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Financial Report and Accounts 2001

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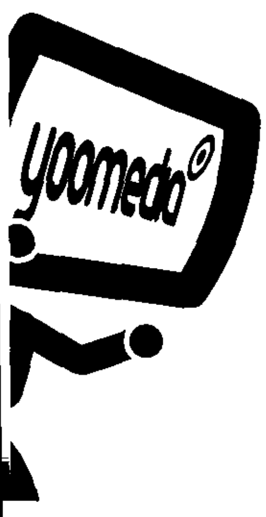

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Registered number
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Chairman's Statement

In November 2001 I joined you as a shareholder in YooMedia plc and assumed the roles of Chairman and Chief Executive. As a new investor, I am sensitive to the fact that many shareholders, particularly those who made their investment at the time of the initial public offering, will be nursing substantial losses. However, I would not have made my own investment in the Company unless I believed that it had the potential to deliver value to shareholders. As a result of the hard work undertaken by all at the Company we are now well placed to take a leading position in the growing interactive television sector.

When the Company's now well-known problems first emerged early in 2001, many might have expected the Board and management team to close down the business and abandon ship. To their great credit they chose an alternative path. Through a mixture of talent, determination and energy, the Board and management team of our Company have instead laid the foundations of what could become a leading international participant in the interactive television industry. It was this that impressed me so much in the Autumn of 2001 and prompted me to invest in, and become part of, the Company.

At that time, together with the Board, I identified a number of short-term objectives; all of these have been achieved within the timescale that we set for ourselves. Briefly they were:

1. To augment and strengthen the Company's top-level management team.

   This has been achieved with three key appointments: Andrew Fearon as Chief Operating Officer, Charles Golding as Editorial and Content Director, and Suzie Cameron as Sales and Marketing Director. Each comes with a wealth of experience in media and interactive television.

2. To bring to a conclusion the potential litigation involving the Company's former Chief Executive, Steve Laitman.

   This was clearly a drain on cash and management time. Significant legal costs had been incurred in 2001 and there was every prospect of these continuing indefinitely. The Board reached an agreement with Steve Laitman, which was approved by the High Court in February 2002, resulting in Steve Laitman's shareholding in the Company being distributed to shareholders.

3. To initiate a comprehensive re-branding exercise.

   This has been successfully completed and, at an EGM in April 2002, the Company's name was changed to YooMedia plc. This new name not only marks a symbolic separation from the past but more accurately reflects the Company's business going forward.

4. To deliver a comprehensive presentation of the Company's business and prospects to shareholders.

   This was done at the Company's EGM in April 2002.

YooMedia is a people business made up of an impressive collection of individuals with talent and technological expertise in the interactive television arena. This enables YooMedia to "punch above its weight" in this new and growing sector, a sector in which the UK is a world leader. As a result, in March 2002, against tough and impressive competition from much larger international organisations, the Company won and signed an agreement with Sky to provide its wholly-owned channels with a comprehensive enhanced TV chat solution. This chat service has since launched successfully on Sky News with further channels to follow. Demand from other broadcasters and from network operators is strong. Development of YooMedia's second generation chat service for digital cable TV is on schedule to be launched within the next few months.

YooMedia has also made great progress in delivering on its premium games strategy. A new pay per play and subscription-based games portal will be launched on UK digital cable in the next few months. In support of this launch, the Company has signed exclusive licensing agreements to distribute some of the most interesting and successful interactive TV games. These include Tetris, one of the world's all-time best selling video games.

The rapid development of interactive television has been mirrored by the growth of digital interactive services delivered through mobile telephony. The Company recognises the strength of those offerings, which provide users with valuable functionality both at home and on the move. In May 2002 YooMedia announced that it had acquired the worldwide rights to market and distribute a recently patented technology that allows for the delivery of interactive services via mobile phone and other wireless devices, synchronised with broadcast media such as TV and radio. The technology enables viewers to interact with programmes such as quiz and sports shows without the requirement for a digital TV set top box. It also means that every member of a family in the home, or indeed any number of people in a social venue such as a pub or sports stadium, can participate in interactive TV and radio programmes using nothing more than a mobile phone.

Over the last 18 months YooMedia's human and financial resources have been devoted to achieving the successes outlined above. In effect, in its new form YooMedia is barely 15 months old. Now that these efforts are bearing fruit through the deployment of our services by broadcasters and network operators, we can confidently expect revenue to accrue to our Company. However, as in all businesses at an early stage of growth, particularly those associated with new technologies, generating accurate forecasts of quantum and timing of revenues is extremely difficult. I would hope, however, to be in a position to report on these matters more confidently later this year. I would say, though, that when examining financial research and analyst reports on major international broadcast networks it is notable that revenues from interactive and enhanced TV applications feature prominently. YooMedia is positioned remarkably well to play a key part in fulfilling this strategy (with over £5.5 million in cash at 31 May 2002 the Board believes the Company has sufficient cash reserves to see it through to the point where we are generating solid revenues).

Legal Proceedings

I have referred above to the settlement which was approved by the High Court with the Company's former chief executive and the distribution of his shareholding to shareholders. The Company continues to co-operate with the authorities in their ongoing investigation into the matter of financial irregularities discovered in February 2001. However, this no longer represents any significant drain upon its resources or management time. In addition, the Board has instigated discussions with lawyers acting on behalf of certain minority shareholders to explore ways in which our Company could collaborate with them in achieving some form of compensation for their clients from third parties. This could potentially result in the Company incurring additional costs. We are hopeful that these amicable and productive discussions will shortly reach a point where an announcement can be made.

I have in this statement placed a great deal of emphasis on the talented team that constitutes YooMedia. In my experience it is rare to find an organisation which survives through such difficult times and emerges in robust shape. It is also rare for a Company to successfully combine technological and commercial skills. YooMedia has achieved both of these things. It would be unrealistic to expect the market capitalisation of our Company to reflect these strengths or achievements until such time as they deliver revenues and earnings. I very much look forward to the day, though, when we can report such revenues and earnings in detail.

