

**WALL TO WALL (HOLDINGS)  
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2007

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Company no 2580387

# **WALL TO WALL (HOLDINGS) LIMITED**

## **FINANCIAL STATEMENTS**

For the year ended 30 JUNE 2007

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Company registration number	2580387
Registered office	27/28 Eastcastle Street, London, W1W 8DH
Directors	A Graham J M C Hewes
Secretary	H Ely
Bankers	Barclays Bank plc 27 Soho Square London W1D 3QR
Solicitors	Campbell Hooper 35 Old Queen Street London SW1H 9JD
Auditors	Grant Thornton UK LLP Registered Auditors Chartered Accountants Grant Thornton House Melton Street Euston Square London NW1 2EP

# **WALL TO WALL (HOLDINGS) LIMITED**

## **FINANCIAL STATEMENTS**

For the year ended 30 JUNE 2007

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# **WALL TO WALL (HOLDINGS) LIMITED**

## **REPORT OF THE DIRECTORS**

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The directors present their report together with the audited financial statements for the year ended 30 June 2007

### **Principal activity**

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

### **Business review**

There was a group profit for the year after taxation amounting to £850,790 (2006 £603,530)

The group continued with its core programme production business, delivering 56 hours of content to broadcasters in both the UK and overseas. Distribution and ancillary sales activity also continued with 28 different titles contributing to revenue from sources including book publishing, international format rights, finished programme sales, DVD rights, video on demand rights and numerous others. The group grew both its production and its ancillary intellectual property business in the year. The success of *Who Do You Think You Are* and *New Tricks* continued unabated with series 3 of the former and 4 of the latter broadcasting during the year. Both were re-commissioned and both are in production of their fifth series, and continued to generate good production and exploitation revenues. Further commissions were received from US broadcasters and, at the year end, a number of shows were in production for the US.

The UK commissioning market has been slow but the group's success in the US has mitigated against this. The group once again focused on improving margins during the year and succeeded in increasing its profitability whilst investing for future turnover growth. The gross profit margin grew to 30% (2006 25%) following improved margins in production and growth in high margin ancillary sales. With costs also kept under control, the profit before tax grew by 40% to £1,248,266. The group is expecting a further growth in activity in the next year as the results of increased development effort are realised.

### **Directors**

The present membership of the Board is set out below. All served on the Board throughout the year.

A Graham  
JMC Hewes

### **Financial risk management objectives and policies**

The company uses various financial instruments which include cash, trade debtors, trade creditors and amounts due to group undertakings that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The main risks arising from the company's financial instruments are currency risk, interest rate risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

# **WALL TO WALL (HOLDINGS) LIMITED**

## **REPORT OF THE DIRECTORS**

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### **Currency risk**

The company is exposed to translation and transaction foreign exchange risk

Approximately 20% of the company's income is from customers in mainland USA and are transacted in US dollars. Equally, a proportion of the company's expenditure (in undertaking programme production in the USA) is transacted in US dollars. The company does not adopt a prescribed policy to eliminate currency exposures but does retain US dollars income to hold for the purpose of settling these liabilities from time to time when rates are favourable.

The company's assets in currencies other than sterling amount to \$1,168,730. Foreign exchange differences on retranslation of these assets are taken to the profit and loss account of the company.

### **Liquidity risk**

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The company's policy throughout the year has been to achieve this objective through management's day to day involvement in business decisions rather than through setting maximum or minimum liquidity ratios.

### **Interest rate risk**

The company finances its operations through retained profits.

### **Credit risk**

The company's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk arises, therefore, from trade debtors.

In order to manage credit risk, debtors are reviewed by the financial controller, financial director and the board on a regular basis through a monthly assessment of the funding due on productions underway and in conjunction with debt ageing and collection history.

