

# **3 NET MEDIA GROUP LIMITED**

## **Financial Statements**

**For the year ended 31 May 2008**

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# **3 NET MEDIA GROUP LIMITED**

**Financial statements for the year ended 31 May 2008**

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# **3 NET MEDIA GROUP LIMITED**

**Directors, officers and advisers**

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## **Directors**

Mr S Ratcliffe  
Mr J P Mulholland

## **Secretary and registered office**

Mr S Ratcliffe  
Orb House  
435 Lichfield Road  
Birmingham  
B6 7SS

## **Registered number**

04592566

## **Accountants**

M & J Lawrence Business Services  
213 Station Road  
Stechford  
Birmingham  
B33 8BB

# 3 NET MEDIA GROUP LIMITED

## Directors' report for the year ended 31 May 2008

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The directors present their report and the financial statements of the company for the year ended 31 May 2008.

### Principal activity

The principal activity of the company is provision of telecommunication services.

### Directors

The directors who served during the year were:

Mr S Ratcliffe

Mr J P Mulholland

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

### Signed on behalf of the board



MR S RATCLIFFE

Director

Approved by the Board on .....2/6/09.....

### **3 NET MEDIA GROUP LIMITED**

#### **Accountant's Report to the Board of Directors on the Unaudited Financial Statements**

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In accordance with the engagement letter dated 31 May 2008, and in order to assist you to fulfil your duties under the Companies Act 1985, I have compiled the financial statements of the company set out on pages 4 to 9 from the accounting records and information and explanations you have given to me.

This report is made to the Company's board of Directors, as a body, in accordance with the terms of my engagement. My work has been undertaken so that I might compile the financial statements that I have been engaged to compile, report to the Company's Board of Directors that I have done so, and state those matters that I have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors, as a body, for my work or for this report.

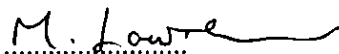
I have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet for the year ended 31 May 2008 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

I have not been instructed to carry out an audit of the financial statements. For this reason, I have not verified the accuracy or completeness of the accounting records or information and explanations you have given to me and I do not, therefore, express any opinion on the financial statements.

**M & J Lawrence Business Services**  
**Chartered Accountants**

213 Station Road  
Stechford  
Birmingham  
B33 8BB

  
.....

### 3 NET MEDIA GROUP LIMITED

#### Profit and loss account for the year ended 31 May 2008

	<u>Notes</u>	<u>2008</u> £	<u>2007</u> £
<b>Turnover</b>	2	<b>1,903,118</b>	<b>785,165</b>
Cost of sales		<u>998,075</u>	<u>424,552</u>
Gross profit		<u>905,043</u>	<u>360,613</u>
Distribution costs		<b>31,852</b>	11,353
Administrative expenses		<u>866,934</u>	<u>304,233</u>
		<u>898,786</u>	<u>315,586</u>
<b>Operating profit</b>	3	<b>6,257</b>	<b>45,027</b>
Other interest receivable and similar income		<b>944</b>	3,000
Interest payable and similar charges		<u>(1,270)</u>	<u>(10)</u>
<b>Profit on ordinary activities before taxation</b>		<b>5,931</b>	<b>48,017</b>
Taxation on profit on ordinary activities	5	<u>(3,116)</u>	<u>(13,000)</u>
<b>Profit for the financial year</b>		<u><b>2,815</b></u>	<u><b>35,017</b></u>

The notes on pages 7 to \*\* form part of these financial statements.

### 3 NET MEDIA GROUP LIMITED

#### Balance sheet at 31 May 2008

	<u>Notes</u>	<u>2008</u> £	<u>2007</u> £
<b>Fixed assets</b>			
Intangible assets	6	27,444	41,331
Tangible assets	7	42,570	18,134
		<u>70,014</u>	<u>59,465</u>
<b>Current assets</b>			
Debtors	8	207,457	135,687
Cash at bank and in hand		12,799	45,463
		<u>220,256</u>	<u>181,150</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(281,538)</u>	<u>(237,498)</u>
<b>Net current liabilities</b>		<u>(61,282)</u>	<u>(56,348)</u>
<b>Total assets less current liabilities</b>		<u>8,732</u>	<u>3,117</u>
<b>Provision for liabilities</b>	10	<u>(2,800)</u>	<u>-</u>
		<u>5,932</u>	<u>3,117</u>
<b>Capital and reserves</b>			
Called up share capital	11	100	100
Profit and loss account	12	5,832	3,017
		<u>5,932</u>	<u>3,117</u>
<b>Shareholders' funds</b>		<u>5,932</u>	<u>3,117</u>

