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Company No: 2061406

POSTERMOBILE PLC
GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1999



POSTERMOBILE PLC

GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1999

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POSTERMOBILE PLC

DIRECTORS' REPORT

The directors submit their report and the audited financial statements for the year ended 31 March 1999.

Statement of 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 Group and of the Company and of the profit or loss of the Group for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business;
- d. 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 which disclose with reasonable accuracy at any time the financial position of the Group and Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the Company and hence for taking steps for the prevention and detection of fraud and other irregularities.

Activity

The principal activity of the group has remained unchanged during the financial year and was the selling of advertising space.

Business review and future developments

The group loss for the year amounted to £258,362 (1998 - profit £880,220) and is dealt with on page 5.

The directors will pursue their established management policies and it is anticipated that there will be an effective response to the challenges of the ensuing year.

Change of ownership

On 12 March 1999, More Group UK Ltd acquired 6,634,900 Postermobile ordinary shares of 10pence each, representing approximately 54.8% of the issued ordinary share capital of Postermobile. These shares were acquired from all directors and certain individual shareholders at 114.47pence per share.

On 26 March 1999, the remaining shareholders were acquired by More Group UK Ltd, a wholly owned subsidiary of Clear Channel Communications Inc, a US listed company. The term of the offer was 114.47p in cash for each share of the company.

Dividends

The directors recommended a dividend of £0.008 per share for the financial year to the shareholders existing prior to the acquisition by More Group UK Ltd.

Payment of creditors

It is the company's policy to negotiate payment terms with its suppliers in all sectors and to ensure that they know the terms on which payment will take place when the business is agreed. It is our policy to abide by these terms. The average payment days to the company's major suppliers is 75 days.

Market value of land and buildings

The directors consider that there is no significant difference between the value of land and buildings as shown in the balance sheet and market value.

POSTERMOBILE PLC

DIRECTORS' REPORT (continued)

Directors and their interests

The directors and their interests in the shares of the company and other group companies at 31 March 1999 were as follows:

	1999	1998
	Ordinary shares of 10p each	Ordinary shares of 10p each
J M G Hamilton Sharp (resigned 4/12/98)	-	-
Sir Aubrey Brocklebank (resigned 16/4/99)	-	6,180
J P Lewis	-	1,442,327
E Lewis	-	964,944
R J Porter	-	401,939
A D Blain	-	5,425
C V Pratt	-	3,376
D Oliver (appointed 23/4/99)	-	-
P Smyth (appointed 23/4/99)	-	-

Mr J M G Hamilton Sharp had a material interest in M H S Associates Limited which owned 63,000 ordinary 10p shares in Postermobile PLC prior to the acquisition by More Group UK Ltd.

D Oliver and P Smyth are also directors of More Group UK Ltd.

The ultimate parent company is Clear Channel Communications Inc.

The interests of the directors who are also directors of the ultimate parent company are disclosed in that company's financial statements.

Going concern

After making appropriate enquiries, the directors have reasonable expectations that the company and group have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Year 2000 compliance

Systems critical to the company's on-going operation and preparation of financial information, as well as non-financial computing systems on which the company relies in its operations, have been reviewed to establish the impact, if any, which the year 2000 will have on the accuracy of their processing and reporting. The Board has received assurances that the year 2000 project is progressing and that its computer systems have changed or been enhanced as necessary and will be tested so as to be year 2000 compliant.

Whilst the Board believes that the company will achieve an acceptable state of readiness, it is not possible given the complexity of the problem for any organisation to guarantee year 2000 compliance.

Auditors

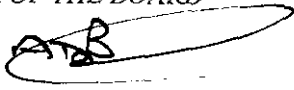
Sedley Richard Laurence Vouters were appointed auditors to the company during the year and in accordance with Section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

POSTERMOBILE PLC

DIRECTORS' REPORT (continued)

BY ORDER OF THE BOARD

A D Blain



Secretary

12 August 1999

Registered Office: 142 Great North Way
London NW4 1EH

POSTERMOBILE PLC

REPORT OF THE AUDITORS TO THE MEMBERS OF POSTERMOBILE PLC

We have audited the financial statements on pages 5 to 19 which have been prepared under the historical cost convention and the accounting policies as set out on pages 10 and 11.

