

Telemags Limited

**Directors' Report and Financial Statements
for the year ended 31 December 2001**

**AI Cherry
Chartered Accountants
Registered Auditors
26 Winckley Square
Preston
Lancashire**

2001 2001





Telemags Limited

Company Information

Directors	OJ Oyston V Oyston K Oyston
Secretary	Mrs RJ Conlon
Company Number	2197388
Registered Office	Blackpool Football Club Stadium Bloomfield Road Blackpool
Accountants	AI Cherry 26 Winckley Square Preston Lancashire PR1 3JJ
Bankers	The Royal Bank of Scotland 97 Fishergate Preston PR1 2DP

Telemags Limited

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Telemags Limited

**Directors' Report
for the year ended 31 December 2001**

The directors present their report and the financial statements for the year ended 31 December 2001.

Principal Activity

The principal activity of the company is the development of interests in media and leisure, particularly through joint venture arrangements with capital providers. The company was dormant during the year.

Directors and their Interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	2001	1999
OJ Oyston	47,059	47,059
V Oyston	-	-
K Oyston	-	-

Directors' Responsibilities

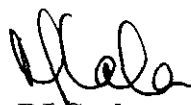
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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 is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective March 2000).

This report was approved by the Board on 25 October 2002 and signed on its behalf by

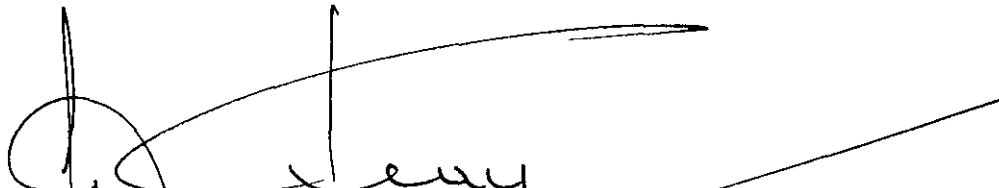


Mrs RJ Conlon
Secretary

Telemags Limited

**Accountants' Report on the Unaudited Financial Statements to the Directors of
Telemags Limited**

As described on the Balance Sheet you are responsible for the preparation of the financial statements for the year ended 31 December 2001 set out on pages 3 to 9 and you consider that the company is exempt from an audit. In accordance with your instructions we have compiled these unaudited financial statements, in order to assist you to fulfil your statutory responsibilities, from the accounting records and information supplied to us.



AI Cherry
Chartered Accountants
26 Winckley Square
Preston
Lancashire
PR1 3JJ

Date: 25 October 2002

Telemags Limited

**Profit and Loss Account
for the year ended 31 December 2001**

		2001	2000
	Notes	£	£
Administrative expenses		(491)	(1,788)
Operating loss		<u>(491)</u>	<u>(1,788)</u>
Interest payable and similar charges	2	<u>-</u>	<u>(1)</u>
(Loss) for the year		(491)	(1,789)
Accumulated (loss) brought forward		(453,570)	(451,781)
Accumulated (loss) carried forward		<u>(454,061)</u>	<u>(453,570)</u>

The notes on pages 6 to 9 form an integral part of these financial statements.

Telemags Limited

Balance Sheet
as at 31 December 2001

	Notes	2001		2000	
		£	£	£	£
Current Assets					
Cash at bank and in hand		2		2	
		<u>2</u>		<u>2</u>	
Creditors: amounts falling due within one year	4	(52,110)		(51,619)	
Net Current Liabilities			(52,108)		(51,617)
Total Assets Less Current Liabilities			(52,108)		(51,617)
Capital and Reserves					
Called up share capital	5		2,353		2,353
Share premium account	6		399,600		399,600
Profit and loss account	6		(454,061)		(453,570)
Shareholders' Funds			(52,108)		(51,617)

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 6 to 9 form an integral part of these financial statements.

Telemags Limited

Balance Sheet (continued)

**Directors' statements required by Section 249B(4)
for the year ended 31 December 2001**

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31 December 2001 and

(c) that we acknowledge our responsibilities for:

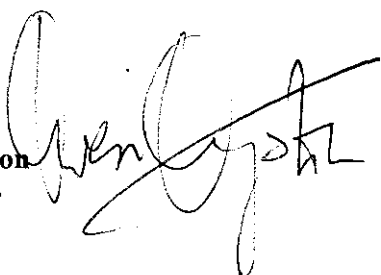
(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The financial statements were approved by the Board on 25 October 2002 and signed on its behalf by

OJ Oyston
Director



The notes on pages 6 to 9 form an integral part of these financial statements.

