

WALL TO WALL (HOLDINGS) LIMITED

FINANCIAL STATEMENTS

FOR

THE YEAR ENDED 30 JUNE 2006

Company Registration Number 2580387



WALL TO WALL (HOLDINGS) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2006

CONTENTS	PAGE
The directors' report	1
Independent auditor's report to the shareholders	3
Profit and loss account	5
Group balance sheet	6
Balance sheet	7
Group cash flow cash flow statement	8
Notes to the financial statements	9

WALL TO WALL (HOLDINGS) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2006

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 30 June 2006.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the group is the production and exploitation of television programmes and their associated rights.

The group continued to trade under the new codes of practice with major UK terrestrial broadcasters, securing intellectual property rights for exploitation in the UK and overseas. Successful brands such as Who Do You Think You Are and New Tricks were re-commissioned and continue to generate good production and exploitation revenues. Who Do You Think You Are in particular performed strongly in publishing, DVD, CD-ROM and online. The US extension of the "House" franchise continued with the successful transmission of Texas Ranch House. Further commissions were received from US broadcasters and, at the year end, a number of shows were in production for the US. The group focused on improving margins during the year and succeeded in increasing its profitability whilst investing for future turnover growth. The group is expecting growth in activity in the next year as the results of this increased development effort are realised.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £603,530. Particulars of dividends paid are detailed in note 17 to the financial statements.

THE DIRECTORS AND THEIR INTERESTS

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £0.10 each	
	At 30 June 2006	At 1 July 2005
A Graham	7,500	7,500
JMC Hewes	<u>1,250</u>	<u>1,250</u>

WALL TO WALL (HOLDINGS) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 JUNE 2006

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 and of the group and of the profit or loss of the group for that year. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 9 to 12, 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 group 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 group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

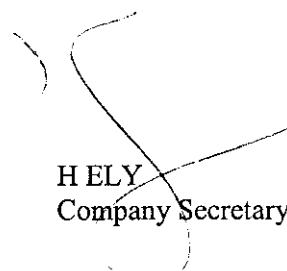
In so far as the directors are aware:

there is no relevant audit information of which the group's auditors are unaware; and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Registered office:
325 City Road
London
EC1V 1LJ

Signed by order of the directors



H ELY
Company Secretary

Approved by the directors on 12 January 2007

WALL TO WALL (HOLDINGS) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
WALL TO WALL (HOLDINGS) LIMITED
YEAR ENDED 30 JUNE 2006

We have audited the financial statements of Wall To Wall (Holdings) Limited for the year ended 30 June 2006 on pages 5 to 22 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and on the basis of the accounting policies set out on pages 9 to 12.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 group's and 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.

WALL TO WALL (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WALL TO WALL (HOLDINGS) LIMITED *(continued)*

YEAR ENDED 30 JUNE 2006

OPINION

In our opinion:

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the group's and the parent company's affairs and of the group as at 30 June 2006 and of the profit of the group for the year then ended;

the financial statements have been properly prepared in accordance with the Companies Act 1985; and

the information given in the Directors' Report is consistent with the financial statements year ended 30 June 2006.



325 City Road
London
EC1V 1LJ

12 January 2007



WEST & CO
Chartered Accountants
& Registered Auditors

WALL TO WALL (HOLDINGS) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 JUNE 2006

	Note	2006 £	2005 £
GROUP TURNOVER	2	18,604,074	19,748,729
Cost of sales		<u>13,882,738</u>	<u>15,513,695</u>
GROSS PROFIT		4,721,336	4,235,034
Administrative expenses		<u>4,124,760</u>	<u>3,880,414</u>
OPERATING PROFIT	3	596,576	354,620
Loss on disposal of fixed assets		<u>–</u>	<u>(11,025)</u>
		596,576	343,595
Interest receivable		<u>308,751</u>	<u>324,474</u>
Interest payable	6	<u>(10,539)</u>	<u>(35,795)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		894,788	632,274
Tax on profit on ordinary activities		<u>291,258</u>	<u>196,718</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	7	603,530	435,556
Dividends	17	<u>262,033</u>	–
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>341,497</u>	<u>435,556</u>

The company has taken advantage of section 230 of the Companies Act 1985 not to publish its own Profit and Loss Account.

The notes on pages 9 to 22 form part of these financial statements.