Respective responsibilities of directors and auditors

As described in the directors' report, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 group's circumstances, are consistently applied and are 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 and the group as at 31 March 1999 and of the group's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



SEDLEY RICHARD LAURENCE VOULTERS

Chartered Accountants
and Registered Auditors

23 Bridford Mews
off Devonshire Street
London W1N 1LQ

12 August 1999

POSTERMOBILE PLC

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1999

	Notes	1999 £	1998 £
Turnover	2	8,629,339	8,127,290
Cost of Sales	3	<u>(6,298,845)</u>	<u>(5,919,598)</u>
Gross profit		2,330,494	2,207,692
Distribution costs		(253,175)	(156,355)
Administrative expenses	4	<u>(1,753,274)</u>	<u>(762,862)</u>
Operating profit		324,045	1,288,475
Other interest receivable and similar income		13	1,545
Interest payable and similar charges	5	<u>(486,996)</u>	<u>(409,800)</u>
(Loss) /profit on ordinary activities before taxation		(162,938)	880,220
Tax on (loss)/profit on ordinary activities	7	<u>(-)</u>	<u>(-)</u>
(Loss)/profit for the financial year		(162,938)	880,220
Dividends		<u>(95,424)</u>	<u>-</u>
Retained (Loss)/profit for the financial year	16	<u>(258,362)</u>	<u>£880,220</u>

Income and (loss)/profit derive from continuing operations. There are no recognised gains or losses other than the (loss)/profit disclosed above in the financial year.

The loss for the financial year stated in an unmodified cost basis was £258,362 (1998 - profit £880,220).


POSTERMOBILE PLC

GROUP BALANCE SHEET

AT 31 MARCH 1999

	Notes	£	1999 £	£	1998 £
Fixed assets					
Tangible assets	9		11,845,277		9,697,961
Current assets					
Stocks	11	19,956		9,581	
Debtors	12	2,547,013		2,784,628	
Cash at bank and in hand		<u>1,021</u>		<u>1,009</u>	
		2,567,990		2,795,218	
Creditors: Amounts falling due within one year	13	<u>(4,852,793)</u>		<u>(3,493,875)</u>	
Net current liabilities			<u>(2,284,803)</u>		<u>(698,657)</u>
Total assets less current liabilities			9,560,474		8,999,304
Creditors: Amounts falling due after more than one year	14		<u>(3,586,954)</u>		<u>(2,809,422)</u>
			<u>£5,973,520</u>		<u>£6,189,882</u>
Capital reserves					
Called up share capital	15		1,210,419		1,192,795
Share premium account	16		4,323,008		4,298,632
Profit and loss account	16		<u>440,093</u>		<u>698,455</u>
			<u>£5,973,520</u>		<u>£6,189,882</u>

Approved by the Board on 12 August 1999 and signed on its behalf by J Lewis.


J Lewis

POSTERMOBILE PLC

COMPANY BALANCE SHEET

AT 31 MARCH 1999

	Notes	£	1999 £	£	1998 £
Fixed assets					
Tangible assets	9		10,766,083		8,618,767
Investments	10		<u>2,654,666</u>		<u>2,654,666</u>
			13,420,749		11,273,433
Current assets					
Stocks	11	19,956		9,581	
Debtors	12	<u>2,827,107</u>		<u>3,036,366</u>	
		2,847,063		3,045,947	
Creditors: Amounts falling due within one year	13	<u>(4,705,885)</u>		<u>(3,346,966)</u>	
<i>Net current liabilities</i>			<u>(1,858,822)</u>		<u>(301,019)</u>
Total assets less current liabilities			11,561,927		10,972,414
Creditors: Amounts falling due after more than one year	14		<u>(4,891,852)</u>		<u>(4,028,320)</u>
			<u>£6,670,075</u>		<u>£6,944,094</u>
Capital reserves					
Called up share capital	15		1,210,419		1,192,795
Share premium account	16		4,323,008		4,298,632
Profit and loss account	16		<u>1,136,648</u>		<u>1,452,667</u>
			<u>£6,670,075</u>		<u>£6,944,094</u>

