

**FREEMAN BUSINESS INFORMATION PLC**  
**REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2007**

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**FREEMAN BUSINESS INFORMATION PLC**

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**FOR THE YEAR ENDED 31ST DECEMBER 2007**

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**FREEMAN BUSINESS INFORMATION PLC**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31ST DECEMBER 2007**

**DIRECTORS**

P G Freeman  
Mrs S B Forster

**SECRETARY.**

Mrs S B Forster

**REGISTERED OFFICE:**

5 Albany Courtyard  
Piccadilly  
London  
W1J 0HF

**REGISTERED NUMBER:**

03705220

**AUDITORS:**

Ward Mackenzie  
Accountants and Registered Auditors  
Mackenzie House  
Coach and Horses Passage  
The Pantiles  
Tunbridge Wells  
Kent  
TN2 5NP

**FREEMAN BUSINESS INFORMATION PLC**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2007**

The directors present their report with the financial statements of the company for the year ended 31st December 2007

**PRINCIPAL ACTIVITY**

The principal activities of the company in the year under review were those of business publishing (in print and online business information, funded by advertising and subscription sales)

**REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements

The company was established in 1999 to provide first class business information services in print and online. Its first product was "Freeman's Guide to the Property Industry" in June 2000, which won the 2001 Champion Award from the Data Publishers Association for any reference source whether in print, online or on CD.

Since 2000, the company has published a number of books and created a number of websites, all reflecting the highest editorial standards. The company has achieved revenue of £5.4million since it began but aggregate costs of creating and publishing titles have been about £10.5million. Since the year end, two new directors have been appointed to the company, Christopher McAlpine and Carina Karwatowski. Carina has been closely associated with the company since 2000, first as an employee and subsequently as a consultant responsible for our online technology. Christopher took over as Managing Director from Sue Forster, who remains a director, on 1 July 2008.

**DIVIDENDS**

No dividends will be distributed for the year ended 31st December 2007

**RESEARCH AND DEVELOPMENT**

Expenditure on Research and Development is written off to the Profit and Loss account in the year in which it is incurred.

**DIRECTORS**

The directors during the year under review were

P G Freeman  
Mrs S B Forster

The beneficial interests of the directors holding office on 31st December 2007 in the issued share capital of the company were as follows

	31 12 07	1 1 07
<b>Ordinary £1 shares</b>		
P G Freeman	2,142,808	1,967,808
Mrs S B Forster	-	-

**FREEMAN BUSINESS INFORMATION PLC.**

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2007**

P G Freeman's beneficial interest in the ordinary shares of the company includes the following interests of his immediate family

	<b>Interest at end of year</b>	<b>Interest at start of year</b>
TC Freeman	90,000	90,000
MI Freeman	117,678	117,678
DJ Freeman	117,678	117,678

The company established an unapproved share options scheme for employees, which was adopted by the shareholders on 29 June 1999

The options granted to directors to subscribe for £1 ordinary shares were as follows

	<b>Exercise Price</b>	<b>At 31 December 2006</b>	<b>Granted in period</b>	<b>Exercised in period</b>	<b>Cancelled/ lapsed in period</b>	<b>At 31 December 2007</b>
	<b>£</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>
A Goldstone	1 50	10,000	-	-	-	10,000

During a prior period the company established an Enterprise Management Incentive Scheme. The options granted to directors to subscribe for £1 ordinary shares were as follows

	<b>Exercise Price</b>	<b>At 31 December 2006</b>	<b>Granted in period</b>	<b>Exercised in period</b>	<b>Lapsed in period</b>	<b>At 31 December 2007</b>
	<b>£</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>
A Goldstone	1 25	30,000	-	-	-	30,000
A Goldstone	2 50	10,000	-	-	-	10,000
S Forster	1 50	10,000	-	-	-	10,000
S Forster	1 50	66,666	-	-	-	66,666

**COMPANY'S POLICY ON PAYMENT OF CREDITORS**

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 have been complied with

At 31 December 2007, the company had an average of 19 days (2006 19 days) purchases outstanding in trade creditors

**FREEMAN BUSINESS INFORMATION PLC.**  
**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2007**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these 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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Ward Mackenzie, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD**



Mrs S B Forster - Secretary

1st July 2008

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF  
FREEMAN BUSINESS INFORMATION PLC**

We have audited the financial statements of Freeman Business Information Plc for the year ended 31st December 2007 on pages seven to seventeen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page four.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF**  
**FREEMAN BUSINESS INFORMATION PLC**

**Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st December 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements



