



Company Number : 2886697

MEDIAVEST (MANCHESTER) LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 28 FEBRUARY 2001



**FINLAY ROBERTSON
Chartered Accountants
and Registered Auditors**

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

MEDIAVEST (MANCHESTER) LIMITED

CONTENTS

Page

1	Directors and officers
2	Report of the directors
5	Report of the auditors
6	Profit and loss account
7	Balance sheet
8	Cash flow statement
9	Notes to the accounts

DIRECTORS AND OFFICERS

Directors:

A D Jeal	
D A Lucas	
M B Williams	
A W Blease	
P J Catlow	
I Lees	
J R Marshall	
C A Nolan	
N J Cross	
D N Hickey	
A H Wright	
A Croft	Appointed 1 July 2000
S Bradley	Appointed 1 July 2000
J Reddington	Appointed 1 July 2000
S Fisher	Appointed 1 July 2000
K King	Appointed 1 July 2000
J Hall	Appointed 29 August 2000

Secretary and Registered Office:

C A Nolan
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 2001.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company's principal activity continued to be the selling of media advertising space and time.

The directors are pleased to report that all trading targets have been exceeded in the company's financial year both in terms of turnover and profit and expect 2001/2002 to continue to be profitable.

RESULTS

Details of the results are set out in the profit and loss account on page 6. An interim dividend of £1,050,000 was paid on 19 January 2001. The directors do not recommend the payment of a final dividend and propose that the retained profit of £25,649 be added to reserves.

FIXED ASSETS

Details of movements in the company's fixed assets are given in notes 9 and 10 to the accounts.

DIRECTORS

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

	NUMBER OF SHARES 28 FEBRUARY 2001			
	'A' Ordinary Shares	'B' Ordinary Shares	'C' Ordinary Shares	'D' Ordinary Shares
A D Jeal	26,470	-	-	-
D A Lucas	26,470	-	-	-
M B Williams	22,060	-	-	-
A W Blease	-	-	-	-
J R Marshall	-	-	-	-
C A Nolan	1,000	-	-	-
I Lees	-	-	2,000	1,000
P J Catlow	-	-	1,750	250
N J Cross	-	-	600	-
D N Hickey	-	-	-	-
A H Wright	-	-	-	-
A Croft	-	-	-	-
S Bradley	-	-	-	-
J Reddington	-	-	-	-
S Fisher	-	-	-	-
K King	-	-	-	-
J Hall	-	-	-	-

MEDIAVEST (MANCHESTER) LIMITED

REPORT OF THE DIRECTORS (Continued)

NUMBER OF SHARES 29 February 2000 or Date of Appointment

	'A' Ordinary Shares	'B' Ordinary Shares	'C' Ordinary Shares	'D' Ordinary Shares
A D Jeal	25,250	-	-	-
D A Lucas	25,250	-	-	-
M B Williams	24,500	-	-	-
A W Blease	-	-	-	-
J R Marshall	-	-	-	-
C A Nolan	1,000	-	-	-
I Lees	-	-	1000	1,000
P J Catlow	-	-	750	250
N J Cross	-	-	-	-
D N Hickey	-	-	-	-
A H Wright	-	-	-	-
A Croft	-	-	-	-
S Bradley	-	-	-	-
J Reddington	-	-	-	-
S Fisher	-	-	-	-
K King	-	-	-	-
J Hall	-	-	-	-

J A Kerr resigned on 16 August 2000 and J R Lyon resigned on 7 November 2000

On 16 February 1999 the company adopted a share option scheme for certain of its directors.

Details of options granted and exercised in the year are as follows:

N Cross : Options Granted

Option Shares	Option Period
'C' Ordinary Shares	7 years from:
600	31 March 2000
600	31 March 2001
600	31 March 2002
600	31 March 2003
600	31 March 2004

I Lees : Options Exercised

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

P J Catlow : Options Exercised

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

N Cross : Options Exercised

Option Shares	Date Granted
600 'C' Ordinary Shares	31 March 2000

MEDIAVEST (MANCHESTER) LIMITED

REPORT OF THE DIRECTORS (Continued)

DIRECTORS' RESPONSIBILITIES

The directors are required by company law to prepare accounts for each financial year which give a true and fair view of the company's affairs at the end of the year and its profit or loss for the year. In preparing those accounts the directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company made charitable contributions totalling £310. The company did not make any political contributions in the year.

