

GCDM Limited

Company Registration No. 4836519 (England and Wales)

Directors' report and financial statements

For the year ended 31 December 2004



GCDM LIMITED

COMPANY INFORMATION

Directors

M L Woodley
P N Putwain
D Manston
P J O'Donoghue
A R Giaquinto

Secretary

D Manston

Company number

4836519

Registered office

The Old Granary
Westwick
Cambridge
CB4 5AR

Auditors

Mazars LLP
8 New Fields, 2 Stinsford Road
Poole
Dorset
BH17 0NF

Business address

The Old Granary
Westwick
Cambridge
CB4 5AR

GCDM LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 9

GCDM LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2004

The directors present their report and financial statements for the year ended 31 December 2004.

Principal activities

The principal activity of the company was the provision of digital marketing solutions.

Directors

The following directors have held office since 1 January 2004:

M L Woodley

P N Putwain

D Manston

P S K Verdon

(Resigned 1 February 2005)

P J O'Donoghue

J F Turnbull

(Resigned 28 February 2005)

A R Giaquinto

Directors' interests

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

	Ordinary shares of £ 1 each	
	31 December 2004	1 January 2004
M L Woodley	2	2
P N Putwain	2	2
D Manston	2	2
P S K Verdon	2	2
P J O'Donoghue	5	5
J F Turnbull	-	-
A R Giaquinto	-	-

The directors' interests in the share capital of the parent company, Green Cathedral plc, are disclosed in the financial statements of that company.

Auditors

On 31 August 2004 Mazars LLP succeeded to Mazars as independent auditor to the company. In accordance with section 385 of the Companies Act 1985, a resolution proposing that Mazars LLP be reappointed as auditors of the company will be put to the Annual General Meeting.

GCDM LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

Directors' responsibilities

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;
- 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



D Manston

Secretary

26/7/05

GCDM LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GCDM LIMITED

We have audited the financial statements of GCDM Limited on pages 4 to 9 for the year ended 31 December 2004. These financial statements 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 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 the directors and auditors

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

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

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 circumstances of the company, 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 the company's affairs as at 31 December 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Mazars LLP

**Chartered Accountants
and Registered Auditors**

26 July 2005

8 New Fields, 2 Stinsford Road
Poole
Dorset, BH17 0NF

GCDM LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	2004 £	2003 £
Turnover		1,937,591	361,610
Cost of sales		(1,326,915)	(244,186)
Gross profit		<u>610,676</u>	<u>117,424</u>
Administrative expenses		(657,995)	(221,583)
Operating loss	2	<u>(47,319)</u>	<u>(104,159)</u>
Other interest receivable and similar income		591	32
Interest payable and similar charges		(13,160)	(963)
Loss on ordinary activities before taxation		<u>(59,888)</u>	<u>(105,090)</u>
Tax on loss on ordinary activities	3	-	-
Loss on ordinary activities after taxation	9	<u>(59,888)</u>	<u>(105,090)</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

GCDM LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	4		12,406		9,581
Current assets					
Debtors	5	584,596		307,484	
Cash at bank and in hand		142,460		200	
		<u>727,056</u>		<u>307,684</u>	
Creditors: amounts falling due within one year	6	<u>(889,440)</u>		<u>(399,355)</u>	
Net current liabilities			<u>(162,384)</u>		<u>(91,671)</u>
Total assets less current liabilities			<u>(149,978)</u>		<u>(82,090)</u>
Creditors: amounts falling due after more than one year	7		-		(8,000)
			<u>(149,978)</u>		<u>(90,090)</u>
Capital and reserves					
Called up share capital	8		100		100
Share premium account	9		14,900		14,900
Profit and loss account	9		<u>(164,978)</u>		<u>(105,090)</u>
Shareholders' funds - equity interests	10		<u>(149,978)</u>		<u>(90,090)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 26/7/05

M L Woodley
Director

P J O'Donoghue
Director

GCDM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

During the year the company made a loss of £59,888 (2003 : £105,090), and at the balance sheet date its current liabilities exceeded its current assets by £162,384 (2003 : £91,671). The company meets its day to day working capital requirements via support from its parent company.

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future.