Ward Mackenzie  
Accountants and Registered Auditors  
Mackenzie House  
Coach and Horses Passage  
The Pantiles  
Tunbridge Wells  
Kent  
TN2 5NP

Date

16/08



**FREEMAN BUSINESS INFORMATION PLC.**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER 2007**

	Notes	31 12 07 £	31 12 06 £
<b>TURNOVER</b>		<b>389,687</b>	<b>591,770</b>
Administrative expenses		<u>458,881</u>	<u>884,864</u>
<b>OPERATING LOSS</b>	3	<b>(69,194)</b>	<b>(293,094)</b>
Interest payable and similar charges	4	<u>7,300</u>	<u>7,300</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(76,494)</b>	<b>(300,394)</b>
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<b><u>(76,494)</u></b>	<b><u>(300,394)</u></b>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

The notes form part of these financial statements

**FREEMAN BUSINESS INFORMATION PLC**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 31ST DECEMBER 2007**

	<b>31.12.07</b>	<b>31 12 06</b>
	<b>£</b>	<b>£</b>
<b>LOSS FOR THE FINANCIAL YEAR</b>	<b>(76,494)</b>	<b>(300,394)</b>
	<hr/>	<hr/>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<b>(76,494)</b>	<b>(300,394)</b>
	<hr/>	<hr/>
Prior year adjustment		<b>(24,936)</b>
		<hr/>
<b>TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT</b>		<b>(325,330)</b>
		<hr/>

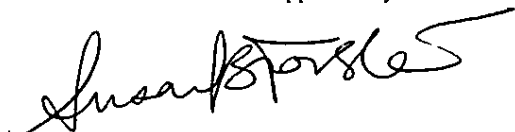
The notes form part of these financial statements

**FREEMAN BUSINESS INFORMATION PLC**

**BALANCE SHEET**  
**31ST DECEMBER 2007**

	Notes	31 12 07		31 12 06	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	6		-		-
Tangible assets	7		206		7,630
			<u>206</u>		<u>7,630</u>
<b>CURRENT ASSETS</b>					
Debtors	8	18,183		114,683	
Cash at bank and in hand		55,105		31,656	
		<u>73,288</u>		<u>146,339</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	9	179,848		358,829	
<b>NET CURRENT LIABILITIES</b>			<u>(106,560)</u>		<u>(212,490)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u><u>(106,354)</u></u>		<u><u>(204,860)</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11	2,318,308		2,143,308	
Share premium	12	3,086,473		3,086,473	
Profit and loss account	12	(5,511,135)		(5,434,641)	
<b>SHAREHOLDERS' FUNDS</b>	14		<u><u>(106,354)</u></u>		<u><u>(204,860)</u></u>

The financial statements were approved by the Board of Directors on 1st July 2008 and were signed on its behalf by



Mrs S B Forster - Director

The notes form part of these financial statements

**FREEMAN BUSINESS INFORMATION PLC.**

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31ST DECEMBER 2007**

	Notes	31 12.07 £	31 12 06 £
Net cash outflow from operating activities	1	(151,961)	(279,060)
Capital expenditure	2	410	(4,141)
		<u>(151,551)</u>	<u>(283,201)</u>
Financing	2	175,000	200,000
Increase/(Decrease) in cash in the period		<u>23,449</u>	<u>(83,201)</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Increase/(Decrease) in cash in the period		<u>23,449</u>	<u>(83,201)</u>
Change in net funds resulting from cash flows		<u>23,449</u>	<u>(83,201)</u>
Movement in net funds in the period		<u>23,449</u>	<u>(83,201)</u>
Net funds at 1st January		<u>31,656</u>	<u>114,857</u>
Net funds at 31st December		<u>55,105</u>	<u>31,656</u>

The notes form part of these financial statements

**FREEMAN BUSINESS INFORMATION PLC**

**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31ST DECEMBER 2007**

**1 RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	31 12 07	31 12 06
	£	£
Operating loss	(69,194)	(293,094)
Depreciation charges	2,726	5,148
Loss on disposal of fixed assets	4,288	-
Decrease in debtors	96,500	6,597
(Decrease)/Increase in creditors	(186,281)	2,289
<b>Net cash outflow from operating activities</b>	<b>(151,961)</b>	<b>(279,060)</b>

**2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	31 12 07	31 12 06
	£	£
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	-	(4,141)
Sale of tangible fixed assets	410	-
<b>Net cash inflow/(outflow) for capital expenditure</b>	<b>410</b>	<b>(4,141)</b>
 <b>Financing</b>		
Share issue	175,000	200,000
<b>Net cash inflow from financing</b>	<b>175,000</b>	<b>200,000</b>