Telemags Limited

**Notes to the Financial Statements
for the year ended 31 December 2001**

1. Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2. Group accounts

The company and its subsidiary form a small sized group. The company has therefore taken advantage of the exemption given by Section 248 of the Companies Act 1985 not to prepare group accounts. These financial statements present information about the company as an individual undertaking and not as a group.

1.3. Going Concern

The company is dormant and therefore the accounts have not been prepared on the going concern basis. No adjustments are necessary.

2. Interest payable and similar charges

	2001 £	2000 £
On loans and overdrafts	-	1

3. Fixed Asset Investments

	Subsidiary Undertakings Shares	Listed Investments	Total
	£	£	£
Cost			
At 1 January 2001			
At 31 December 2001	400,000	25,000	425,000
Provisions for diminution in value:			
At 1 January 2001			
At 31 December 2001	400,000	25,000	425,000

Telemags Limited

**Notes to the Financial Statements
for the year ended 31 December 2001**

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3.1. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Nature of business	Shares held	Class
Subsidiary undertaking				
Jebwill Limited	England and Wales	Development of interests in media and leisure.	100%	Ordinary 'A' Class

The aggregate amount of capital and reserves and the results of this subsidiary undertaking for the years ended 31 December 2001 and 2000 were as follows:

	Capital and reserves		Profit/(Loss) for the year	
	£	£	£	£
	2001	2000	2001	2000
Jebwill Limited	(35,063)	(15,153)	(19,910)	(2,127)

At the balance sheet date the company owned 25,000 ordinary 'A' shares of £1 each in the subsidiary undertaking, being the whole of that class of shares in issue. This represented 50% of the voting rights and 40% of the rights to dividends of that company.

Full provision has been made against this investment as it has negative capital and reserves.

The trade investment relates to an investment in News on Sunday Publishing plc, a company which has been dissolved. Full provision has been made against this investment.

4. Creditors: amounts falling due within one year	2001 £	2000 £
Amounts owed to participating interest	22,481	22,481
Amounts owed to connected companies	28,278	26,805
Directors' accounts	1,175	1,175
Accruals and deferred income	176	1,158
	<u>52,110</u>	<u>51,619</u>

Telemags Limited

**Notes to the Financial Statements
for the year ended 31 December 2001**

..... continued

5. Share capital	2001	2000
	£	£
Authorised		
47,059 Ordinary shares of 5 pence each	2,353	2,353
	<u>2,353</u>	<u>2,353</u>
Allotted, called up and fully paid		
47,059 Ordinary shares of 5 pence each	2,353	2,353
	<u>2,353</u>	<u>2,353</u>

6. Reserves	Share premium account £	Profit and loss account £	Total £
At 1 January 2001	399,600	(453,570)	(53,970)
(Loss) for the year	-	(491)	(491)
	<u>399,600</u>	<u>(454,061)</u>	<u>(54,461)</u>
At 31 December 2001	<u>399,600</u>	<u>(454,061)</u>	<u>(54,461)</u>

7. Transactions with directors

Included in other creditors is £1,175 (2000:£1,175) due to Mr OJ Oyston, a director and majority shareholder of the company. The amount due is unsecured and free of interest.

The maximum balance owed to Mr OJ Oyston during the year was £1,175. Mr OJ Oyston does not propose to demand repayment of this loan in the foreseeable future.

8. Related party transactions

At 31 December 2001 the company owed £22,481 (2000:£22,481) to Jebwill Limited, its subsidiary undertaking. The amount is unsecured and free of interest.

Amounts owed to related party undertakings of £26,278 (2000:£26,805) represents £25,000 (2000:£25,000) due to Hecudd Limited and £3,278 (2000:£1,805) due to Denwis Limited, companies under the control of Mr OJ Oyston, a director and majority shareholder of Telemags Limited. Both loans are unsecured and free of interest.

During the year Denwis Limited paid expenses of £1,473 on behalf of Telemags Limited. The year end balance owing to Denwis Limited was the maximum balance outstanding in the year. Denwis Limited does not propose to demand repayment of this loan in the foreseeable future.

Telemags Limited

**Notes to the Financial Statements
for the year ended 31 December 2001**

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9. Controlling interest

Mr OJ Oyston is the ultimate controlling party of Telemags Limited, owning 100% of its share capital.