# WALL TO WALL (HOLDINGS) LIMITED

## REPORT OF THE DIRECTORS

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### Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law United Kingdom Accounting Standards (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 profit or loss of the company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

In so far as the directors are aware

- there is no relevant audit information of which the company'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

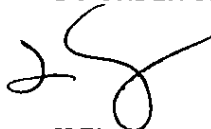
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

### Auditors

Grant Thornton UK LLP were appointed auditors on 15 December 2006 to fill a casual vacancy in accordance with section 388(1) of the Companies Act 1985 Special notice pursuant to section 388(3) having been given, a resolution to reappoint Grant Thornton as auditors will be proposed at the Annual General Meeting

BY ORDER OF THE BOARD



H Ely  
Secretary

2.11

2007

## **REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF WALL TO WALL (HOLDINGS) LIMITED**

We have audited the financial statements of Wall to Wall (Holdings) Limited for the year ended 30 June 2007 which comprise the principal accounting policies, the profit and loss account, the balance sheets, the cash flow statement and notes 1 to 27. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 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 directors and auditors**

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### **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 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.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF  
WALL TO WALL (HOLDINGS) LIMITED**

**Opinion**

In our opinion the financial statements

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's and group's affairs as at 30 June 2007 and of the group's profit for the year then ended,
- 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 for the year ended 30 June 2007

*Grant Thornton UK LLP*

**GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS**

**LONDON**  
2007 *2nd November*



## **WALL TO WALL (HOLDINGS) LIMITED**

### **PRINCIPAL ACCOUNTING POLICIES**

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#### **BASIS OF PREPARATION**

The financial statements are prepared in accordance with applicable accounting standards. The principal accounting policies of the Group are set out below. The policies have remained unchanged from the previous year, apart from the adoption of FRS 20 "Share Based Payments" and the adjustment of work in progress and deferred income. These changes are described in more detail below.

#### **PRIOR PERIOD RESTATEMENT**

In the period to 30 June 2006 both work in progress and deferred revenue on incomplete productions, on which revenue and cost of sales had been correctly recognised, were grossed up by the amount of cost of sales recognised to date. In preparing the financial statements for the year ended 30 June 2007 the directors consider this grossing up treatment overstated the value of deferred income and work in progress, and believe it more appropriate to include only those costs incurred ahead of production funding within work in progress. Correspondingly the treatment of deferred income has been amended and represents funding received in advance of recognised revenue. The comparative figures for the year-end June 2006 have been amended to reflect the change in policy which has no effect upon the profit reported for the period.

#### **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.

#### **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.

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.

##### **Distribution**

Turnover arises from the distribution or other exploitation by the company of programmes produced by the group, or from distribution by third parties of programmes produced by the group. 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:

## **WALL TO WALL (HOLDINGS) LIMITED**

### **PRINCIPAL ACCOUNTING POLICIES**

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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

#### **FIXED ASSETS**

All fixed assets are initially recorded at cost

#### **TANGIBLE FIXED ASSETS AND DEPRECIATION**

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their expected useful lives. The rates generally applicable are

Fixtures and fittings	15% straight line basis
Equipment	15% straight line basis

#### **HIRE PURCHASE AGREEMENTS**

Assets held under hire purchase agreement 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 obligations 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.

## **WALL TO WALL (HOLDINGS) LIMITED**

### **PRINCIPAL ACCOUNTING POLICIES**

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#### **DEFERRED TAXATION**

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

#### **FOREIGN CURRENCY**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

#### **SHARE OPTIONS**

All share-based payment arrangements granted after 7 November 2002 that had not vested prior to 1 July 2006 are recognised in the financial statements.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets).

All equity-settled share-based payments are ultimately recognised as an expense in the profit and loss account with a corresponding credit to reserves.

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are revised subsequently if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options that have vested are not exercised.

Upon exercise of share options, the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium.

