

ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008

FOR

BRANDED MEDIA LIMITED

21 DEC 2009

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BRANDED MEDIA LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2008**

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BRANDED MEDIA LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2008**

DIRECTOR: S Fergusson

SECRETARY: C D Fergusson

REGISTERED OFFICE: 20 Harcourt Street
London
W1H 4HG

REGISTERED NUMBER: 4623064 (England and Wales)

AUDITORS: William Evans & Partners
20 Harcourt Street
London
W1H 4HG

**REPORT OF THE INDEPENDENT AUDITORS TO
BRANDED MEDIA LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages three to five, together with the financial statements of Branded Media Limited for the year ended 31 December 2008 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 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

The director is 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 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.

Other information

On 7 December 2009 we reported as auditors to the shareholders of the company on the financial statements for the year ended 31 December 2008 prepared under Section 226 of the Companies Act 1985, and our report included the following extract:

"Going concern

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £20,805 during the year ended 31 December 2008 and, at that date, the company's current liabilities exceeded its total assets by £312,685. These conditions, along with the current trading results and other matters explained in note 16 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern."

William Evans & Partners

William Evans & Partners
20 Harcourt Street
London
W1H 4HG

Date: 7 December 2009

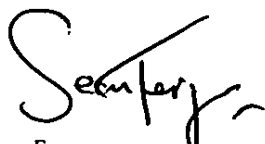
BRANDED MEDIA LIMITED

**ABBREVIATED BALANCE SHEET
31 DECEMBER 2008**

	Notes	2008 £	2007 £
FIXED ASSETS			
Tangible assets	2	234,670	283,173
CURRENT ASSETS			
Stocks		28,599	7,583
Debtors		879,174	1,041,707
Cash at bank and in hand		<u>274,489</u>	<u>71,361</u>
		1,182,262	1,120,651
CREDITORS			
Amounts falling due within one year	3	<u>1,494,947</u>	<u>1,395,377</u>
NET CURRENT LIABILITIES		<u>(312,685)</u>	<u>(274,726)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(78,015)	8,447
CREDITORS			
Amounts falling due after more than one year	3	<u>158,791</u>	<u>224,448</u>
NET LIABILITIES		<u>(236,806)</u>	<u>(216,001)</u>
CAPITAL AND RESERVES			
Called up share capital	4	100	100
Profit and loss account		<u>(236,906)</u>	<u>(216,101)</u>
SHAREHOLDERS' FUNDS		<u>(236,806)</u>	<u>(216,001)</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the director on 4 December 2009 and were signed by:



Sean Fergusson

BRANDED MEDIA LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Turnover

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Land and buildings	- 10% on cost
Plant and machinery etc	- 25% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Going concern

The financial statements have been prepared on the basis that the company will continue as a going concern.

2. TANGIBLE FIXED ASSETS

	Total £
COST	
At 1 January 2008	482,176
Additions	24,838
Disposals	<u>(23,000)</u>
At 31 December 2008	<u>484,014</u>
DEPRECIATION	
At 1 January 2008	199,002
Charge for year	73,342
Eliminated on disposal	<u>(23,000)</u>
At 31 December 2008	<u>249,344</u>
NET BOOK VALUE	
At 31 December 2008	<u>234,670</u>
At 31 December 2007	<u>283,174</u>

BRANDED MEDIA LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2008****3. CREDITORS**

Creditors include an amount of £96,489 (2007 - £128,760) for which security has been given.

4. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2008 £	2007 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

5. TRANSACTIONS WITH DIRECTOR

The following loan to directors subsisted during the years ended 31 December 2008 and 31 December 2007:

	2008 £	2007 £
S Fergusson		
Balance outstanding at start of year	2,300	45,688
Balance outstanding at end of year	-	2,300
Maximum balance outstanding during year	<u>22,320</u>	<u>52,221</u>

No interest was charged on the loan to the director, Mr Sean Fergusson.

At 31 December 2008 the director, Mr Sean Fergusson, had provided limited guarantees to the company bankers for a total of £80,000 (31 December 2007: £15,000).

6. RELATED PARTY DISCLOSURES

During the year ended 31 December 2008 the company wrote off £33,425 in respect of an amount owed to it by Brandedmedia ab, a company incorporated in Sweden and related to the company by virtue of the director, Sean Fergusson, holding 70% of its issued share capital.

7. ULTIMATE CONTROLLING PARTY

During the two years ending 31 December 2008, Sean Fergusson, the director, controlled the company by virtue of his controlling interest of 100% of the issued ordinary share capital.

8. GOING CONCERN

The Company has reported a loss for the year ended 31 December 2008, and based on the Management Accounts prepared by the company, a further loss will be reported for the year ended 31 December 2009. The company is now operating at a profit in a market place which is showing signs of recovery following a very difficult twelve months. Whilst the director has instituted measures to reduce costs and preserve cash, these circumstances create material uncertainties over future trading results and cash flows.

The current economic conditions create uncertainties, particularly over the level of demand for the company's products and services as well as the availability of favourable trading terms with key suppliers. The director has concluded that the combination of the circumstances described above represent a material uncertainty that cast significant doubt upon the company's ability to continue as a going concern.

However, the company has introduced a series of measures to reduce costs. This has resulted in the turnaround in its performance and should provide surplus cash flows during 2010 to alleviate the deficit position reported in the balance sheet as at 31 December 2008.

The company's forecasts and cashflow projections for the next twelve months have been prepared using information from previous periods and amended to reflect current market conditions and changes in the product mix. In addition, the overheads will reflect the full impact of the changes in cost structure referred to above. The projections show that the company can meet its day to day working capital requirements which also benefit from the timing differences arising from the payment terms for debtors and creditors. The director believes that the company will be able to maintain positive cashflow for the foreseeable future.

For these reasons the director considers that the company can continue to generate positive cash flows and as a result the going concern basis of accounting has been adopted.