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Company Registration No 03356394 (England and Wales)

**TALKBACK TARGETED MARKETING LIMITED
(PREVIOUSLY INSITU LIMITED)**

DIRECTORS' REPORT AND ACCOUNTS

FOR THE PERIOD ENDED 31 MARCH 2006

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TALKBACK TARGETED MARKETING LIMITED (PREVIOUSLY INSITU LIMITED)

COMPANY INFORMATION

Directors	T J Ferrer D W Brunsdon T H Ferrer
Secretary	T J Ferrer
Company number	03356394
Registered office	15 Wheeler Gate Nottingham Nottinghamshire NG1 2NA
Accountants	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER
Solicitors	Pinsent Curtis Dashwood House 69 Old Broad Street London EC2M 1NR

TALKBACK TARGETED MARKETING LIMITED (PREVIOUSLY INSITU LIMITED)

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TALKBACK TARGETED MARKETING LIMITED (PREVIOUSLY INSITU LIMITED)

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2006

The directors present their report and accounts for the period ended 31 March 2006

Principal activities

The principal activity of the company continues to be that of providing digital marketing services

Review of business

During the year the Company received investment of £228,379 through the issue of new ordinary shares and since 31 March 2006 an additional £315,779 has been raised by further share issues

Both the level of business and the end financial position were as expected in light of current trading conditions

Directors and their interests

The directors at 31 March 2006 and their beneficial interests in the shares of the company were

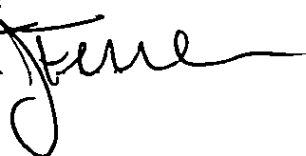
	Ordinary shares of 10p each	
	31 March 2006	1 April 2005
T J Ferrer	106,500	91,840
D W Brunsdon	38,840	17,973
T H Ferrer	200,791	167,190

On the 30 October 2006 the company changed it's name from Insitu Limited to Talkback Targeted Marketing Limited

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

On behalf of the Board

T J Ferrer
Director
Dated



TALKBACK TARGETED MARKETING LIMITED (PREVIOUSLY INSITU LIMITED)

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 MARCH 2006

		2006	2005
	Notes	£	as restated £
Turnover	2	42,926	34,374
Cost of sales		(804)	(15,446)
Gross profit		42,122	18,928
Administrative expenses		(427,910)	(435,794)
Loss on ordinary activities before taxation	3	(385,788)	(416,866)
Tax on loss on ordinary activities	6	30,899	99,871
Loss on ordinary activities after taxation		(354,889)	(316,995)
STATEMENT OF RESERVES			
Accumulated loss brought forward			
As previously reported		(2,313,895)	(1,996,900)
Prior year adjustment	7	(637,788)	(637,788)
As restated		(2,951,683)	(2,634,688)
Net deficit for the financial period		(354,889)	(316,995)
Accumulated loss carried forward		(3,306,572)	(2,951,683)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

TALKBACK TARGETED MARKETING LIMITED (PREVIOUSLY INSITU LIMITED)

BALANCE SHEET AS AT 31 MARCH 2006


			2006	2005 as restated
	Notes	£	£	£
Fixed assets				
Tangible assets	8		1,761	7,164
Current assets				
Debtors	9	36,280		64,226
Cash at bank and in hand		17,444		2,257
		<u>53,724</u>		<u>66,483</u>
Creditors' amounts falling due within one year	10	<u>(267,275)</u>		<u>(158,927)</u>
Net current liabilities			<u>(213,551)</u>	<u>(92,444)</u>
Total assets less current liabilities			<u>(211,790)</u>	<u>(85,280)</u>
Capital and reserves				
Called up share capital	11		125,232	108,574
Share premium account	12		2,969,550	2,757,829
Profit and loss account			<u>(3,306,572)</u>	<u>(2,951,683)</u>
Shareholders' funds - all equity interests	13		<u>(211,790)</u>	<u>(85,280)</u>

The company is entitled to the exemption from the audit requirement contained in section 249A(1) of the Companies Act 1985, for the period ended 31 March 2006. No member of the company has deposited a notice, pursuant to section 249B(2), requiring an audit of these accounts.