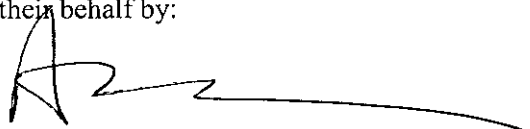
WALL TO WALL (HOLDINGS) LIMITED

GROUP BALANCE SHEET

30 JUNE 2006

	Note	2006 £	2005 £
FIXED ASSETS			
Tangible assets	8	583,678	<u>702,767</u>
CURRENT ASSETS			
Stocks	11	3,861,275	656,197
Debtors	12	2,546,424	2,731,044
Cash at bank and in hand	13	3,378,460	1,018,729
		<u>9,786,159</u>	<u>4,405,970</u>
CREDITORS: Amounts falling due within one year	14	<u>8,316,837</u>	<u>3,357,991</u>
NET CURRENT ASSETS		<u>1,469,322</u>	<u>1,047,979</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,053,000</u>	<u>1,750,746</u>
CREDITORS: Amounts falling due after more than one year	15	<u>5,943</u>	<u>45,188</u>
		<u>2,047,057</u>	<u>1,705,558</u>
CAPITAL AND RESERVES			
Called-up equity share capital	19	1,000	1,000
Profit and loss account	21	2,046,057	1,704,558
SHAREHOLDERS' FUNDS		<u>2,047,057</u>	<u>1,705,558</u>

These financial statements were approved by the directors on the 12 January 2007 and are signed on their behalf by:



A GRAHAM

The notes on page 6 form part of these financial statements.


WALL TO WALL (HOLDINGS) LIMITED

BALANCE SHEET

30 JUNE 2006

	Note	2006 £	2005 £
FIXED ASSETS			
Investments	9	202	202
CURRENT ASSETS			
Debtors	12	1,743,442	859,084
Cash at bank	13	2,069	2,099
		<u>1,745,511</u>	<u>861,183</u>
CREDITORS: Amounts falling due within one year	14	<u>1,306,709</u>	<u>856,339</u>
NET CURRENT ASSETS		<u>438,802</u>	<u>4,844</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>439,004</u>	<u>5,046</u>
CAPITAL AND RESERVES			
Called-up equity share capital	19	1,000	1,000
Profit and loss account	21	438,004	4,046
SHAREHOLDERS' FUNDS		<u>439,004</u>	<u>5,046</u>

These financial statements were approved by the directors on the 12 January 2007 and are signed on their behalf by:



A GRAHAM

The notes on page 7 form part of these financial statements.

WALL TO WALL (HOLDINGS) LIMITED
GROUP CASH FLOW CASH FLOW STATEMENT
YEAR ENDED 30 JUNE 2006

	Note	2006 £	2005 £
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	22	2,693,091	(267,362)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	22	298,212	288,679
TAXATION	22	(203,158)	(94,610)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	22	(67,240)	(21,137)
EQUITY DIVIDENDS PAID	17	(262,033)	–
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		2,458,872	(94,430)
FINANCING	22	(55,333)	(121,957)
INCREASE/(DECREASE) IN CASH	22	<u>2,403,539</u>	<u>(216,387)</u>

WALL TO WALL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2006

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Changes in accounting policies

In preparing the financial statements for the current year, the group has adopted the following Financial Reporting Standards:

FRS 21 Events after the Balance Sheet date (IAS 10)

The adoption of FRS 21 has resulted in a change in accounting policy in respect of proposed equity dividends. If the group declares dividends to the holders of equity instruments after the balance sheet date, the group does not recognise those dividends as a liability at the balance sheet date. The aggregate amount of equity dividends proposed before approval of the financial statements, which have not been shown as liabilities at the balance sheet date, are disclosed in the notes to the financial statements. Previously, proposed equity dividends were recorded as liabilities at the balance sheet date.

This change in accounting policy has resulted in a prior year adjustment for the group. Shareholders' funds at 1 July 2005 have been increased by £262,033. For year ended 30 June 2006, the change in accounting policy has resulted in a net increase in retained profit for the year of £416,093. The balance sheet at 30 June 2005 has been restated to reflect the de-recognition of a liability for proposed equity dividends of £262,033. For year ended 30 June 2006, the change in accounting policy has resulted in a net increase in retained profit for the year of £416,093.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 230 of the Companies Act 1985.

Related parties transactions

As stated in note 11, the company has a 100% interest, either directly or indirectly, in four subsidiary undertakings. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with other members of the group.

WALL TO WALL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2006

1. ACCOUNTING POLICIES *(continued)*

Turnover

Production

Turnover represents amounts receivable for work carried out in producing television programmes and is recognised over the period of the production. Gross profit on production activity is recognised over the period of the production and in accordance with the underlying contract. Minor overages on production are recognised as they arise and underages are recognised on completion of the productions.