**WALL TO WALL (HOLDINGS) LIMITED****CONSOLIDATED PROFIT AND LOSS ACCOUNT**

For the year ended 30 JUNE 2007

	Note	2007 £	2006 £
Turnover	1	19,500,951	18,604,074
Cost of sales		<u>(13,597,863)</u>	<u>(13,882,738)</u>
Gross profit		5,903,088	4,721,336
Other operating charges		<u>(4,921,165)</u>	<u>(4,124,760)</u>
Group operating profit		981,923	596,576
Share of operating loss of associates		<u>(45,408)</u>	-
Total group operating profit and share of associates		936,515	596,576
Interest payable	2	(8,405)	(10,539)
Interest receivable		<u>320,156</u>	<u>308,751</u>
Profit on ordinary activities before taxation	1	1,248,266	894,788
Tax on profit on ordinary activities	4	(397,476)	(291,258)
Profit on ordinary activities after taxation		<u>850,790</u>	<u>603,530</u>

All transactions arise from continuing operations

A statement of recognised gains and losses is not included as there are no recognised gains or losses other than the profit for the financial year

The accompanying accounting policies and notes form an integral part of these financial statements

# WALL TO WALL (HOLDINGS) LIMITED

## GROUP BALANCE SHEET AT 30 JUNE 2007

	Note	2007 £	2006 £ (restated)
<b>Fixed assets</b>			
Tangible assets	7	<u>610,356</u>	<u>583,678</u>
<b>Current assets</b>			
Work in Progress	9	1,743,238	921,773
Debtors	10	3,156,031	2,546,424
Cash at bank and in hand		<u>2,512,060</u>	<u>3,378,460</u>
		<u>7,411,329</u>	<u>6,846,657</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(5,442,269)</u>	<u>(5,377,335)</u>
<b>Share of net liabilities of associates</b>		<u>(45,408)</u>	<u>-</u>
		<u>(5,487,677)</u>	<u>(5,377,335)</u>
<b>Net current assets</b>		<u>1,923,652</u>	<u>1,469,322</u>
<b>Total assets less current liabilities</b>		<u>2,534,008</u>	<u>2,053,000</u>
<b>Creditors: amounts falling due after more than one year</b>	12	<u>(11,548)</u>	<u>(5,943)</u>
<b>Provision for deferred taxation</b>	13	<u>(38,644)</u>	<u>-</u>
		<u>2,483,816</u>	<u>2,047,057</u>
<b>Capital and reserves</b>			
Called up share capital	15	1,000	1,000
Profit and loss account	17	<u>2,482,816</u>	<u>2,046,057</u>
<b>Shareholders' funds</b>		<u>2,483,816</u>	<u>2,047,057</u>

The financial statements were approved by the Board of Directors on 2 NOVEMBER 2007



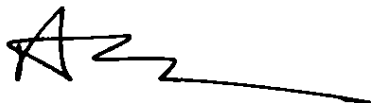
A Graham - Director

The accompanying accounting policies and notes form an integral part of these financial statements

**WALL TO WALL (HOLDINGS) LIMITED****COMPANY BALANCE SHEET AT 30 JUNE 2007**

	Note	2007 £	2006 £
<b>Fixed assets</b>			
Investment	8	<u>202</u>	<u>202</u>
<b>Current assets</b>			
Debtors	10	1,743,442	1,743,442
Cash at bank and in hand		<u>2,069</u>	<u>2,069</u>
		<u>1,745,511</u>	<u>1,745,511</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(1,722,802)</u>	<u>(1,306,709)</u>
<b>Net current assets</b>		<u>22,709</u>	<u>438,802</u>
<b>Total assets less current liabilities</b>		<u>22,911</u>	<u>439,004</u>
<b>Capital and reserves</b>			
Called up share capital	15	1,000	1,000
Profit and loss account	17	<u>21,911</u>	<u>438,004</u>
<b>Shareholders' funds</b>		<u>22,911</u>	<u>439,004</u>

The financial statements were approved by the Board of Directors on 2 NOVEMBER 2007