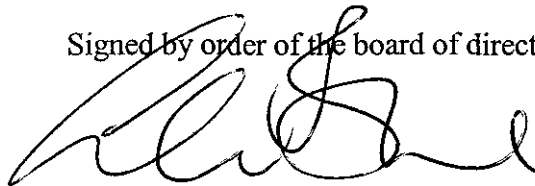
THE EURO

The impact of the Euro has been considered generally by the company. Although the impact of the changeover to the Euro is not currently anticipated to be significant, this issue is being closely monitored.

AUDITORS

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

Signed by order of the board of directors



A W Blease
Director

Brook House
77 Fountain Street
Manchester M2 2EE

17-10-2001

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

We have audited the accounts of MediaVest (Manchester) Limited for the year ended 28 February 2001 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

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 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 United Kingdom Auditing Standards.

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 transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited accounts. The 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 United Kingdom 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 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 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 of the state of the company's affairs as at 28 February 2001 and of its 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

18 October 2001

MEDIAVEST (MANCHESTER) LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 28 FEBRUARY 2001**

	Note	2001 £	2000 £
TURNOVER - Continuing operations	2	104,250,114	94,820,362
Cost of sales		(97,696,182)	(89,820,133)
GROSS PROFIT		6,553,932	5,000,229
Administrative expenses		(5,418,523)	(3,983,406)
OPERATING PROFIT - Continuing operations	3	1,135,409	1,016,823
Profit on disposal of fixed assets		1,703	7,066
Profit on disposal of investments		6,267	-
Income from shares in associated companies		33,333	23,820
Interest receivable and similar income		448,198	256,326
Interest payable and similar charges	6	(9,261)	(1,899)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,615,649	1,302,136
Tax on profit on ordinary activities	7	(540,000)	(420,025)
PROFIT FOR THE FINANCIAL YEAR		1,075,649	882,111
Dividends paid and proposed	8	(1,050,000)	(850,000)
RETAINED PROFIT FOR THE YEAR	15	25,649	32,111
RETAINED PROFIT BROUGHT FORWARD		430,835	398,724
RETAINED PROFIT CARRIED FORWARD	15	456,484	430,835

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 9 to 22 form part of these accounts.

MEDIAVEST (MANCHESTER) LIMITED

BALANCE SHEET AT 28 FEBRUARY 2001

	Note	£	2001 £	£	2000 £
FIXED ASSETS					
Tangible assets	9		317,307		299,372
Investments	10		26,667		30,000
			<u>343,974</u>		<u>329,372</u>
CURRENT ASSETS					
Debtors	11	18,916,225		19,301,359	
Cash at bank and in hand		10,232,851		9,516,322	
		<u>29,149,076</u>		<u>28,817,681</u>	
CREDITORS: Amounts falling due within one year	12	<u>28,867,425</u>		<u>28,586,723</u>	
NET CURRENT ASSETS			<u>281,651</u>		<u>230,958</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u><u>625,625</u></u>		<u><u>560,330</u></u>
CAPITAL AND RESERVES					
Called up share capital	14		101,873		98,627
Share premium account	15		67,268		30,868
Profit and loss account	15		456,484		430,835
EQUITY SHAREHOLDERS' FUNDS	16		<u><u>625,625</u></u>		<u><u>560,330</u></u>

The accounts were approved by the board on 17-10-01



D A Lucas
Director

The notes on pages 9 to 22 form part of these accounts.

MEDIAVEST (MANCHESTER) LIMITED**CASH FLOW STATEMENT****YEAR ENDED 28 FEBRUARY 2001**

	Note	2001 £	2000 £
Net cash inflow from operating activities	17a	1,934,686	5,205,982
Dividends from associates		33,333	23,820
Returns on investments and servicing of finance	17b	438,937	254,427
Taxation		(422,142)	(281,257)
Capital expenditure and financial investment	17c	(167,531)	(124,928)
Acquisitions and disposals	17d	9,600	-
Equity dividends paid		(1,150,000)	(750,000)
Financing	17e	39,646	28,245
Increase in cash in the period		<u>716,529</u>	<u>4,356,289</u>

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

Increase in cash in the period	18	716,529	4,356,289
Net funds at 1 March		<u>9,516,322</u>	<u>5,160,033</u>
Net funds at 28 February		<u>10,232,851</u>	<u>9,516,322</u>

The notes on pages 9 to 22 form part of these accounts

MEDIAVEST (MANCHESTER) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 28 FEBRUARY 2001

1. ACCOUNTING POLICIES

Basis of Accounting

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

Turnover

Turnover represents the total invoice value, excluding value added tax, of services provided.