It is usual at this stage of this type of communication to thank members of staff. On this occasion however, it is we who wish to thank you, our shareholders, for your support and encouragement. I know that I speak for all my colleagues when I say how deeply we have been touched by the many expressions of goodwill and encouragement that we have received over the last few months.

Michael Sinclair
Executive Chairman and Chief Executive
26 June 2002

Operating and Financial Review

Operating Results

The operating loss for the year was £4.5m. The majority of the loss arises through the costs of developing the technology, recruitment and remuneration of management and staff, premises costs and the legal and professional costs associated with the proceedings against Steve Laitman.

Balance Sheet

Shareholders' funds totalled £8.8m at the year end.

Creditors at 31 December were £0.4m, a decrease of £0.6m.

Liquidity

During the year £4.8m was absorbed by operations.

Cash balances at the year end were £8m. The current monthly cash burn rate (excluding exceptional expenditure) is approximately £0.4m.

Taxation

The Company made a trading loss for the year and no taxation charge arises. The trading losses incurred are available for relief against future profits but in accordance with the Company's policy this potential deferred tax asset has not been recognised.

Treasury Policy

The Company's policy with regard to cash balances is to monitor short and medium-term interest rates and to place cash on deposit for periods that optimise interest earned while maintaining access to sufficient funds to meet day-to-day cash requirements.

Going Concern

After making appropriate enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Board is not aware of any significant litigation against the Company which might arise, and be successful, in respect of the matters referred to in the Chairman's Statement. For this reason, they continue to adopt the going concern basis in preparing the Company's financial statements.

Litigation

Between November 1999 and February 2001 £980,615 was received into the Company's bank accounts and recorded as being received from sales agencies when in fact it was received from Steve Laitman. The Company commenced legal proceedings against Steve Laitman but it became clear in February 2002 that Steve Laitman had limited remaining assets and that the legal costs that would be incurred in bringing the matter to a conclusion could exceed the amount of damages ultimately recoverable. Accordingly, the Company reached an agreement with Steve Laitman on 7 February 2002 that his entire shareholding in the Company (approximately 11% of the shares in issue) would be utilised directly for the benefit of the Company's minority shareholders in return for the Company not pursuing further action. The £980,615 has been released to the profit and loss account in 2001 as other operating income.

Frank Lewis
Deputy Chairman, Finance Director and Company Secretary
26 June 2002

Directors Report

The directors present their report and financial statements for the year ended 31 December 2001.

Change of Name

The Company changed its name to YooMedia plc from e-district.net plc on 5 April 2002.

Principal Activity

The principal activity of the Company is the provision of enhanced chat, messages and games for interactive TV.

Review of Business and Future Developments

A review of the business, its results and future direction is included in the Chairman's Statement on pages 1 and 2, and the Operating and Financial Review on page 3.

Results and Dividends

The profit and loss account for the year is set out on page 11.

The directors do not recommend the payment of a dividend.

Directors and Their Interests

The directors who held office during the year are given below:

Executive Directors

Michael Sinclair (appointed 13 November 2001)
Frank Lewis
Eddie Abrams

In addition to the above, Steve Laitman served as a director until 26 February 2001 when he was dismissed by the Company.

Andrew Fearon was appointed as a director on 28 January 2002.

Non-Executive Directors

Bernard Fairman
Richard Blake Senior Independent Director

The interests of directors in the shares of the Company at 31 December 2001 are disclosed in the Report of the Remuneration Committee on pages 7 to 8.

Substantial Shareholdings

At 5 June 2002 the Company had been notified of the following shareholders who are interested, directly or indirectly, in three per cent or more of the issued share capital of the Company:

	Number of ordinary 10p shares	Percentage of issued ordinary share capital
Michael Sinclair	22,950,660	29.9%
Foresight Technology VCT plc	14,245,954	18.6%
Swiftventure Limited *	8,329,100	10.9%
Frank Lewis	4,249,550	5.5%
Stanlife Nominees Limited	4,961,710	6.5%
Clearsearch Ltd	2,326,640	3%

No other person has notified any interests in the ordinary shares of the Company required to be disclosed to the Company in accordance with sections 198 to 208 of the Companies Act 1985.

* Shares held on trust for a number of beneficiaries including Frank Lewis.

Political and Charitable Contributions

The Company made no political or charitable contributions during the year.

Creditor Payment Policy and Practice

It is the Company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Company and its suppliers, provided that all trading terms and conditions have been complied with. At 31 December 2001 the Company had an average of 14 days' purchases outstanding in trade creditors.

Employee Involvement and Disabled Employees

Employees of the Company are regularly consulted by management and kept informed of matters affecting them and the overall development of the Company. The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the Company's policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Events Since the Balance Sheet Date

Details of events since the balance sheet date are set out in the Chairman's Statement on pages 1 and 2.

Auditors

PricewaterhouseCoopers resigned as auditors on 10 October 2001 and Ernst and Young LLP were appointed in their place. A resolution to reappoint Ernst and Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board

Frank Lewis
Deputy Chairman, Finance Director and Company Secretary
26 June 2002

Corporate Governance

Introduction

The Board of Directors is accountable to the Company's shareholders for good corporate governance and the directors support the Combined Code published in June 1998. However, being a small Company with limited resources, the directors have applied the Code in a manner appropriate for the size of business. In accordance with the Code, this section is split into two parts. The first part sets out how the Company has applied the principles and the second part deals with compliance with the provisions of the Code during the accounting period.

PRINCIPLES OF THE COMBINED CODE

The Board

The Board comprises the Executive Chairman and Chief Executive; the Deputy Chairman, Finance Director and Company Secretary; the Chief Operating Officer; the Business Development Director; and two Non-executive Directors. Both Non-executive directors are independent of management. However, one Non-executive Director is associated with a major shareholder.