A Graham - Director

The accompanying accounting policies and notes form an integral part of these financial statements

**WALL TO WALL (HOLDINGS) LIMITED****CASH FLOW STATEMENT**

For the year ended 30 JUNE 2007

	Note	2007 £	2006 £
<b>Net cash inflow from operating activities</b>	19	<u>421,740</u>	<u>2,693,091</u>
<b>Returns on investments and servicing of finance</b>			
Interest received		320,156	313,683
Finance lease interest paid		<u>(8,405)</u>	<u>(15,471)</u>
<b>Net cash inflow from returns on investments and servicing of finance</b>		<u>311,751</u>	<u>298,212</u>
<b>Taxation</b>		<u>(517,446)</u>	<u>(203,158)</u>
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		<u>(251,422)</u>	<u>(67,240)</u>
<b>Net cash outflow from capital expenditure and financial investment</b>		<u>(251,422)</u>	<u>(67,240)</u>
<b>Equity dividends paid</b>		<u>(416,093)</u>	<u>(262,033)</u>
<b>Financing</b>			
Capital element of finance lease rentals		<u>(61,301)</u>	<u>(55,333)</u>
<b>Net cash inflow from financing</b>		<u>(61,301)</u>	<u>(55,333)</u>
<b>(Decrease)/Increase in cash</b>		<u>(512,771)</u>	<u>2,403,539</u>

The accompanying accounting policies and notes form an integral part of these financial statements

# WALL TO WALL (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 JUNE 2007

### 1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover is attributable the UK and overseas as follows

	2007 £	2006 £
United Kingdom	15,318,593	14,874,789
Overseas	<u>4,182,358</u>	<u>3,729,285</u>
	<u>19,500,951</u>	<u>18,604,074</u>

The profit on ordinary activities before taxation is stated after

	2007 £	2006 £
Auditors' remuneration		
Parent Company	2,000	30,713
Group	5,000	-
Audit of subsidiaries	22,500	-
Non-audit services		
Tax Compliance	16,885	-
Depreciation		
Tangible fixed assets owned	185,561	147,689
Tangible fixed assets held under finance leases and hire purchase contracts	39,183	38,640
Hire of plant and machinery under operating leases	-	-
Other operating lease rentals	125,000	125,000
Net loss/(profit) on foreign currency translation	<u>71,650</u>	<u>(102,881)</u>

### 2 INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £	2006 £
Finance charges	<u>8,405</u>	<u>10,539</u>
	<u>8,405</u>	<u>10,539</u>



# WALL TO WALL (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 JUNE 2007

### 3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows

	2007 £	2006 £
Wages and salaries	2,965,586	2,879,646
Social security costs	337,067	244,886
Other pension costs	41,694	42,159
	<u>3,344,347</u>	<u>3,166,691</u>

The average number of employees of the company during the year was

	2007 Number	2006 Number
Production	49	43
Administration	38	39
	<u>87</u>	<u>82</u>

Remuneration in respect of directors was as follows

	2007 £	2006 £
Emoluments	260,000	223,468
Pension contributions to money purchase, defined contribution pensions	9,594	12,247
	<u>269,594</u>	<u>235,715</u>

During the year 2 directors (2006 2) participated in money purchase pension schemes

The amounts set out above include remuneration in respect of the highest paid director as follows

	2007 £	2006 £
Emoluments	130,000	111,709
Pension contributions to money purchase pension schemes	6,500	2,837
	<u>136,500</u>	<u>114,546</u>