**3 ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.1 07	Cash flow	At
	£	£	31.12.07
			£
Net cash			
Cash at bank and in hand	31,656	23,449	55,105
	31,656	23,449	55,105
 Total	31,656	23,449	55,105

The notes form part of these financial statements

**FREEMAN BUSINESS INFORMATION PLC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2007**

**1 ACCOUNTING POLICIES**

**Accounting convention**

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

**Turnover**

Turnover represents net invoiced sales of services, excluding value added tax

Turnover represents the amounts (excluding VAT) derived from the provision of goods and services to customers

Turnover derived from advertising in publications but prior to their release, is deferred until the release date of the publication

Web-site subscription revenues, which are generally paid in advance are non-refundable, are recognised ratably over the term of the subscription agreement, which is typically twelve months

All turnover is derived from sales made in the United Kingdom

**Intangible fixed assets and amortisation**

Intangible fixed assets acquired as part of an acquisition are capitalised as part of their fair value where this can be measured reliably Intellectual property purchased by the group is amortised to nil by equal annual instalments over its useful economic life, estimated at 3 years

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Computer equipment                      - Straight line over 3 years

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred

**Foreign currencies**

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

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

**Pension costs and other post-retirement benefits**

Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

**Employee share scheme**

The cost of awards to employees that take the form of shares or rights to shares are recognised upon the granting of such options to employees where these vest immediately with no performance criteria. Where such criteria exists the cost is charged over the performance period based on an estimate of the extent to which the criteria will be met

**FREEMAN BUSINESS INFORMATION PLC.**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2007**

**2 STAFF COSTS**

	31 12 07	31 12 06
	£	£
Wages and salaries	215,346	475,187
Social security costs	20,935	49,425
Other pension costs	5,000	7,500
	<u>241,281</u>	<u>532,112</u>

The average monthly number of employees during the year was as follows

	31 12 07	31 12 06
Sales and Marketing	1	3
Administrative	2	3
Research and IT	4	11
	<u>7</u>	<u>17</u>

**3 OPERATING LOSS**

The operating loss is stated after charging

	31 12 07	31 12 06
	£	£
Other operating leases	22,500	45,000
Depreciation - owned assets	2,726	5,148
Loss on disposal of fixed assets	4,288	-
Auditors' remuneration	7,690	5,425
Foreign exchange differences	402	-
	<u>40,962</u>	<u>75,000</u>
Directors' emoluments	5,000	7,500
Directors' pension contributions to money purchase schemes	10,000	-
Compensation to director for loss of office	<u>10,000</u>	<u>-</u>

The number of directors to whom retirement benefits were accruing was as follows

	1	1
Money purchase schemes	<u>1</u>	<u>1</u>

**4 INTEREST PAYABLE AND SIMILAR CHARGES**

	31 12 07	31 12 06
	£	£
Loan	7,300	7,300
	<u>7,300</u>	<u>7,300</u>

**5 TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31st December 2007 nor for the year ended 31st December 2006

**FREEMAN BUSINESS INFORMATION PLC**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2007**

**5 TAXATION - continued**

**Factors affecting the tax charge**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	31 12 07	31 12 06
	£	£
Loss on ordinary activities before tax	<u>(76,494)</u>	<u>(300,394)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 - 30%)	<u>(22,948)</u>	<u>(90,118)</u>
Effects of		
Expenses not deductible for the tax purposes	3,736	2,297
Depreciation for period less than capital allowances	(2,959)	(3,491)
Deferred tax asset not recognised for increase in tax losses	<u>22,171</u>	<u>91,312</u>
Current tax charge	<u>-</u>	<u>-</u>

**Factors that may affect future tax charges**

In accordance with the guidelines set out in FRS19, the Company has not recognised a deferred tax asset of £1,486,770 (2006 £1,466,149). The deferred tax asset arises on tax losses for which the relief of the loss against future profits cannot be foreseen with reasonable certainty.