Approved by the Board on 12 August 1999 and signed on its behalf by J Lewis.


J Lewis

POSTERMOBILE PLC
GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 1999

	Notes	£	1999 £	£	1998 £
			2,906,236		440,451
Net cash inflow from operating activities	17				
Returns on investments and servicing of finance		13 <u>(486,996)</u>	(486,983)	1,545 <u>(409,800)</u>	(408,255)
Interest received			(95,424)		
Interest paid					(-)
Dividends paid			(23,847)		
Taxation					
UK corporation tax paid					
Capital expenditure and financing investment		42,000		(1,088,693)	
Proceeds from share options		(3,096,424)			
Payments to acquire tangible fixed assets		<u>36,477</u>	(3,017,947)	<u>30,000</u>	<u>(1,058,693)</u>
Proceeds from sale of tangible fixed assets			(717,965)		(1,026,497)
Net cash outflow before financing					
Financing					
New loan		1,334,000		430,000	
Repayment of amounts borrowed		(86,000)		(205,500)	
Net inflow from finance lease		<u>(492,994)</u>		<u>313,382</u>	
			755,006		537,882
			<u>£37,041</u>		<u>£(488,615)</u>
Increase/(decrease) in cash	17				

POSTERMOBILE PLC

GROUP CASH FLOW STATEMENT (continued)

FOR THE YEAR ENDED 31 MARCH 1999

	Notes	£	1999 £	£	1998 £
Reconciliation of cash-flow to movement in net debt					
Increase/(decrease) in cash in the period	17	37,041		(488,615)	
Cash inflow from increase in debt and lease financing			<u>(755,006)</u>	<u>(537,882)</u>	
Change in net debt resulting from cash-flows			<u>(717,965)</u>		<u>(1,026,497)</u>
Movement in net debt in the period	17		(717,965)		(1,026,497)
Net debt at beginning of financial year			<u>(5,222,229)</u>		<u>(4,195,732)</u>
Net debt at 31 March 1999	17		<u>£(5,940,194)</u>		<u>£(5,222,229)</u>

POSTERMOBILE PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1999

1. Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards issued by UK accounting bodies.

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

Basis of accounting

The financial statements have been prepared under the historical cost convention.

The group sells contracted block sites including those sites where the legal title is vested in the subsidiary companies. For administrative purposes all income is recognised in the parent company as it is not practical to attribute the income stream to its subsidiaries. It is therefore group policy to transfer the business of its subsidiaries to the parent company.

Basis of consolidation

The group financial statements consolidate the financial statements of Postermobile Plc and all its subsidiaries made up to 31 March 1999. No profit or loss account is presented for Postermobile Plc, as provided by S230 (3) of the Companies Act 1985.

Turnover

Turnover represents amounts invoiced by the group in respect of sites sold and services rendered during the year stated net of value added tax.

Tangible fixed assets

Depreciation is provided at rates calculated to write off the cost or valuation, less estimated residual value of each asset over the expected useful life as follows:

Site capital cost	-	10 to 15 years
Leasehold land and buildings	-	Term of lease
Fixtures and Fittings	-	25% reducing balance
Motor vehicles	-	25% reducing balance

Land is not depreciated. Freehold buildings are maintained to ensure that their value does not diminish over time.

Stocks

Stocks are valued on a first in, first out basis at the lower of cost and net realisable value.

