

COMPANY REGISTRATION NUMBER 2087671

WALL TO WALL TELEVISION LTD
ABBREVIATED FINANCIAL STATEMENTS
FOR
THE YEAR ENDED 30 JUNE 2003



WALL TO WALL TELEVISION LTD

ABBREVIATED ACCOUNTS

YEAR ENDED 30 JUNE 2003

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WALL TO WALL TELEVISION LTD

THE DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2003

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 June 2003.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is the production of television programmes.

The group has had a successful year with increased margins despite the loss of Sale and Leaseback income. The current year is projected to exceed 2003.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

DIRECTORS

The directors who served the company during the year were as follows:

A Graham
J Hewes

DIRECTORS' RESPONSIBILITIES

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 at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 7 to 8, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; 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 which 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WALL TO WALL TELEVISION LTD

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 JUNE 2003

AUDITORS

A resolution to re-appoint West and Co as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
325 City Road
London
EC1V1LJ

Signed by order of the directors



L GOODMAN
Company Secretary

Approved by the directors on 22 December 2003

WALL TO WALL TELEVISION LTD
INDEPENDENT AUDITORS' REPORT TO THE COMPANY
PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 4 to 13, together with the financial statements of the company for the year ended 30 June 2003 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 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 THE DIRECTORS AND THE AUDITORS

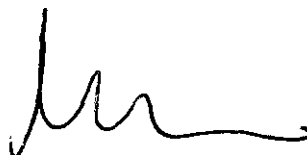
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

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. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act, and the abbreviated accounts on pages 4 to 13 are properly prepared in accordance with those provisions.



WEST AND CO
Chartered Accountants
& Registered Auditors

325 City Road
London
EC1V 1LJ

22 December 2003

WALL TO WALL TELEVISION LTD
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 2003

| | Note | 2003 £ | 2002 £ |
|--|----------|-----------------------|-----------------------|
| GROSS PROFIT | | 4,316,031 | 377,862 |
| Administrative expenses | | <u>4,169,266</u> | <u>265,191</u> |
| OPERATING PROFIT | 2 | 146,765 | 112,671 |
| Income from shares in group undertakings | 5 | – | 58,000 |
| Interest receivable | | <u>7,962</u> | <u>102,875</u> |
| Interest payable | 6 | <u>(37,140)</u> | <u>(869)</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 117,587 | 272,677 |
| Tax on profit on ordinary activities | 7 | <u>14,409</u> | <u>12,438</u> |
| RETAINED PROFIT FOR THE FINANCIAL YEAR | | 103,178 | 260,239 |
| Balance brought forward | | <u>625,075</u> | <u>364,836</u> |
| Balance carried forward | | <u><u>728,253</u></u> | <u><u>625,075</u></u> |

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on page 4 form part of these abbreviated accounts.

WALL TO WALL TELEVISION LTD
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
YEAR ENDED 30 JUNE 2003

| | 2003 £ | 2002 £ |
|------------------------------------|----------------|----------------|
| Profit for the financial year | 103,178 | 260,239 |
| Opening shareholders' equity funds | <u>625,175</u> | <u>364,936</u> |
| Closing shareholders' equity funds | <u>728,353</u> | <u>625,175</u> |

The notes on page 5 form part of these abbreviated accounts.

WALL TO WALL TELEVISION LTD

ABBREVIATED BALANCE SHEET

30 JUNE 2003

| | Note | 2003 £ | 2002 £ |
|--|------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 8 | 693,771 | 593,285 |
| Investments | 9 | 102 | 102 |
| | | <u>693,873</u> | <u>593,387</u> |
| CURRENT ASSETS | | | |
| Stocks | 10 | 627,204 | 1,040,999 |
| Debtors | 11 | 3,766,577 | 1,633,592 |
| Cash at bank and in hand | 12 | 527,995 | 477,748 |
| | | <u>4,921,776</u> | <u>3,152,339</u> |
| CREDITORS: Amounts falling due within one year | 13 | <u>4,835,915</u> | <u>3,077,386</u> |
| NET CURRENT ASSETS | | <u>85,861</u> | <u>74,953</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>779,734</u> | <u>668,340</u> |
| CREDITORS: Amounts falling due after more than one year | 14 | <u>51,381</u> | <u>43,165</u> |
| | | <u>728,353</u> | <u>625,175</u> |
| CAPITAL AND RESERVES | | | |
| Called-up equity share capital | 16 | 100 | 100 |
| Profit and loss account | | <u>728,253</u> | <u>625,075</u> |
| SHAREHOLDERS' FUNDS | | <u>728,353</u> | <u>625,175</u> |

These abbreviated financial statements have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on the 22 December 2003 and are signed on their behalf by:


A GRAHAM

The notes on page 6 form part of these abbreviated accounts.