Non-executive directors are appointed on a contract with a three-month notice period. The executive directors are appointed on contracts with a twelve month notice period. All directors are subject to re-election. Each year, one-third of the directors are subject to re-election. Directors appointed during the year are subject to re-election by the shareholders at the first opportunity after their appointment.

The Board has a formal schedule of matters specifically reserved to it for decision. All directors have access to the advice and services of the Company Secretary, Frank Lewis, who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The appointment and removal of the Company Secretary is a decision for the Board as a whole. If required, the directors are entitled to take independent advice and if the Board is informed in advance the cost of the advice will be reimbursed by the Company.

Board meetings are scheduled to take place at least monthly, with additional meetings to review and approve significant transactions. During 2001, 14 meetings were held. The main items reserved for the Board include setting and monitoring strategy, funding requirements, major capital expenditure, business acquisitions and disposals, and reviewing the financial results. In addition, approval of the annual budget and the quarterly update of forecasts is performed by the Board. To enable the Board to discharge its duty, all directors are provided with extensive Board papers, usually the week before each Board meeting.

The following committees deal with specific aspects of the Company's affairs:

Remuneration Committee

The Remuneration Committee, the report of which is on pages 7 and 8, is comprised of both non-executive directors, Bernard Fairman (Chairman) and Richard Blake. It is responsible for the terms and conditions and remuneration of the executive directors and senior management. The Remuneration Committee may consult external agencies when ascertaining market salaries. The Chairman of the Remuneration Committee will be available at the AGM to answer any shareholder questions.

Audit Committee

The Audit Committee is comprised of two non-executive directors: Richard Blake (Chairman) and Bernard Fairman. The Audit Committee has written terms of reference and meets at least twice during the year. The Audit Committee is responsible for reviewing a wide range of matters, including the half year and annual financial statements before their submission to the Board, and for monitoring the controls which are in force to ensure the integrity of the information reported to the shareholders. The Audit Committee advises the Board on the appointment of external auditors and on their remuneration, for both audit work and non-audit work, and discusses the nature, scope and results of the audit with external auditors. The Audit Committee keeps under review the cost effectiveness, independence and objectivity of the external auditors.

Internal Control

The Board acknowledges its responsibility for the Company's system of internal control and for reviewing its effectiveness. The system is designed to manage rather than eliminate the risk of failure to achieve the Company's strategic objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

An ongoing process, in accordance with the guidance of the Turnbull Committee on internal control, has been established for identifying, evaluating and managing the significant risks faced by the Company. The process has been in place for the full year under review and up to the date of approval of the annual report and financial statements. The Board regularly reviews the process.

The key elements of the risk management processes and system of internal control procedures include:

- a clear organisational structure and lines of responsibility;
- the identification through annual reporting procedures of major financial, commercial, legal, and operational risks;
- the operation of a comprehensive budgeting and financial reporting system and the comparison of actual results against budget;
- the quarterly update of budgets and performance targets and outlook, which is reviewed by the Board; and
- the authorisation and monitoring of investment policy, acquisition and disposal proposals, and major capital expenditure.

The key processes used by the Board to review the effectiveness of the system of internal controls include the following:

- the review of the results of the annual risk assessment;

- review of the actual results against budget and results of the investigation of material differences for the year; and
- the review of issues raised by the external auditors.

Following the discovery of the fraud in February 2001, and in recognition of the level of income the Company has for the year under review, the Company has strengthened the controls by introducing a new sales system and independently verifying premium line income directly with its main telephony provider companies.

STATEMENT BY THE DIRECTORS ON COMPLIANCE WITH THE PROVISIONS OF THE COMBINED CODE

The Company believes it has complied with the provisions of the Combined Code throughout the year ended 31 December 2001, apart from those mentioned below.

Nomination Committee

The Nomination Committee comprises all the Board members.

Non-Executive Directors and Audit Committee

The Company has two non-executive directors and will be looking to appoint a third in the foreseeable future. Consequently, the Audit Committee does not comprise three non-executive directors.

Chairman and Chief Executive

During the year, the Company decided to restructure the Board. Michael Sinclair holds the position of Executive Chairman and Chief Executive. Although this is contrary to provision A.2.1 of the Combined Code, the Company considers that it is appropriate given the stage of development of the Company and that the Board has a clear division of responsibility which ensures a balance of power and authority such that no one individual has unfettered powers of decision. The Company will split the roles of Chairman and Chief Executive when it is appropriate.

Internal Audit

The Audit Committee, on behalf of the Board, has considered the need for an internal audit function in light of the nature and size of the business and concluded that an internal audit function is not appropriate at present but it will continue to keep this area under review.

Report of the Remuneration Committee

The Remuneration Committee consists of the non-executive directors, Bernard Fairman and Richard Blake.

The Remuneration Committee decides the remuneration policy that applies to executive directors and senior management. The Remuneration Committee meets as necessary in order to consider and set the annual remuneration for executive directors, having regard to personal performance and industry remuneration rates. In determining that policy it considers a number of factors including:

(a) the basic salaries and benefits available to executive directors and senior management of comparable companies;

(b) the need to attract and retain directors and others of an appropriate calibre; and

(c) the need to ensure all executives' commitment to the success of the Company.

Non-executive directors are appointed on contracts with a three-month notice period and may be awarded fees as determined by the Board. Non-executive directors do not participate in the Company's share option schemes.

Executive directors are appointed on contracts with a twelve-month notice period.

Directors' Remuneration

The following table summarises the remuneration receivable by the directors for the year to 31 December 2001.