The directors acknowledge their responsibilities for

- (a) ensuring that the company keeps accounting records which comply with section 221 of the Act, and
- (b) preparing accounts which give a true and fair view of the state of affairs of the company at 31 March 2006 and of its loss for the period then ended in accordance with section 226, and otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

The accounts were approved by the Board on

8/5/2007 

T J Ferrer
Director

TALKBACK TARGETED MARKETING LIMITED (PREVIOUSLY INSITU LIMITED)

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2006

1 Accounting policies

1.1 Basis of preparation

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

These accounts have been prepared on the going concern basis. The company's ability to continue as a going concern is currently dependent on its investors. The directors are actively seeking further capital finance to support the company's operations and development, and, as a result, the company is in a position to develop its products and services on a sound financial basis. The directors therefore consider that the going concern basis is appropriate to the company's circumstances.

1.2 Turnover

Turnover represents the invoiced value of goods sold and services provided net of VAT.

1.3 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	25% straight line
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1.5 Pensions

The company operates a defined contributions pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

1.6 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

TALKBACK TARGETED MARKETING LIMITED (PREVIOUSLY INSITU LIMITED)

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2006

3	Operating loss	2006	2005
		£	£
	Operating loss is stated after charging		
	Depreciation of owned tangible fixed assets	988	5,214
	Auditors' remuneration	3,200	-
		<u> </u>	<u> </u>
4	Directors' emoluments	2006	2005
		£	£
	Aggregate emoluments	71,477	117,491
	Company contributions to defined contribution pension schemes	16,250	-
		<u> </u>	<u> </u>
		<u>87,727</u>	<u>117,491</u>
5	Employees		
	Number of employees		
	The average monthly number of employees during the period was		
		2006	2005
		Number	Number
	Administration	4	5
		<u> </u>	<u> </u>
	Employment costs		
		£	£
	Wages and salaries	179,026	225,192
	Social security costs	20,537	25,376
	Other pension costs	37,185	11,685
		<u> </u>	<u> </u>
		<u>236,748</u>	<u>262,253</u>

TALKBACK TARGETED MARKETING LIMITED (PREVIOUSLY INSITU LIMITED)

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2006

6	Tax on loss on ordinary activities	2006 £	2006 £	2005 £	2005 £
	Current tax				
	<u>UK corporation tax</u>				
	Adjustments in respect of prior periods	(30,899)		(99,871)	
			(30,899)		(99,871)
	Factors affecting the tax charge for the period				
	Loss on ordinary activities before taxation		(385,788)		(416,866)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005: 30.00%)		(115,736)		(125,060)
	Effects of				
	Expenses not deductible for tax purposes		16,309		2,429
	Capital allowances for period in excess of depreciation		275		1,107
	Movement in tax losses		99,152		121,524
	Adjustments to tax charge in respect of previous periods		(30,899)		(99,871)
	Current tax charge		(30,899)		(99,871)

The company has estimated losses of £2,914,547 (2005: £2,584,040) available for carry forward against future trading profits

7 Prior year adjustment

Research and development costs of £637,788 were incorrectly capitalised in previous accounting periods prior to 1 April 2004. These costs did not meet the capitalisation criteria under SSAP 13, Research and Development, and should have been expensed to the profit and loss account in the period incurred.

