

**Registration number 3172120**

**Transmedia Gateway Ltd**

**Abbreviated accounts**

**for the year ended 31 March 2007**

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# **Transmedia Gateway Ltd**

## **Contents**

	<b>Page</b>
Auditors' report	<b>1</b>
Abbreviated balance sheet	<b>2</b>
Notes to the financial statements	<b>3 - 6</b>

**Independent auditors' report to Transmedia Gateway Ltd  
under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages to 6 together with the financial statements of Transmedia Gateway Ltd for the year ended 31 March 2007 prepared under Section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditor's 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 for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the directors and the auditors**

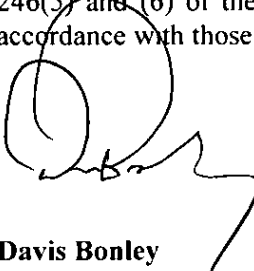
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

**Basis of opinion**

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.



**Davis Bonley**  
**Chartered Accountants and**  
**Registered auditors**

**27 July 2007**

**Northside House**  
**Mount Pleasant**  
**Barnet**  
**Herts EN4 9EE**


**Transmedia Gateway Ltd**

**Abbreviated balance sheet  
as at 31 March 2007**

		2007		2006	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	2		-		22,491
Tangible assets	2		26,499		35,126
			<u>26,499</u>		<u>57,617</u>
<b>Current assets</b>					
Debtors		407,536		306,187	
Cash at bank and in hand		146,631		65,583	
		<u>554,167</u>		<u>371,770</u>	
<b>Creditors: amounts falling due within one year</b>		<u>(287,922)</u>		<u>(185,965)</u>	
<b>Net current assets</b>			<u>266,245</u>		<u>185,805</u>
<b>Total assets less current liabilities</b>			292,744		243,422
<b>Creditors: amounts falling due after more than one year</b>			-		(834)
<b>Net assets</b>			<u>292,744</u>		<u>242,588</u>
<b>Capital and reserves</b>					
Called up share capital	4		2,313,284		2,313,284
Profit and loss account			<u>(2,020,540)</u>		<u>(2,070,696)</u>
<b>Shareholders' funds</b>			<u>292,744</u>		<u>242,588</u>

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective January 2005) relating to small companies

The abbreviated accounts were approved by the Board on 24 JULY 2007 and signed on its behalf by

  
 .....  
**IMG Corporate Associates ~~Limited~~ Ltd**  
**Director**

**The notes on pages 3 to 6 form an integral part of these financial statements.**

## **Transmedia Gateway Ltd**

### **Notes to the abbreviated financial statements for the year ended 31 March 2007**

#### **1. Accounting policies**

##### **1.1. Accounting convention**

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

##### **1.2. Changes in accounting policy**

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards

###### *UITF 40 'Revenue recognition and service contracts'*

The accounts have been restated to incorporate the impact of UITF Abstract 40 issued by the Accounting Standards Board. This change sets out rules for accounting for revenue from service contracts. Revenue from service contracts will need to be accounted for under what is known as the 'stage of completion' method. The impact on the accounts is that amounts previously shown as work in progress will now be disclosed under debtors as accrued income. The change in accounting policy has had no effect on the results for the current or preceding period since the provisions of UITF Abstract 40 were utilised in both periods as regards the profit and loss account.

##### **1.3. Turnover**

Turnover represents fees invoiced during the year (excluding value added tax) and derives from the provision of goods and services falling within the company's ordinary activities.

In respect of long-term contracts and contracts for on-going services, turnover represents the sales value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

##### **1.4. Research and development**

Research and development costs include costs and salaries directly or indirectly attributable to the research and development activities of the company. Research costs are charged to the profit and loss account in the year in which they are incurred.

Clearly defined and identifiable development projects in which the technical degree of exploitation, adequate resources and potential market or development possibility in the undertaking are recognisable, and where it is the intention to produce, market or execute the project, are capitalised when a correlation exists between the costs incurred and future benefits. Such costs are being amortised on a straight line basis over 3 years.

