

# **FREELANCE MEDIA LIMITED**

**Company No: 04059604**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30TH JUNE 2007**

THURSDAY



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COMPANIES HOUSE

**FREELANCE MEDIA LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**

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## **FREELANCE MEDIA LIMITED**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

G K D Truman

S Chambers

D J Williams

D J Bestwick

Appointed 16/04/07 and resigned 11/01/08

Resigned 16/04/07

Resigned 16/04/07

#### **SECRETARY**

G K D Truman

#### **REGISTERED OFFICE**

Ludgate House

245 Blackfriars Road

LONDON

SE1 9UF

#### **BANKERS**

HSBC Bank Plc

70 Pall Mall

London

SW1Y 5EZ

#### **AUDITORS**

Kingston Smith LLP

Devonshire House

60 Goswell Road

London EC1M 7AD

## **FREELANCE MEDIA LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

United Kingdom company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss 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, and  
prepare the financial statements on a 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 the Company's system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Statement of disclosure to auditor**

- (a) So far as the directors are aware there is no relevant audit information of which the company's auditors are unaware
- (b) The directors have taken all steps that they ought to have taken to make themselves aware of any audit information and to establish that the company's auditors are aware of that information

Signed on behalf of the Board of Directors on 3 January 2008

G K D Truman  
Director

Ludgate House  
245 Blackfriars Road  
LONDON  
SE1 9UF

## **FREELANCE MEDIA LIMITED**

### **REPORT OF THE DIRECTORS**

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 30th June 2007

#### **Principal Activity**

The principal activity of the company in the period was that of digital screen advertising in shopping centres

#### **Results and Dividends**

The results for the year ended 30th June 2007 are shown on page 5 No equity dividend was paid in the period ended 30th June 2007 (2006-£nil) No final dividend is proposed at the year end (2006-£nil)

#### **Auditors**

Kingston Smith LLP have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed as auditors to the company for the ensuing year

Approved by the Board of Directors  
and signed on behalf of the Board

G K D Truman  
Director  
Ludgate House  
245 Blackfriars Road  
LONDON  
SE1 9UF

Date 3 January 2008

## **FREELANCE MEDIA LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FREELANCE MEDIA LIMITED**

We have audited the financial statements of Freelance Media Limited for the year ended 30th June 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These have been prepared under the historical cost convention and 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 for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and 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**

As described in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (Generally Accepted Accounting Practice).

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 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 the directors' remuneration and transactions with the company is not disclosed.

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

#### **Basis of Audit Opinion**

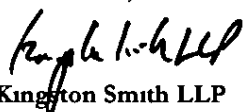
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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.

#### **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 30th June 2007 and of the Company's 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 Directors' Report is consistent with the financial statements.

Devonshire House  
60 Goswell Road  
London EC1M 7AD

  
**Kingston Smith LLP**  
Chartered Accountants  
and Registered Auditors

Date 3 January 2008

# **FREELANCE MEDIA LIMITED**

## **PROFIT AND LOSS ACCOUNT**

**Year ended 30 June 2007**

	Notes	Year ended 30 June 2007 £	Year ended 30 June 2006 £
Turnover	2	17,612	36,861
Cost of sales		<u>(80,557)</u>	<u>(99,897)</u>
Gross loss		(62,945)	(63,036)
Administrative expenses		<u>(122,686)</u>	<u>(297,699)</u>
Operating loss	3	(185,631)	(360,735)
Interest payable and similar charges	7	<u>-</u>	<u>(2,420)</u>
Loss on Ordinary Activities before Taxation		(185,631)	(363,155)
Taxation	8	-	-
Exceptional Gain	6	<u>179,336</u>	<u>-</u>
Retained loss transferred from reserves	14	<u><u>(6,295)</u></u>	<u><u>(363,155)</u></u>

There are no recognised gains or losses other than the loss for the financial period

