

FREELANCE MEDIA LIMITED

Company No: 04059604

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30th June 2008



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

Resigned 1 November 2007

SECRETARY

G K D Truman

REGISTERED OFFICE

242b 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

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 2008.

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 2008 are shown on page 5. No equity dividend was paid in the period ended 30th June 2008 (2007 - £nil). No final dividend is proposed at the year end (2007 - £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
242B Blackfriars Road
LONDON
SE1 9UF

Date: 5/3/09

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

.....
G K D Truman
Director

242B Blackfriars Road
LONDON
SE1 9UF

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 2008 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 information given in the Directors' Report is 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

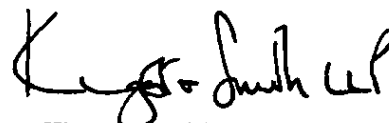
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 2008 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: 12/3/2009

FREELANCE MEDIA LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 30 June 2008

	Notes	Year ended 30 June 2008 £	Year ended 30 June 2007 £
Turnover	2	24,487	17,612
Cost of sales		<u>(71,500)</u>	<u>(80,558)</u>
Gross loss		(47,013)	(62,946)
Administrative expenses		<u>(78,421)</u>	<u>(122,686)</u>
Operating loss	3	(125,434)	(185,632)
Interest payable and similar charges	7	<u>-</u>	<u>-</u>
Loss on Ordinary Activities before Taxation		(125,434)	(185,632)
Taxation	8	-	-
Exceptional Gain	6	<u>-</u>	<u>179,336</u>
Retained loss transferred from reserves	14	<u>(125,434)</u>	<u>(6,296)</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 2008

	Notes	30 June 2007 £	30 June 2007 £
Fixed Assets			
Tangible assets	9	108,479	185,792
Investments	10	<u>1</u>	<u>1</u>
		<u>108,480</u>	<u>185,793</u>
Current Assets			
Debtors	11	<u>49,822</u>	<u>35,411</u>
		<u>49,822</u>	<u>35,411</u>
Creditors: amounts falling due within one year	12	<u>(957,854)</u>	<u>(895,322)</u>
Net current liabilities		<u>(908,032)</u>	<u>(859,911)</u>
Net liabilities		<u>(799,552)</u>	<u>(674,118)</u>
Capital and Reserves			
Called up share capital	13	128	128
Share premium account	14	1,228,215	1,228,215
Profit and loss account	14	<u>(2,027,895)</u>	<u>(1,902,460)</u>
		<u>(799,552)</u>	<u>(674,118)</u>

Approved by the Board on 5/3/09
and signed on its behalf:

.....
G. K. D Truman
Director

FREELANCE MEDIA LIMITED

NOTES TO THE ACCOUNTS **Year ended 30 June 2008**

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 with entities that are part of the Avanti Screenmedia Group plc group.

Going Concern

At 30 June 2008 the company had net liabilities of £799,553. All transactions during the year were undertaken by other group companies acting as agent for Freelance Media Limited. The directors expect this situation to continue during the 12 months following the date of signature of these accounts therefore the company has no cash requirement. At the year end £801,046 was due to Avanti Screenmedia Group plc and the directors have received confirmation that Avanti Screenmedia Group plc will not require repayment of the balance within the next 12 months. On this basis the directors consider it appropriate to prepare the financial statements on the going concern basis.

Tangible Fixed Assets

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

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 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 2008**

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 2008 £	Year ended 30th June 2007 £
Operating loss is arrived at after charging/(crediting):		
Depreciation on tangible assets		
Owned	77,311	109,115

4 Employees

The average number of employees, including directors, during the year ended 30 June 2008 was nil (2007 - nil)

The aggregate remuneration of all employees comprised:

	Year ended 30th June 2008 £	Year ended 30th June 2007 £
Wages and salaries	-	-
Employer's social security costs	-	-
	<hr/>	<hr/>
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FREELANCE MEDIA LIMITED

NOTES TO THE ACCOUNTS **Year ended 30 June 2008**

5 Directors

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

6 Exceptional Item

The exceptional gain in 2007 was a result of the waiver of an intercompany loan brought about by the demerger of the networks business in April 2007.

7 Interest Payable and Similar Charges

	Year ended 30th June 2008 £	Year ended 30th June 2007 £
Interest on bank overdraft and loans	-	-
Hire purchase interest	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

8 Tax on Loss on Ordinary Activities

	Year ended 30th June 2008 £	Year ended 30th June 2007 £
<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 29.5% (2007 - 30%)		(1,889)
Disallowed exceptional loan write-off	-	(53,801)
Depreciation in excess of capital allowances	22,808	28,484
Tax losses movement	14,197	27,206
	<u>37,005</u>	<u>-</u>
Current tax charge for the period	<u>37,005</u>	<u>-</u>

A deferred tax asset of £478,824 (2007 £465,350) in respect of trading losses carried forward has not been recognised as there is insufficient evidence that the asset will be recoverable.

FREELANCE MEDIA LIMITED

NOTES TO THE ACCOUNTS Year ended 30 June 2008

9 Tangible Fixed Assets

Company	Computer Equipment £	Network Assets £	Total £
Cost			
At 1 July 2007	57,641	507,037	564,678
Additions	-	-	-
At 30 June 2008	<u>57,641</u>	<u>507,037</u>	<u>564,678</u>
Amortisation/Depreciation			
At 1 July 2007	35,298	343,590	378,888
Charge for the year	7,868	69,443	77,311
At 30 June 2008	<u>43,166</u>	<u>413,033</u>	<u>456,199</u>
Net Book Value			
At 30 June 2008	<u>14,475</u>	<u>94,004</u>	<u>108,479</u>
At 1 July 2007	<u>22,343</u>	<u>163,447</u>	<u>185,792</u>

10 Investments

Company	Shares in subsidiary undertakings £
Cost and net book value	
At 30th June 2007 and 30th June 2008	<u>1</u>

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

FREELANCE MEDIA LIMITED

NOTES TO THE ACCOUNTS **Year ended 30 June 2008**

11 Debtors

	30 June 2008	30 June 2007
	£	£
Trade Debtors	24,487	-
Other debtors	6,000	6,000
Prepayments and accrued income	19,335	29,411
	<u>49,822</u>	<u>35,411</u>

12 Creditors: amounts falling due within one year

	30 June 2008	30 June 2007
	£	£
Bank loans and overdraft	20,057	36,830
Trade Creditors	24,982	5,969
Amounts owed to group undertakings	912,815	852,523
	<u>957,854</u>	<u>895,322</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.

FREELANCE MEDIA LIMITED

NOTES TO THE ACCOUNTS Year ended 30 June 2008

13 Share Capital

	30 June 2008 £	30 June 2007 £
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>

14 Shareholders' Funds

	Share Capital £	Share Premium Account £	Profit and Loss Account £	Total £
2008				
At 1 July 2007	128	1,228,215	(1,902,461)	(674,118)
Loss for year	-	-	(125,434)	(125,434)
At 30 June 2008	<u>128</u>	<u>1,228,215</u>	<u>(2,027,895)</u>	<u>(799,552)</u>
2007				
At 30 June 2006	128	1,228,215	(1,896,165)	(667,822)
Loss for year	-	-	(6,296)	(6,296)
At 30 June 2007	<u>128</u>	<u>1,228,215</u>	<u>(1,902,461)</u>	<u>(674,118)</u>

15 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 2008 can be obtained from the registered office at 242B Blackfriars Road, London SE1 9UF