	Salary, fees and bonuses £	Sums paid to a third party for directors' services £	**2001 Total £**	2000 Total £
Executive				
Michael Sinclair	–	–	**–**	–
Steve Laitman	21,275	–	**21,275**	121,887
Frank Lewis	128,145	–	**128,145**	121,260
Eddie Abrams	95,852	–	**95,852**	98,209
Non-Executive				
Bernard Fairman	–	15,000	**15,000**	14,167
Richard Blake	23,670	–	**23,670**	12,500
	268,942	15,000	**283,942**	368,023

Directors' Interests

The interests of the directors in the shares of the Company at 31 December 2001 were as follows:

	Number of ordinary shares of 10p each **2001**	2000
Michael Sinclair	**22,950,660**	–
Frank Lewis	**12,566,150**[1]	12,566,150
Eddie Abrams	**–**	–
Bernard Fairman	**8,974**[2]	8,974
Richard Blake	**5,128**	5,128

[1] Of this total, 8,329,100 ordinary shares are held by Swiftventure Limited on trust for a number of beneficiaries, including Frank Lewis.

[2] These shares are held through a pension fund for the benefit of Bernard Fairman.

Report of the Remuneration Committee

continued

Under the terms of the Unapproved Executive Share Option Scheme, the directors at 31 December 2001 have an interest in options over ordinary shares of 10p each of the Company as follows:

	Number of options						
	1 January 2001	Granted in the year	Exercised in the year	**31 December 2001**	Exercise price	Date from which exerciseable	Expiry Date
Michael Sinclair	–	–	–	–	–	–	–
Frank Lewis	–	–	–	–	–	–	–
Eddie Abrams	1,043,400	–	–	**1,043,400**	10p	1/4/2001	28/1/2010
Bernard Fairman	–	–	–	–	–	–	–
Richard Blake	–	–	–	–	–	–	–

The market price of the Company's shares at the end of the financial year was £0.07 and the range of the market prices during the year was between £1.00 and £0.07.

Statement of Directors' Responsibilities in respect of the Financial Statements

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; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and 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.

Following the discovery of accounting irregularities on 19 February 2001, a comprehensive investigation of revenues and costs and balances was carried out and appropriate adjustments were made to correct the underlying accounting records. As a result of the matters referred to above, proper accounting records were not maintained at all times up to 19 February 2001 or in the prior year.

Auditors' Report to the Shareholders of YooMedia plc

We have audited the Company's financial statements for the year ended 31 December 2001, which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, Cash Flow Statement, and the related notes 1 to 28. These financial statements have been prepared on the basis of the accounting policies set out therein.

Respective Responsibilities of Directors and Auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, 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 financial statements. This other information comprises the Directors' Report, Chairman's Statement, Operating and Financial Review and Corporate Governance Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. 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 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 of the state of affairs of the Company as at 31 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

As stated in the Statement of Directors' Responsibilities on page 9, following the discovery of accounting irregularities on 19 February 2001, a comprehensive investigation of revenues and costs and balances was undertaken to correct the underlying accounting records.

As a result of the matter referred to above, in our opinion proper accounting records were not adequately kept at all times throughout the financial year or prior year so as to comply in all respects with section 221 of the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London
26 June 2002

Profit and loss account

for the year ended 31 December 2001

	Note	**Year ended 31 December 2001 £**	Year ended 31 December 2000 £
Turnover	2	**15,200**	39,703
Cost of sales		**(526,907)**	(252,979)
Gross loss		**(511,707)**	(213,276)
Administrative expenses	3	**(4,971,119)**	(2,626,130)
Other operating income	4	**980,615**	–
Operating loss	5	**(4,502,211)**	(2,839,406)
Interest receivable and similar income	8	**519,330**	646,553
Loss on ordinary activities before taxation		**(3,982,881)**	(2,192,853)
Tax on loss on ordinary activities	9	**-**	–
Loss for the financial year	19	**(3,982,881)**	(2,192,853)
Loss per 10p share		**-**	–
– basic and diluted	10	**(5.19p)**	(2.9p)

The above results are derived entirely from continuing operations.

There is no difference between the loss on ordinary activities before taxation and the loss for the financial years stated above and their historical cost equivalents.

Statement of total recognised gains and losses

for the year ended 31 December 2001

	Note	**Year ended 31 December 2001 £**	Year ended 31 December 2000 £
For the year ended 31 December			
Loss for the year		**(3,982,881)**	(2,192,853)
Total recognised loss for the year		**(3,982,881)**	(2,192,853)
Prior year adjustment	11	-	(444,656)
Total losses recognised since last annual report		**(3,982,881)**	(2,637,509)

Balance Sheet

as at 31 December 2001

	Note	2001 £	2000 £
Fixed assets			
Intangible assets	12	**4,840**	33,829
Tangible assets	13	**733,320**	828,472
		738,160	862,301
Current assets			
Debtors	14	**473,148**	440,713
Cash at bank and in hand		**8,031,776**	12,598,041
		8,504,924	13,038,754
Creditors – Amounts falling due within one year	15	**(438,381)**	(1,062,253)
Net current assets		**8,066,543**	11,976,501
Total assets less current liabilities		**8,804,703**	12,838,802
Provision for liabilities and charges	17	**–**	(94,016)
Net assets		**8,804,703**	12,744,786
Capital and reserves			
Called up share capital	18	**7,675,807**	7,675,807
Share premium account	19	**7,033,171**	7,033,171
Capital redemption reserve	19	**455,331**	455,331
Profit and loss account	19	**(6,359,606)**	(2,419,523)
Equity shareholders' funds	21	**8,804,703**	12,744,786

