

MDC EUROPE LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2004

Company Registration No. 3523585 (England and Wales)



MDC EUROPE LIMITED
TRADING AS APT
COMPANY INFORMATION

Director	M D Charlesworth
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
DIRECTOR'S REPORT
FOR THE YEAR ENDED 30 JUNE 2004

The director presents his report and financial statements for the year ended 30 June 2004.

Principal activities

The principal activity of the company was that of the provision of telephone entertainment services and related activities. The company is in the process of winding down its operations hence the fall in its turnover and associated expenses.

Directors

The following directors have held office since 1 July 2003:

M D Charlesworth

D G Wylie

(Resigned 19 July 2004)

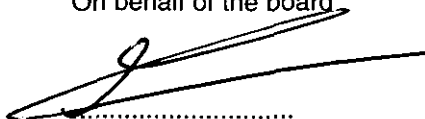
Directors' interests

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

	Ordinary shares of £ 1 each	
	30 June 2004	1 July 2003
D G Wylie	40	40
M D Charlesworth	60	60

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



M D Charlesworth

Director

Date : 29.12.05

MDC EUROPE LIMITED
TRADING AS APT
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2004

	Notes	2004 £	2003 £
Turnover	2	43,055	504,311
Cost of sales		(2,476)	(382,489)
Gross profit		40,579	121,822
Administrative expenses		(43,407)	(135,238)
Operating loss	3	(2,828)	(13,416)
Other interest receivable and similar income		1	135
Interest payable and similar charges		(63)	(171)
Loss on ordinary activities before taxation		(2,890)	(13,452)
Tax on loss on ordinary activities	4	-	-
Loss on ordinary activities after taxation		(2,890)	(13,452)
Dividends		-	(3,500)
Retained loss for the year	9	(2,890)	(16,952)

MDC EUROPE LIMITED
TRADING AS APT
BALANCE SHEET
AS AT 30 JUNE 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	5		30,337		40,449
Current assets					
Debtors	6	9,823		5,396	
Cash at bank and in hand		7,677		35,197	
		<u>17,500</u>		<u>40,593</u>	
Creditors: amounts falling due within one year	7	<u>(18,731)</u>		<u>(49,046)</u>	
Net current liabilities			<u>(1,231)</u>		<u>(8,453)</u>
Total assets less current liabilities			<u>29,106</u>		<u>31,996</u>
Capital and reserves					
Called up share capital	8		100		100
Profit and loss account	9		29,006		31,896
Shareholders' funds			<u>29,106</u>		<u>31,996</u>

In preparing these financial statements:

- (a) The director is 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 director acknowledges his 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 25.12.05


 M D Charlesworth
 Director

MDC EUROPE LIMITED
TRADING AS APT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

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 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

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

There are no income and expenses allocation in the period as the company was winding down its business, however a management charge of £25,000 was charged by Sound Advertising Limited for provision of services during the year to 30 June 2004.

1.6 Computer software

Computer software costs are written off as incurred.

2 Turnover

In the year to 30 June 2004 -% (2003- 20.00%) of the company's turnover was to markets outside the United Kingdom.

3 Operating loss

	2004	2003
	£	£
Operating loss is stated after charging:		
Depreciation of tangible assets	10,112	13,483
Director's emoluments	-	5,250
	<u>10,112</u>	<u>18,733</u>

4 Taxation

The company has estimated losses of £ 6,060 (2003: £ 1,010) available for carry forward against future trading profits.

No corporation tax provision were made on the basis of these accounts.

MDC EUROPE LIMITED
TRADING AS APT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2004

5 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 July 2003 & at 30 June 2004	178,915
Depreciation	
At 1 July 2003	138,466
Charge for the year	10,112
At 30 June 2004	148,578
Net book value	
At 30 June 2004	30,337
At 30 June 2003	40,449

6 Debtors	2004	2003
	£	£
Other debtors	9,823	5,396

7 Creditors: amounts falling due within one year	2004	2003
	£	£
Trade creditors	-	6,064
Taxation and social security	4,320	14,515
Other creditors	14,411	28,467
	18,731	49,046

8 Share capital	2004	2003
	£	£
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

MDC EUROPE LIMITED
TRADING AS APT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2004

9 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 July 2003	31,896
Retained loss for the year	(2,890)
	<hr/>
Balance at 30 June 2004	29,006
	<hr/>

10 Transactions with directors

The following directors had interest free loans during the year. The movement on these loans are as follows:

	Amount outstanding 2004 £	2003 £	Maximum in year £
D Wylie directors' current account	-	-	4,317
	<hr/>	<hr/>	<hr/>

M Charlesworth has provided an interest free loan of £3,912 (2003: £8,228) to the company.

11 Control

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

12 Related party transactions

During the year the company had the following transactions with Sound Advertising Limited, a company in which M Charlesworth is also a director and shareholder :

- Made payments on behalf of Sound Advertising Limited, £50,948 and
- Had expenses expenses paid on its behalf by Sound Advertising Limited amounting to £6,265.

A management charge of £25,000 was also made by Sound Advertising Limited for provision of management services during the year. At the balance sheet date the balance due from Sound Advertising Limited is £5,944. The loans which is included in other debtors is provided interest free and repayable on demand.