Depreciation

Depreciation is provided at the following annual rates in order to write off the cost of each tangible fixed asset over its estimated useful life.

Leasehold improvements	20% on cost
Office equipment	33 $\frac{1}{3}$ % on cost
Motor vehicles	25% on cost

Deferred Taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing difference will reverse.

Deferred tax assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

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 contribution 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 company and were generated wholly in the United Kingdom.

MEDIAVEST (MANCHESTER) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 28 FEBRUARY 2001

	2001 £	2000 £
3. OPERATING PROFIT		
Operating profit is stated after charging/(crediting):		
Directors' remuneration	1,474,499	948,388
Auditors' remuneration	14,000	12,800
Depreciation of owned tangible fixed assets	189,429	180,306
Operating lease rentals:		
Hire of plant and equipment	10,668	11,739
Other	381,538	284,097
Property rental income	(16,608)	(11,524)
	<u> </u>	<u> </u>

During the year the auditors received fees in respect of non-audit services of £11,677 (2000: £14,350). The fees were for taxation services and advice in connection with the company.

4. DIRECTORS' REMUNERATION

Directors emoluments for management services	1,410,264	886,763
Pension contributions	64,235	61,625
	<u> </u>	<u> </u>
	1,474,499	948,388
	<u> </u>	<u> </u>

Highest paid director:

Aggregate emoluments	258,543	137,721
Money purchase pension contributions	18,360	17,550
	<u> </u>	<u> </u>
	276,903	155,271
	<u> </u>	<u> </u>

The number of directors to whom retirement benefits are accruing under a money purchase scheme amounts to 8 (2000 : 6).

Three directors exercised share options in the year in respect of 2,600 'C' Ordinary Shares.

MEDIAVEST (MANCHESTER) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 28 FEBRUARY 2001

	2001 £	2000 £
5. STAFF COSTS		
Wages and salaries	2,841,925	2,081,880
Social security costs	304,301	247,232
Pension costs	77,795	76,279
	<u>3,224,021</u>	<u>2,405,391</u>

The pension costs are in respect of defined contribution schemes for certain of the company employees. £Nil was due in respect of pension costs at the year end (2000 : £Nil).

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

	Number	Number
Management	16	11
Media	55	47
Administration	16	14
	<u>87</u>	<u>72</u>

	£	£
6. INTEREST PAYABLE AND SIMILAR CHARGES		
Bank interest	9,261	1,899
	<u>9,261</u>	<u>1,899</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

Corporation tax charge at 31% (1999 : 31%)	540,000	420,025
Deferred taxation credit	-	-
	<u>540,000</u>	<u>420,025</u>

MEDIAVEST (MANCHESTER) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 28 FEBRUARY 2001

	2001 £	2000 £
8. DIVIDENDS		
Ordinary 'A' - Interim paid of £9.8009 per share (2000 : £7.329)	744,868	549,675
- Proposed second interim of £Nil per share (2000 : £0.9772)	-	73,290
Ordinary 'B' - Interim paid of £12.9483 per share (2000 : £9.5532)	262,500	187,500
- Proposed second interim of £Nil per share (2000 : £1.2738)	-	25,000
Ordinary 'C' - Interim paid of £9.8009 per share (2000 : £7.329)	42,632	12,825
- Proposed second interim of £Nil per share (2000 : £0.9772)	-	1,710
	<u>1,050,000</u>	<u>850,000</u>

9. TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Office Equipment £	Motor Vehicles £	Total £
Cost				
At 1 March 2000	80,141	570,039	84,108	734,288
Additions	42,731	175,060	4,200	221,991
Disposals	-	(9,330)	(24,078)	(33,408)
	<u>122,872</u>	<u>735,769</u>	<u>64,230</u>	<u>922,871</u>
Depreciation				
At 1 March 2000	36,675	345,263	52,978	434,916
Charge for the year	21,784	150,445	17,200	189,429
Eliminated on disposals	-	-	(18,781)	(18,781)
	<u>58,459</u>	<u>495,708</u>	<u>51,397</u>	<u>605,564</u>
Net Book Value				
At 28 February 2001	<u>64,413</u>	<u>240,061</u>	<u>12,833</u>	<u>317,307</u>
At 29 February 2000	<u>43,466</u>	<u>224,776</u>	<u>31,130</u>	<u>299,372</u>

MEDIAVEST (MANCHESTER) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 28 FEBRUARY 2001

	2001 £	2000 £
10. INVESTMENTS		
Cost		
At 1 March 2000	30,000	30,000
Disposal	(3,333)	-
	<hr/>	<hr/>
At 28 February 2001	26,667	30,000
	<hr/>	<hr/>

The issued share capital of Media Vision (Integrated Media Specialists) Limited is 75,000 ordinary shares of £1 each, part paid. The company owns 50% of these shares.