Leases

Assets held under finance leases or hire purchase agreements and the related obligations are recorded in the balance sheet at the fair value of the assets at the inception of the agreements. The excess of the payments over the recorded obligations are treated as finance charges which are amortised over the term of each agreement to give a constant rate of charge on the remaining balance of the obligation.

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

Deferred taxation

Deferred taxation is calculated on the liability method. It is provided to the extent that it is considered, with reasonable probability, that a liability will become payable within the foreseeable future.

POSTERMOBILE PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 1999

1. Accounting policies (continued)

Pensions

The company makes pension contributions on behalf of certain employees into individual defined contributions plans, which are each independently administered. The amounts are treated as a cost to the company in the accounting period in which they become payable.

Investments

Fixed asset investments are stated at cost, less any provision for diminution in value.

2. Turnover and group (loss)/profit

The turnover of the group during the year was made in the same geographical area and derive from the same class of business as noted in the directors' report.

3. Cost of sales	1999 £	1998 £
Cost of sales includes:-		
Depreciation	<u>451,652</u>	<u>453,552</u>
4. Administrative expenses	1999 £	1998 £
Administrative expenses include:-		
Auditors' emoluments	17,000	15,000
Auditors' non-audit fees	15,358	1,355
Depreciation	93,928	58,305
Profit on disposal of fixed assets	<u>(10,349)</u>	<u>(706)</u>
5. Interest payable and similar charges	1999 £	1998 £
Bank loans, overdrafts and other loans	285,731	294,616
Finance charges on finance leases and hire purchase obligations	<u>201,265</u>	<u>115,184</u>
	<u>£486,996</u>	<u>£409,800</u>
6. Employees and directors	1999 £	1998 £
Staff costs including executive directors during the year amounted to:-		
Wages and salaries	920,763	447,165
Social security costs	85,179	41,208
Other pension costs	<u>44,080</u>	<u>36,086</u>
	<u>£1,050,022</u>	<u>£524,459</u>

POSTERMOBILE PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 1999

6. Employees and directors (continued)	1999	1998
The average monthly number of employees during the year was:-	No.	No.
Sales	4	6
Administration	5	6
Development	3	1
	<u>12</u>	<u>13</u>
	1999	1998
	£	£
Directors' emoluments:		
Fees - non-executive directors	27,950	24,778
Remuneration and other emoluments	755,131	255,169
Pension contribution	<u>9,000</u>	<u>27,649</u>
	<u>£792,081</u>	<u>£307,596</u>
Included above is remuneration paid to:		
The Chairman	<u>£13,200</u>	<u>£13,200</u>
The highest paid director:		
Remuneration	235,832	60,000
Pension contributions	<u>-</u>	<u>15,360</u>
	<u>£235,832</u>	<u>£75,360</u>

All directors are accruing pension benefits under money purchase schemes.

On 1 April 1999, all the directors exercised share options as disclosed in note 22.

7. Taxation

There is no tax charge for the year because of the accumulated losses brought forward.

There are unrelieved losses of approximately £3,220,000 (1998 - £2,450,000) which are available for set off against future trading profits; these figures are subject to agreement by H M Inspector of Taxes.

8. Profit of the parent company

The parent company's loss for the financial year amounted to £316,019 (1998 - profit £880,216).

POSTERMOBILE PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 1999

9. Tangible fixed assets

Group Cost	Site capital costs £	Land and Buildings £	Fixtures and fittings £	Motor vehicles £	Total £
At 1 April 1998	11,700,197	459,820	326,401	241,244	12,727,662
Additions at cost	2,961,807	-	7,417	127,200	3,096,424
Disposals	(444,000)	(-)	(-)	(53,477)	(497,477)
At 31 March 1999	14,218,004	459,820	333,818	314,967	15,326,609
Depreciation					
At 1 April 1998	2,813,922	5,985	156,228	53,566	3,029,701
Charge for the year	451,652	8,712	22,500	62,716	545,580
In respect of disposals	(66,600)	(-)	(-)	(27,349)	(93,949)
At 31 March 1999	3,198,974	14,697	178,728	88,933	3,481,332
Net book value					
At 31 March 1999	£11,019,030	£445,123	£155,090	£226,034	£11,845,277
At 31 March 1998	£8,886,275	£453,835	£170,173	£187,678	£9,697,961