## **Transmedia Gateway Ltd**

### **Notes to the abbreviated financial statements for the year ended 31 March 2007**

continued

#### **1.5 Tangible fixed assets and depreciation**

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

Refurbishment	-	50% straight line
Computer equipment	-	33 1/3% straight line
Fixtures and fittings	-	25% straight line
Software	-	33 1/3% straight line

#### **1.6. Leasing and hire purchase commitments**

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and represent a constant proportion of the balance of capital repayments.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

#### **1.7. Deferred taxation**

Full provision is made for deferred tax on all timing differences that have originated but not reversed at the balance sheet date.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

# Transmedia Gateway Ltd

## Notes to the abbreviated financial statements for the year ended 31 March 2007

continued

2.	Fixed assets	Intangible assets £	Tangible fixed assets £	Total £
	<b>Cost</b>			
	At 1 April 2006	67,475	99,654	167,129
	Additions	-	15,970	15,970
	At 31 March 2007	<u>67,475</u>	<u>115,624</u>	<u>183,099</u>
	<b>Depreciation and Provision for diminution in value</b>			
	At 1 April 2006	44,984	64,528	109,512
	Charge for year	22,491	24,597	47,088
	At 31 March 2007	<u>67,475</u>	<u>89,125</u>	<u>156,600</u>
	<b>Net book values</b>			
	At 31 March 2007	-	26,499	26,499
	At 31 March 2006	<u>22,491</u>	<u>35,126</u>	<u>57,617</u>

### 3. Ultimate parent undertaking

The company's immediate parent undertaking, and in the directors' opinion, the company's ultimate parent undertaking, is On-line Services Ltd

In the directors' opinion the largest and smallest group in which the results of Transmedia Gateway Ltd are consolidated is that headed by On-line Services Ltd, a company which is registered in the Cayman Islands. The consolidated financial statements of this group are not available to the public. Its registered address is Boundary Hall, Cricket Square, PO Box 1111, Grand Cayman KY1-1102, Cayman Islands, British West Indies.

# Transmedia Gateway Ltd

## Notes to the abbreviated financial statements for the year ended 31 March 2007

continued

4. Share capital	2007 £	2006 £
<b>Authorised</b>		
1,377,144 Ordinary shares of £1 each	1,377,144	1,377,144
12,894,489 New Ordinary shares of 7 26 pence each	936,140	-
9,208,277 Cumulative Redeemable Convertible Preference shares of 7 26 pence each	-	668,521
	<u>2,313,284</u>	<u>2,045,665</u>
<b>Allotted, called up and fully paid</b>		
1,377,144 Ordinary shares of £1 each	1,377,144	1,377,144
12,274,656 New Ordinary shares of 7 26 pence each	891,140	-
8,588,444 Cumulative Redeemable Convertible Preference shares of 7 26 pence each	-	623,521
	<u>2,268,284</u>	<u>2,000,665</u>
Allotted, called up and fully paid		
Undeclared Preference dividends and interest	-	267,619
Called up share capital not paid	45,000	45,000
	<u>2,313,284</u>	<u>2,313,284</u>
<b>Equity Shares</b>		
1,377,144 Ordinary shares of £1 each	1,377,144	1,377,144
12,894,489 New Ordinary shares of 7 26 pence each	936,140	-
	<u>2,313,284</u>	<u>1,377,144</u>

It was resolved that with effect from 1 April 2006 the Redeemable Cumulative Convertible Preference shares of 7 26 pence each are redesignated as New Ordinary shares of 7 26 pence each

It was also resolved that with effect from 1 April 2006 the authorised share capital be increased by £267,619 by the creation of 3,686,212 New Ordinary shares of 7 26 pence each. On the same date, 3,686,212 New Ordinary shares of 7 26 pence each were issued, with an aggregate nominal value of £267,619. Payment for these shares was made by applying the accumulated unpaid liability of the Company to the shareholder, in the amount of £267,619.

The rights of a New Ordinary shareholder are the same as that of an Ordinary shareholder with regard to voting and distribution of income by way of a dividend, but always on the basis that a fully paid 7 26 pence New Ordinary share is equivalent to a fully paid £1 Ordinary share (and pro rata where not fully paid).

On a winding-up of the company, the New Ordinary shareholders have a right to receive, in priority to all other shareholders, the capital paid up on the New Ordinary shares (including any premium).