

Company Registration No. 3523585 (England and Wales)

MDC EUROPE LIMITED
TRADING AS APT
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002



MDC EUROPE LIMITED
TRADING AS APT
COMPANY INFORMATION

Directors	M D Charlesworth D G Wylie
Secretary	S M Jabati
Company number	3523585
Registered office	Aston House Cornwall Avenue London N3 1LF
Accountants	Adler Shine LLP Aston House Cornwall Avenue London N3 1LF
Business address	6/2 Cumbrian House Meridian Gate 217 Marsh Wall London E14 9AT

MDC EUROPE LIMITED
TRADING AS APT
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MDC EUROPE LIMITED
TRADING AS APT
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2002

The directors present their report and financial statements for the year ended 30 June 2002.

Principal activities and review of the business

The principal activity of the company was that of the provision of telephone entertainment services.

The results for the year and the financial position at the period end were considered satisfactory by the directors. Although turnover has fallen in the year, the directors consider this to be in line with the very competitive telephone entertainment services sector. The company continue to seek expansion opportunities and technological developments.

Results and dividends

The results for the year are set out on page 2.

Directors

The following directors have held office since 1 July 2001:

M D Charlesworth

D G Wylie

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	30 June 2002	1 July 2001
M D Charlesworth	60	60
D G Wylie	40	40

On behalf of the board


.....
M D Charlesworth

Director

Date: 21.9.03

MDC EUROPE LIMITED
TRADING AS APT
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2002

	Notes	2002 £	2001 £
Turnover		556,279	944,541
Cost of sales		(466,620)	(740,487)
Gross profit		89,659	204,054
Administrative expenses		(101,553)	(185,175)
Operating (loss)/profit	2	(11,894)	18,879
Other interest receivable and similar income		839	3,672
Interest payable and similar charges		(78)	(274)
(Loss)/profit on ordinary activities before taxation		(11,133)	22,277
Tax on (loss)/profit on ordinary activities	3	(3,584)	(3,927)
(Loss)/profit on ordinary activities after taxation		(14,717)	18,350
Dividends		(50,000)	(137,000)
Retained loss for the year	8	(64,717)	(118,650)

MDC EUROPE LIMITED
TRADING AS APT
BALANCE SHEET
AS AT 30 JUNE 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Tangible assets	4		53,932		71,910
Current assets					
Debtors	5	5,602		2,592,497	
Cash at bank and in hand		70,732		170,053	
		<u>76,334</u>		<u>2,762,550</u>	
Creditors: amounts falling due within one year	6	<u>(81,319)</u>		<u>(2,720,796)</u>	
Net current (liabilities)/assets			(4,985)		41,754
Total assets less current liabilities			<u>48,947</u>		<u>113,664</u>
Capital and reserves					
Called up share capital	7		100		100
Profit and loss account	8		48,847		113,564
Shareholders' funds			<u>48,947</u>		<u>113,664</u>

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 21/9/03


 M D Charlesworth
 Director


 D G Wylie
 Director

MDC EUROPE LIMITED
TRADING AS APT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Turnover

Turnover represents amounts receivable for services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

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

Computer equipment	25% per annum, reducing balance basis
Fixtures, fittings & other equipment	25% per annum, reducing balance basis.

1.4 Allocation of income and expenditure between Sound Advertising Limited and MDC Europe Limited

Income attributed by the directors as due to MDC Europe Limited of £325,860 (2001: £651,676) for the year ending 30 June 2002 was transferred to MDC Europe Limited from Sound Advertising Limited, a related party.

Expenditure attributed by the directors as owed by MDC Europe Limited of £500,730 (2001: £880,321) for the year ending 30 June 2002 was transferred from Sound Advertising Limited to MDC Europe Limited (see note 11 for further details).

1.5 Computer software

Computer software costs are written off as incurred.

2 Operating (loss)/profit	2002	2001
	£	£
Operating (loss)/profit is stated after charging:		
Depreciation of tangible assets	17,978	23,970
Auditors' remuneration	-	3,000
Directors' emoluments	565	-
	<u> </u>	<u> </u>
3 Taxation	2002	2001
	£	£
Domestic current year tax		
U.K. corporation tax	3,584	3,927
	<u> </u>	<u> </u>
Current tax charge	<u>3,584</u>	<u>3,927</u>

MDC EUROPE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

4 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 July 2001 & at 30 June 2002	178,915
Depreciation	
At 1 July 2001	107,005
Charge for the year	17,978
At 30 June 2002	124,983
Net book value	
At 30 June 2002	53,932
At 30 June 2001	71,910

5 Debtors	2002	2001
	£	£
Trade debtors	1,210	5,456
Other debtors	4,392	2,587,041
	5,602	2,592,497

6 Creditors: amounts falling due within one year	2002	2001
	£	£
Trade creditors	11,750	9,400
Taxation and social security	7,589	11,968
Other creditors	61,980	2,699,428
	81,319	2,720,796

MDC EUROPE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

7 Share capital	2002	2001
	£	£
Authorised		
1,000 Ordinary shares of £ 1 each	1,000	1,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
100 Ordinary shares of £ 1 each	100	100
	<u> </u>	<u> </u>

8 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 July 2001	113,564
Retained loss for the year	(64,717)
	<u> </u>
Balance at 30 June 2002	48,847
	<u> </u>

9 Transactions with directors

M Charlesworth has provided an interest free loan of £16,163 (2001: £15,919) to the company.

10 Control

Throughout the previous and current period the company was controlled by M D Charlesworth by virtue of his majority shareholding.

MDC EUROPE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

11 Related party transactions

The related parties are as follows:

Fonecharge Limited (previously One on One Limited), in which M D Charlesworth is a director and holds 100% of the share capital;

Sound Advertising Limited, in which M D Charlesworth is a director and holds 80% of the share capital.

Transactions with related parties are shown below.

Name of related party	Type of transaction	Amount	Amount
		2002	2001
		£	£

Sound Advertising Limited

The following was receivable from Sound Advertising Limited for MDC Europe Limited's share of income:

Cable and Wireless plc sales	206,673	481,117
Irish telecom sales	119,187	170,558

The balance due from Sound Advertising Limited at 30 June 2002, included in other debtors is £nil (2001: £2,583,576)

The following was charged by Sound Advertising Limited for MDC Europe Limited's share of expenses:

Wages and salaries	119,130	201,233
Advertising	332,762	572,504
Rent, service charge and rates	3,896	16,154
Telephone	11,758	40,204
Sundry other costs	33,184	50,226

At 30 June 2001 the balance owed to Sound Advertising Limited included in other creditors is £39,317 (2001: £2,655,109)

Fonecharge Limited

(formerly One on One Limited)

The balance owed by MDC Europe Limited at 30 June 2002 is £nil (2001: £14,000). Loan amounting to £2,085 owed to Fonecharge Limited at the year end has been written off.