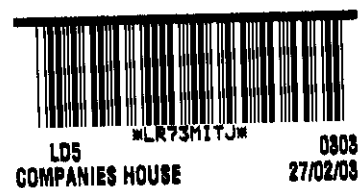


WALL TO WALL (HOLDINGS) LTD
FINANCIAL STATEMENTS
FOR
THE YEAR ENDED 30 JUNE 2002



Company Registration Number 2580387

WALL TO WALL (HOLDINGS) LTD

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2002

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WALL TO WALL (HOLDINGS) LTD

THE DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2002

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 30 June 2002.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is that of a holding company.

RESULTS AND DIVIDENDS

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

The directors have recommended the following dividends:

	2002 £	2001 £
Proposed dividend on ordinary shares	280,000	—
Dividend paid on ordinary shares	—	60,000
	<u>280,000</u>	<u>60,000</u>

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 2002	At 1 July 2001 or later date of appointment
A Graham	7,500	7,500

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 and of the group at the end of the year and of the group's 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 9 to 11, 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; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

WALL TO WALL (HOLDINGS) LTD

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 JUNE 2002

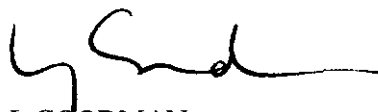
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding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

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
EC1V 1LJ

Signed by order of the directors



L GOODMAN
Company Secretary

Approved by the directors on 20 February 2003

WALL TO WALL (HOLDINGS) LTD
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS
YEAR ENDED 30 JUNE 2002

We have audited the financial statements on pages 5 to 17 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 to 11.

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 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 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' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards are set out in the Statement of Directors' Responsibilities on pages 1 to 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 transactions with the company 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. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom 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 group'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) LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS *(continued)*

YEAR ENDED 30 JUNE 2002

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the company and of the group as at 30 June 2002 and of the profit of the group for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



WEST AND CO
Chartered Accountants
& Registered Auditors

325 City Road
London
EC1V 1LJ

20 February 2003

WALL TO WALL (HOLDINGS) LTD
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 2002

	Note	2002 £	2001 £
GROUP TURNOVER	2	14,973,244	16,364,029
Cost of sales		11,443,193	12,461,947
GROSS PROFIT		<u>3,530,051</u>	<u>3,902,082</u>
Administrative expenses		3,524,321	3,573,527
OPERATING PROFIT	3	5,730	328,555
Interest receivable		434,593	27,201
Interest payable	6	(46,775)	(17,855)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>393,548</u>	<u>337,901</u>
Tax on profit on ordinary activities	7	105,922	62,499
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	8	287,626	275,402
Dividends	9	280,000	60,000
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>7,626</u>	<u>215,402</u>

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

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

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

WALL TO WALL (HOLDINGS) LTD
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
YEAR ENDED 30 JUNE 2002

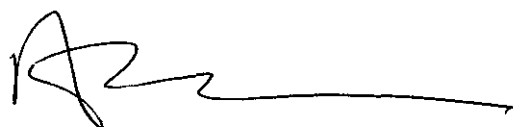
	2002	2001
	£	£
Profit for the financial year	287,626	275,402
Dividends	<u>(280,000)</u>	<u>(60,000)</u>
	7,626	215,402
New equity share capital subscribed	<u>-</u>	<u>250</u>
Net addition to funds	7,626	215,652
Opening shareholders' equity funds	903,969	688,317
Closing shareholders' equity funds	<u>911,595</u>	<u>903,969</u>

WALL TO WALL (HOLDINGS) LTD**GROUP BALANCE SHEET****30 JUNE 2002**

	Note	2002 £	2001 £
FIXED ASSETS			
Tangible assets	10	593,285	667,171
CURRENT ASSETS			
Stocks	12	1,225,990	537,560
Debtors	13	4,083,625	10,864,636
Cash at bank and in hand		6,054,837	5,922,741
		<u>11,364,452</u>	<u>17,324,937</u>
CREDITORS: Amounts falling due within one year	14	<u>3,151,027</u>	<u>6,174,005</u>
NET CURRENT ASSETS		<u>8,213,425</u>	<u>11,150,932</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,806,710</u>	<u>11,818,103</u>
CREDITORS: Amounts falling due after more than one year	15	<u>7,895,115</u>	<u>10,914,134</u>
		<u>911,595</u>	<u>903,969</u>
CAPITAL AND RESERVES			
Called-up equity share capital	18	1,000	1,000
Profit and loss account	19	910,595	902,969
SHAREHOLDERS' FUNDS		<u>911,595</u>	<u>903,969</u>

These financial statements were approved by the directors on the 20 February 2003 and are signed on their behalf by:

A GRAHAM



WALL TO WALL (HOLDINGS) LTD

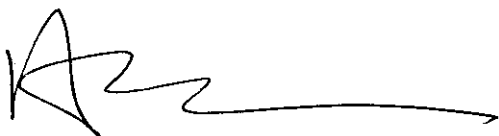
BALANCE SHEET

30 JUNE 2002

	Note	2002 £	£	2001 £	£
FIXED ASSETS					
Investments	11		200		200
CURRENT ASSETS					
Debtors	13	503,694		179,233	
Cash at bank and in hand		2,716		783	
		<u>506,410</u>		<u>180,016</u>	
CREDITORS: Amounts falling due within one year	14	<u>455,471</u>		<u>16,662</u>	
NET CURRENT ASSETS			<u>50,939</u>		<u>163,354</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>51,139</u>		<u>163,554</u>
CAPITAL AND RESERVES					
Called-up equity share capital	18		1,000		1,000
Profit and loss account	19		<u>50,139</u>		<u>162,554</u>
SHAREHOLDERS' FUNDS			<u>51,139</u>		<u>163,554</u>

These financial statements were approved by the directors on the 20 February 2003 and are signed on their behalf by:

A GRAHAM



WALL TO WALL (HOLDINGS) LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2002

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Basis of consolidation

The consolidated accounts incorporate the accounts 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 accounts 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.

Turnover

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

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

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.

WALL TO WALL (HOLDINGS) LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2002

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 at the inception of the agreement and are depreciated over their expected useful economic lives. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account in proportion to the capital 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.

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;

provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

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) LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2002

1. ACCOUNTING POLICIES *(continued)***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. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group.

An analysis of turnover is given below:

	2002 £	2001 £
United Kingdom	10,583,740	12,454,167
Overseas	3,424,138	2,864,704
	<u>14,007,878</u>	<u>15,318,871</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2002 £	2001 £
Depreciation	—	152,609
Loss on disposal of fixed assets	152,882	—
Auditors' remuneration		
- as auditors	9,000	11,014
Operating lease costs:		
Land and buildings	98,204	79,762
Net profit on foreign currency translation	<u>(53,305)</u>	<u>(112,537)</u>

4. PARTICULARS OF EMPLOYEES

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

	2002 No.	2001 No.
Number of production staff	50	50
Number of administrative staff	65	55
	<u>115</u>	<u>105</u>

WALL TO WALL (HOLDINGS) LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2002

4. PARTICULARS OF EMPLOYEES *(continued)*

The aggregate payroll costs of the above were:

	2002 £	2001 £
Wages and salaries	2,037,995	2,192,295
Social security costs	218,754	224,888
Other pension costs	58,395	30,410
	<u>2,315,144</u>	<u>2,447,593</u>

5. DIRECTORS' EMOLUMENTS

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

	2002 £	2001 £
Emoluments receivable	215,994	103,450
Value of company pension contributions to money purchase schemes	31,187	5,600
	<u>247,181</u>	<u>109,050</u>

Emoluments of highest paid director:

	2002 £	2001 £
Total emoluments (excluding pension contributions):	<u>130,994</u>	<u>103,450</u>

6. INTEREST PAYABLE

	2002 £	2001 £
Interest payable on bank borrowing	994	398
Finance charges	45,781	15,202
Other similar charges payable	—	2,255
	<u>46,775</u>	<u>17,855</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES**Taxation**

	2002 £	2001 £
Current tax:		
UK Corporation tax based on the results for the year at 30% (2001 - 30%)	105,922	62,499
Total current tax	<u>105,922</u>	<u>62,499</u>

WALL TO WALL (HOLDINGS) LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2002

8. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the accounts of the parent company was £167,585 (2001 - £59,988).

9. DIVIDENDS

The following dividends have been paid or proposed in respect of the year:

	2002 £	2001 £
Proposed dividend on ordinary shares	280,000	—
Dividend paid on ordinary shares	—	60,000
	<u>280,000</u>	<u>60,000</u>

10. TANGIBLE FIXED ASSETS

Group	Leasehold Property £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
COST					
At 1 July 2001	31,570	74,924	36,869	998,417	1,141,780
Additions	31,570	5,218	14,747	629,405	680,940
Disposals	(31,570)	(74,924)	(36,869)	(1,086,072)	(1,229,435)
At 30 June 2002	<u>31,570</u>	<u>5,218</u>	<u>14,747</u>	<u>541,750</u>	<u>593,285</u>
DEPRECIATION					
At 1 July 2001	—	69,706	14,748	390,155	474,609
On disposals	—	(69,706)	(14,748)	(390,155)	(474,609)
At 30 June 2002	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
NET BOOK VALUE					
At 30 June 2002	<u>31,570</u>	<u>5,218</u>	<u>14,747</u>	<u>541,750</u>	<u>593,285</u>
At 30 June 2001	<u>31,570</u>	<u>5,218</u>	<u>22,121</u>	<u>608,262</u>	<u>667,171</u>

At 30th June 2002 the fixed assets were transferred within the group at market valuation. A loss on disposal was created and no depreciation charged.