Michael Sinclair
Executive Chairman and Chief Executive

Frank Lewis
Deputy Chairman, Finance Director and Company Secretary

26 June 2002

Cash flow statement

for the year ended 31 December 2001

	Note	Year ended 31 December 2001 £	Year ended 31 December 2000 £
Net cash outflow from operating activities	23	**(4,823,938)**	(1,868,265)
Returns on investments and servicing of finance			
Interest received		**526,588**	617,774
Net cash inflow from returns on investments and servicing of finance		**526,588**	617,774
Taxation		**-**	(20,682)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		**(268,915)**	(914,440)
Net cash outflow from capital expenditure and financial investment		**(268,915)**	(914,440)
Net cash outflow before management of liquid resources and financing		**(4,566,265)**	(2,185,613)
Management of liquid resources			
Decrease/(increase) in short-term deposits with banks	25	**4,522,006**	(12,474,309)
Financing			
Issue of ordinary share capital		**-**	16,446,547
Expenses of share issue		**-**	(1,738,733)
Repayment of loan		**-**	(14,044)
Net cash inflow from financing		**-**	14,693,770
(Decrease)/increase in cash in the year	24	**(44,259)**	33,848

1 ACCOUNTING POLICIES

These financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Goodwill

Goodwill arises on the excess of the consideration over the fair value of the identifiable assets acquired. Goodwill is amortised through the profit and loss account over its useful economic life.

Depreciation

Depreciation is calculated so as to write off the cost of fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Computer equipment	33%
Office equipment	33%
Fixtures and fittings	33%
Short-leasehold improvements	20%

Deferred taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

FRS 19, Deferred Taxation, was issued on 7 December 2000 and is mandatory for years ending on or after 23 January 2002. The group has decided to adopt FRS 19 early.

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, or a right to pay less tax in the future have occurred at the balance sheet date, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

Turnover

Turnover, which excludes value added tax, comprises mainly revenues from the sales of mobile ring tones through a revenue-sharing agreement (2000 – advertising revenues generated under several agency arrangements).

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences on retranslation of assets and liabilities are taken to the profit and loss account in the year in which they arise.

Operating leases

Rentals payable in respect of operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Development expenditure

Development expenditure is written off in the profit and loss account as incurred.

Financial instruments

The Company's financial instruments comprise cash and liquid resources together with debtors and creditors that arise directly from its operations.

The Company does not enter into derivative or hedging transactions. It has been, throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken. The Company does not have any committed borrowing facilities because the cash balances held are adequate to fund its current activities. The Company places the majority of its cash on short-term deposit. The Company's objective is to minimise the risk of loss to the Company by limiting the Company's credit exposure to quality institutions maintaining a very high credit rating. The main risk arising from the Company's financial instruments is interest rate risk. Numerical disclosures relating to this risk are given in note 16 to the financial statements.

The Company's policy in relation to interest rate risk is to monitor short and medium-term interest rates and to place cash on deposit for periods that optimise the amount of interest earned while maintaining access to sufficient funds to meet day to day cash requirements.

Movements in the exchange rates can affect the Company's balance sheet. The magnitude of this risk is not currently significant to the Company and therefore no specific measures are currently undertaken to manage the risk.

Related party disclosures

FRS 8, Related Party Disclosures, requires the disclosure of the details of material transactions between the reporting entity and any related parties. These are set out in note 26.

Share options issued to employees

Under Urgent Issue Task Force statement 17 (UITF 17), the Company is required to recognise as a charge in the profit and loss account the amount by which the fair market value of any share options issued to employees exceeds their respective exercise prices at the date of grant. These costs are recognised over the vesting period. The charge is notional in that there is no underlying cash flow or other financial liability associated with the charge, nor does it give rise to a reduction in net assets or shareholders' funds. In addition there is no impact on distributable profits.

As a result of the grant of share options under unapproved schemes since 6 April 1999, the Company will be obliged to pay National Insurance contributions on the difference between the market value of the underlying shares and their exercise price when the options are exercised.

The liability is calculated on the difference between the exercise price and the market value at the date the options are exercised. The liability is recalculated by reference to the market value at each balance sheet date and the charge is recognised over the performance period.

Going concern

The financial statements have been prepared on a going concern basis, the validity of which depends on the lack of any significant, and successful, litigation against the Company which might arise in respect of the matters referred to in the Chairman's statement. The Board is not aware of any such litigation.

2 SEGMENTAL REPORTING

The Company's turnover and loss on ordinary activities before taxation are derived entirely from its principal activity which arose mainly in the United Kingdom.

3 ADMINISTRATIVE EXPENSES

Included within Administrative expenses is an exceptional charge of £1,038,692 relating to legal and professional fees arising as a result of the investigation into the financial irregularities as described in the Chairman's Statement.

4 OTHER OPERATING INCOME

Other operating income comprises an exceptional credit of £980,615 relating to monies received from a bank account linked to Steve Laitman. Of this amount, £558,226 had been received as at 31 December 2000 and was recorded as exceptional receipts within creditors (note 15) in the 2000 financial statements.

5 OPERATING LOSS

		Year ended 31 December 2001 £	Year ended 31 December 2000 £
Depreciation of owned assets		**364,067**	180,884
Amortisation of goodwill		**28,989**	28,989
Auditors' remuneration	–audit services		
	to Ernst & Young LLP	**37,000**	–
	to PricewaterhouseCoopers	**–**	55,000
	–non-audit services		
	to Ernst & Young LLP	**97,124**	–
	to PricewaterhouseCoopers	**307,731**	101,613
Operating lease charges–land and buildings		**139,000**	123,460

6 DIRECTORS' EMOLUMENTS

	Year ended 31 December 2001 £	Year ended 31 December 2000 £
Aggregate emoluments	**268,942**	353,856
Sums paid to Foresight Technology VCT plc for services of Bernard Fairman	**15,000**	14,167

No retirement benefits are accruing to any directors.

