

Company [West 175 Media Group Inc](#)
TIDM WEP
Headline Preliminary Results
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WEST 175 MEDIA GROUP INC.

Preliminary results for the year ended 31st March 2005

29 July 2005

Chairman's Statement

The operating loss for the year ended 31 March 2005 was reduced to £196,457 compared with a loss in 2004 of £311,710: legal and professional fees accounted for some 62% of total expenditure in the year under review. Under the Company Voluntary Arrangement ("CVA"), most of the amounts contained in the balance sheet as at 31 March 2004 and owing to creditors and to holders of the Company's loan notes were cancelled, giving rise to a non-recurring credit in the year under review of £1,565,432. As a result of this credit, the Group profit before taxation for the year amounted to £1,378,977 (2004: loss of £391,000) and earnings per share in the year were 1 penny (2004: loss of 2 pence).

The company, which disposed of its last trading subsidiary in March 2003, continued as a non-trading shell in the year. Neither the Company nor any subsidiary traded and no turnover was recorded.

These are consolidated accounts. However the only two remaining subsidiaries were dissolved during the year. The Group balance sheet is therefore identical to the Company balance sheet.

Far the most significant event in the year was the CVA, as fully described in the several documents sent to shareholders, holders of loan notes and creditors in documents dated 14 May 2004. On 7 July 2004, the Company announced that the CVA of the Company had been successfully completed.

Under the terms of the CVA, creditors could elect to receive either a cash payment of 10 pence for each £1 of their debt or 25 pence per £1 of their debt in new shares of the Company issued at 1.5 pence per share. In order to finance and implement the CVA, new equity funds of £65,000 were raised through an issue of shares at 0.4 pence per share. In addition, and conditional on

the completion of the CVA, further new equity funds of £450,000 (before expenses) were raised by the issue of 90,000,000 New West Shares at a price of 0.5 pence per New West Share. Following completion of the CVA, the issued share capital of the Company was increased to 161,957,470 West Shares, all of which were re-admitted to AIM on 7 July 2004.

On 31 March 2005, the Company raised £1,040,000, before expenses, by the issue of 130,000,000 shares at 0.8 pence per share. The cash proceeds of the issue were received in full in the first week of April 2005, but as at 31 March 2005, the sum of £1,040,000 was recorded as an amount owing to the Company among "debtors".

In financial terms, the balance sheet of the Company has been transformed both by the CVA and by the cash raised by the March 2005 placing. The balance sheet of 31 March 2004, which has been restated to convert all amounts from US dollars into pounds sterling, recorded net liabilities of approximately £2,220,000. As a result of the CVA and all the amounts raised as new share capital, the balance sheet as at 31 March 2005 recorded net assets of £1,209,246 all of which was represented by cash balances or debtors which were converted into cash within a week of the year end.

The Directors have decided henceforward to use pounds sterling in the accounts as the CVA was conducted in that currency.

The Directors therefore achieved the objective of creating a cash shell possessing substantial cash balances and without either subsidiaries or any known liabilities which pre-date the CVA.

The Directors have made considerable progress towards their previously stated objective of finding a suitable acquisition for the Company and hope to make an announcement in due course.

David Montgomery
Non-executive Chairman

For further information

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GROUP PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

2004		2005
£	Note	£
GROUP TURNOVER		-
2		-
Administrative expenses	196,457	311,710
	-----	-----
OPERATING LOSS	2 (196,457)	(311,710)
Non recurring credit arising on the CVA	3 1,565,432	-
	1,368,975	(311,710)
Interest receivable	10,002	54
Interest payable	-	(79,383)
	-----	-----
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	1,378,977	(391,039)
Tax on profit/(loss) on ordinary activities	-	-
	-----	-----
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR	<u>1,378,977</u>	<u>(391,039)</u>
EARNINGS/(LOSS) PER SHARE		
- undiluted	0.01	(0.02)
- diluted	4 <u>0.01</u>	<u>(0.02)</u>

The group and the company, being non-trading, had no activities in the year.

The company has taken advantage of section 230 of the Companies Act 1985 not to publish its own profit and loss account.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2005	2004
	£	£
Profit/(loss) for the financial year	1,378,977	(391,039)
Currency translation difference on foreign currency net investments	-	(29,366)
	-----	-----
Total recognised gain/(loss) during the year	<u>1,378,977</u>	<u>(420,405)</u>