The notes on pages 7 to 14 form part of the financial statements

# FREELANCE MEDIA LIMITED

## BALANCE SHEET at 30 June 2007

	Notes	30 June 2007 £	30 June 2006 £
<b>Fixed Assets</b>			
Tangible assets	9	185,792	294,907
Investments	10	<u>1</u>	<u>1</u>
		<u>185,793</u>	<u>294,908</u>
<b>Current Assets</b>			
Debtors	11	<u>35,411</u>	<u>112,344</u>
		<u>35,411</u>	<u>112,344</u>
<b>Creditors amounts falling due within one year</b>	12	<u>(895,322)</u>	<u>(1,075,074)</u>
<b>Net current liabilities</b>		<u>(859,911)</u>	<u>(962,730)</u>
<b>Net liabilities</b>		<u>(674,118)</u>	<u>(667,822)</u>
<b>Capital and Reserves</b>			
Called up share capital	13	128	128
Share premium account	14	1,228,215	1,228,215
Profit and loss account	14	<u>(1,902,460)</u>	<u>(1,896,165)</u>
		<u>(674,118)</u>	<u>(667,822)</u>

Approved by the Board on  
and signed on its behalf

3 January 2008

G K. D Truman  
Director



# **FREELANCE MEDIA LIMITED**

## **NOTES TO THE ACCOUNTS** **Year ended 30 June 2007**

### **1 Accounting Policies**

#### **Basis of Preparation**

The financial statements of the company are prepared under the historical cost convention and in accordance with applicable UK accounting standards

The financial statements have been prepared on a going concern basis. The company's working capital requirements are funded through support from other group companies. Based on the assurances received, that this support will continue for the foreseeable future, the directors consider that the going concern basis is therefore appropriate.

The company is a wholly owned subsidiary of Avanti Screenmedia Group plc whose financial statements are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard No 1 (Revised 1996). The company is also exempt under the terms of Financial Reporting Standard No 8 from disclosing related party transactions (but not balances) with entities that are part of the Avanti Screenmedia Group plc group.

#### **Tangible Fixed Assets**

Tangible fixed assets are depreciated on a straight line basis to estimated residual values over their expected useful lives as

Network assets	20% per annum
Computer equipment	25% per annum

Reviews are carried out if there is any indication that impairment may have occurred, to ensure that fixed assets are not carried at above their recoverable amounts. Profit or loss on the sale or disposal of assets is charged to the profit and loss account and is calculated as the difference between the disposal proceeds and the net book value.

#### **Taxation**

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

Deferred tax is recognised, without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

#### **Leases**

Assets acquired under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

# FREELANCE MEDIA LIMITED

## NOTES TO THE ACCOUNTS Year ended 30 June 2007

### 2 Turnover

Turnover represents net invoiced sales of services provided and goods sold, net of value added tax

### 3 Operating loss

	Year ended 30th June 2007 £	Year ended 30th June 2006 £
<b>Operating loss is arrived at after charging/(crediting)</b>		
Depreciation on tangible assets		
Owned	109,115	118,049
Leased	-	15,016
Auditors' remuneration - audit	-	-
- non audit services	-	-
Rentals under operating leases	-	36,133
Finance leases and hire purchase interest	-	1,896
	<u>109,115</u>	<u>169,094</u>

### 4 Employees

The average number of employees, including directors, during the year ended 30 June 2007 was nil (2006 - 1)

The aggregate remuneration of all employees comprised

	Year ended 30th June 2007 £	Year ended 30th June 2006 £
Wages and salaries	-	93,531
Employer's social security costs	-	20,552
	<u>-</u>	<u>114,083</u>

# FREELANCE MEDIA LIMITED

## NOTES TO THE ACCOUNTS Year ended 30 June 2007

### 5 Directors

There were no emoluments paid to any director during the current and prior year

### 6 Exceptional Item

The exceptional gain in the year resulted from the waiver of an intercompany loan as a result of the demerger of the networks business in April 2007

### 7 Interest Payable and Similar Charges

	Year ended 30th June 2007 £	Year ended 30th June 2006 £
Interest on bank overdraft and loans	-	524
Hire purchase interest	-	1,896
	<u>-</u>	<u>2,420</u>

### 8 Tax on Loss on Ordinary Activities

	Year ended 30th June 2007 £	Year ended 30th June 2006 £
<i>Corporation Tax charge</i>		
Tax charge for the period	<u>-</u>	<u>-</u>
<i>(a) Analysis of charge in the period</i>		
Tax effect on ordinary activities at 30% (2006 - 30%)	(1,889)	(108,947)
Disallowed exceptional loan write-off	(53,801)	-
Depreciation in excess of capital allowances	28,484	12,495
Tax losses movement	27,206	-
Group relief	-	96,452
Current tax charge for the period	<u>-</u>	<u>-</u>