The issued share capital of Specialist Media Resourcing Services Limited is 15,000 £1 'A' Ordinary Shares and 11,667 £1 'B' Ordinary Shares. Both class of share are fully issued and paid. The company owns the entire issued 'B' shares representing 43.8% (2000 : 50%) of the issued share capital. 3333 'B' shares were repurchased by Specialist Media Resourcing Services Limited from the company on 7 April 2000, under the terms of a Share Agreement between the companies.

Both associated companies operate in and are incorporated in England and Wales and are engaged in the selling of media advertising space and time. The accounting year end of Media Vision (Integrated Media Specialists) Limited is 31 July and that of Specialist Media Resourcing Services Limited is 31 October.

As consolidated accounts are not prepared by the company, the relevant amounts and details which are required to be reported in respect of its associated companies are given below, and on subsequent pages.

	2001 £	2000 £
Share of associated companies operating results	111,550	51,290
	<hr/>	<hr/>

MEDIAVEST (MANCHESTER) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 28 FEBRUARY 2001

	2001 £	2000 £
10. INVESTMENTS (Continued)		
Effect of including relevant associated company amounts within the profit and loss account of the company:		
Operating profit of the company	1,135,409	1,016,823
Share of operating profit/(loss) in associated companies	111,550	51,290
	<hr/>	<hr/>
Profit on disposal of fixed assets	1,246,959	1,068,113
Company	1,703	7,066
Interest receivable and similar income		
Company	448,198	256,326
Associates	8,397	16,129
Interest payable and similar charges		
Company	(9,261)	(1,899)
Associates	(488)	(231)
	<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1,695,508	1,345,504
Tax on profit on ordinary activities		
Company	(540,000)	(420,025)
Associates	(32,191)	(15,483)
	<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR	1,123,317	909,996
Dividends paid and proposed	(1,050,000)	(850,000)
	<hr/>	<hr/>
RETAINED PROFIT FOR THE COMPANY AND ITS SHARE OF ASSOCIATES	73,317	59,996
RETAINED PROFIT BROUGHT FORWARD	459,011	399,015
	<hr/>	<hr/>
RETAINED PROFIT CARRIED FORWARD	532,328	459,011
	<hr/> <hr/>	<hr/> <hr/>

MEDIAVEST (MANCHESTER) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 28 FEBRUARY 2001

	2001	2000
	£	£
10. INVESTMENTS (Continued)		
Effect of including relevant associated company amounts within the balance sheet of the company:		
FIXED ASSETS		
Tangible assets	317,307	299,372
Investment in associated companies	102,511	58,176
	<u>419,818</u>	<u>357,548</u>
CURRENT ASSETS		
Debtors	18,916,225	19,301,359
Cash at bank and in hand	10,232,851	9,516,322
	<u>29,149,076</u>	<u>28,817,681</u>
CREDITORS: Amounts falling due within one year	<u>28,867,425</u>	<u>28,586,723</u>
NET CURRENT ASSETS	<u>281,651</u>	<u>230,958</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u><u>701,469</u></u>	<u><u>588,506</u></u>
CAPITAL AND RESERVES		
Called up share capital	101,873	98,627
Share premium account	67,268	30,868
Profit and loss account	532,328	459,011
EQUITY SHAREHOLDERS FUNDS	<u><u>701,469</u></u>	<u><u>588,506</u></u>

