

**COMPANY NUMBER:
3104933 (ENGLAND & WALES)**

**KNOWLEDGEVIEW LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008**

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KNOWLEDGEVIEW LIMITED
REPORTS AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

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KNOWLEDGEVIEW LIMITED

COMPANY INFORMATION

Company Number: 3104933 (England & Wales)

Directors:
Dr. A. Al-Assam
Mr. A. Al Jaaid
Mr. D. Sumich (Resigned 29 February 2008)
Mr. R.Gibbs (Appointed 29 February 2008)
(Resigned 06 July 2009)
Mr. G.Harbinson (Appointed 06 July 2009)

Secretary: R H Evans

Registered Office: Kensington Centre
66 Hammersmith Road
London
W14 8UD

Auditors: Saffery Champness
Lion House
Red Lion Street
London
WC1R 4GB

KNOWLEDGEVIEW LIMITED
DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2008

The directors present their report and the financial statements for the year ended 31 December 2008.

Principal activities

The company continues to be a leading provider of end-to-end news and information management systems.

Fixed assets

Changes in fixed assets during the year are set out in the notes to the financial statements.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year 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 directors are required to:

- select suitable accounting policies and then 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 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 financial statements 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.

Review of the Business and Future Developments

The company's principal activity is to develop cross-media publishing, news management and editorial sharing systems and software. During 2008 the company continued to develop its software and business relationships with existing and potential new customers. In 2008 the company made a profit of £134,670 (2007: profit of £113,615) and the directors do not recommend payment of a dividend (2007: nil).

In 2009 management will continue to focus on increasing the company's profitability.


Auditors

Saffery Champness have expressed their willingness to remain in office as auditors of the company.

Statement of Disclosure to Auditor

So far as each of the directors is aware, there is no relevant information that has not been disclosed to the company's auditors and each of the directors believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the company's auditors have been made aware of that information

On behalf of the board

 30/7/2009

.....
R H Evans
Company Secretary
Kensington Centre, 66 Hammersmith Road, London, W14 8UD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 4 to 12. These financial statements have been prepared in accordance with the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, 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 the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended; and the financial statements have been properly prepared in accordance with the Companies Act 1985; and the information given in the directors' report is consistent with the financial statements.


Saffery Champness

Chartered Accountants
Registered Auditors
Lion House
Red Lion Street
London
WC1R 4GB

30 July 2009

KNOWLEDGEVIEW LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2008

	<u>Note</u>	<u>2008</u> <u>£</u>	<u>2007</u> <u>£</u>
Turnover	1	1,513,786	1,129,068
Cost of sales		(455,271)	(261,877)
Gross Profit		<u>1,058,515</u>	<u>867,191</u>
Administrative expenses		<u>(911,647)</u>	<u>(740,367)</u>
Profit on ordinary activities before interest		146,868	126,824
Net interest	12	<u>(12,198)</u>	<u>(13,209)</u>
Profit on ordinary activities before tax	2	134,670	113,615
Tax on profit of ordinary activities	16	<u>0</u>	<u>0</u>
Retained profit for the year	10	<u><u>134,670</u></u>	<u><u>113,615</u></u>

The company has made no acquisitions nor discontinued any operations within the meaning of Financial Reporting Standard 3 during 2008 therefore turnover and operating loss derive entirely from continuing operations.

The company has no recognised gains or losses other than the gain for the financial period.

The annexed notes form part of these financial statements.

AT 31 DECEMBER 20085

KNOWLEDGEVIEW LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

1. **Accounting policies**

The financial statements are prepared under the historical cost convention and incorporate the results of the principal activity which is described in the directors' report and which is continuing.

Basis of Preparation

The company realised a profit of £134,670 (2007: profit of £113,615) during the year ended 31 December 2008. Since the balance sheet shows a deficit of £1,779,006, the company is dependent, in the absence of other funding, on the continued financial support of its ultimate parent company. The directors received written confirmation that financial support will continue to be made available to the company for a period of at least 18 months from the date that these financial statements were approved. On that basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that might be necessary if the ultimate parent company were not to provide further support.

Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

In the opinion of the directors, disclosure of turnover by geographical market would be detrimental to the company's business.

Depreciation and diminution in value of assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures, Fittings and Equipment	25% per annum of cost
Computer systems	25% per annum of cost
General Office Equipment	20% per annum of cost

Foreign exchange

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Research & Development

The company does not capitalise research & development expenditure. All research & development expenditure is written off to the profit & loss account as it is incurred.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in

KNOWLEDGEVIEW LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

Taxation (continued)

which they are recognised in the financial statements.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

2. Profit on Ordinary Activities before Taxation

	<u>2008</u> £	<u>2007</u> £
This is stated after charging:		
Auditors' remuneration for audit services	5,150	4,750
Profit on foreign exchange transactions	(46,897)	(4,321)
Depreciation charge for the year	5,255	4,572
	<u> </u>	<u> </u>

3. Tangible fixed assets

	<u>Plant and Machinery</u> £	<u>Computer Systems</u> £	<u>Total</u> £
Cost:			
At 1 January 2008	68,448	80,739	149,187
Recode of assets at 1 January 2008	(735)	735	0
Additions	3,966	3,037	7,003
Disposals	0	(1,126)	(1,126)
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2008	71,679	83,385	155,064
Depreciation:			
At 1 January 2008	66,855	69,917	136,772
Recode of depreciation at 1 January 2008	(735)	735	0
Charge for the period	833	4,422	5,255
Disposals	0	(1,126)	(1,126)
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2008	66,953	73,948	140,901
Net book value:			
At 31 December 2008	<u>4,726</u>	<u>9,437</u>	<u>14,163</u>
At 31 December 2007	<u>1,593</u>	<u>10,822</u>	<u>12,415</u>

KNOWLEDGEVIEW LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

4. **Debtors**

	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
Due within one year:		
Trade debtors	416,270	275,617
Other debtors	27,606	2,277
Prepayments and accrued income	262,454	114,044
	<u>706,330</u>	<u>391,938</u>

5. **Current asset investments**

	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
Investment in subsidiary undertaking	0	2
	<u>0</u>	<u>2</u>

The company's investment in its dormant subsidiary company, Syndigital Ltd, was transferred to a related party (Note 15), Makshaff Services (Europe) Ltd at 14 March 2008. The balance transferred represents the whole of the share capital of Syndigital Limited.

6. **Creditors - amounts falling due within one year**

	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
Bank overdraft	147,710	156,089
Trade creditors	388,515	291,175
Other creditors	9,879	10,413
Other taxes and social security	8,595	11,574
Accruals and deferred income	347,847	159,430
	<u>902,546</u>	<u>628,681</u>

The bank overdraft is secured in part by a personal guarantee supplied by a director and in part by a group company guarantee.

7. **Creditors - amounts falling due after more than one year**

	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
Parent company loan	1,161,115	1,159,800
Related party balance	460,222	460,224
Other creditors	118,109	84,020
	<u>1,739,446</u>	<u>1,704,044</u>

The company is dependent on a loan from its ultimate parent company which is unsecured, interest free and has no fixed date for repayment. The directors have obtained written confirmation that the loan will not be recalled within a period of at least 18 months from the date that these financial statements were approved

KNOWLEDGEVIEW LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

8. Share capital

	<u>2008</u>	<u>2007</u>
	<u>£</u>	<u>£</u>
<u>Authorised</u>		
1,000,000 Ordinary shares of 1p each	10,000	10,000
	<u> </u>	<u> </u>
	<u>£</u>	<u>£</u>
<u>Allotted, called up and fully paid</u>		
645,602 Ordinary shares of 1p each	6,457	6,457
	<u> </u>	<u> </u>
	<u>6,457</u>	<u>6,457</u>
	<u> </u>	<u> </u>