Emoluments payable to the highest paid director are as follows:

	Year ended 31 December 2001 £	Year ended 31 December 2000 £
Aggregate emoluments	**128,145**	121,887

7 STAFF COSTS AND EMPLOYEE INFORMATION

	Year ended 31 December 2001 £	Year ended 31 December 2000 £
Wages and salaries	**1,390,527**	1,054,416
Social security costs (including NIC on share options)	**46,598**	207,026
Other pension costs	**3,365**	–
Staff costs	**1,440,490**	1,261,442

The monthly average number of persons (including executive directors) employed by the Company during the year was:

By activity	Year ended 31 December 2001 Number	Year ended 31 December 2000 Number
Office and management	**14**	13
Platform and development	**16**	9
Sales and marketing	**7**	4
	37	26

8 INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31 December 2001 £	Year ended 31 December 2000 £
Bank interest receivable	519,330	646,553

9 TAX ON LOSS ON ORDINARY ACTIVITIES

There is no taxation charge in the year (2000 – £nil).

The tax assessed on the loss on ordinary activities for the year differs from the standard rate of tax of 20%.
The differences are reconciled below:

	Year ended 31 December 2001 £	Year ended 31 December 2000 £
Loss on ordinary activities before taxation	**3,982,881**	2,192,853
Loss on ordinary activities multiplied by 20%	**(796,576)**	(438,571)
Effect of expenses not deductible for tax purposes	**190,074**	41,557
Losses not recognised	**606,502**	397,014
Current year tax charge	**–**	–

10 LOSS PER SHARE

The basic loss per share has been calculated by dividing the net loss for the year by the weighted average number of 76,758,071 shares in issue during the year (year ended 31 December 2000 – 76,056,035). The Company had no dilutive potential ordinary shares in either of the years, and therefore there is no difference between the loss per ordinary share and the diluted loss per ordinary share.

11 PRIOR YEAR ADJUSTMENT

The prior year adjustment was a restatement of the opening reserves figure in the financial statements for the year ended 31 December 2000 as a result of the financial irregularities discussed in the Chairman's Statement.

12 INTANGIBLE ASSETS

	Goodwill £
Cost	
At 1 January 2001 and 31 December 2001	**86,976**
Accumulated amortisation	
At 1 January 2001	53,147
Provided during the year	28,989
At 31 December 2001	**82,136**
Net book value	
At 31 December 2001	**4,840**
At 31 December 2000	33,829

Goodwill is amortised through the profit and loss account over its useful economic life, which the directors consider to be three years.

13 TANGIBLE FIXED ASSETS

	Short-leasehold improvements £	Computer equipment £	Office equipment £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 January 2001	11,552	338,030	285,908	407,987	1,043,477
Additions	–	200,376	63,793	4,746	268,915
At 31 December 2001	**11,552**	**538,406**	**349,701**	**412,733**	**1,312,392**
Depreciation					
At 1 January 2001	1,155	101,050	58,568	54,232	215,005
Provided during the year	2,310	150,875	109,676	101,206	364,067
At 31 December 2001	**3,465**	**251,925**	**168,244**	**155,438**	**579,072**
Net book value					
At 31 December 2001	**8,087**	**286,481**	**181,457**	**257,295**	**733,320**
Net book value					
At 31 December 2000	10,397	236,980	227,340	353,755	828,472

14 DEBTORS

	Year ended 31 December 2001 £	Year ended 31 December 2000 £
Amounts falling due within one year		
Trade debtors	**5,591**	22,951
Other debtors	**362,420**	327,439
Prepayments	**84,455**	69,641
Corporation tax recoverable	**20,682**	20,682
	473,148	440,713

15 CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	Year ended 31 December 2001 £	Year ended 31 December 2000 £
Trade creditors	**171,809**	86,817
Other taxation and social security	**38,591**	49,494
Other creditors	**4,522**	51,608
Accruals and deferred income	**223,459**	316,108
Exceptional receipts	–	558,226
	438,381	1,062,253

Exceptional receipts

A substantial proportion of the monies received by the Company's bankers and recorded in the Company's records as being received from sales agencies in 1999 and 2000 were in fact received from bank accounts linked to Steve Laitman. These receipts were recorded as exceptional receipts as at 31 December 2000 pending the outcome of legal action. As described in the Chairman's Statement, due to the settlement reached with Steve Laitman, these monies have been taken to the profit and loss account as an exceptional credit within other operating income (note 4).

16 FINANCIAL INSTRUMENTS

Details of the Company's objectives with respect to financial instruments are given in note 1 to the financial statements. There have been no significant changes in these objectives from the prior year and before the approval of the financial statements. The numerical disclosures in this note deal with the financial assets and liabilities defined in FRS13 as financial instruments.

Short-term debtors and creditors

Short-term debtors and creditors have been excluded from the disclosures. In the opinion of the directors, they contain no material financial risks for the Company. There are no creditors due after more than one year.

Interest rate risk profile of financial assets

		2001			2000	
	Floating rate £	**Fixed rate £**	**Total £**	Floating rate £	Fixed rate £	Total £
Sterling	**5,262,583**	**2,900,000**	**8,162,583**	5,329,044	7,400,000	12,729,044
US dollars	**4,024**	**-**	**4,024**	3,828	–	3,828
	5,266,607	**2,900,000**	**8,166,607**	5,332,872	7,400,000	12,732,872
Of which:						
Cash at bank and in hand	**79,473**	**–**	**79,473**	123,732	–	123,732
Short-term bank deposits	**5,052,303**	**2,900,000**	**7,952,303**	5,074,309	7,400,000	12,474,309
Other debtors (rent deposit)	**134,831**	**–**	**134,831**	134,831	–	134,831
	5,266,607	**2,900,000**	**8,166,607**	5,332,872	7,400,000	12,732,872

Floating rate cash and rent deposits earn interest at prevailing bank rates.

Floating rate short-term deposits earn interest at 10 basis points below the prevailing bank rate.

