500	43,641,849	39,674,286
	<hr/>	<hr/>	<hr/>	<hr/>

MEDIAVEST (MANCHESTER) LIMITED

NOTES TO THE ACCOUNTS

28 FEBRUARY 2006

	2006 £	2005 £
16. SHARE CAPITAL		
Authorised:		
140,990 'A' ordinary shares of £1 each	140,990	140,990
47,760 'B' ordinary shares of £1 each	47,760	47,760
50,000 'C' ordinary shares of £1 each	50,000	50,000
1,250 'D' ordinary shares of £1 each	1,250	1,250
	<hr/>	<hr/>
	240,000	240,000
	<hr/>	<hr/>
Allotted, called up and fully paid:		
76,000 'A' ordinary shares of £1 each	76,000	76,000
22,608 'B' ordinary shares of £1 each	22,856	22,608
13,750 'C' ordinary shares of £1 each	14,750	13,750
1,250 'D' ordinary shares of £1 each	1,250	1,250
	<hr/>	<hr/>
	114,856	113,608
	<hr/>	<hr/>

On 18 July 2005 Options on 1,000 'C' Ordinary shares of £1 each were taken up. The shares were issued at £15 per share. On the same date 248 'B' Ordinary shares of £1 each were allotted at par.

Options on allotted 'C' shares may be exercised as a subscription price of £15 per share and comprise:

Option shares	Option Period 7 years from:-
1,000	31 March 2006
1,000	31 March 2007

On 3 July 2006 the 1,250 issued 'D' ordinary shares of £1 each were reclassified into 1,250 'C' ordinary shares of £1 each and the authorised share capital of the company was increased to £255,000 by the creation of 15,000 'D' ordinary shares of £1 each.

17. POST BALANCE SHEET EVENT

On 10 October 2006 the Board of MediaVest (Manchester) Limited adopted a Share Purchase Plan and issued invitations to a number of eligible employees of the company to each acquire a specified number of 'D' ordinary shares of £1 each in the capital of the company. The invitation lapses automatically after 30 days.

MEDIAVEST (MANCHESTER) LIMITED

NOTES TO THE ACCOUNTS

28 FEBRUARY 2006

18. RESERVES - GROUP

	Share Premium Account £	Capital Reserve £	Share Option Reserve £	Profit and Loss Account £
Balance at 1 March 2005	198,868	3,280	21,000	1,113,689
Profit on ordinary activities after taxation and minority interest	-	-	-	3,342,139
Dividends paid	-	-	-	(2,387,520)
Premium on shares issued during the year	28,430	-	-	-
Deemed profit on part-disposal of subsidiary	-	(2,485)	-	-
Transfer to minority interest	-	-	-	(2,541)
Balance at 28 February 2006	227,298	795	21,000	2,065,767

18. RESERVES – COMPANY

	Share Premium Account £	Capital Reserve £	Share Option Reserve £	Profit and Loss Account £
Balance at 1 March 2005	198,868	-	21,000	839,018
Retained profit for the year	-	-	-	3,380,077
Dividends paid	-	-	-	(2,387,520)
Premium on shares issued during the year	14,000	-	-	-
Balance at 28 February 2006	212,868	-	21,000	1,831,575

MEDIAVEST (MANCHESTER) LIMITED

NOTES TO THE ACCOUNTS

28 FEBRUARY 2006

	2006 £	2005 £
19. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS - GROUP		
Profit for the financial year after taxation and minority interest	3,342,139	2,638,337
Dividends	(2,387,520)	(2,300,000)
Issue of shares for cash	15,248	24,397
Deemed (profit) /loss on part-disposal of subsidiary	(2,485)	3,280
Cost of share options awarded	-	4,200
Share premium	14,430	-
	<hr/>	<hr/>
Net increase in shareholders funds	981,812	370,214
Equity shareholders' funds at 1 March 2005	1,450,445	1,080,255
Transfer to minority interest following deemed part-disposal of subsidiary	(2,541)	(24)
	<hr/>	<hr/>
Equity shareholders' funds at 28 February 2006	2,429,716	1,450,445
	<hr/>	<hr/>

**20. RECONCILIATION OF MOVEMENTS ON
SHAREHOLDERS' FUNDS - COMPANY**

Profit for the financial year after taxation	3,380,077	2,508,825
Dividends	(2,387,520)	(2,300,000)
Issue of shares for cash	15,248	24,397
Cost of share options awarded	-	4,200
	<hr/>	<hr/>
Net increase in shareholders funds	1,007,805	237,422
Equity shareholders' funds at 1 March 2005	1,172,494	935,072
	<hr/>	<hr/>
Equity shareholders' funds at 28 February 2006	2,180,299	1,172,494
	<hr/>	<hr/>