### 3 NET MEDIA GROUP LIMITED

#### Balance sheet at 31 May 2008 (continued)

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These accounts have been prepared in accordance with the special provisions relating to small companies within part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

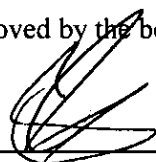
The directors are of the opinion that the company is entitled to the exemptions from audit conferred by section 249A(1) of the Companies Act 1985 for the year ended 31 May 2008.

The directors confirm that no member or members have requested an audit pursuant to subsection 2 of section 249B of the Companies Act 1985.

The directors are responsible for:-

- a) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and
- b) preparing accounts which give a true and fair view of the state of affairs of the company as at 31 May 2008 and of its results for the year then ended in accordance with the requirements of section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

Approved by the board of directors on .....2/6/09..... and signed on its behalf.



Mr S Ratcliffe - Director



Mr J P Mulholland - Director

The notes on page 6 to 9 form part of these financial statements



# 3 NET MEDIA GROUP LIMITED

## Notes to the financial statements for the year ended 31 May 2008

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### 1 Accounting policies

#### a) Basis of accounting

The financial statements are prepared on the historical cost basis of accounting and have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The company has taken advantage of the exemption, conferred by Financial Reporting Standard 1, from presenting a cash flow statement as it qualifies as a small company.

#### b) Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax.

#### c) Depreciation of tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the full cost or valuation less estimated residual value of each asset over its estimated useful life. The principal rates in use are:

Equipment, fixtures and fittings      15%      straight line and three years straight line

#### d) Goodwill

Goodwill is the difference between the fair value of the consideration paid for an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities.

Positive goodwill is capitalised, classified as an asset on the balance sheet and mortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

#### e) Intangible assets

Intangible fixed assets comprise of Trade Marks These are shown in the financial statements at cost. Intangible assets are amortised through the profit and loss account in equal installments over the estimated useful life of the asset.

#### f) Deferred taxation

Deferred tax is provided in respect of the tax effect of all timing differences that have originated but not reversed at the balance sheet date.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as 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 the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### g) Hire purchase and lease transactions

Rentals under operating leases are charged to the profit and loss account as they fall due.

### 2 Turnover

The turnover and profit before taxation is attributable to the one principal activity of the company.

### 3 NET MEDIA GROUP LIMITED

Notes to the financial statements for the year ended 31 May 2008 (continued)

#### 3 Profit on ordinary activities before taxation

This is stated after charging:

	<u>2008</u> £	<u>2007</u> £
Amortisation of goodwill	17,328	7,228
Depreciation	<u>11,233</u>	<u>1,164</u>

#### 4 Directors' emoluments

	<u>2008</u> £	<u>2007</u> £
Emoluments	<u>5,200</u>	<u>5,000</u>

#### 5 Tax on profit on ordinary activities

	<u>2008</u> £	<u>2007</u> £
United Kingdom corporation tax at 20/21%	<u>3,116</u>	<u>13,000</u>

#### 6 Intangible fixed assets

	<u>Goodwill</u> £	<u>Intangibles</u> £	<u>Total</u> £
<b>Cost:</b>			
At 1 June 2007	<u>48,000</u>	<u>4,000</u>	<u>52,000</u>
<b>Amortisation:</b>			
At 1 June 2007	6,669	559	7,228
Provision for the year	<u>15,996</u>	<u>1,332</u>	<u>17,328</u>
At 31 May 2008	<u>22,665</u>	<u>1,891</u>	<u>24,556</u>
<b>Net book value:</b>			
At 31 May 2008	<u>25,335</u>	<u>2,109</u>	<u>27,444</u>
At 31 May 2007	<u>41,331</u>	<u>3,441</u>	<u>44,772</u>