TALKBACK TARGETED MARKETING LIMITED (PREVIOUSLY INSITU LIMITED)

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2006

8 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 April 2005	33,660
Additions	173
Disposals	(28,425)
At 31 March 2006	5,408
Depreciation	
At 1 April 2005	26,496
On disposals	(23,837)
Charge for the period	988
At 31 March 2006	3,647
Net book value	
At 31 March 2006	1,761
At 31 March 2005	7,164

9 Debtors	2006 £	2005 £
Trade debtors	-	10,615
Corporation tax	30,899	35,988
Called up share capital not paid	-	7,389
Other debtors	4,728	9,781
Prepayments and accrued income	653	453
	36,280	64,226

TALKBACK TARGETED MARKETING LIMITED (PREVIOUSLY INSITU LIMITED)

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2006

10	Creditors, amounts falling due within one year	2006	2005
		£	£
	Trade creditors	31,175	55,548
	Corporation tax	1,847	-
	Other taxes and social security costs	69,581	23,933
	Directors current accounts	40,527	44,603
	Other creditors	39,194	14,715
	Accruals and deferred income	84,951	20,128
		<u>267,275</u>	<u>158,927</u>
11	Share capital	2006	2005
		£	£
	Authorised		
	2,000,000 (2005 1,000,000) Ordinary shares of 10p each	<u>200,000</u>	<u>100,000</u>
	Allotted, called up and fully paid		
	1,252,320 (2005 1,085,739) Ordinary shares of 10p each	<u>125,232</u>	<u>108,574</u>

As at 31 March 2005 the number of shares issued (1,085,739) exceeded the number authorised (1,000,000) The company corrected this by way of an ordinary resolution of the shareholders passed at an extraordinary general meeting held on 9 November 2005 in which the authorised share capital was increased to £200,000 by the creation of a further 1,000,000 Ordinary shares of £0.10 each

On 31 December, 128,060 Ordinary shares were issued at £1.00 resulting in a share premium of £115,254 and 8,023 Ordinary shares were issued at £3.00, resulting in a share premium of £23,267 In addition, on 27 January 2006 30,500 Ordinary shares were issued at £2.50 per share, resulting in a share premium of £73,200

The shares issued during the year rank pari passu in all respects with existing shares

TALKBACK TARGETED MARKETING LIMITED (PREVIOUSLY INSITU LIMITED)

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 2006

12 Statement of movements on reserves

	Share premium account
	£
Balance at 1 April 2005 as previously reported	2,757,829
Premium on shares issued during the period	211,721
Balance at 31 March 2006	2,969,550

The accounts to 31 March 2005 previously reported an incorrect split between the share capital and share premium, understating share capital by £6,227 and overstating share premium by £6,227. The comparative figures are now correctly stated above.

13 Reconciliation of movements in shareholders' funds	2006 £	2005 £
Loss for the financial period	(354,889)	(316,995)
New share capital subscribed	228,379	-
Net depletion in shareholders' funds	(126,510)	(316,995)
Opening shareholders' funds	(85,280)	231,715
Closing shareholders' funds	(211,790)	(85,280)

Opening shareholders' funds were originally £552,508 before deducting prior year adjustments of £637,788.

14 Related party transactions

During the year T J Ferrer, T H Ferrer and D Brunson, directors and shareholders of the company, provided loans to the company which are interest free and repayable on demand. At the year end the company owed T J Ferrer £27,265 (2005 £35,610), T H Ferrer £8,993 (2005 £8,993) and D Brunson £4,269 (2005 £nil).

During the year the company incurred consultancy costs from the following shareholders of the company: J Silverstone - £4,050 (2005 £nil), J Rooney - £9,600 (2005 £6,600), P Harding - £nil (2005 £4,800), P Brindley - £nil (2005 £48,600) and Aztec Alliance Limited (a company in which D Brunson is a shareholder and director) - £35,000 (2005 £nil).

Aztec Alliance Limited also received 14,200 Ordinary shares of £0.10 each in the capital of the company, issued at £1 per ordinary share, in payment for services provided during the year (2005 £nil).

During the year rent of £3,792 (2005 £nil) was paid to H Clavering, the wife of T J Ferrer, for the use of their home as the company's offices.

TALKBACK TARGETED MARKETING LIMITED (PREVIOUSLY INSITU LIMITED)

NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2006

15 Controlling parties

The Directors do not regard the company as being under the control of any one person or entity

16 Post balance sheet events

On 31 October 2006 315,779 Ordinary shares were issued for a consideration of £1 each