# WALL TO WALL (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 JUNE 2007

### 4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is based on the profit for the year and represents

	2007 £	2006 £
United Kingdom corporation tax at 30% (2006 30%)	358,832	291,258
Deferred tax	38,644	-
Total current tax	<u>397,476</u>	<u>291,258</u>
Factors affecting the tax charge for period		
Profit on ordinary activities before taxation	1,248,266	894,788
Profit on ordinary activities multiplies by the standard rate of corporation tax 30% (2006 30%)	374,480	268,437
Effect of		
Expenses not deductible for tax purposes	40,802	21,742
Capital allowances for the period in excess of depreciation	9,633	-
Marginal relief	(3,988)	-
Withholding tax	(927)	1,079
Film tax credit claim	(107,678)	-
Adjustments in respect of associates	13,622	-
Carry forward loss	32,303	-
FRS 20 share based payment not deductible	585	-
Current tax charge for period	<u>358,832</u>	<u>291,258</u>

The tax charge has been increased by £28,644 (2006 £Nil) as a result of timing differences on which deferred tax has been fully provided

### 5 PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the accounts of the parent company was £2,062 (2006 profit £433,956)

### 6 DIVIDEND

	2007 £	2006 £
Equity dividends paid in the year	416,093	262,033
Equity dividends proposed for the year	<u>-</u>	<u>416,093</u>

# WALL TO WALL (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 JUNE 2007

### 7 TANGIBLE FIXED ASSETS

Group	Leasehold property £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 July 2006	31,570	52,240	1,252,944	1,336,754
Additions	-	-	251,422	251,422
At 30 June 2007	31,570	52,240	1,504,366	1,588,176
Depreciation	-			
At 1 July 2006	-	21,617	731,459	753,076
Provided in the year	6,350	4,426	213,968	224,744
At 30 June 2007	6,350	26,043	945,427	977,820
Net book amount at 30 June 2007	25,220	26,197	558,939	610,356
Net book amount at 30 June 2006	31,570	30,623	521,485	583,678

Included in the above figures for the Group is equipment held under hire purchase contracts with a net book value of £248,936 (2006 288,119). The depreciation charged to the financial statements in the year in respect of such assets amounted to £39,183 (2006 38,640).

### 8 FIXED ASSET INVESTMENTS

#### Company

	Group companies £
Cost	
At 1 July 2006 and at 30 June 2007	202
Net book amount at 1 July 2006 and 30 June 2007	202

At 30 June 2007 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 Limited	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

Associated undertakings	Share holding	Principal activity
Brand Events History Limited	22.5%	Live event management

## WALL TO WALL (HOLDINGS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 JUNE 2007

#### FIXED ASSET INVESTMENTS (CONTINUED)

All of the subsidiary undertakings have been consolidated in the Group financial statements and are registered in England and Wales except Wall to Wall Inc which 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

	2007 £	2006 £
Wall to Wall Television Limited	1,035,524	856,621
Spring Place Services Limited	331,349	331,349
Wall to Wall Drama Ltd	28	28
Wall to Wall (Egypt) Limited	107,625	107,625
Wall to Wall Media Limited	892,876	204,781
Wall to Wall (New Tricks) Ltd	120,111	88,750
Wall to Wall Inc	6,014	20,202

#### Profit / (loss) for the year

Wall to Wall Television Limited	178,903	116,870
Spring Place Services Limited	-	30,375
Wall to Wall Drama Ltd	-	-
Wall to Wall (Egypt) Limited	-	-
Wall to Wall Media Limited	688,095	15,959
Wall to Wall (New Tricks) Ltd	31,361	30,750
Wall to Wall Inc	(14,188)	(24,005)

## 9 STOCKS

	Group		Company	
	2007	2006 (restated)	2007	2006
	£	£	£	£
Work in progress	1,743,238	921,773	-	-

**WALL TO WALL (HOLDINGS) LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 JUNE 2007

**10 DEBTORS**

	<b>Group</b>		<b>Company</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	1,694,351	701,760	-	-
Amounts owed by other group undertakings	-	-	1,743,317	1,743,317
Amounts owed by undertakings in which the company has a participating interest	131,383	85,975	-	-
Prepayments and accrued income	1,305,646	1,676,584	-	-
Other debtors	24,651	82,105	125	125
	<u>3,156,031</u>	<u>2,546,424</u>	<u>1,743,442</u>	<u>1,743,442</u>

