

WALL TO WALL (HOLDINGS) LIMITED

COMPANY NUMBER: 2580387

REPORT AND FINANCIAL STATEMENTS

FOR YEAR ENDED 30TH JUNE 1996



WALL TO WALL (HOLDINGS) LIMITED
FOR THE YEAR ENDED 30TH JUNE 1996

DIRECTORS

A Graham
J M Root (resigned 1st March 1997)

COMPANY SECRETARY

L Brown

REGISTERED OFFICE

325 City Road
London
EC1V 1LJ

AUDITORS

West & Co, Chartered Accountants
Registered Auditors
325 City Road
London
EC1V 1LJ

INDEX TO FINANCIAL STATEMENTS

Page No

1 - 2	Report of the Directors
3	Report of the Auditors
4	Profit and Loss Account
5	Balance Sheet
6	Cash Flow Statement
7 - 9	Notes to the Financial Statements

The following does not form part of the statutory financial statements.

10	Trading and Profit and Loss Account
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WALL TO WALL (HOLDINGS) LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30TH JUNE 1996

The Directors have pleasure in presenting their annual report and financial statements for the year ended 30th June 1996.

Review of the Business

The principal activity of the company is that of a holding company.
The principal activity of the subsidiaries relate to producing shows and documentaries for media broadcasting.

Results and Dividends

The results for the year was set out on page 4.

The Directors recommend the payment of a dividend of £1,200 per ordinary shares for the year under review.

Fixed Assets

Movements in fixed assets are shown in the notes to the financial statements.

Directors

The Directors during the year under review and the shares in the company in which they were beneficially interested at the beginning and end of the year were as follows:

	<u>Ordinary shares of £1 each</u>	
	<u>at 30th June 1996</u>	<u>at 30th June 1995</u>
A Graham	50	50
J M Root (resigned 1st March 1997)	50	50

Directors' Responsibilities

It is the responsibility of the directors to prepare financial statements which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that year. In preparing those financial statements, the directors are required to :

- (i) Select suitable accounting policies and then apply them consistently;
- (ii) Make judgements and estimates that are reasonable and prudent;
- (iii) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

WALL TO WALL (HOLDINGS) LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30TH JUNE 1996

Directors Responsibilities (continued)

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. They 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.

Auditors

The Auditors, Messrs West & Co, Chartered Accountants, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Signed on behalf of the board

A handwritten signature in black ink, appearing to read 'L. Brown', with a long horizontal stroke extending to the right.

L Brown
Secretary

Date: 28th April 1997

REPORT OF THE AUDITORS
TO THE SHAREHOLDERS OF
WALL TO WALL (HOLDINGS) LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective Responsibilities of Directors and Auditors

As described on pages 1 and 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with 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 of the company's affairs as at 30th June 1996 and of the profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

In our opinion the company is entitled to the exemption conferred by Section 248 of the Companies Act 1985 from the requirement to prepare group accounts for the financial year ended 30th June 1996

325 City Road
LONDON
EC1V 1LJ

28th April 1997


WEST & CO
Chartered Accountants
Registered Auditors

WALL TO WALL (HOLDINGS) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH JUNE 1996

	Notes	1996 £	1995 £
TURNOVER	3	175,000	160,000
Cost of sales		-	-
GROSS PROFIT		<u>175,000</u>	<u>160,000</u>
Administrative expenses		(1,018)	(1,018)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	<u>173,982</u>	<u>158,982</u>
Tax on profit on ordinary activities	5	<u>(50,708)</u>	<u>(46,911)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		123,274	112,071
Dividend	6	(120,000)	(120,000)
Retained profit/(loss) for the year		<u>3,274</u>	<u>(7,929)</u>
Retained profit brought forward		2,189	10,118
RETAINED PROFIT AT 30TH JUNE 1996		<u><u>5,463</u></u>	<u><u>2,189</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

The notes set out on pages 6 to 7 form an integral part of these financial statements.

WALL TO WALL (HOLDINGS) LIMITED

BALANCE SHEET - 30TH JUNE 1996

	Notes	1996	1995
		£	£
<u>FIXED ASSETS</u>			
Investments	7	200	200
<u>CURRENT ASSETS</u>			
Debtors	8	201,566	193,260
Bank and cash		<u>61</u>	<u>29</u>
		201,627	193,289
<u>CURRENT LIABILITIES</u>			
Creditors (due within one year)	9	<u>(196,264)</u>	<u>(191,200)</u>
<u>NET CURRENT ASSETS</u>			
		5,363	2,089
		<u>5,563</u>	<u>2,289</u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	10	100	100
Profit and loss account		5,463	2,189
Equity shareholder's funds	11	<u>5,563</u>	<u>2,289</u>

Approved by the board on: 28th April 1997



 A Graham
 Director

The notes set out on pages 6 to 7 form an integral part of these financial statements.