**6 INTANGIBLE FIXED ASSETS**

	Patents and licences £
<b>COST</b>	
At 1st January 2007 and 31st December 2007	<u>400,000</u>
<b>AMORTISATION</b>	
At 1st January 2007 and 31st December 2007	<u>400,000</u>
<b>NET BOOK VALUE</b>	
At 31st December 2007	<u>-</u>
At 31st December 2006	<u>-</u>



**FREEMAN BUSINESS INFORMATION PLC**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2007**

**7 TANGIBLE FIXED ASSETS**

	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Totals £</b>
<b>COST</b>			
At 1st January 2007	35,091	231,255	266,346
Disposals	(35,091)	(230,684)	(265,775)
At 31st December 2007	-	571	571
<b>DEPRECIATION</b>			
At 1st January 2007	34,096	224,620	258,716
Charge for year	497	2,229	2,726
Eliminated on disposal	(34,593)	(226,484)	(261,077)
At 31st December 2007	-	365	365
<b>NET BOOK VALUE</b>			
At 31st December 2007	-	206	206
At 31st December 2006	995	6,635	7,630

**8 DEBTORS. AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>31.12.07</b>	<b>31.12.06</b>
	<b>£</b>	<b>£</b>
Trade debtors	18,180	85,698
VAT	3	2,860
Prepayments and accrued income	-	26,125
	<b>18,183</b>	<b>114,683</b>

**9 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>31.12.07</b>	<b>31.12.06</b>
	<b>£</b>	<b>£</b>
Trade creditors	3,286	13,597
Social security and other taxes	-	15,030
Other creditors	-	61,280
Directors' loan accounts	156,930	149,630
Accruals and deferred income	19,632	119,292
	<b>179,848</b>	<b>358,829</b>

Interest of £56,930 (2006 £49,630) has accrued on the director's loan account. Interest of £7,300 (2006 £7,300) has been charged to loan interest in the profit and loss account. This represents a commercial rate of 7.30%pa (2006 7.30%).

**FREEMAN BUSINESS INFORMATION PLC**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2007**

**10 OPERATING LEASE COMMITMENTS**

The following operating lease payments are committed to be paid within one year

	<b>Land and buildings</b>	
	<b>31.12.07</b>	<b>31.12.06</b>
	<b>£</b>	<b>£</b>
Expiring		
Within one year	-	45,000
	<u>          </u>	<u>          </u>

**11 CALLED UP SHARE CAPITAL**

Authorised Number	Class	Nominal value £1	<b>31.12.07</b>	<b>31.12.06</b>
			<b>£</b>	<b>£</b>
3,000,000	Ordinary		<b>3,000,000</b>	3,000,000
			<u>          </u>	<u>          </u>
Allotted, issued and fully paid				
Number	Class	Nominal value £1	<b>31.12.07</b>	<b>31.12.06</b>
			<b>£</b>	<b>£</b>
2,318,308	Ordinary		<b>2,318,308</b>	2,143,308
(31.12.06 - 2,143,308)			<u>          </u>	<u>          </u>

The company issued 100,000 shares at no premium on 13 March 2007 and a further 75,000 shares on 25 June 2007 also at no premium

**12 RESERVES**

	<b>Profit and loss account £</b>	<b>Share premium £</b>	<b>Totals £</b>
At 1st January 2007	(5,434,641)	3,086,473	(2,348,168)
Deficit for the year	(76,494)		(76,494)
	<u>          </u>	<u>          </u>	<u>          </u>
At 31st December 2007	<b>(5,511,135)</b>	<b>3,086,473</b>	<b>(2,424,662)</b>
	<u>          </u>	<u>          </u>	<u>          </u>

**13 RELATED PARTY DISCLOSURES**

Peter Freeman, a director, has lent the company £100,000 (£50,000 on 2/3/00 and £50,000 on 20/3/00), which was outstanding at the start and end of the year. At the year end, interest of £56,930 (2006 £49,630) had accrued on the loan, £7,300 (2006 £7,300) accruing during the year. The interest is payable upon the repayment of the loan.

During the year £Nil (2006 £125) was payable to J Forster in respect of consultancy services. J Forster is the husband of S Forster, a director of the company.

**FREEMAN BUSINESS INFORMATION PLC**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST DECEMBER 2007**

**14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>31.12 07</b>	<b>31 12 06</b>
	<b>£</b>	<b>£</b>
Loss for the financial year	<b>(76,494)</b>	<b>(300,394)</b>
New share capital introduced	<b>175,000</b>	<b>200,000</b>
	<hr/>	<hr/>
<b>Net addition/(reduction) to shareholders' funds</b>	<b>98,506</b>	<b>(100,394)</b>
Opening shareholders' funds	<b>(204,860)</b>	<b>(104,466)</b>
	<hr/>	<hr/>
<b>Closing shareholders' funds</b>	<b>(106,354)</b>	<b>(204,860)</b>
	<hr/>	<hr/>

**15 GOING CONCERN**

The financial statements have been prepared on the going concern basis, which the directors/shareholders believe to be appropriate for the following reasons

The board of directors has indicated its willingness to continue to support the company for at least twelve months from the date of approval of these financial statements. This should enable the company to continue in operational existence for the foreseeable future. The directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.