The fixed rate short-term deposits in sterling are placed with banks for periods of up to two weeks. Contracts in place at 31 December 2001 had a weighted average annualised rate of interest of 3.5% (2000 – 5.43%) and a weighted average period for which the rate is fixed of seven days (2000 – 14 days).

The directors are of the opinion that there is negligible exchange rate risk.

Fair value

The directors consider that the fair values of the financial instruments of YooMedia plc are not significantly different from their book value.

17 PROVISION FOR LIABILITIES AND CHARGES

	Employers' National Insurance on share options £
At 1 January 2001	94,016
Transfer to the profit and loss account	(94,016)
At 31 December 2001	-

Employers' National Insurance on share options

On exercise of share options issued after 5 April 1999, under an unapproved executive option scheme, the Company is required to pay National Insurance on the difference between the exercise price and market value at the exercise date of the shares issued. The Company will become unconditionally liable to pay the National Insurance upon exercise of the options, which are exercisable over a period of 10 years from date of grant. The Company therefore makes a provision following the grant of options as opposed to on vesting or on exercise. The amount of National Insurance payable will depend on the number of employees who remain with the Company and exercise their options, the market price of the Company's ordinary shares at the time of exercise, and the prevailing National Insurance rates at that time. The provision at 31 December 2001 has been released to the profit and loss account during the year as the share price at 31 December 2001 was 7 pence, which was below the option exercise price of 10 pence.

Deferred taxation

Deferred taxation provided in the financial statements is £nil (2000 – £nil) and the amounts not provided are as follows:

	Year ended 31 December 2001 £	Year ended 31 December 2000 £
Losses	**(1,057,544)**	(451,041)

The deferred tax asset has not been recognised on the grounds that there is insufficient evidence at the balance sheet date that it will be recoverable. The asset would start to become potentially recoverable if and to the extent the Company was to become profitable.

18 SHARE CAPITAL

	Year ended 31 December 2001 £	Year ended 31 December 2000 £
Authorised		
100,000,000 ordinary shares of 10p each	**10,000,000**	10,000,000
Allotted, called up and fully paid		
76,758,071 ordinary shares of 10p each	**7,675,807**	7,675,807

19 RESERVES

	Capital redemption reserve £	Share premium account £	Profit and loss account £
At 1 January 2001	455,331	7,033,171	(2,419,523)
UITF 17 credit	–	–	42,798
Loss for the financial year	–	–	(3,982,881)
At 31 December 2001	**455,331**	**7,033,171**	**(6,359,606)**

20 Share options

The Company has an approved and an unapproved executive option scheme. The unapproved executive option scheme relates to options granted to certain directors and senior management. The approved option scheme is an Inland Revenue-approved scheme available to eligible directors and employees. The total number of options outstanding over ordinary shares of 10p each that had been granted at 31 December 2001 and had not lapsed since were as follows:

Number of shares	Exercise price	Grant date	Date from which exercisable	Expiry date
1,043,400	10p	28 January 2000	1 April 2001	28 January 2010
78,649	68p	20 June 2000	20 June 2003	20 June 2010

Options over 195,990 ordinary shares of 10p at an exercise price of 10p each lapsed in February 2001 as a result of an employee leaving the Company.

Options over 92,187 ordinary shares of 10p at an exercise price of 68p each lapsed in February 2001 as a result of employees leaving the Company.

21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Year ended 31 December 2001 £	Year ended 31 December 2000 £
Loss for the year	**(3,982,881)**	(2,192,853)
Proceeds of ordinary shares issued	**–**	16,446,547
Expenses of share issue	**–**	(1,738,733)
UITF 17 credit	**42,798**	156,928
Repurchase of deferred shares	**–**	(1)
Net (reduction in)/addition to shareholders' funds	**(3,940,083)**	12,671,888
Opening shareholders' funds	**12,744,786**	72,898
Closing shareholders' funds	**8,804,703**	12,744,786

22 FINANCIAL COMMITMENTS

At 31 December 2001 the Company had annual commitments under non-cancellable operating leases expiring as follows:

	Land and Buildings 2001 £	Land and Buildings 2000 £
Within two to five years	**139,000**	139,000

23 NET CASH OUTFLOW FROM OPERATING ACTIVITIES

Reconciliation of operating loss to net cash outflow from operating activities:

	Year ended 31 December 2001 £	Year ended 31 December 2000 £
Continuing operations		
Operating loss	**(4,502,211)**	(2,839,406)
Depreciation charge	**364,067**	180,884
Amortisation of goodwill	**28,989**	28,989
UITF 17 charge	**42,798**	156,928
UITF 25 provision for National Insurance on share options	**(94,016)**	94,016
Increase in debtors	**(39,692)**	(341,672)
(Decrease)/increase in creditors	**(623,873)**	851,996
Net cash outflow from continuing operations	**(4,823,938)**	(1,868,265)

24 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	Year ended 31 December 2001 £	Year ended 31 December 2000 £
(Decrease)/increase in cash in the year	**(44,259)**	33,848
Movement in deposits	**(4,522,006)**	12,474,309
Borrowings	**–**	14,044
Movement in net funds in the year	**(4,566,265)**	12,522,201
Net funds at beginning of the year	**12,598,041**	75,840
Net funds at end of the year	**8,031,776**	12,598,041

25 ANALYSIS OF NET FUNDS

	At 1 Jan 2001 £	Cash flow £	**At 31 Dec 2001 £**
Cash at bank and in hand	123,732	(44,259)	**79,473**
Liquid resources	12,474,309	(4,522,006)	**7,952,303**
Total	12,598,041	(4,566,265)	**8,031,776**

Liquid resources comprise short-term deposits with banks.

26 RELATED PARTY TRANSACTIONS

The Company reached an agreement with Steve Laitman, the former Chief Executive on 7 February 2002 that his entire shareholding in the Company (approximately 11% of shares in issue) would be utilised directly for the benefit of the Company's minority shareholders in return for the Company not pursuing further action.