Hire purchase agreements

Included within the net book value of £593,285 (2001 – £667,171) is £315,654 (2001 - £258,530) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £Nil (2001 - £85,911).

WALL TO WALL (HOLDINGS) LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2002

11. INVESTMENTS

	Company	Group
		£
COST		
At 1 July 2001 and 30 June 2002	<u>200</u>	<u>Nil</u>
NET BOOK VALUE		
At 30 June 2002	<u>200</u>	<u>Nil</u>
At 30 June 2001	<u>200</u>	<u>Nil</u>

At 30 June 2002, the company held the following subsidiary undertakings, all of which are incorporated in the UK:

<u>Name</u>	<u>Class of shares held</u>	<u>Interest held</u>		<u>Principal activity</u>
		<u>Directly</u>	<u>Via subsidiaries</u>	
Wall to Wall Television Ltd	Ordinary	100%		Television production
Wall to Wall Drama Ltd	Ordinary		100%	Television production
Wall to Wall Egypt Ltd	Ordinary		100%	Television production
Spring Place Services Ltd	Ordinary	100%		Television services

12. STOCKS

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Raw materials	5,531	5,022	—	—
Work in progress	<u>1,220,459</u>	<u>532,538</u>	<u>—</u>	<u>—</u>
	<u>1,225,990</u>	<u>537,560</u>	<u>—</u>	<u>—</u>

WALL TO WALL (HOLDINGS) LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2002

13. DEBTORS

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Trade debtors	1,145,442	1,545,142	—	—
Amounts owed by group undertakings	1,092	—	502,819	178,358
Other debtors	17,847	77,860	—	—
Called up share capital not paid	875	875	875	875
Prepayments and accrued income	2,918,369	9,240,759	—	—
	<u>4,083,625</u>	<u>10,864,636</u>	<u>503,694</u>	<u>179,233</u>

14. CREDITORS: Amounts falling due within one year

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Bank loans and overdrafts	710,081	263,314	—	—
Trade creditors	212,080	4,360,168	—	—
Amounts owed to group undertakings	144,587	—	99,051	—
Net obligations under hire purchase contracts and finance lease agreements	597,134	619,027	—	—
Directors' loan accounts	280,100	—	280,000	—
Other creditors	438,508	766,345	71,420	15,662
Accruals and deferred income	768,537	165,151	5,000	1,000
	<u>3,151,027</u>	<u>6,174,005</u>	<u>455,471</u>	<u>16,662</u>

The net obligations under hire purchase contracts and finance leases are secured on the assets they finance. The following liabilities disclosed under creditors falling due within one year are secured by fixed and floating charges over the assets of the group.

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Bank loans and overdrafts	489,053	153,849	489,053	—
Hire Purchase and Finance Lease agreements	597,134	619,027	597,134	—
	<u>1,086,187</u>	<u>772,876</u>	<u>1,086,187</u>	<u>—</u>

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

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Net obligations under hire purchase contracts and finance lease agreements	<u>7,895,115</u>	<u>10,914,134</u>	<u>—</u>	<u>—</u>

WALL TO WALL (HOLDINGS) LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2002

15. CREDITORS: Amounts falling due after more than one year *(continued)*

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

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Hire Purchase and Finance Lease agreements	<u>7,895,115</u>	<u>10,914,134</u>	<u>--</u>	<u>-</u>

16. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Amounts payable within 1 year	597,133	619,027	-	-
Amounts payable between 1 and 2 years	43,165	-	-	-
Amounts payable between 3 and 5 years	2,126,193	2,144,934	-	-
Amounts payable after more than 5 years	<u>5,725,757</u>	<u>8,769,200</u>	<u>-</u>	<u>-</u>
	<u>8,492,248</u>	<u>11,533,161</u>	<u>-</u>	<u>-</u>

17. 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.