**11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
		(restated)		
Bank loans and overdrafts	-	353,629	-	-
Trade creditors	320,209	138,861	-	-
Amounts owed to group undertakings	-	-	1,721,874	1,120,728
Amounts owed to undertakings in which the company has a participating interest	169,209	169,108	-	-
Hire purchase agreements	21,159	88,065	-	-
Directors' loan accounts	-	101	-	-
Other taxes and social security	1,494,616	648,989	928	185,981
Corporation tax creditor	132,644	288,718	-	-
Accruals and deferred income	3,304,432	3,689,864	-	-
	<u>5,442,269</u>	<u>5,377,335</u>	<u>1,722,802</u>	<u>1,306,709</u>

# WALL TO WALL (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 JUNE 2007

### 12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Hire purchase agreements	<u>11,548</u>	<u>5,943</u>	<u>-</u>	<u>-</u>

### 13 DEFERRED TAX

The movement in the deferred taxation provision during the year was

	2007	2006
	£	£
Accelerated capital allowances	<u>38,644</u>	<u>-</u>

### 14 SIGNIFICANT TRANSACTIONS

Prior to 30 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

	2007	2006
	£	£
Amounts held on deposit	4,384,460	4,676,647
Less capital element of leasing liabilities	<u>(4,384,460)</u>	<u>(4,676,647)</u>
	<u>-</u>	<u>-</u>

Group

	2007	2006
	£	£
Amounts payable within one year	338,363	292,187
Amounts payable between one and two years	830,632	338,363
Amounts payable between three and five years	1,068,759	1,332,748
Amounts payable after more than five years	<u>2,146,706</u>	<u>2,713,349</u>
	<u>4,384,460</u>	<u>4,676,647</u>

# WALL TO WALL (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 JUNE 2007

### 15 SHARE CAPITAL

	2007 £	2006 £
Authorised 10,000 ordinary shares of £0.10 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid 10,000 ordinary shares of £0.10 each	<u>1,000</u>	<u>1,000</u>

### 16 SHARE OPTIONS

Share options granted under the company's schemes become exercisable on certain trigger events as set out in the scheme

Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the year are as follows

	2007		2006	
	Number	WAEP£	Number	WAEP £
Outstanding at the beginning of the year	1,051	110	-	-
Granted during the year	819	156	1,051	110
Exercised during the year	-	-	-	-
Lapsed during the year	(200)	110	-	-
Outstanding at the end of the year	<u>1,670</u>	<u>133</u>	<u>1,051</u>	<u>110</u>
Exercisable at the end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The fair value of equity settled transactions is estimated at the date of grant. Fair values were determined according to the Black-Scholes option pricing model using the following

Weighted share price at grant	£118
Weighted average exercise price	£133
Weighted average expected volatility	20%
Average expected life (years)	2
Weighted average risk free rate	5.8%
Expected dividend yield	45.8%

The expected volatility was calculated using the historic volatility of similar listed TV production companies. The expected life of the options is based on management's assumption that an exercisable event will occur within a two year period from grant.

An FRS 20 charge of £2,062 has been included within the profit and loss account for the year in respect of the share options (2006 Nil).