27 POST-BALANCE SHEET EVENTS

Details of post-balance sheet events are set out within the Chairman's Statement on page 1.

28 CONTINGENT LIABILITIES

As discussed more fully in the Chairman's statement on page 2 the Company continues to co-operate with the authorities in their ongoing investigation into the matter of financial irregularities discovered in February 2001.

The Company has not received any legal claims regarding those irregularities and the Company does not believe that there are any further allegations relating to the financial irregularities that could result in significant claims. However, in the unlikely event that claims are made, and to the extent that they are successful, they could have an impact on the financial resources of the Company.

The Board has instigated discussions with lawyers acting on behalf of certain minority shareholders to explore ways in which our Company could collaborate with them in achieving some form of compensation for their clients from third parties. This could potentially result in the Company incurring additional costs.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of YooMedia plc will be held at The Presentation Room, Globix Limited, Prospect House, 80-100 New Oxford Street, London WC1A 1HB on 9 August 2002 at 10.30 a.m. for the transaction of the following business:

As Ordinary Business to consider and, if thought fit, to pass the following resolutions which will be proposed as Ordinary Resolutions:

1. To receive and adopt the report of the Directors of the Company and the audited financial statements of the Company for the year ended 31 December, 2001.

2. To reappoint Dr Michael Jeffrey Sinclair as a Director of the Company, who retires in accordance with Article 82 of the Company's Articles of Association.

3. To reappoint Andrew Jason Fearon as a Director of the Company, who retires in accordance with Article 82 of the Company's Articles of Association.

4. To reappoint Edmund Alan Abrams as a Director of the Company, who retires in accordance with Article 87 of the Company's Articles of Association.

5. To reappoint Bernard William Fairman as a Director of the Company, who retires in accordance with Article 87 of the Company's Articles of Association.

6. To reappoint Ernst & Young LLP as auditors of the Company and to authorise the Directors to fix their remuneration.

As Special Business to consider and, if thought fit, to pass resolution numbered 7 which will be proposed as an Ordinary Resolution and resolution numbered 8 which will be proposed as a Special Resolution:

7. That for the purposes of section 80 of the Companies Act 1985 ("the Act") (and so that expressions used in this resolution shall bear the same meanings as in the said section 80):

   7.1 the Directors be and are hereby generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities up to a maximum nominal amount of £2,324,193 to such persons and at such times and on such terms as they think proper during the period expiring at the end of the next Annual General Meeting of the Company to be held after the date of the passing of this resolution or, if earlier, 15 months from the date of the passing of this resolution; and

   7.2 the Company be and is hereby authorised to make prior to the expiry of such period referred to in sub-paragraph 7.1 above any offer or agreement which would or might require relevant securities to be allotted after the expiry of the said period and the Directors may allot relevant securities in pursuance of any such offer or agreement notwithstanding the expiry of the authority given by this resolution;

   so that all previous authorities of the Directors pursuant to the said section 80 be and they are hereby revoked provided that this resolution shall not affect the right of the Directors to allot relevant securities in pursuance of any offer or agreement entered into prior to the date hereof.

8. That subject to the passing of Resolution 7 set out above the Directors be and are empowered in accordance with section 95 of the Act to allot equity securities (as defined in section 94 of the Act) for cash pursuant to the authority conferred on them to allot relevant securities (as defined in section 80 of the Act) by that resolution, as if section 89(1) of the Act did not apply to such allotment provided that the power conferred by this resolution shall be limited to:

   8.1 the allotment of equity securities in connection with an issue or offering by way of rights in favour of holders of equity securities and any other persons entitled to participate in such issue or offering where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective numbers of equity securities held by or deemed to be held by them on the record date of such allotment subject only to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or any territory;

   8.2 the allotment to A J Fearon and E A Abrams of ordinary shares up to a maximum aggregate nominal amount of £400,000 in the capital of the Company pursuant to the option agreements dated 7 March 2002 made between the Company and each such person;

8.3 the allotment to certain employees of ordinary shares up to a maximum aggregate nominal amount of £100,000 pursuant to various enterprise management incentive options dated 7 March 2002 made between the Company and each such person in accordance with the provisions of Schedule 14 to the Finance Act 2000;

8.4 the allotment (otherwise than pursuant to sub-paragraphs 8.1 to 8.3 above) of equity securities for cash up to an aggregate nominal amount not exceeding £383,790;

and this power, unless renewed, shall expire at the end of the next AGM of the Company to be held after the date of the passing of this resolution or, if earlier, 15 months from the date of the passing of this resolution but shall extend to the making, before such expiry, of an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

By order of the Board

Frank Lewis
Company Secretary

Registered office:
179 Great Portland Street
London W1W 5LS

26 June, 2002

Notes

1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies to attend and vote, on a poll, instead of him. A proxy need not be a member of the Company.

2. A Form of Proxy is enclosed for your use if desired. The instrument appointing a proxy must reach the Company's Registrars, Capita IRG plc, New Issues Department, PO Box No 166, Bourne House, 34 Beckenham Road, Kent BR3 4TH not less than 48 hours before the time of holding of the meeting.

3. Pursuant to Regulation 34 of The Uncertificated Securities Regulations 1995, the Company specifies that only those Shareholders of the Company on the register at 6.00 p.m. on 7 August 2002 shall be entitled to attend or vote at the Annual General Meeting in respect of the number of shares registered in their name at the time. Changes to the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.

4. A copy of the Register of Directors' Interests in shares in the Company and copies of the Directors' service contracts of more than one year's duration will be available for inspection at the registered office of the Company during business hours only on any weekday (excluding Saturdays, Sundays and public holidays) from the date of this Notice until the date of the Annual General Meeting and at the place of the Annual General Meeting for at least 15 minutes prior to and during the Annual General Meeting.