The net book value of the group's fixed assets includes £1,329,109 (1998 - £1,578,472) in respect of assets held under finance leases and hire purchase contracts, and the related depreciation charge for the year in respect of those assets is £176,802 (1998 - £144,381).

POSTERMOBILE PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 1999

9 Tangible fixed assets (continued)

Company	Site capital costs £	Land and Buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 April 1998	10,115,342	17,102	306,874	241,244	10,680,562
Additions at cost	2,961,807	-	7,417	127,200	3,096,424
Disposals	(444,000)	(-)	(-)	(53,477)	(497,477)
At 31 March 1999	12,633,149	17,102	314,291	314,967	13,279,509
Depreciation					
At 1 April 1998	1,858,850	5,985	138,519	58,441	2,061,795
Charge for the year	451,652	8,712	22,500	62,716	545,580
In respect of disposals	(66,600)	(-)	(-)	(27,349)	(93,947)
At 31 March 1999	2,243,902	14,697	161,019	93,808	2,513,426
Net book value					
At 31 March 1999	£10,389,247	£2,405	£153,272	£221,159	£10,766,083
At 31 March 1998	£8,256,492	£11,117	£168,355	£182,803	£8,618,767

The net book value of the company's fixed assets includes £1,329,109 (1998 - £1,578,472) in respect of assets held under finance leases and hire purchase contracts, and the related depreciation charge for the year in respect of those assets is £176,802 (1998 - £144,381).

10. Fixed asset investments - Interests in subsidiary undertakings

The group holds more than 20% of the equity of the following undertakings:

Name of company	Country of registration	Proportion held	Nature of business
City and Suburban Posters Ltd	England	100%	Dormant
PD International Advertising Ltd	England	100%	Dormant
Arcadia Cooper Properties Ltd	England	100%	Dormant
KMS Advertising Ltd	England	100%	Management services
The London Bill Posting Company Ltd	England	100%	Dormant
Postermobile Advertising Ltd	England	100%	Outdoor advertising
Epiclove Ltd	England	100%	Dormant

POSTERMOBILE PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 1999

10. Fixed asset investments - Interests in subsidiary undertakings (continued)

Company	Subsidiary undertakings
Cost and net book value	£
At 1 April 1998 and	
31 March 1999	<u>£2,654,666</u>

11. Stocks	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
Consumables	<u>£19,956</u>	<u>£9,581</u>	<u>£19,956</u>	<u>£9,581</u>
12. Debtors	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	1,213,185	1,534,311	1,213,185	1,534,311
Amounts owed by group undertakings	-	-	280,094	251,738
Other debtors	72,486	48,640	72,486	48,640
Prepayments and accrued income	<u>1,261,342</u>	<u>1,201,677</u>	<u>1,261,342</u>	<u>1,201,677</u>
	<u>£2,547,013</u>	<u>£2,784,628</u>	<u>£2,827,107</u>	<u>£3,036,366</u>
13. Creditors: Amounts falling due within one year	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
Bank loans and overdraft	1,893,157	1,838,186	1,807,157	1,752,186
Obligations under finance leases and hire purchase contracts	461,103	575,630	461,103	575,630
Trade creditors	692,953	553,253	645,704	506,004
Other taxation and social security costs	296,497	70,481	296,497	70,481
Other creditors	380,603	110,196	367,400	96,993
Proposed dividends	-	-	-	-
Accruals and deferred income	<u>1,128,480</u>	<u>346,129</u>	<u>1,128,024</u>	<u>345,672</u>
	<u>£4,852,793</u>	<u>£3,493,875</u>	<u>£4,705,885</u>	<u>£3,346,966</u>

Obligations under finance leases and hire purchase contracts are secured on the related assets.