WALL TO WALL TELEVISION LTD
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 JUNE 2003

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEC and in accordance with section 228 of the Companies Act 1985, is not required to produce, and has not published, consolidated accounts.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

| | | |
|---------------------|---|-----|
| Fixtures & Fittings | - | 15% |
| Motor Vehicles | - | 20% |
| Equipment | - | 15% |

Stocks

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

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

WALL TO WALL TELEVISION LTD
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 JUNE 2003

1. ACCOUNTING POLICIES *(continued)*

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

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 the transaction. Exchange differences are taken into account in arriving at the operating profit.

Production advances and production costs in progress

Advances received for the funding of productions less production costs expended at the balance sheet date are carried forward until the production has been completed. Profit on the production is not fully taken until the production has been completed, when the final costs of production have been agreed and over or under spent costs can be dealt with.

2. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

| | 2003 | 2002 |
|--|---------------|-----------------|
| | £ | £ |
| Directors' emoluments | 85,000 | — |
| Depreciation of owned fixed assets | 78,944 | — |
| Depreciation of assets held under hire purchase agreements | 61,010 | — |
| Auditors' remuneration | | |
| - as auditors | 23,225 | 8,000 |
| Operating lease costs: | | |
| Land and buildings | 106,561 | — |
| Net loss/(profit) on foreign currency translation | <u>81,594</u> | <u>(53,305)</u> |

WALL TO WALL TELEVISION LTD
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 JUNE 2003

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

| | 2003 | 2002 |
|--------------------------------|-----------|-----------|
| | No | No |
| Number of production staff | 50 | — |
| Number of administrative staff | 25 | 25 |
| | <u>75</u> | <u>25</u> |

The aggregate payroll costs of the above were:

| | 2003 | 2002 |
|-----------------------|------------------|---------------|
| | £ | £ |
| Wages and salaries | 1,998,186 | 56,982 |
| Social security costs | 177,391 | — |
| Other pension costs | 21,813 | — |
| Other pension costs | 4,250 | — |
| | <u>2,201,640</u> | <u>56,982</u> |

4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

| | 2003 | 2002 |
|--|---------------|----------|
| | £ | £ |
| Emoluments receivable | 85,000 | — |
| Value of company pension contributions to money purchase schemes | 4,250 | — |
| | <u>89,250</u> | <u>—</u> |

5. INCOME FROM SHARES IN GROUP UNDERTAKINGS

| | 2003 | 2002 |
|--------------------------------|----------|---------------|
| | £ | £ |
| Income from group undertakings | — | 58,000 |
| | <u>—</u> | <u>58,000</u> |

6. INTEREST PAYABLE

| | 2003 | 2002 |
|------------------------------------|---------------|------------|
| | £ | £ |
| Interest payable on bank borrowing | 390 | 869 |
| Finance charges | 36,750 | — |
| | <u>37,140</u> | <u>869</u> |

WALL TO WALL TELEVISION LTD
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 JUNE 2003

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

| | 2003 £ | 2002 £ |
|--|---------------|---------------|
| Current tax: | | |
| UK Corporation tax based on the results for the year at 30% (2002 - 30%) | 14,409 | 12,438 |
| Total current tax | <u>14,409</u> | <u>12,438</u> |

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2002 - 30%).

| | 2003 £ | 2002 £ |
|---|----------------|----------------|
| Profit on ordinary activities before taxation | <u>117,587</u> | <u>272,677</u> |
| Profit/(loss) on ord actvs by rate of tax | 35,276 | 81,803 |
| Capital Allowances adjustment | (60,415) | (47,042) |
| Marginal rate reduction | (5,088) | (4,923) |
| Additional items added back | 44,636 | (17,400) |
| Total current tax (note 7(a)) | <u>14,409</u> | <u>12,438</u> |

8. TANGIBLE FIXED ASSETS

| | Leasehold Property £ | Fixtures & Fittings £ | Motor Vehicles £ | Equipment £ | Total £ |
|-----------------------|----------------------------|-----------------------------|------------------------|----------------|----------------|
| COST | | | | | |
| At 1 July 2002 | 31,570 | 5,218 | 14,747 | 541,750 | 593,285 |
| Additions | — | 3,775 | — | 236,665 | 240,440 |
| At 30 June 2003 | <u>31,570</u> | <u>8,993</u> | <u>14,747</u> | <u>778,415</u> | <u>833,725</u> |
| DEPRECIATION | | | | | |
| Charge for the year | — | 2,273 | 3,587 | 134,094 | 139,954 |
| At 30 June 2003 | <u>—</u> | <u>2,273</u> | <u>3,587</u> | <u>134,094</u> | <u>139,954</u> |
| NET BOOK VALUE | | | | | |
| At 30 June 2003 | <u>31,570</u> | <u>6,720</u> | <u>11,160</u> | <u>644,321</u> | <u>693,771</u> |
| At 30 June 2002 | <u>31,570</u> | <u>5,218</u> | <u>14,747</u> | <u>541,750</u> | <u>593,285</u> |

Hire purchase agreements

Included within the net book value of £693,771 is £294,210 (2002 - £315,654) relating to assets held under hire purchase agreements. The depreciation charged to the abbreviated accounts in the year in respect of such assets amounted to £61,010 (2002 - £Nil).

