

Timeload Local Limited
(formerly Scoot Local Limited)
Annual Report and Financial Statements
for the year ended 31 December 2002



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Timeload Local Limited
(formerly Scoot Local Limited)

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Timeload Local Limited
(formerly Scoot Local Limited)

Directors and administration

Country of registration	England
Registered number	3180797
Registered office	Bakers House Bakers Road Uxbridge Middlesex UB8 1RG
Directors	D. Eykel B. Wadsworth
Company secretary	C. Glass
Auditors	Deloitte & Touche 180 Strand London WC2R 1BL
Solicitors	Charles Russell 8-10 New Fetter Lane London EC4A 1RS

Timeload Local Limited
(formerly Scoot Local Limited)

Report of the directors

The directors present their annual report on the affairs of the company together with the audited financial statements for the year ended 31 December 2002.

Change of name

On 27 July 2002, the company changed its name from Scoot Local Limited to Timeload Local Limited.

Principal activity and business review

The company is an investment holding company and expects to remain as such, with no trading activities for the foreseeable future.

Results and dividends

The net profit for the year, mainly resulting from the release of retention provisions relating to the disposal of certain subsidiaries in the previous year, was £202,001 (2001: £2,569,419).

The directors do not recommend the payment of a final dividend (2001: £Nil).

Directors

The directors of the company during the year were:

	Date of appointment	Date of resignation
D. Eykel	1 August 2002	
T.E. Martin		1 August 2002
G.P.J. Dudley		28 May 2003
B. Wadsworth	28 May 2003	

Directors' interests

The company is a wholly-owned subsidiary of Timeload plc and consequently none of the directors have any interest in the shares of the company.

The following director, who was not also a director of the company's ultimate holding company at 31 December 2002, was interested in the ordinary 2p shares of Timeload plc at the beginning and end of the year as indicated below:

	2002	
	Shares	Share options
G.P.J. Dudley	-	-

Mr. D. Eykel is a director of Timeload plc, the ultimate holding company, and his interests are disclosed in the financial statements of that company.

The share options referred to above relate to options granted under the Timeload plc Unapproved 1999 share option scheme to subscribe for ordinary 2p shares of Timeload plc.

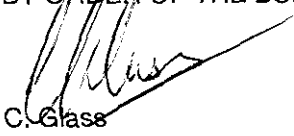
Timeload Local Limited
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Report of the directors (continued)

Auditors

Deloitte & Touche were appointed auditors to the Company during the year following the resignation of Arthur Andersen. Deloitte & Touche have indicated their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the forthcoming annual general meeting. Following completion of the proposed transaction by the ultimate holding company with COE Limited, Deloitte & Touche will resign as auditors and be replaced by PricewaterhouseCoopers.

BY ORDER OF THE BOARD



C. Glass
Secretary

12 June 2003

Timeload Local Limited
(formerly Scoot Local Limited)

Directors' responsibilities

United Kingdom 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 as at the end of the financial year and of the profit or loss for that year. In preparing the 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;
- state whether applicable accounting standards have been followed; and
- 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 that 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. The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors confirm that these financial statements comply with these requirements.

Timeload Local Limited
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Independent auditors' report to the members of Timeload Local Limited

We have audited the financial statements of Timeload Local Limited for the year ended 31 December 2002 which comprise the profit and loss account, the balance sheet, and the related notes numbered 1 to 11. These financial statements have been prepared under 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 directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

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 company's circumstances, 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 the company's affairs as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte Touche

Deloitte & Touche
Chartered Accountants and Registered Auditors
London, England
12 June 2003

Timeload Local Limited
(formerly Scoot Local Limited)

Profit and loss account for year ended 31 December 2002

	Notes	2002 £	2001 £
Operating profit/(loss)	2	202,001	(2,376,535)
Interest receivable	3	-	202,863
Net profit on disposal of investments	4	-	4,743,091
Profit on ordinary activities before taxation		202,001	2,569,419
Taxation	5	-	-
Retained profit for the year	9	202,001	2,569,419
Accumulated loss, at beginning of year		(994,747)	(3,564,166)
Accumulated loss, at end of year		<u>(792,746)</u>	<u>(994,747)</u>

The results are derived from discontinued activities.

There are no recognised gains and losses other than those shown in the profit and loss account above.

The accompanying notes and statement of accounting policies form part of this profit and loss account.

Timeload Local Limited
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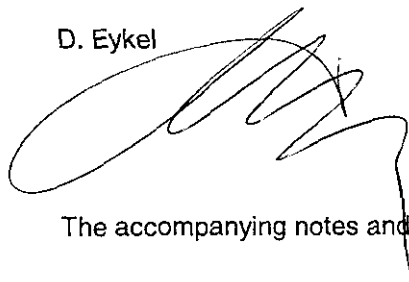
Balance sheet as at 31 December 2002

	Notes	2002 £	2001 £
Fixed assets			
Investments	6	-	-
Current assets			
Amount due from ultimate holding company		7,678	-
Creditors: amounts falling due within one year	7	-	(194,323)
Net assets/(liabilities)		<u>7,678</u>	<u>(194,323)</u>
Capital and reserves			
Called-up share capital	8	800,424	800,424
Profit and loss account		(792,746)	(994,747)
Equity shareholders' funds/(deficit)	9	<u>7,678</u>	<u>(194,323)</u>

These financial statements were approved by the Board of directors on 12 June 2003 and were signed on its behalf by:

D. Eykel

DIRECTOR



The accompanying notes and statement of accounting policies form part of this balance sheet.