MEDIAVEST (MANCHESTER) LIMITED**NOTES TO THE ACCOUNTS****YEAR ENDED 28 FEBRUARY 2001**

	2001 £	2000 £
11. DEBTORS		
Trade debtors	18,363,632	18,433,154
Amounts owed by associated companies	-	28,268
Other debtors	158,919	59,618
Prepayments and accrued income	393,674	780,319
	<hr/>	<hr/>
	18,916,225	19,301,359
	<hr/>	<hr/>
12. CREDITORS: Amounts falling due within one year		
Trade creditors	25,009,374	25,973,822
Amounts due to associated companies	111,387	5,000
Taxation and social security	2,406,137	1,635,851
Proposed dividend	-	100,000
Other creditors	491,073	328,986
Accruals and deferred income	849,454	543,064
	<hr/>	<hr/>
	28,867,425	28,586,723
	<hr/>	<hr/>

13. PROVISIONS FOR LIABILITIES AND CHARGES

There is £Nil deferred taxation unprovided in respect of capital allowances at 28 February 2001. The deferred tax asset which has not been included in the balance sheet is £25,973 (2000 £2,839).

MEDIAVEST (MANCHESTER) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 28 FEBRUARY 2001

	2001 £	2000 £
14. 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
20,273 'B' ordinary shares of £1 each	20,273	19,627
1,750 'C' ordinary shares of £1 each	4,350	1,750
1,250 'D' ordinary shares of £1 each	1,250	1,250
	<hr/>	<hr/>
	101,873	98,627
	<hr/>	<hr/>

On 16 January 2001 Options on 2,600 'C' Ordinary shares of £1 each were taken up. The shares were issued at £15 per share. On the same date 646 'B' Ordinary shares of £1 each were allotted as par.

The rights of each class of share to dividends, priority and amounts receivable on a winding up of the company and in voting on company resolutions, are set out below. All the information necessary to fully understand the commercial effect of the share structure cannot be included in a short summary, however the principal points are set out below and the full text is available at the registered office of the company.

- i) The profits which the company may determine to distribute in respect of any financial period shall be distributed as to 75% amongst the holders of the 'A' and 'C' ordinary shares and subject to Article 2 the 'D' ordinary shares in proportion to the amounts paid up on the 'A', 'C' and 'D' shares (excluding any premium) and 25% amongst the holders of the 'B' ordinary shares in proportion to the amounts paid up on the 'B' shares (excluding any premium). The 'D' shares shall not be entitled to participate in a distribution of distributable profits during a period of three years from the date of allotment. The 'D' shares were all allotted on 16 February 1999.
- ii) In the event of a winding up of the company, the surplus assets of the company remaining after payment of its liabilities shall belong and be distributed amongst the holders of the 'A' shares, 'B' shares, 'C' shares and 'D' shares in proportion to the amounts paid up on the shares (excluding any premium) held by them respectively *pari passu* as if the 'A' shares, 'B' shares, 'C' shares and 'D' shares constituted one class of share.

MEDIAVEST (MANCHESTER) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 28 FEBRUARY 2001

14. SHARE CAPITAL (Continued)

- iii) On a show of hands every member shall have one vote and on a poll every member shall have one vote for every £1 in nominal value of the shares of which he is the holder provided that:
- (a) The 'A' shares, 'C' shares and 'D' shares do not confer any right to vote upon a resolution for the removal from office of any director appointed by the holders of the 'B' shares.
 - (b) The 'B' shares do not confer any right to vote upon a resolution for appointment of or the removal from office of any director appointed by the holders of the 'A' shares.
 - (c) The holder of the majority in nominal value of the 'B' shares shall, in respect of a resolution concerning or involving the change of the company's name, have 95% of the votes capable of being cast in respect of such resolution.
- iv) The 'C' shares shall have the rights and shall be subject to the restrictions set out in the Rules of the Company Share Option Scheme as adopted by the company.

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

Option shares	Option Period
----------------------	----------------------

7 years from:-

2,600	31 March 2001
2,600	31 March 2002
2,600	31 March 2003
1,600	31 March 2004
1,000	31 March 2005
1,000	31 March 2006
1,000	31 March 2007

MEDIAVEST (MANCHESTER) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 28 FEBRUARY 2001

15. RESERVES

	Share Premium Account £	Profit and Loss Account £
Balance at 1 March 2000	30,868	430,835
Retained profit for the year	-	25,649
Premium on shares issued during the year	36,400	-
	<hr/>	<hr/>
Balance at 28 February 2001	67,268	456,484
	<hr/> <hr/>	<hr/> <hr/>
	2001 £	2000 £

**16. RECONCILIATION OF MOVEMENTS ON
SHAREHOLDERS' FUNDS**

Profit for the financial year after taxation	1,075,649	882,111
Dividends	(1,050,000)	(850,000)
Issue of shares for cash	39,646	19,060
	<hr/>	<hr/>
Net increase in shareholders funds	65,295	51,171
Opening shareholders' funds at 1 March 2000	560,330	509,159
	<hr/>	<hr/>
Closing shareholders' funds at 28 February 2001	625,625	560,330
	<hr/> <hr/>	<hr/> <hr/>

Shareholders' funds are all attributable to equity shareholders' interests.