WALL TO WALL TELEVISION LTD
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 JUNE 2003

9. INVESTMENTS

| | Shares £ |
|---------------------------------|-------------|
| COST | |
| At 1 July 2002 and 30 June 2003 | <u>102</u> |
| NET BOOK VALUE | |
| At 30 June 2003 | <u>102</u> |
| At 30 June 2002 | <u>102</u> |

The company owns 100% of the issued share capital of the companies listed below.

Aggregate capital and reserves

| | | |
|------------------------|--------|--------|
| Wall to Wall Drama Ltd | 1,052 | 1,052 |
| Wall to Wall Egypt Ltd | 40,125 | 40,125 |

Profit and (loss) for the year

| | | |
|------------------------|--------|----------|
| Wall to wall Drama Ltd | 5 | (59,180) |
| Wall to Wall Egypt Ltd | 40,000 | 40,123 |

10. STOCKS

| | 2003 £ | 2002 £ |
|------------------|----------------|------------------|
| Raw materials | — | 5,531 |
| Work in progress | 627,204 | 1,035,468 |
| | <u>627,204</u> | <u>1,040,999</u> |

11. DEBTORS

| | 2003 £ | 2002 £ |
|--|------------------|------------------|
| Trade debtors | 2,525,307 | 1,145,442 |
| Amounts owed by group undertakings | 439,476 | 409,980 |
| Amounts owed by undertakings in which the company has a participating interest | 677,066 | — |
| Other debtors | 44,713 | 17,845 |
| Prepayments and accrued income | 80,015 | 60,325 |
| | <u>3,766,577</u> | <u>1,633,592</u> |

12. CASH AT BANK AND IN HAND

An amount of £148,814 (2002 £430,934) in respect of trust monies is included in the reported bank balance of £527,995 (2002 £477,748) and is represented by an equivalent amount of deferred income.

WALL TO WALL TELEVISION LTD
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 JUNE 2003

13. CREDITORS: Amounts falling due within one year

| | 2003 £ | 2002 £ |
|--|------------------|------------------|
| Bank loans and overdrafts | 661,395 | 710,081 |
| Trade creditors | 264,111 | 174,702 |
| Amounts owed to group undertakings | 1,717,220 | 1,146,330 |
| Amounts owed to undertakings in which the company has a participating interest | 771,988 | — |
| Other creditors including taxation and social security: | | |
| Corporation tax | 22,504 | 12,438 |
| Other taxation and social security | 439,948 | 139,436 |
| Hire purchase agreements | 106,879 | 127,322 |
| Other creditors | — | 3,200 |
| Other creditors | — | 240 |
| Directors current accounts | — | 100 |
| | <u>3,984,045</u> | <u>2,313,849</u> |
| Accruals and deferred income | 851,870 | 763,537 |
| | <u>4,835,915</u> | <u>3,077,386</u> |

The following liabilities disclosed under creditors falling due within one year are secured by the company:

| | 2003 £ | 2002 £ |
|---------------------------|----------------|----------------|
| Bank loans and overdrafts | <u>661,395</u> | <u>710,081</u> |

14. CREDITORS: Amounts falling due after more than one year

| | 2003 £ | 2002 £ |
|--------------------------|---------------|---------------|
| Trade creditors | (2) | — |
| Other creditors: | | |
| Hire purchase agreements | 51,383 | 43,165 |
| | <u>51,381</u> | <u>43,165</u> |

15. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

| | 2003 £ | 2002 £ |
|---------------------------------------|----------------|----------------|
| Amounts payable within 1 year | 106,879 | 127,322 |
| Amounts payable between 1 and 2 years | 51,383 | 43,165 |
| | <u>158,262</u> | <u>170,487</u> |

WALL TO WALL TELEVISION LTD
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 JUNE 2003

16. SHARE CAPITAL

Authorised share capital:

| | 2003 | 2002 |
|----------------------------------|--------------|--------------|
| | £ | £ |
| 1,000 ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> |

Allotted, called up and fully paid:

| | 2003 | | 2002 | |
|----------------------------|------------|------------|------------|------------|
| | No | £ | No | £ |
| ordinary shares of £1 each | <u>100</u> | <u>100</u> | <u>100</u> | <u>100</u> |

17. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Wall to Wall (Holdings) Limited, a company controlled by Mr A Graham.