The bank overdraft of £987,157, included in Bank loans and overdraft, is secured by a fixed and floating charge over all the company's assets and is subject to interest at 2.25% over London Inter Bank Offered Rate (LIBOR).

POSTERMOBILE PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 1999

14. Creditors: Amounts falling due after one year

	Group		Company	
	1999 £	1998 £	1999 £	1998 £
Bank loans	3,116,500	1,960,500	2,880,000	1,638,000
Obligations under finance leases and hire purchase contracts	470,454	848,922	470,454	848,922
Amounts owed to group undertakings	-	-	<u>1,541,398</u>	<u>1,541,398</u>
	<u>£3,586,954</u>	<u>£2,809,422</u>	<u>£4,891,852</u>	<u>£4,028,320</u>

Obligations under finance leases and hire purchase contracts are secured on the related assets.

	Group		Company	
Analysis of loans	1999 £	1998 £	1999 £	1998 £
Wholly repayable within five years	4,022,500	2,774,500	3,700,000	2,366,000
Included in current liabilities	<u>(906,000)</u>	<u>(814,000)</u>	<u>(820,000)</u>	<u>(728,000)</u>
	<u>£3,116,500</u>	<u>£1,960,500</u>	<u>£2,880,000</u>	<u>£1,638,000</u>

Loan maturity analysis

Between one and two years	906,000	814,000	820,000	728,000
Between two and five years	<u>2,210,500</u>	<u>1,146,500</u>	<u>2,060,000</u>	<u>910,000</u>
	<u>£3,116,500</u>	<u>£1,960,500</u>	<u>£2,880,000</u>	<u>£1,638,000</u>

The loan is secured by a charge over the group's assets and is subject to interest at 2.75% over LIBOR.

Net obligations under finance leases and hire purchase contracts

	Group & Company 1999 £	Group & Company 1998 £
Repayable within one year	558,338	684,794
Repayable between one and five years	<u>543,487</u>	<u>1,001,176</u>
	1,101,825	1,685,970
Finance charges and interest allocation	<u>(170,332)</u>	<u>(261,418)</u>
	931,493	1,424,552
Included in liabilities falling due within one year	<u>(461,039)</u>	<u>(575,630)</u>
	<u>£470,454</u>	<u>£848,922</u>

POSTERMOBILE PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 1999

15. Share capital	1999 £	1998 £
Authorised:		
15,736,152 Ordinary shares of 10p each	<u>1,573,615</u>	<u>1,573,615</u>
	<u>£1,573,615</u>	<u>£1,573,615</u>
Allotted, issued and fully paid:		
12,104,193 Ordinary shares of 10p each	<u>1,210,419</u>	<u>1,192,795</u>
	<u>£1,210,419</u>	<u>£1,192,795</u>

16. Reserves and reconciliation of movements in shareholders' funds

Group	Share capital £	Share premium account £	Profit and loss account £	Total shareholders' funds £
Opening shareholders' funds	1,192,795	4,298,632	698,455	6,189,882
Retained loss for the financial year	-	-	(258,362)	(258,362)
Issue of new shares	17,624	24,376	-	42,000
Closing shareholders' funds	<u>1,210,419</u>	<u>4,323,008</u>	<u>440,093</u>	<u>5,973,520</u>
Company	Share capital £	Share premium account £	Profit and loss account £	Total shareholders' funds £
Opening shareholders' funds	1,192,795	4,298,632	1,452,667	6,944,094
Retained loss for the financial year	-	-	(316,019)	(316,019)
Issue of new shares	17,624	24,376	-	42,000
Closing shareholders' funds	<u>1,210,419</u>	<u>4,323,008</u>	<u>1,136,648</u>	<u>6,670,075</u>

176,234 shares of 10 pence each were issued on 10 March 1999 at 23.8 pence each.

