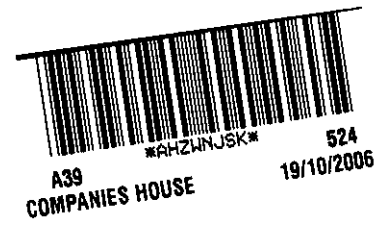


TELEMAGS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

No 2197388



TELEMAGS LIMITED

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TELEMAGS LIMITED

COMPANY INFORMATION

DIRECTORS

O J Oyston
V Oyston
K S Oyston

SECRETARY

R J Conlon

REGISTERED OFFICE

BFC Stadium
Seasiders Way
Blackpool
FY1 6JJ

REGISTERED NUMBER

2197388

TELEMAGS LIMITED
DIRECTORS' REPORT
For the year ended 31 December 2005

The directors present their report and the financial statements for the year ended 31 December 2005.

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.

Principal Activity

The principal activity 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 share capital of the company at the beginning and end of the year was as follows: -

	At 31 December 2005	At 1 January 2005
	Ordinary Shares	Ordinary Shares
O J Oyston	47,059	47,059
V Oyston	-	-
K S Oyston	-	-

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 June 2002).

By order of the Board


Mrs R J Conlon
Secretary

TELEMAGS LIMITED

Balance Sheet As at 31 December 2005

	Notes	2005 £	2004 £
Creditors:			
Amounts falling due within one year	3	(52,110)	(52,110)
Net Current Liabilities		<u>(52,110)</u>	<u>(52,110)</u>
Total assets less current liabilities		<u>(52,110)</u> =====	<u>(52,110)</u> =====
Capital and Reserves			
Called up Share Capital	4	2,353	2,353
Share premium account	5	399,600	399,600
Profit and Loss Account	5	(454,063)	(454,063)
Shareholders' Funds		<u>(52,110)</u> =====	<u>(52,110)</u> =====

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 7 – 10 form part of these financial statements

TELEMAGS LIMITED

Balance Sheet (continued)

As at 31 December 2005

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records that comply with Section 221 of the Companies Act 1985, and
 - (ii) Preparing accounts 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 financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the board on 17 October 2006

On behalf of the Board,  Director

The notes on pages 7 – 10 form part of these financial statements

TELEMAGS LIMITED

Notes to the Financial Statements For the year ended 31 December 2005

1. Accounting Policies

(a) Accounting Convention

The accounts have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2000).

(b) 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.

(c) Going Concern

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

2. Fixed Asset Investments

	Subsidiary Undertakings	Listed Investments	Total
	£	£	£
Cost			
At 1 January 2005			
At 31 December 2005	400,000	25,000	425,000
	<hr/>	<hr/>	<hr/>
Provisions for diminution in value			
At 1 January 2005			
At 31 December 2005	400,000	25,000	425,000
	<hr/>	<hr/>	<hr/>

TELEMAGS LIMITED

Notes to the Financial Statements For the year ended 31 December 2005

2.1 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 2004 and 2003 were as follows:

	Capital and Reserves		Profit/(Loss) for the year	
	2005	2004	2005	2004
	£	£	£	£
Jebwill Limited	(32,876)	(35,167)	2291	(104)

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 share 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.

TELEMAGS LIMITED
Notes to the Financial Statements
For the year ended 31 December 2005

3. Creditors: amounts falling due within one year

	2005 £	2004 £
Amounts owed to participating interest	22,481	22,481
Amounts owed to connected companies	28,278	28,278
Directors' accounts	1,351	1,351
	<hr/>	<hr/>
	52,110	52,110
	<hr/>	<hr/>

At 31 December 2005 the company owed £22,481 (2003:£22,481) to Jebwill Limited, its subsidiary undertaking. The amount is unsecured and free of interest.

Amounts owed to related party undertakings of £28,278 (2004:£28,278) represents £25,000(2003:£25,000) due to Hecudd Limited and £3,278 (2003:£3,278) due to Denwis Limited, companies under the control of Mr O J Oyston, a director and majority shareholder of Telemags Limited. Both loans are unsecured and free of interest.

Directors' accounts represent the balance due to Mr O J Oyston, a director and majority shareholder of the company. The maximum balance, due to Mr O J Oyston during the year was £1,351. The loan was free of interest, unsecured and repayable on demand.

4. Share Capital

	2005 £	2004 £
Authorised		
47,059 Ordinary Shares of 5 pence each	2,353	2,353
	<hr/>	<hr/>
Allotted, Called Up and fully paid		
47,059 Ordinary Shares of 5 pence each	2,353	2,353
	<hr/>	<hr/>

TELEMAGS LIMITED
Notes to the Financial Statements
For the year ended 31 December 2005

5. Reserves

	Share premium account £	Profit and loss account £
At 1 January 2005	399,600	(454,063)
At 31 December 2005	<u>399,600</u> =====	<u>(454,063)</u> =====

6. Controlling interest

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