WALL TO WALL (HOLDINGS) LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 310TH JUNE 1996

	Notes	£	1996	£	£	1995	£
Net cash (outflow) inflow from operating activities	12			164,000			58,587
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE							
Dividend paid			<u>120,000</u>			<u>50,000</u>	
NET CASH (OUTFLOW) INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				<u>(120,000)</u> 44,000			<u>(50,000)</u> 8,587
TAXATION							
Corporation tax paid (including advance corporation tax)				<u>(43,968)</u> 32			<u>(8,587)</u> -
Increase (Decrease) in cash and cash equivalents	13			<u>32</u>			<u>-</u>

The notes set out on pages 7 to 9 form an integral part of these financial statements.

WALL TO WALL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 1996

1. ACCOUNTING POLICIES

(a) Basis of accounting

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

(b) Deferred taxation

Provision is made at current rates of taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is a reasonable possibility that the liability will not arise in the foreseeable future.

2. CONSOLIDATION

The company and its subsidiaries comprise of a medium size group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

3. TURNOVER

Turnover is the total amount, excluding value added tax, receivable by the company in the ordinary course of business for goods supplied and for services provided as a principal.

The turnover represents the administrative charges to Wall to Wall Television Limited, a company which is a 100% owned subsidiary.

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1996 £	1995 £
Administrative expenses including:		
Auditors' remuneration (including expenses)	<u>1,000</u>	<u>1,000</u>

5. TAXATION

UK corporation tax at 25% on the profit adjusted for tax purposes	45,064	40,000
Underprovision in previous year	<u>5,644</u>	<u>6,911</u>
	<u>50,708</u>	<u>46,911</u>

6. DIVIDEND

Dividend	<u>120,000</u>	<u>120,000</u>
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7. FIXED ASSET INVESTMENTS

<u>Investment in Group Companies</u> At 1st July 1995 and 30th June 1996	<u>200</u>	<u>200</u>
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WALL TO WALL (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 1996

8. <u>DEBTORS</u>	1996 £	1995 £
Amounts owed to group undertakings	171,466	161,484
ACT recoverable	30,000	31,676
Other debtors	100	100
	<u>201,566</u>	<u>193,260</u>

9. CREDITORS (amounts falling due within one year)

ACT payable	30,000	30,000
Corporation tax	45,064	40,000
Other creditors	120,200	120,200
Accruals	1,000	1,000
	<u>196,264</u>	<u>191,200</u>

10. SHARE CAPITAL

The authorised share capital of the company at 30th June 1996 and throughout the year consists of 1,000 £1 ordinary shares, of which 100 were issued and fully paid.

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUND

	1996 £	1995 £
Profit for the financial year	123,274	112,071
Dividend payable	<u>(120,000)</u>	<u>(120,000)</u>
	3,274	(7,929)
Shareholders' funds at 1st July 1995	<u>2,289</u>	<u>10,218</u>
Shareholders' funds at 30th June 1996	<u>5,563</u>	<u>2,289</u>

WALL TO WALL (HOLDINGS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 1996

12. RECONCILIATION OF OPERATING PROFIT TO
NET CASH INFLOW/(OUTFLOW) FROM
OPERATING ACTIVITIES

	1996	1995
	£	£
OPERATING PROFIT	173,982	158,982
Decrease (increase) in debtors	(9,982)	(100,395)
(Decrease) increase in creditors	-	-
	(9,982)	(100,395)
NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES	<u>164,000</u>	<u>58,587</u>

13. ANALYSIS OF CHANGES IN CASH AND CASH
EQUIVALENTS DURING THE YEAR

	1996	1995
	£	£
At 1st July 1995	29	29
Net cash inflow(outflow)	32	-
At 30th June 1996	<u>61</u>	<u>29</u>

14. ANALYSIS OF BALANCE OF CASH AND CASH
EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	1996	1995	Year
	£	£	£
Cash at bank and in hand	<u>61</u>	<u>29</u>	<u>32</u>

	1995	1994	Change in Year
	£	£	£
Cash at bank and in hand	<u>29</u>	<u>29</u>	<u>-</u>

15. SUBSIDIARIES

The subsidiaries are all incorporated in England and Wales.

	Class of Shares	Holding	Aggregate Capital & Reserves	Net Profit for the year	Cost of Invest - ment
			£	£	£
Wall to Wall Television Ltd	Ordinary	100%	32,904	829	100
Spring Place Services Ltd	Ordinary	100%	1,166	37,305	100

WALL TO WALL (HOLDINGS) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH JUNE 1996

	1996		1995
	£	£	£
TURNOVER		175,000	160,000
<u>Less:</u>			
OVERHEADS			
Auditors remuneration	1,000		1,000
Legal and professional	<u>18</u>		<u>18</u>
		(1,018)	(1,018)
Net profit before taxation		<u><u>173,982</u></u>	<u><u>158,982</u></u>