Distribution

Turnover arises from the distribution or other exploitation by the company of programmes produced by third parties or by the group, or from distribution by third parties of programmes produced by the company. Turnover is recognised when receivable.

For programmes distributed by the group, the directors consider turnover to be receivable when the following conditions have been met:

- Contractual terms have been agreed
- The contract sum has been invoiced
- The programme is complete and delivered or available for delivery

For programmes distributed by third parties, the Directors consider that turnover is receivable when the group has been notified of sums due to it.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

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 and Fittings	15% straight line basis
Motor Vehicles	20% straight line basis
Equipment	15% straight line basis

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.

WALL TO WALL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2006

1. ACCOUNTING POLICIES *(continued)*

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 at a constant rate of charge on the balance of capital repayments outstanding.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding, and the capital element which reduces the outstanding obligation for future instalments.

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.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted 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 the transaction. Exchange differences are taken into account in arriving at the operating profit.

WALL TO WALL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2006

1. ACCOUNTING POLICIES *(continued)*

Programmes in progress at year end

Where productions are in progress at the year end and where sales invoices exceed the value of work done, the excess is shown as deferred income. Where costs incurred exceed the value of work done to date, the amounts are classified as work in progress.

Share options

The cost of awards to employees that take the form of shares is recognised over the period to which the employee's performance relates. The cost of the awards is measured as the difference between the value of the shares at the date the award is made and the amount of consideration that the participants may be required to pay for the shares.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group. An analysis of turnover is given below:

	2006 £	2005 £
United Kingdom	14,874,789	12,912,956
Overseas	3,729,285	6,835,773
	<u>18,604,074</u>	<u>19,748,729</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2006 £	2005 £
Depreciation of owned fixed assets	147,689	193,293
Depreciation of assets held under hire purchase agreements	38,640	47,821
Auditor's remuneration		
- as auditor	30,713	20,500
Net (profit)/loss on foreign currency translation	<u>(102,881)</u>	<u>61,464</u>

WALL TO WALL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2006

4. PARTICULARS OF EMPLOYEES

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

	2006	2005
	No	No
Number of production staff	29	18
Number of administrative staff	53	43
	<u>82</u>	<u>61</u>

The aggregate payroll costs of the above were:

	2006	2005
	£	£
Wages and salaries	5,968,239	5,116,048
Social security costs	244,886	211,813
Other pension costs	29,912	24,960
Other pension costs	12,247	10,794
	<u>6,255,284</u>	<u>5,363,615</u>

5. DIRECTORS' EMOLUMENTS

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

	2006	2005
	£	£
Emoluments receivable	223,468	210,000
Value of company pension contributions to money purchase schemes	12,247	10,794
	<u>235,715</u>	<u>220,794</u>

Emoluments of highest paid director:

	2006	2005
	£	£
Total emoluments (excluding pension contributions)	111,709	105,000
Value of company pension contributions to money purchase schemes	2,837	5,544
	<u>114,546</u>	<u>110,544</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2006	2005
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

WALL TO WALL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2006

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2006	2005
	£	£
Interest payable on bank borrowing	(4,932)	13,076
Finance charges	15,471	22,719
	<u>10,539</u>	<u>35,795</u>

7. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the accounts of the parent company was £433,956 (2005 - £280,144).

8. TANGIBLE FIXED ASSETS

Group	Leasehold Property £	Fixtures & Fittings £	Equipment £	Total £
COST				
At 1 July 2005	31,570	46,078	1,191,866	1,269,514
Additions	—	6,162	66,078	72,240
Disposals	—	—	(5,000)	(5,000)
At 30 June 2006	<u>31,570</u>	<u>52,240</u>	<u>1,252,944</u>	<u>1,336,754</u>
DEPRECIATION				
At 1 July 2005	—	17,191	549,556	566,747
Charge for the year	—	4,426	181,903	186,329
At 30 June 2006	<u>—</u>	<u>21,617</u>	<u>731,459</u>	<u>753,076</u>
NET BOOK VALUE				
At 30 June 2006	<u>31,570</u>	<u>30,623</u>	<u>521,485</u>	<u>583,678</u>
At 30 June 2005	<u>31,570</u>	<u>28,887</u>	<u>642,310</u>	<u>702,767</u>

Hire purchase agreements

Included within the net book value of £583,678 is £218,960 (2005 - £222,311) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £38,640 (2005 - £47,821).