GROUP BALANCE SHEET AS AT 31 MARCH 2005

£	Note	2004 £	2005 £
CURRENT ASSETS			
Debtors	5	1,040,000	-
Cash at bank		264,944	4,794
		<u>-</u>	<u>-</u>
		1,304,944	4,794
CREDITORS: amounts falling due within one year		95,698	604,644
NET CURRENT ASSETS/(LIABILITIES)		1,209,246	(599,850)
		<u>-</u>	<u>-</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,209,246	(599,850)
CREDITORS: amounts falling due after more than one year		<u>-</u>	1,619,543
		<u>1,209,246</u>	<u>(2,219,393)</u>
CAPITAL AND RESERVES			
Called-up equity share capital		23,100,970	21,051,308
Profit and loss account		(21,891,724)	(23,270,701)
		<u>-</u>	<u>-</u>
SHAREHOLDERS' FUNDS/(DEFICIENCY)		<u>1,209,246</u>	<u>(2,219,393)</u>

GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

2004 £	Note	2005 £	2005 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	6	(264,852)	2,300
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received	10,002	<u>10,002</u>	<u>54</u>
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		<u>10,002</u>	<u>54</u>
CASH (OUTFLOW)/INFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING		(254,850)	2,354

MANAGEMENT OF LIQUID RESOURCES			
Increase in fixed term deposits		<u>(260,000)</u>	
NET CASH OUTFLOW FROM MANAGEMENT OF LIQUID RESOURCES			(260,000)
FINANCING			
Issue of shares	<u>515,000</u>		<u>-</u>
NET CASH INFLOW FROM FINANCING		515,000	-
INCREASE IN CASH		<u>150</u>	<u>2,354</u>

NOTES

1. Basis of preparation

The financial information included above has been prepared on the basis of the accounting policies as stated in the previous year's financial statements. The financial information set out in this announcement does not constitute statutory accounts for the purpose of Section 240 of the Companies Act 1985. This announcement has been approved by the Board of Directors on 28 July 2005. The auditors have reported on those accounts: their reports were unqualified and did not contain statements under section 237 (2) or (3) of the Companies Act 1985. Statutory accounts for the year ended 31 March 2005 will be posted to all shareholders shortly.

- The company was wholly dormant in the year, neither generating turnover nor incurring cost of sales. The operating loss of £196,457 for the year was incurred from the costs of legal and other professional fees (£122,460), Directors' fees (£42,150, comprising fees of £39,000 and associated VAT of £3,150) and sundry expenses (£31,847). The Company's principal operations were carried out wholly in the UK.
- The Company Voluntary Arrangement ("CVA") was fully described in the several documents sent to shareholders, holders of loan notes and creditors in documents dated 14 May 2004. The CVA was successfully completed on 7 July 2004.

Under the terms of the CVA, creditors could elect to receive either a cash payment of 10 pence for each £1 of their debt or 25 pence per £1 of their debt in new shares of the Company at 1.5 pence per share (the "Share Alternative"). Holders of Loan Notes were offered only the Share Alternative. In order to finance and implement the

CVA, new equity funds of £65,000 were raised through an issue of shares at 0.4 pence per share. In addition, and conditional on the completion of the CVA, further new equity funds of £450,000 (before expenses) were raised by the issue of 90,000,000 new shares in West 175 at a price of 0.5 pence per new share. Following completion of the CVA, the issued share capital of the Company was increased to 161,957,470 shares, all of which were re-admitted to AIM on 7 July 2004.

4. Basic and diluted earnings per share are based on the profit for the year of £1,378,977 (2004: loss of £391,039) and the following weighted average number of shares.

	2005
	2004
	Number
Number	
Weighted average number of shares	138,245,605
22,730,038	
Weighted average number of dilutive share options	<u>549,899</u>
=	
Weighted average number of shares - diluted	<u>138,795,504</u>
22,730,038	

5. Other debtors of £1,040,000 represent the proceeds of a placing of 130,000,000 new shares of common stock on 31 March 2005. The cash proceeds of the placing were received in full in the first week of April 2005.

6. Reconciliation of operating loss to net cash (outflow)/inflow from operating activities

	2005	2004
	£	£
Operating loss	(196,457)	(83,739)
CVA expenses paid in shares	56,250	-
Credit arising from CVA	1,565,432	-
(Decrease)/increase in creditors	(1,690,077)	80,037
Decrease in debtors	-	35,368
Foreign exchange movements	-	(29,366)
	-----	-----
Net cash (outflow)/inflow from operating activities	<u>(264,852)</u>	<u>2,300</u>

7. Reconciliation of net cash flow to movement in net funds

	2005	2004
	£	£
Increase in cash in the period	150	-
Cash invested in fixed deposits	<u>260,000</u>	<u>2,354</u>

Change in net debt arising from cash flows	260,150	2,354
Other non cash changes	1,619,543	(307,354)
Change in net funds	<u>1,879,693</u>	<u>(305,000)</u>
Net debt at 1 April 2004	(1,614,749)	(1,309,749)
Net funds at 31 March 2005	<u>264,944</u>	<u>(1,614,749)</u>

END

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