MEDIAVEST (MANCHESTER) LIMITED

NOTES TO THE ACCOUNTS

28 FEBRUARY 2006

	2006 £	2005 £
21 NOTES TO THE GROUP CASH FLOW STATEMENT		
a) Reconciliation of operating profit to net cash inflow from operating activities		
Group operating profit	3,385,153	2,888,366
Amortisation of intangible fixed assets	623	623
Depreciation on tangible fixed assets	288,730	273,194
Charge in respect of employee share option awards	-	4,200
Write-off of investments	-	(50,001)
Decrease/(increase) in debtors	886,569	(793,792)
Decrease in creditors	1,007,609	2,398,250
Net cash inflow from operating activities	5,568,684	4,720,840
b) Returns on investments and servicing of finance		
Interest received and similar income	864,574	786,675
Dividends paid to minority interests	(66,657)	(91,328)
Net cash inflow for returns on investments and servicing of finance	797,917	695,347
c) Capital expenditure and financial investment		
Purchase of tangible fixed assets	(258,796)	(496,217)
Purchase of current asset investments	(36,214)	-
Sale of tangible fixed assets	4,500	8,250
Sale of current asset investments	(641)	-
Net cash outflow for capital expenditure and financial investment	(291,151)	(487,967)
d) Financing		
Issue of ordinary share capital	54,248	67,397
Net cash inflow for financing	54,248	67,397

MEDIAVEST (MANCHESTER) LIMITED

NOTES TO THE ACCOUNTS

28 FEBRUARY 2006

22. ANALYSIS OF CHANGES IN NET FUNDS

	1 March 2005 £	Cash flow £	28 February 2006 £
Cash at bank and in hand	18,549,265	1,618,998	20,168,263

23. FINANCIAL COMMITMENTS

Operating Leases

At 28 February 2006 the group and company had annual commitments under non-cancellable operating leases expiring:

	Group Land & Buildings £	Equipment £	Company Land & Buildings £	Equipment £
Within one year	44,452	32,174	44,452	30,954
Between two and five years	13,500	110,716	-	110,716
In more than five years	276,450	-	276,450	-
	<u>334,402</u>	<u>142,890</u>	<u>320,902</u>	<u>141,670</u>

At 28 February 2005 the company had annual commitments under non-cancellable operating leases expiring:

	Group Land & Buildings £	Equipment £	Company Land & Buildings £	Equipment £
Within one year	44,452	25,961	44,452	25,961
Between two and five years	40,989	105,139	27,489	95,363
In more than five years	247,960	-	247,960	-
	<u>333,401</u>	<u>131,100</u>	<u>319,901</u>	<u>121,324</u>

Capital Commitments

At 28 February 2006 the group and company had no capital commitments. (2005 : £24,554).

MEDIAVEST (MANCHESTER) LIMITED

NOTES TO THE ACCOUNTS

28 FEBRUARY 2006

24. TRANSACTIONS WITH DIRECTORS

During the year the company advanced loans to directors as follows:

	At 1 March 2005 £	Maximum balance in year £	At 28 February 2006 £
P Catlow	(105)	88,750	18,750
	<u> </u>	<u> </u>	<u> </u>

No interest was due on the loan.

25. RELATED PARTY TRANSACTIONS - GROUP

The parent company holds 50% of the share capital of Media Vision (Integrated Media Specialists) Limited, and 25% of the share capital of SMRS Ltd.

During the year the following transactions took place between MediaVest (Manchester) Limited and its related parties:

	2006 £	2005 £
Sales to:		
Media Vision (Integrated Media Specialists) Limited	616,858	250,551
SMRS Ltd	110,254	120,814
	<u> </u>	<u> </u>
Purchases from:		
Media Vision (Integrated Media Specialists) Limited	-	68,005
SMRS Ltd	-	6,149
	<u> </u>	<u> </u>

MEDIAVEST (MANCHESTER) LIMITED

NOTES TO THE ACCOUNTS

28 FEBRUARY 2006

25. RELATED PARTY TRANSACTIONS (Continued)

	2006 £	2005 £
At 28 February 2006 the following balances were included within debtors and creditors:		
Media Vision (Integrated Media Specialists) Limited		
Loan balance due to associate company	(748)	(23,942)
Trading balance due from associate company	146,132	32,895
	<hr/>	<hr/>
SMRS Ltd		
Trading balance due from associate company	564	58,015
Dividend due from associate company	-	17,630
	<hr/>	<hr/>

26. CONTROL

Control of the group resided with the directors A D Jeal and D A Lucas as they collectively held a majority beneficial interest in the ordinary shares of the parent company.