WALL TO WALL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2006

9. INVESTMENTS

Company

**Group
companies
£**

COST

At 1 July 2005 and 30 June 2006

202

NET BOOK VALUE

At 30 June 2006

202

At 30 June 2005

202

WALL TO WALL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2006

10. FIXED ASSET INVESTMENTS

	2006 £	2005 £
Interests in Subsidiary undertakings	202	202

At 30th June 2006 the Group and the Company held 100% of the equity of the following companies

Name of Company	Class of shares	Principal activity
Wall to Wall Television Ltd	ordinary £1 shares	TV production
Spring Place Services Ltd	ordinary £1 shares	Management Services
Wall to Wall Drama Ltd*	ordinary £1 shares	TV production
Wall to Wall (Egypt) Ltd*	ordinary £1 shares	TV production
Wall to Wall Media Ltd	ordinary £1 shares	TV production
Wall to Wall (New Tricks) Ltd*	ordinary £1 shares	TV production
Wall to Wall Inc*	ordinary \$1 shares	TV production

*Investments held through subsidiary undertakings

All of the subsidiary undertakings have been consolidated in the Group financial statements and are registered in England and Wales.

All of the above companies are subsidiaries undertakings by virtue of being wholly owned. Wall to Wall Inc is a US company. Its accounts have not been audited but were subject to a review engagement and have been included in the consolidated financial statements.

Aggregate capital and reserves

Wall to Wall Television Limited	856,521	739,651
Spring Place Services Limited	331,249	300,974
Wall to Wall Drama Ltd	28	—
Wall to Wall (Egypt) Limited	107,625	(60,522)
Wall to Wall Media Limited	204,779	188,823
Wall to Wall (New Tricks) Ltd	87,750	—
Wall to Wall Inc	20,202	47,738

Profit and (loss) for the year

Wall to Wall Television Limited	116,870	27,258
Spring Place Services Limited	30,375	30,376
Wall to Wall Drama Ltd	—	—
Wall to Wall (Egypt) Limited	—	(62,289)
Wall to Wall Media Limited	15,959	21,945
Wall to Wall (New Tricks) Ltd	30,750	—
Wall to Wall Inc	(24,005)	45,973

WALL TO WALL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2006

11. STOCKS

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Work in progress	<u>3,861,275</u>	<u>656,197</u>	<u>—</u>	<u>—</u>

12. DEBTORS

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Trade debtors	701,760	1,936,897	—	—
Amounts owed by group undertakings	—	—	1,743,317	858,959
Amounts owed by undertakings in which the company has a participating interest	85,975	—	—	—
Other debtors	82,105	8,812	125	125
Prepayments and accrued income	1,676,584	785,335	—	—
	<u>2,546,424</u>	<u>2,731,044</u>	<u>1,743,442</u>	<u>859,084</u>

13. CASH AT BANK AND IN HAND

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Bank deposit account	1,776,770	144,244	—	—
Cash at bank	—	—	2,069	2,099
Production Cash at Bank	1,523,337	831,984	—	—
Credit Card account	—	1,692	—	—
Cash in hand	14,089	16,799	—	—
Production Cash in Hand	64,264	24,010	—	—
	<u>3,378,460</u>	<u>1,018,729</u>	<u>2,069</u>	<u>2,099</u>

WALL TO WALL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2006

14. CREDITORS: Amounts falling due within one year

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Bank loans and overdrafts	353,629	397,439	—	—
Trade creditors	138,861	35,201	—	—
Amounts owed to group undertakings	—	—	1,120,728	405,215
Amounts owed to undertakings in which the company has a participating interest	169,108	83,133	—	—
Hire purchase agreements	88,065	104,153	—	—
Directors' loan accounts	101	69,350	—	331,283
Other creditors	937,707	368,713	185,981	119,841
Accruals and deferred income	6,629,366	2,300,002	—	—
	<u>8,316,837</u>	<u>3,357,991</u>	<u>1,306,709</u>	<u>856,339</u>

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

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Bank loans and overdrafts	<u>349,278</u>	<u>306,111</u>	<u>—</u>	<u>—</u>

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

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Hire purchase agreements	<u>5,943</u>	<u>45,188</u>	<u>—</u>	<u>—</u>

WALL TO WALL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2006

16. SIGNIFICANT TRANSACTIONS

Prior to 30th June 2006 the Group entered into certain sale and leaseback transactions of television programme rights. Funds received from these transactions are held in deposit accounts and comprise moneys to provide for the full discharge of future leasing liabilities. The banks with which these sums are deposited have given guarantees to the lessors in respect of the lease liabilities. The contingent liability should only crystallise upon the failure of the bank holding the deposit.