# **FREELANCE MEDIA LIMITED**

## **NOTES TO THE ACCOUNTS** **Year ended 30 June 2007**

### **9 Tangible Fixed Assets**

<b>Company</b>	<b>Computer Equipment £</b>	<b>Network Assets £</b>	<b>Total £</b>
At 1 July 2006 and 30 June 2007	<u>57,641</u>	<u>507,037</u>	<u>564,678</u>
<b>Amortisation/Depreciation</b>			
At 1 July 2006	22,382	247,389	269,771
Charge for the year	<u>12,916</u>	<u>96,201</u>	<u>109,117</u>
At 30 June 2007	<u>35,298</u>	<u>343,590</u>	<u>378,888</u>
<b>Net Book Value</b>			
At 30 June 2007	<u>22,343</u>	<u>163,447</u>	<u>185,792</u>
At 1 July 2006	<u>35,259</u>	<u>259,648</u>	<u>294,907</u>

# **FREELANCE MEDIA LIMITED**

## **NOTES TO THE ACCOUNTS Year ended 30 June 2007**

### **10 Investments**

<b>Company</b>	<b>Shares in subsidiary undertakings £</b>
<b>Cost and net book value</b>	
At 30 June 2006 and 30th June 2007	<u><u>1</u></u>

The investment represents 100% of the issued share capital of Screen Network Limited, a company registered in England and Wales, which is dormant

### **11 Debtors**

	<b>30 June 2007 £</b>	<b>30 June 2006 £</b>
Other debtors	6,000	6,003
Prepayments and accrued income	<u>29,411</u>	<u>106,341</u>
	<u><u>35,411</u></u>	<u><u>112,344</u></u>

## FREELANCE MEDIA LIMITED

### NOTES TO THE ACCOUNTS Year ended 30 June 2007

#### 12 Creditors' amounts falling due within one year

	30 June 2007 £	30 June 2006 £
Bank loans and overdraft	36,830	5,369
Trade Creditors	5,969	21,176
Amounts owed to group undertakings	852,523	1,048,529
	<u>895,322</u>	<u>1,075,074</u>

The bank overdraft and loan is secured by a debenture over all assets of the Company, both present and future. In addition an unlimited cross guarantee has been given by the Company and its subsidiaries. Finance lease obligations are secured by retention of title to the related assets.

#### 13 Share Capital

	30 June 2007 £	30 June 2006 £
Authorised 100,000 Ordinary shares of £0.01 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and unpaid 12,754 Ordinary shares of £0.01 each	<u>128</u>	<u>128</u>

# **FREELANCE MEDIA LIMITED**

## **NOTES TO THE ACCOUNTS** **Year ended 30 June 2007**

### **14 Shareholders' Funds**

	Share Capital	Share Premium Account	Profit and Loss Account	Total
	£	£	£	£
<b>2007</b>				
At 30 June 2006	128	1,228,215	(1,896,165)	(667,822)
Loss for year	-	-	(6,295)	(6,295)
At 30 June 2007	<u>128</u>	<u>1,228,215</u>	<u>(1,902,460)</u>	<u>(674,118)</u>
<b>2006</b>				
At 30 June 2005	128	1,228,215	(1,533,010)	(304,667)
Loss for year	-	-	(363,155)	(363,155)
At 30 June 2006	<u>128</u>	<u>1,228,215</u>	<u>(1,896,165)</u>	<u>(667,822)</u>

# **FREELANCE MEDIA LIMITED**

## **NOTES TO THE ACCOUNTS** **Year ended 30 June 2007**

### **15 Operating lease commitments**

At 30th June 2007 the Company was committed to making the following payments during the next year in respect of operating leases

	<b>30 June 2007</b>		<b>30 June 2006</b>	
	<b>Land and buildings</b>	<b>Other</b>	<b>Land and buildings</b>	<b>Other</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Leases which expire				
Within 1 year	-	-	11,985	6,090
Within 2 to 5 years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>11,985</u>	<u>6,090</u>

### **16 Ultimate Parent Undertaking**

The ultimate parent undertaking is Avanti Screenmedia Group plc, a company incorporated and registered in England and Wales. The consolidated financial statements of Avanti Screenmedia Group plc for the year ended 30th June 2007 can be obtained from the registered office at Ludgate House, 245 Blackfriars Road, London SE1 9UF.