Timeload Local Limited
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Notes to the financial statements

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The accounting policies have been applied consistently throughout the year and during the preceding year except for the adoption of FRS 19, which has had no material effect on the financial statements.

Consolidated financial statements

The company has taken advantage of Section 228 of the Companies Act 1985 and has not produced consolidated financial statements because the company is a wholly-owned subsidiary of another company incorporated in Great Britain.

Investments

Investments are stated at cost less any provision for impairment.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred taxation is recognised in respect of all timing differences that have occurred but not yet reversed at the balance sheet date.

Cash flow statement and related party transactions

Under the provisions of Financial Reporting Standard No. 1 (Revised), the company has not presented a cash flow statement because its ultimate holding company has prepared consolidated financial statements which include the company and which contain a cash flow statement.

Under the provisions of Financial Reporting Standard No. 8, the company has not disclosed details of inter-group transactions because its ultimate holding company has prepared consolidated financial statements which include the company and are available to the public.

2. Operating profit/(loss)

	2002 £	2001 £
This is stated after crediting/(charging):		
Exceptional items:		
Release of provision for disposal of investments	202,001	-
Provision against amount due from ultimate holding company	-	(2,375,577)
Provision against amount due from subsidiary company	-	(693)

Auditors' remuneration for the current and prior year has been borne by the ultimate holding company.

The directors received no remuneration for their services to the company during the year (2001: £Nil). There were no employees other than the directors in the current and prior year.

All items within operating profit/(loss) relate to administrative expenses.

Timeload Local Limited
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Notes to the financial statements (continued)

3. Interest receivable

	2002 £	2001 £
Interest received from subsidiary companies	-	202,863

4. Net profit on disposal of investments

	2002 £	2001 £
Profit on disposal of B & S Limited	-	6,196,139
Loss on disposal of Loot Llc	-	(1,453,048)
	-	4,743,091

The sale of B & S Limited to a subsidiary of the Daily Mail and General Trust plc was completed on 1 October 2001.

Loot Llc was sold to its management with effect from the beginning of November 2001.

5. Taxation

The charge or credit for taxation comprises:

	2002 £	2001 £
Current year charge	-	-
Deferred tax	-	-
	-	-

Factors affecting the taxation charge or credit for the year are as follows:

	2002 £	2001 £
Profit on ordinary activities before tax	202,001	2,569,419
UK corporation tax at 30% (2001: 30%)	(60,600)	(770,826)
Profit on disposal of investments	-	1,422,927
Expenses not deductible for tax purposes	60,600	(712,881)
Group relief	-	60,780
Current tax charge for the year	-	-

Timeload Local Limited
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Notes to the financial statements (continued)

6. Investments

	Subsidiaries £	Associated undertaking £	Total £
Cost:			
At beginning of year	604	60,729	61,333
Disposals	(602)	-	(602)
At end of year	<u>2</u>	<u>60,729</u>	<u>60,731</u>
Provisions against investments:			
At beginning of year	(604)	(60,729)	(61,333)
Disposals	602	-	602
At end of year	<u>(2)</u>	<u>(60,729)</u>	<u>(60,731)</u>
Net book value:			
At beginning and end of year	<u>-</u>	<u>-</u>	<u>-</u>

The company's subsidiaries at 31 December 2002 were:

<u>Company</u>	<u>Country of registration</u>	<u>% holding</u>	<u>Business</u>
Insidemarket Limited	England	100%	Holding company
Basement Database Marketing Limited	Mauritius	100%	Holding company

Basement Database Marketing Limited was dissolved on 24 April 2003.

The company holds a 45% interest in Loot Publications (PTE) Limited which is registered in Pakistan.

7. Creditors: amounts falling due within one year

	2002 £	2001 £
Amount due to subsidiary company	-	1,023
Other creditors	<u>-</u>	<u>193,300</u>
	<u>-</u>	<u>194,323</u>

8. Called-up share capital

	2002 and 2001	
	Authorised	Allotted, called-up and fully paid
	£	£
Ordinary shares of £1 each	<u>4,000,000</u>	<u>800,424</u>

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Notes to the financial statements (continued)

9. Reconciliation of movements in equity shareholders' funds

	2002	2001
	£	£
Retained profit for the year	202,001	2,569,419
Shareholders' funds, at beginning of year - deficit	(194,323)	(2,763,742)
Shareholders' funds/(deficit), at end of year	<u>7,678</u>	<u>(194,323)</u>

10. Ultimate holding and controlling company

The company's ultimate holding and controlling company is COE Group plc (formerly Timeload plc), which heads the smallest and largest group in which the financial statements are consolidated. These consolidated financial statements are available to the public and may be obtained from their registered office at Bakers House, Bakers Road, Uxbridge, Middlesex UB8 1RG.

11. Subsequent Event

On 28 March 2003 a circular was issued to the shareholders of COE Group plc (formerly Timeload plc), the company's ultimate holding company, setting out the terms of a proposed transaction to acquire the entire share capital of COE Limited ("COE"), a premium provider of technology for managed video networks. This was coupled with a part return of up to £2.2 million of cash to shareholders by way of a tender offer to existing shareholders to purchase up to 40% of their shares at a price of 0.75 pence per share. The proposal also included the requirement for a capital reduction programme for COE Group plc (formerly Timeload plc), which would need subsequent approval by the High Court. Shareholder approval of the proposed transaction was received at an Extraordinary General Meeting on 22 April 2003 and, on 21 May 2003, the High Court approved the capital reduction programme. The acquisition of COE was completed on 28 May 2003 when the name of Timeload plc was changed to COE Group plc.