The amounts involved are as follows:

	2006	2005
Amounts held on deposit	4,676,647	4,926,450
Less: Capital element of leasing liabilities outstanding	4,676,647	4,926,450
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Group		
	£	£
Amounts payable within 1 year	292,187	292,802
Amounts payable between 1 and 2 years	338,363	292,187
Amounts payable between 3 and 5 years	1,332,748	1,168,996
Amounts payable after more than 5 years	2,713,378	3,215,465
	<u>4,676,647</u>	<u>4,926,450</u>
	=====	=====

17. DIVIDEND

	2006	2005 (restated)
Equity Dividends paid in the year	262,033	Nil
Equity Dividends proposed for the year	416,093	262,033

See note 1 for change in accounting policy

18. RELATED PARTY TRANSACTIONS

The company was under the control of Mr A Graham throughout the current and previous year. Mr A Graham is the managing director and majority shareholder.

At the year end the group owed Wall to Wall S & L 2001 Ltd, a company controlled by Mr A Graham but not part of the group, £83,663 (2005: £83,663).

WALL TO WALL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2006

19. SHARE CAPITAL

Authorised share capital:

	2006	2005
	£	£
10,000 Ordinary shares of £0.10 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2006		2005	
	No	£	No	£
Ordinary shares of £0.10 each	<u>10,000</u>	<u>1,000</u>	<u>10,000</u>	<u>1,000</u>

20. SHARE OPTIONS

During the period share option were granted to certain employees. On 19th May 2006 1,051 shares were granted at an exercise price of £110 per 10p ordinary shares

21. RESERVES

Group	Profit and loss account
	£
Balance brought forward	1,704,560
Profit for the year	<u>341,497</u>
Balance carried forward	<u>2,046,057</u>

Company	Profit and loss account
	£
Balance brought forward	266,081
Profit for the year	<u>171,923</u>
Balance carried forward	<u>438,004</u>

WALL TO WALL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2006

22. NOTES TO THE STATEMENT OF CASH FLOWS

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

	2006 £	2005 £
Operating profit	596,576	354,620
Depreciation	186,329	241,193
(Increase)/decrease in stocks	(3,205,078)	1,619,001
Decrease/(increase) in debtors	184,620	(1,971,154)
Increase/(decrease) in creditors	4,930,644	(511,022)
Net cash inflow/(outflow) from operating activities	<u>2,693,091</u>	<u>(267,362)</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2006 £	2005 £
Interest received	308,751	324,474
Interest paid	4,932	(13,076)
Interest element of hire purchase	<u>(15,471)</u>	<u>(22,719)</u>
Net cash inflow from returns on investments and servicing of finance	<u>298,212</u>	<u>288,679</u>

TAXATION

	2006 £	2005 £
TAXATION	<u>(203,158)</u>	<u>(94,610)</u>

WALL TO WALL (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2006

22. NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*

CAPITAL EXPENDITURE

	2006 £	2005 £
Payments to acquire tangible fixed assets	(72,240)	(38,907)
Receipts from sale of fixed assets	5,000	17,770
Net cash outflow from capital expenditure	(67,240)	(21,137)

FINANCING

	2006 £	2005 £
Capital element of hire purchase	(61,276)	(121,957)
Net inflow from other long-term creditors	5,943	—
Net cash outflow from financing	(55,333)	(121,957)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2006 £	2005 £
Increase/(decrease) in cash in the period	2,403,539	(216,387)
Cash outflow in respect of hire purchase	61,276	121,957
Net cash (inflow) from other long-term creditors	(5,943)	—
	2,458,872	(94,430)
Change in net funds	2,458,872	(94,430)
Net funds at 1 July 2005	471,949	566,379
Net funds at 30 June 2006	2,930,823	471,949

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jul 2005 £	Cash flows £	At 30 Jun 2006 £
Net cash:			
Cash in hand and at bank	1,018,729	2,359,731	3,378,460
Overdrafts	(397,439)	43,810	(353,629)
	621,290	2,403,541	3,024,831
Debt:			
Debt due after 1 year	—	(5,943)	(5,943)
Hire purchase agreements	(149,341)	61,276	(88,065)
	(149,341)	55,333	(94,008)
Net funds	471,949	2,458,874	2,930,823