

2590549

**REGISTRAR OF
COMPANIES**

World Television Limited

Report and Financial Statements

Year Ended

31 December 2005



BDO

BDO Stoy Hayward
Chartered Accountants

World Television Limited

Annual report and financial statements for the year ended 31 December 2005

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Directors

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Directors

M Neville
S Garvey
E Kimber

Secretary

E Kimber

Company number

2590549

Registered office

Carmelite, 50 Victoria Embankment, London, EC4Y 0DX.

Auditors

BDO Stoy Hayward LLP, 8 Baker Street, London, W1U 3LL.

World Television Limited

Report of the directors for the year ended 31 December 2005

The directors present their report together with the audited financial statements for the year ended 31 December 2005.

Results and dividends

The profit and loss account is set out on page 5 and shows the loss for the year.

The directors do not recommend the payment of a dividend (2004 – interim dividend paid £600,000).

Principal activities, trading review and future developments

The principal activity of the company is the production and distribution of television news and related programmes. This principal activity is envisaged to continue in the future.

Directors

The directors of the company during the year were:

A Booth	(resigned 24 February 2005)
P Sibley	(resigned 24 February 2005)
J Ormondroyd	(resigned 24 February 2005)
M Neville	(appointed 24 February 2005)
J King	(appointed 24 February 2005, resigned 14 July 2005)
S Smith	(appointed 24 February 2005, resigned 21 October 2005)
S Garvey	(appointed 21 October 2005)
E Kimber	(appointed 21 October 2005)

No director had any beneficial interest in the share capital of the company.

M Neville, S Garvey and E Kimber are also directors of the ultimate parent company, World Television Group PLC, and their interest in the share capital of that company is shown in its financial statements.

World Television Limited

Report of the directors for the year ended 31 December 2005 (Continued)

Directors' responsibilities

The directors are responsible for preparing the annual report and 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 profit or loss of the company for that period. In preparing those 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Auditors

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the Board

E Kimber



Director

Date

14 July 2006

World Television Limited

Report of the independent auditors

To the shareholders of World Television Limited

We have audited the financial statements of World Television Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom 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 have been 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 those 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 judgments 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.

World Television Limited

Report of the independent auditors (*Continued*)

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 affairs as at 31 December 2005 and of its loss for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

BDO Stoy Hayward LLP

BDO STOY HAYWARD LLP

*Chartered Accountants
and Registered Auditors
London*

14 July 2006

World Television Limited**Profit and loss account for the year ended 31 December 2005**

	Note	2005 £'000	2004 £'000
Turnover		5,535	5,302
Cost of sales		(1,954)	(1,888)
		<hr/>	<hr/>
Gross profit		3,581	3,414
Administrative expenses		(3,751)	(3,647)
		<hr/>	<hr/>
Operating loss	4	(170)	(233)
Net interest (payable)/receivable	5	(3)	30
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(173)	(203)
Taxation on loss on ordinary activities	6	(81)	122
		<hr/>	<hr/>
Loss for the year	16	(92)	(325)
		<hr/>	<hr/>

All amounts relate to continuing activities.

The company has no recognised gains and losses other than the loss above and therefore no separate statement of total recognised gains and losses has been presented.

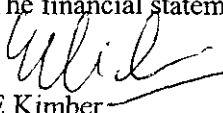
The notes on pages 7 to 17 form part of these financial statements.

World Television Limited

Balance sheet at 31 December 2005

	Note	2005 £'000	2005 £'000	2004 £'000	2004 £'000
Fixed assets					
Tangible assets	8		252		232
Investments	9		-		-
			<hr/>		<hr/>
			252		232
Current assets					
Stocks and work in progress	10	29		37	
Debtors – due in one year	11	1,202		1,324	
– due after more than one year	11	458		-	
		1,660		1,324	
Cash at bank and in hand		1		301	
		<hr/>		<hr/>	
		1,690		1,662	
Creditors: amounts falling due within one year	12	1,823		1,772	
		<hr/>		<hr/>	
Net current liabilities			(133)		(110)
Total assets less current liabilities			<hr/>		<hr/>
			119		122
Creditors: amounts falling due after more than one year	13		(89)		-
			<hr/>		<hr/>
Total assets less liabilities			30		122
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	15		28		28
Share premium account	16		453		453
Profit and loss account	16		(451)		(359)
			<hr/>		<hr/>
Equity shareholders' funds	17		30		122
			<hr/>		<hr/>

The financial statements were approved by the Board on 14 July 2006


E Kimber
Director

The notes on pages 7 to 17 form part of these financial statements.

World Television Limited

Notes forming part of the financial statements for the year ended 31 December 2005

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Group financial statements

The financial statements contain information about World Television Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of s228(1) of the Companies Act 1985 not to produce consolidated financial statements as the company is a wholly owned subsidiary of World Television Group PLC.

Going concern basis

The company is supported by its parent company, World Television Group PLC. The directors consider that World Television Group PLC has sufficient funds to continue funding the company's business. On this basis the directors believe the going concern basis is appropriate, as they believe that World Television Group PLC will make sufficient funds available to the company.