# WALL TO WALL (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 JUNE 2007

### 17 PROFIT AND LOSS ACCOUNT

#### Group

	£
At 1 July 2006	2,046,057
Profit for the year	850,790
Dividend paid in the year	(416,093)
Recognition of equity-settled share based payments in the year	2,062
At 30 June 2007	<u>2,482,816</u>

#### Company

	£
At 1 July 2006	438,004
Loss for the year	(2,062)
Dividend paid in the year	(416,093)
Recognition of equity-settled share based payments in the year	2,062
At 30 June 2007	<u>21,911</u>

### 18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Profit for the financial year	850,790	603,530
Dividends	(416,093)	(262,033)
Recognition of equity-settled share based payments in the year	2,062	-
	<u>436,759</u>	<u>341,497</u>
Other recognised gains and losses	-	-
Shareholders' funds at 1 July 2006	<u>2,047,057</u>	<u>1,705,560</u>
Shareholders' funds at 30 June 2007	<u>2,483,816</u>	<u>2,047,057</u>



**WALL TO WALL (HOLDINGS) LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 JUNE 2007

**19 NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2007 £	2006 £ (restated)
Operating profit	936,515	596,576
Depreciation	224,744	186,329
FRS 20 Share based payment charge	2,062	-
Increase in stock	(821,465)	(265,576)
Increase in debtors	(564,199)	184,620
Increase in creditors	644,083	1,991,142
Net cash inflow from operating activities	<u>421,740</u>	<u>2,693,091</u>

**20 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	2007 £	2006 £
Decrease in cash in the year	(512,771)	2,403,539
Cash outflow from finance leases	61,301	61,276
Change in net debt resulting from cash flows	<u>(451,470)</u>	<u>2,464,815</u>
Inception of finance leases	-	-
Movement in net debt in the year	<u>(451,470)</u>	<u>2,464,815</u>
Net funds at 1 July 2006	<u>2,930,823</u>	<u>466,008</u>
Net funds at 30 June 2007	<u>2,479,353</u>	<u>2,930,823</u>

**21 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 Jul 2006 £	Cash flow £	At 30 Jun 2007 £
Net cash			
Cash in hand	3,378,460	(866,400)	2,512,060
Overdraft	<u>(353,629)</u>	<u>353,629</u>	<u>-</u>
	<u>3,024,831</u>	<u>(512,771)</u>	<u>2,512,060</u>
Debt			
Debt due after one year	(5,943)	(5,605)	(11,548)
Hire purchase agreements	<u>(88,065)</u>	<u>66,906</u>	<u>(21,159)</u>
	<u>(94,008)</u>	<u>61,301</u>	<u>(32,707)</u>
Net funds	<u>2,930,823</u>	<u>(451,470)</u>	<u>2,479,353</u>

## WALL TO WALL (HOLDINGS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 JUNE 2007

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#### 22 CAPITAL COMMITMENTS

The company had no capital commitments at 30 June 2007 or 30 June 2006

#### 23 CONTINGENT ASSETS/LIABILITIES

There were no contingent liabilities at 30 June 2007 or 30 June 2006

#### 24 PENSIONS

##### Defined Contribution Schemes

The company contributes a fixed proportion of salary to a Group Personal Pension scheme for the benefit of one director and a number of senior employees. The assets of the scheme are administered in funds independent from those of the group and company.

The company operated a money purchase scheme for the benefit of one director. The assets of the scheme were administered by trustees in a fund independent from those of the company. Shortly after the year-end this scheme was wound up and the assets transferred into a privately-held Self Invested Personal Pension.

#### 25 LEASING COMMITMENTS

Operating lease payments amounting to £125,000 (2006 £125,000) are due within one year. The leases to which these amounts relate expire as follows:

	2007		2006	
	Plant and machinery £	Other £	Plant and machinery £	Other £
In one year or less	-	-	-	-
Between one and five years	-	125,000	-	125,000
In five years or more	-	-	-	-
	<u>-</u>	<u>125,000</u>	<u>-</u>	<u>125,000</u>

#### 26 TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

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 (2006 £83,663).

The company has taken advantage of the exemption in Financial Reporting Standard No 8 "Related party disclosures" and has not disclosed transactions with group undertakings.

There are no other related party transactions.

## **WALL TO WALL (HOLDINGS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 JUNE 2007

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#### **27 CONTROLLING RELATED PARTY**

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.

Copies of the group financial statements can be obtained from that company's registered office.