On 1 April 1999, the company issued new shares on the exercise of all approved and unapproved share options as disclosed in Note 22. The share options were exercised as a result of More Group UK Ltd making an offer for the whole issued and outstanding share option of the company by 26 March 1999.

17. Notes to the group cash flow statement	1999 £	1998 £
Reconciliation of operating profit to net cash flow from operating activities:-		
Operating profit	324,045	1,288,475
Depreciation and appropriation of fixed assets to stock	922,980	599,058
(Profit) on sale of tangible fixed assets	(10,349)	(706)
(Increase) in stock	(10,375)	(2,331)
Decrease/(Increase) in debtors	(261,462)	(827,361)
Increase/(decrease) in creditors	<u>1,418,473</u>	<u>(616,684)</u>
	<u>£2,906,236</u>	<u>£440,451</u>

POSTERMOBILE PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 1999

17. Notes to the group cash flow statement (continued)

Analysis of changes in net debt

	1 April 1998 £	Cash-flow £	31 March 1999 £
Cash at bank and in hand	1,009	12	1,021
Overdraft	(1,024,186)	37,029	(987,157)
	(1,023,177)	37,041	(986,136)
Debt due with one year	(814,000)	(92,000)	(906,000)
Debt due after one year	(1,960,500)	(1,156,000)	(3,116,500)
Finance leases	(1,424,552)	493,059	(931,493)
Total	(5,222,229)	(717,900)	(5,940,129)

18. Related party transactions

The company manages sites on behalf of Lochwork Limited, a company in which Mr E Lewis has a significant interest. The management fee received from these companies during the year amounted to £21,171 (1998 - £34,561). In addition advertising structures were purchased during the year from Lochwork Limited. The cost of these structures amounted to £850,000 (1998 - £182,000).

19. Operating lease commitments

At 31 March 1999 the annual commitments under non-cancellable operating leases were as follows:-

	Land and Buildings		Other	
	Group and Company		Group and Company	
	1999	1998	1999	1998
	£	£	£	£
Leases which expire:-				
Within 1 year	-	10,000	-	-
Within 2 to 5 years	-	-	-	-
After 5 years	<u>65,440</u>	<u>54,690</u>	<u>-</u>	<u>-</u>
	<u>£65,440</u>	<u>£64,690</u>	<u>£-</u>	<u>£-</u>

POSTERMOBILE PLC

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 MARCH 1999

20. Pensions

The company makes pension contributions on behalf of certain employees into individual defined contributions plans, which are each independently administered. The amounts are treated as a cost to the company in the accounting period in which they become payable. The amount paid into these pension schemes were £44,080 (1998 -£36,086).

21. Deferred Taxation

The potential liability for deferred taxation at 30% is as follows:-

	1999 £	1998 £
Capital allowances in excess of depreciation charge	<u>235,765</u>	<u>200,103</u>
	235,765	200,103
Losses available for future relief	<u>(235,765)</u>	<u>(200,103)</u>
	<u>£NIL</u>	<u>£NIL</u>

22. Share options

On 1 April 1997, the company issued the following share options at £0.50 p each:-

	Number of Shares	
	Inland Revenue Approved Share Scheme	Unapproved Share Scheme
Directors		
J P Lewis	60,000	162,500
E Lewis	60,000	162,500
R J Porter	60,000	62,500
A D Blain	60,000	62,500
C V Pratt	60,000	62,500

In addition to the above 125,000 share options were issued to employees under the approved share option scheme and a further 62,500 shares to a senior employee under the unapproved share option scheme.

985,000 shares (approved and unapproved) were exercised on 1 April 1999 for 50 pence per share.

23. Ultimate parent company

The company is a wholly owned subsidiary of More Group UK Ltd. The directors considers the ultimate parent company to be Clear Channel Communications Inc, a US listed company.