Cash flow

Under the provisions of Financial Reporting Standard No.1 (Revised) 'Cash Flow Statements', the company has not prepared a cash flow statement because its ultimate parent undertaking, World Television Group PLC, which is registered in England and Wales, has prepared consolidated accounts for the year. These accounts contain a consolidated cash flow statement and are publicly available.

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes originating principally from the UK.

Profit is recognised on long term contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses.

Tangible fixed assets

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment.

Depreciation is charged so as to allocate the cost of each asset less its estimated residual value to the periods expected to benefit from its use at the following rates:

Leasehold improvements	- 20% straight line
Computer and office equipment	- 33% straight line
Specialist equipment	- 20% straight line

World Television Limited

Notes forming part of the financial statements for the year ended 31 December 2005 (Continued)

1 Accounting policies (Continued)

Investments

Investments are stated at cost less provision for any impairment.

Stocks

Stocks are stated at the lower of cost and net realisable value. Provision is made for obsolete, slow moving or defective items where appropriate.

Long term contracts and work in progress

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account. Cumulative costs incurred net of amounts transferred to cost of sales, less provision for contingencies and anticipated future losses on contracts, are included as work in progress balances in stock.

Deferred taxation

Deferred tax is recognised in respect of timing differences that have originated but not reversed by the balance sheet date subject to the deferred tax assets being recognised to the extent that they are regarded as recoverable. Assets are regarded as recoverable when it is regarded as 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 balances are not discounted.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

World Television Limited

Notes forming part of the financial statements for the year ended 31 December 2005 (Continued)

1 Accounting policies (Continued)

Pensions

Contributions made by the company to money purchase pension schemes are charged to the profit and loss account in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. All exchange differences are included in the profit and loss account.

2 Employees

	2005 £'000	2004 £'000
Staff costs consist of:		
Wages and salaries	2,194	1,866
Social security costs	222	199
Other pension costs	54	62
	<u>2,470</u>	<u>2,127</u>
The average number of employees, including directors, was:	Number	Number
Sales and production	20	21
Administration	23	19
	<u>43</u>	<u>40</u>

3 Directors

The directors of the company are paid for services to the group by the company's ultimate parent undertaking, World Television Group PLC. There were no emoluments paid during the year by World Television Limited.

World Television Limited**Notes forming part of the financial statements for the year ended 31 December 2005 (Continued)****4 Operating loss**

	2005 £'000	2004 £'000
<i>This has been arrived at after charging:</i>		
Auditors' remuneration for audit services	39	69
Depreciation - owned assets	102	81
- held under finance leases	30	36
Operating lease rentals - equipment	13	9
- other	146	142
Impairment of investment	-	126
	<u> </u>	<u> </u>

5 Interest (payable)/receivable

	2005 £'000	2004 £'000
Interest payable and similar charges:		
On finance leases	(6)	(1)
On bank loans and overdrafts	(1)	-
	<u> </u>	<u> </u>
	(7)	(1)
Interest receivable and similar income:		
Bank interest	4	31
	<u> </u>	<u> </u>
	(3)	30
	<u> </u>	<u> </u>

World Television Limited

Notes forming part of the financial statements for the year ended 31 December 2005 (Continued)

6 Taxation on loss from ordinary activities

	2005	2004
	£'000	£'000
<i>Corporation tax</i>		
Current tax charge	-	81
Prior year tax charge	(81)	33
	<u>(81)</u>	<u>114</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences (note 11)	-	8
	<u>(81)</u>	<u>122</u>

The tax assessed for the year is higher/lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2005	2004
	£'000	£'000
Loss on ordinary activities before taxation	(173)	(202)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 30% (2004 – 30%)	(52)	(60)
Effects of:		
Expenses not deductible for tax purposes	6	164
Depreciation in excess of capital allowances for year	3	6
Deferred tax asset due to losses not recognised in the period	(15)	-
Group tax relief	58	(29)
(Over)/under provision in prior year	(81)	33
	<u>(81)</u>	<u>114</u>

World Television Limited

Notes forming part of the financial statements for the year ended 31 December 2005 (Continued)

7 Dividends

	2005 £'000	2004 £'000
Ordinary shares – paid	-	600

8 Tangible assets

	Leasehold improvements £'000	Computer and office equipment £'000	Specialist equipment £'000	Total £'000
<i>Cost</i>				
At 1 January 2005	78	388	617	1,083
Additions	6	130	16	152
	<u>84</u>	<u>518</u>	<u>633</u>	<u>1,235</u>
At 31 December 2005				
<i>Depreciation</i>				
At 1 January 2005	43	314	494	851
Charge for the year	16	65	51	132
	<u>59</u>	<u>379</u>	<u>545</u>	<u>983</u>
At 31 December 2005				
<i>Net book value</i>				
At 31 December 2005	<u>25</u>	<u>139</u>	<u>88</u>	<u>252</u>
At 31 December 2004	<u>35</u>	<u>74</u>	<u>123</u>	<u>232</u>

Included in the above is leased equipment at a net book value of £102,752 (2004 - £36,903).