9. Share premium account

	<u>2008</u>
	<u>£</u>
At 31 December 2007 and 31 December 2008	2,247,691
	<u> </u>

10. Profit and loss account

	<u>2008</u>
	<u>£</u>
Balance at 1 January 2008	(4,167,824)
Profit for the year	134,670
	<u> </u>
Balance at 31 December 2008	(4,033,154)
	<u> </u>

KNOWLEDGEVIEW LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

11. Reconciliation of movements in shareholders' deficit

	<u>2008</u> <u>£</u>	<u>2007</u> <u>£</u>
Profit for the financial period	134,670	113,615
Shareholders' deficit at 1 January 2008	(1,913,676)	(2,027,291)
Shareholders' deficit at 31 December 2008	<u>(1,779,006)</u>	<u>(1,913,676)</u>

12. Net Interest

	<u>2008</u> <u>£</u>	<u>2007</u> <u>£</u>
Other interest receivable	1	9
Interest payable:		
Bank overdrafts	(12,199)	(13,218)
	<u>(12,198)</u>	<u>(13,209)</u>

13. Staff Costs

	<u>2008</u> <u>£</u>	<u>2007</u> <u>£</u>
Directors' remuneration was as follows:		
Emoluments for services	82,241	73,306
The average monthly number of persons employed including directors:		
- UK	5	6
- Overseas	15	9
	<u>20</u>	<u>15</u>
Their aggregate remuneration comprised:		
Wages & salaries	481,540	424,443
Social security costs	32,468	38,463
Pensions	23,821	14,684
	<u>537,829</u>	<u>477,590</u>

14. Ultimate Parent Company

The immediate parent company is Life Computers Ltd, a company registered in England and Wales. The ultimate parent company is Reference Investments Inc., a company incorporated in the British Virgin Islands.

KNOWLEDGEVIEW LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2008

15. Related Parties

Name	Nature of Relationship	Amount Outstanding At 31 Dec 08 £	Amount Outstanding At 31 Dec 07 £	Value of Transactions During 2008 £
Life Computers Ltd	Parent company	(1,161,115)	(1,159,800)	(1,315)
Makshaff Services (Europe) Ltd	Common control	(460,222)	(460,224)	2
Media Communications Group Plc	Common control	(270,206)	(215,537)	(47,695)

16. Taxation

	<u>2008</u> £	<u>2007</u> £
Current tax charge	0	0
	<u> </u>	<u> </u>
Factors affecting the tax charge for the year		
Profit / (Loss) on ordinary activities multiplied by the standard rate of UK corporation tax of 28.5% (2007:30%)	38,381	34,085
	<u> </u>	<u> </u>
Effects of:		
Non deductible expenditure	544	941
Depreciation	1,498	1,372
Brought forward tax losses utilised	(40,423)	(36,395)
Group relief claimed	-	(3)
	<u> </u>	<u> </u>
	38,381	34,085
	<u> </u>	<u> </u>
Current tax charge	-	-
	<u> </u>	<u> </u>
Losses available to carry forward at 31 December 2008	901,510	1,009,808
	<u> </u>	<u> </u>

KNOWLEDGEVIEW LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2008

17. Provisions for Liabilities and Charges

As explained in Note 1 – Taxation, provision is made in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The sources of the balance on the deferred tax accounts and amounts for which provision has not been made are as follows:

	Provided	Provided	Not	Not
	2008	2007	Provided	Provided
	£	£	2008	2007
			£	£
Cost:				
Depreciation in excess of capital allowances	-	-	(21,324)	(21,271)
Other short term timing differences	-	-	-	-
Revenue losses	-	-	(901,510)	(1,009,808)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2008	-	-	(922,834)	(1,031,079)
	<hr/>	<hr/>	<hr/>	<hr/>