MEDIAVEST (MANCHESTER) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 28 FEBRUARY 2001

	2001 £	2000 £
17. NOTES TO THE CASH FLOW STATEMENT		
a) Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	1,135,409	1,016,823
Depreciation on tangible fixed assets	189,429	180,306
Decrease/(Increase) in debtors	385,135	(7,011,608)
Increase in creditors	224,713	11,020,461
	<hr/>	<hr/>
Net cash inflow from operating activities	1,934,686	5,205,982
	<hr/> <hr/>	<hr/> <hr/>
b) Returns on investments and servicing of finance		
Interest received and similar income	448,198	256,326
Interest paid	(9,261)	(1,899)
	<hr/>	<hr/>
Net cash inflow for returns on investments and servicing of finance	438,937	254,427
	<hr/> <hr/>	<hr/> <hr/>
c) Capital expenditure and financial investment		
Purchase of tangible fixed assets	(177,222)	(174,854)
Sale of tangible fixed assets	9,691	49,926
	<hr/>	<hr/>
Net cash outflow for capital expenditure and financial investment	(167,531)	(124,928)
	<hr/> <hr/>	<hr/> <hr/>
d) Acquisitions and disposals		
Sale of shares in associated companies	9,600	-
	<hr/>	<hr/>
Net cash outflow for acquisitions and disposals	9,600	-
	<hr/> <hr/>	<hr/> <hr/>
e) Financing		
Issue of ordinary share capital	39,646	28,245
	<hr/>	<hr/>
Net cash inflow for financing	39,646	28,245
	<hr/> <hr/>	<hr/> <hr/>

MEDIAVEST (MANCHESTER) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 28 FEBRUARY 2001

18. ANALYSIS OF CHANGES IN NET DEBT

	1 March 2000	Cash flow	28 February 2001
	£	£	£
Cash at bank and in hand	9,516,322	716,529	10,232,851
	<u> </u>	<u> </u>	<u> </u>

19. FINANCIAL COMMITMENTS

Operating Leases

At 28 February 2001 the company had annual commitments under non-cancellable operating leases expiring:

	Land and Buildings		Equipment	
	2001	2000	2001	2000
	£	£	£	£
Within one year	20,378	14,250	37,513	15,773
Between two and five years	101,104	111,472	108,489	116,324
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	121,482	125,722	146,002	132,097
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Capital Commitments

At 28 February 2001 the company had £Nil capital commitments (2000 : £Nil).

20. TRANSACTIONS WITH DIRECTORS

During the year there was a loan outstanding to C A Nolan, the maximum sum due to the company during the year and the balance at 28 February was £4,750.

MEDIAVEST (MANCHESTER) LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 28 FEBRUARY 2001

21. RELATED PARTY TRANSACTIONS

On 14 December 1998 the company acquired a further holding in the share capital of Media Vision (Integrated Media Specialists) Limited increasing its total holding in the ordinary share capital of that company to 50%.

On 7 April 2000 the company sold 3,333 ordinary shares in Specialist Media Resourcing Services Limited. As a result of the transaction the companies holding in Specialist Media Resourcing Services Limited was reduced to 43.8%.

During the year the following transactions took place between MediaVest (Manchester) Limited and its associated companies.

	2001	2000
	£	£
Management fees and recharges to:		
Media Vision (Integrated Media Specialists) Limited	85,667	141,410
Specialist Media Resourcing Services Limited	81,192	69,480
	=====	=====
Purchases from:		
Media Vision (Integrated Media Specialists) Limited	-	20,546
Specialist Media Resourcing Services Limited	-	10,020
	=====	=====
At 28 February 2001/29 February 2000 the following amounts were included within debtors and creditors:		
Amount due from Media Vision (Integrated Media Specialists) Limited	-	28,268
	=====	=====
Amount due to Specialist Media Resourcing Services Limited	50,916	-
	=====	=====
Amount due to Media Vision (Integrated Media Specialists) Limited	60,471	5,000
	=====	=====

22. CONTROL

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