### 3 NET MEDIA GROUP LIMITED

Notes to the financial statements for the year ended 31 May 2008 (continued)

#### 7 Tangible fixed assets

	<i>Equipment fixtures and fittings £</i>
<b>Cost:</b>	
At 1 June 2007	15,857
Additions	39,110
At 31 May 2008	<u>54,967</u>
<b>Depreciation:</b>	
At 1 June 2007	1,164
Provision for the year	11,233
At 31 May 2008	<u>12,397</u>
<b>Net book value:</b>	
At 31 May 2008	<u>42,570</u>
At 31 May 2007	<u>14,693</u>

#### 8 Debtors

	<u>2008</u> £	<u>2007</u> £
Trade debtors	-	87,496
Other debtors	207,457	48,191
	<u>207,457</u>	<u>135,687</u>

#### 9 Creditors: amounts falling due within one year

	<u>2008</u> £	<u>2007</u> £
Trade creditors	178,781	102,344
Other creditors	36,087	44,614
Corporation tax	13,627	13,000
Other tax and social security	53,043	77,540
	<u>281,538</u>	<u>237,498</u>

#### 10 Provisions for liabilities

	<u>2008</u> £	<u>2007</u> £
Accelerated capital allowances	2,800	-
Provision at start of year	-	-
Deferred tax charge in profit and loss account for year (note 5)	2,800	-
Provision at end of year	<u>2,800</u>	<u>-</u>

### 3 NET MEDIA GROUP LIMITED

Notes to the financial statements for the year ended 31 May 2008 (continued)

#### 11 Called-up share capital

	<u>2008</u> £	<u>2007</u> £
<b>Authorised</b>		
<b>Equity shares:</b>		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>Allotted, called up and fully paid</b>		
<b>Equity shares:</b>		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

#### 12 Reserves

	<i>Profit and loss account</i> £
At 1 June 2007	3,017
Profit for the year	<u>2,815</u>
At 31 May 2008	<u>5,832</u>

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#### 14 Transactions in which the directors have an interest

The following loans to directors subsisted during the year ended 31 May 2008:

<i>Balance outstanding at start of year</i> £	<i>Balance outstanding at end of year</i> £	<i>Maximum balance outstanding during year</i> £
<u>2,132</u>	<u>128,572</u>	<u>128,572</u>

### 3 NET MEDIA GROUP LIMITED

Profit and loss account for the year ended 31 May 2008

	<u>2008</u> £	<u>2007</u> £
<b>Sales</b>		
Sales - UK main activity	1,903,118	785,047
Other income treated as turnover	-	118
	<u>1,903,118</u>	<u>785,165</u>
<b>Cost of sales</b>		
Purchases	998,075	424,552
	<u>998,075</u>	<u>424,552</u>
<b>Gross profit</b>	<b>905,043</b>	<b>360,613</b>
<b>Deduct: Expenses</b>		
Premise costs	108,937	32,793
Cleaning	8,892	3,058
Emoluments for services as directors	5,200	5,000
Salaries	293,592	98,763
Printing, Postage & Stationery	46,158	18,884
Equipment hire	5,351	530
Billing postage	9,804	4,072
Billing platform charges	36,019	27,271
Sales & marketing commissions	43,205	41,600
Sundry expenses	13,410	10,244
Travelling	14,826	1,713
Entertaining	5,424	5,663
Advertising	11,602	3,977
Bank charges and interest	29,782	9,579
Bad debts	149,072	-
Consultancy fees	29,146	23,000
Accountancy charges	15,427	8,125
Legal & professional charges	45,648	12,932
Fixtures and fittings - depreciation	11,233	1,164
Goodwill written off	17,328	7,228
	<u>900,056</u>	<u>315,596</u>
	<b>4,987</b>	<b>45,017</b>
<b>Other income</b>		
Interest receivable	944	3,000
<b>Net profit before taxation</b>	<b><u>5,931</u></b>	<b><u>48,017</u></b>