18. SHARE CAPITAL

Authorised share capital:

	2002	2001
	£	£
10,000 Ordinary shares of £0.10 each	<u>1,000.00</u>	<u>1,000.00</u>

Allotted and called up:

	2002		2001	
	No.	£	No.	£
Ordinary shares	<u>10,000.00</u>	<u>1,000.00</u>	<u>10,000.00</u>	<u>1,000.00</u>

The amounts of paid-up share capital for the following category of shares differed from the called-up share capital stated above due to unpaid calls and were as follows:

	2002	2001
	£	£
Ordinary shares	<u>125</u>	<u>875</u>

WALL TO WALL (HOLDINGS) LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2002

19. RESERVES**Group**
**Profit and loss
account
£**

Balance brought forward	687,567
Retained profit for the year	275,402
Dividends	(60,000)
	<hr/>
Balance brought forward	902,969
Retained profit for the year	287,626
Dividends	(280,000)
	<hr/>
Balance carried forward	910,595
	<hr/>

Company
**Profit and loss
account
£**

Balance brought forward	162,566
Retained profit for the year	59,988
Dividends	(60,000)
	<hr/>
Balance brought forward	162,554
Retained profit for the year	167,585
Dividends	(280,000)
	<hr/>
Balance carried forward	50,139
	<hr/>

WALL TO WALL (HOLDINGS) LTD
MANAGEMENT INFORMATION
YEAR ENDED 30 JUNE 2002

The following pages do not form part of the statutory financial statements which are the subject of the independent auditors' report on pages 3 to 4.

WALL TO WALL (HOLDINGS) LTD
DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 2002

	2002		2001	
	£	£	£	£
TURNOVER		14,973,244		16,364,029
COST OF SALES				
Opening stock - raw materials	206,806		(596,573)	
Opening stock and WIP	—		(41,001)	
Production costs	11,456,357		7,306,085	
Leasing charges	331,719		6,000,242	
	<u>11,994,882</u>		<u>12,668,753</u>	
Closing stock - raw materials	(366,698)		(206,806)	
Closing stock and WIP	(184,991)		—	
		<u>11,443,193</u>		<u>12,461,947</u>
GROSS PROFIT		3,530,051		3,902,082
OVERHEADS				
Directors salaries	184,807		97,850	
Directors NIC	21,992		11,329	
Directors pension contributions	31,187		5,600	
Administrative staff salaries	1,796,206		1,894,827	
Wages and salaries	56,982		199,618	
Staff NIC	196,762		213,559	
Staff pension contributions	27,208		24,810	
Rent	98,204		79,762	
Rates and water	34,413		34,696	
Light and heat	14,434		13,421	
Insurance	20,315		13,084	
Repairs and maintenance	60,911		31,850	
Cleaning of premises	21,907		17,160	
Travel and subsistence	46,801		66,144	
Telephone	78,272		67,814	
Courier	34,284		104,559	
Office expenses	203,877		178,133	
Hire of equipment	73,466		76,573	
Equipment repairs and renewals	67,023		90,885	
Printing, stationery and postage	41,341		45,106	
Publications	24,236		—	
Staff training	10,381		11,391	
Staff welfare	41,206		54,960	
Other staff related expenses	76,400		—	
Compensation for loss of office	37,415		1,785	
Sundry expenses	5,109		1,457	
Donations	1,380		990	
Advertising	2,543		14,333	
Publicity	1,337		—	
Exhibitions	23,863		22,530	
Entertaining	5,039		1,889	
Legal and professional fees	22,852		56,797	
		<u>3,362,153</u>		<u>3,432,912</u>
Carried forward		(3,530,051)		(3,902,082)

WALL TO WALL (HOLDINGS) LTD
DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 2002

	2002		2001	
	£	£	£	£
Brought forward	3,362,153	(3,530,051)	3,432,912	(3,902,082)
Other professional fees	505		—	
Consultancy	17,622		18,700	
Accountancy fees	19,415		29,094	
Auditors remuneration	9,000		11,014	
Depreciation of fixtures and fittings	—		11,239	
Depreciation of motor vehicles	—		7,374	
Depreciation of office equipment	—		133,996	
Loss on disposal of fixed assets	152,882		—	
Bad debts written off	209		13	
Bank charges	15,840		41,722	
Foreign currency gains/losses	(53,305)		(112,537)	
		<u>3,524,321</u>		<u>3,573,527</u>
OPERATING PROFIT		5,730		328,555
Bank interest receivable		<u>434,593</u>		<u>27,201</u>
		440,323		355,756
Interest payable		<u>(46,775)</u>		<u>(17,855)</u>
PROFIT ON ORDINARY ACTIVITIES		<u>393,548</u>		<u>337,901</u>

WALL TO WALL (HOLDINGS) LTD
NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 2002

	2002 £	2001 £
INTEREST PAYABLE		
Bank interest payable	994	398
HP/Finance lease charges	45,781	15,202
Interest on other loans	—	2,255
	<u>46,775</u>	<u>17,855</u>