World Television Limited

Notes forming part of the financial statements for the year ended 31 December 2005 (Continued)

9 Fixed asset investments

	Subsidiary undertakings £'000
<i>Cost</i>	
At 1 January 2005 and 31 December 2005	126
<i>Provision</i>	
At 1 January 2005 and at 31 December 2005	126
<i>Net book value</i>	
At 1 January 2005 and 31 December 2005	-

The company has investments in 100% of the ordinary share capital of the following non-trading subsidiary undertakings.

	Country of incorporation	Holding
UCTX Limited	Great Britain	Ordinary
World Images Limited		
– struck off as of the 15 February 2005	Great Britain	Ordinary
World Post-Production Limited		
– struck off as of the 15 February 2005	Great Britain	Ordinary
World Multi-Media Limited		
– struck off as of the 15 February 2005	Great Britain	Ordinary

10 Stocks

	2005 £'000	2004 £'000
Work in progress	28	27
Stocks	1	10
	<u>29</u>	<u>37</u>

World Television Limited

Notes forming part of the financial statements for the year ended 31 December 2005 (Continued)

11 Debtors

	2005	2004
	£'000	£'000
Amounts receivable in one year:		
Trade debtors	1,005	856
Deferred tax	41	41
Amounts owed by group undertaking	-	280
Other debtors	14	12
Prepayments	142	135
	1,202	1,324
Amounts receivable after more than one year:		
Amounts owed by group undertakings	458	-
Analysis of deferred tax provision:		
	2005	2004
	£'000	£'000
Opening balance	(41)	(49)
Charge to profit and loss account	-	8
Closing balance	(41)	(41)

A deferred tax asset of £526,000 (2004 - £575,000) in respect of timing differences relating to the losses derived from the trade of the UCTX division has not been recognised. This asset will be recovered if there are sufficient future taxable profits.

World Television Limited

Notes forming part of the financial statements for the year ended 31 December 2005 (Continued)

12 Creditors: amounts falling due within one year

	2005 £'000	2004 £'000
Convertible debt		
Convertible unsecured loan stock	43	45
	<hr/>	<hr/>
Other creditors		
Bank overdraft	143	-
Obligations under finance leases	43	-
Payments received on account	176	407
Trade creditors	801	423
Other creditors	60	8
Amounts owed to group undertakings	-	4
Corporation tax	-	264
Other taxes and social security	284	238
Accruals and deferred income	273	383
	<hr/>	<hr/>
	1,780	1,727
	<hr/>	<hr/>
	1,823	1,772
	<hr/>	<hr/>

The bank overdraft is secured by a fixed and floating charge over the assets of the company.

13 Creditors: amounts falling due after more than one year

	2005 £'000	2004 £'000
Amounts owed to group undertakings	24	-
Obligations under finance leases	65	-
	<hr/>	<hr/>
	89	-
	<hr/>	<hr/>

Amounts owed to group undertakings are unsecured and interest free.

World Television Limited

Notes forming part of the financial statements for the year ended 31 December 2005 (Continued)

14 Finance lease creditor

Obligations under finance leases are due as follows:

	£'000	£'000
Within one year	43	-
In more than one year but not more than two years	47	-
In more than two years but not more than five years	18	-
	<u>108</u>	<u>-</u>

15 Share capital

	2005 £'000	2004 £'000
<i>Authorised</i>		
50,000 ordinary shares of £1 each	50	50
<i>Issued, called up and fully paid</i>		
28,570 ordinary shares of £1 each	28	28

16 Reserves

	Share premium account £'000	Profit and loss account £'000	Total £'000
At 1 January 2005	453	(359)	94
Loss for the year	-	(92)	(92)
	<u>453</u>	<u>(451)</u>	<u>2</u>

World Television Limited

Notes forming part of the financial statements for the year ended 31 December 2005 (Continued)

17 Reconciliation of movements in equity shareholders' funds

	2005 £'000	2004 £'000
Loss for the year	(92)	(325)
Dividends	-	(600)
Opening equity shareholders' funds	122	1,047
	<hr/>	<hr/>
Closing equity shareholders' funds	30	122
	<hr/>	<hr/>

18 Commitments under operating leases

As at 31 December 2005, the company had annual commitments under non-cancellable operating leases as set out below:

	2005 Land and buildings £'000	2005 Other £'000	2004 Land and buildings £'000	2004 Other £'000
Operating leases which expire:				
In less than one year	-	13	-	-
In two to five years	146	-	-	13
Over five years	-	-	118	-
	<hr/>	<hr/>	<hr/>	<hr/>
	146	13	118	13
	<hr/>	<hr/>	<hr/>	<hr/>

19 Related party transactions

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with members of the group headed by World Television Group PLC on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

20 Ultimate parent company

The ultimate parent undertaking and controlling party is World Television Group PLC. Copies of World Television Group PLC consolidated financial statements can be obtained from the company's registered address.