The validity of the assumption depends upon the continued support from the parent company. If the company was unable to continue in operational existence for the foreseeable future, adjustments would have to be made to amend the balance sheet values of assets to their recoverable amounts, to provide for further liabilities that might arise, and to reclassify fixed assets as current assets.

The directors believe that it is appropriate for the financial statements to be prepared on a going concern basis.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	33% straight line
Fixtures, fittings & furniture	15% straight line

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.6 Comparatives

The comparative figures are for the five month period to 31 December 2003.

2 Operating loss	2004 £	2003 £
Operating loss is stated after charging:		
Depreciation of tangible assets	4,930	1,188
Operating lease rentals	24,269	8,780
Auditors' remuneration	4,500	3,850
Directors' emoluments	124,451	47,583

GCDM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

3 Taxation

Current tax charge

- -

The company has estimated losses of £ 148,825 (2003: £ 114,484) available for carry forward against future trading profits.

If the company pays tax at a rate of 30% on profits in future periods, the current tax losses represent a potential deferred tax asset of £44,647 (2003: £34,345). This asset has not been anticipated at 31 December 2004 due to the short trading history of the company.

4 Tangible fixed assets

Plant and
machinery etc

£

Cost

At 1 January 2004

10,769

Additions

7,755

At 31 December 2004

18,524

Depreciation

At 1 January 2004

1,188

Charge for the year

4,930

At 31 December 2004

6,118

Net book value

At 31 December 2004

12,406

At 31 December 2003

9,581

5 Debtors

2004

2003

£

£

Trade debtors

580,852

290,834

Other debtors

3,744

16,650

584,596

307,484

GCDM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

6	Creditors: amounts falling due within one year	2004	2003
		£	£
	Bank loans and overdrafts	97,466	40,210
	Trade creditors	537,822	169,549
	Amounts owed to group undertakings and undertakings in which the company has a participating interest	138,969	140,584
	Taxation and social security	60,596	12,706
	Other creditors	54,587	36,306
		<u>889,440</u>	<u>399,355</u>
7	Creditors: amounts falling due after more than one year	2004	2003
		£	£
	Other creditors	-	8,000
		<u>-</u>	<u>8,000</u>
	Analysis of loans		
	Wholly repayable within five years	-	8,000
		<u>-</u>	<u>8,000</u>
	Loan maturity analysis		
	In more than one year but not more than two years	-	8,000
		<u>-</u>	<u>8,000</u>
8	Share capital	2004	2003
		£	£
	Authorised		
	100 Ordinary shares of £1 each	100	100
		<u>100</u>	<u>100</u>
	Allotted, called up and fully paid		
	100 Ordinary shares of £1 each	100	100
		<u>100</u>	<u>100</u>
9	Statement of movements on reserves	Share premium account	Profit and loss account
		£	£
	Balance at 1 January 2004	14,900	(105,090)
	Retained loss for the year	-	(59,888)
		<u>-</u>	<u>(59,888)</u>
	Balance at 31 December 2004	14,900	(164,978)
		<u>14,900</u>	<u>(164,978)</u>

GCDM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2004

10 Reconciliation of movements in shareholders' funds	2004 £	2003 £
Loss for the financial year	(59,888)	(105,090)
Proceeds from issue of shares	-	15,000
Net depletion in shareholders' funds	(59,888)	(90,090)
Opening shareholders' funds	(90,090)	-
Closing shareholders' funds	(149,978)	(90,090)

12 Control

The ultimate parent company is Green Cathedral plc, a company registered in England and Wales.

Green Cathedral plc prepares group financial statements and copies can be obtained from The Old Granary, Westwick, Cambridge CB4 5AR.

Related party transactions

At the balance sheet date the company owed an amount of £126,023 (2003 : £137,759) to its parent company, Green Cathedral plc, an amount of £12,173 (2003 : £10,825) to fellow subsidiary GC Interactive Limited, and an amount of £773 (2003 : nil) to fellow subsidiary Phonesync Limited.

During the period, the company performed the following transactions with related companies :

	£
Sales to parent company	61,037
Sales to GC Interactive Ltd	12,200
Purchases and services recharged from parent company	181,932
Cost of sales purchased from GC Interactive Limited	22,683