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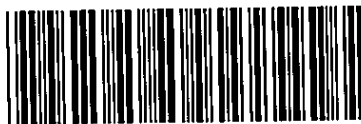
**World Television Limited**

Report and Financial Statements

Year Ended

31 December 2008

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**BDO Stoy Hayward**  
Chartered Accountants

# **World Television Limited**

## **Annual report and financial statements for the year ended 31 December 2008**

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### **Directors**

S Garvey  
E Kimber

### **Secretary**

E Kimber

### **Company number**

2590549

### **Registered office**

8 Fitzroy Square, London, W1T 5HN

### **Auditors**

BDO Stoy Hayward LLP, 55 Baker Street, London, W1U 7EU.

# World Television Limited

## Report of the directors for the year ended 31 December 2008

The directors present their report together with the audited financial statements for the year ended 31 December 2008.

### Principal activities

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.

### Business review

The profit and loss account is set out on page 6 and shows the loss for the year.

Revenues increased during the year from £4,381k to £4,913k.

### Key performance indicators

The Company uses two primary key performance indicators (KPI's) to measure and monitor the performance of the business effectively. They are turnover and profitability as measured by EBITDA and EBITDA by employee.

The KPI's for the year ended 31 December 2008, with comparatives for the year ended 31 December 2007, are set out below:

	2008 £'000	2007 £'000
Turnover	4,913	4,381
EBITDA (pre share option expense <sup>1</sup> )	40	(28)
EBITDA (pre share option expense <sup>1</sup> ) per employee	1	(1)

<sup>1</sup> In 2008 there was an overall credit of nil to the profit and loss account in respect of share options (2007 - £44k).

### Dividends

The directors do not recommend the payment of a dividend (2007 - £Nil).

# **World Television Limited**

## **Report of the directors for the year ended 31 December 2008 (Continued)**

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### **Financial and commercial risk management**

The funding and treasury functions of the Group are managed centrally under guidelines approved by the Board. The treasury function raises all the funding for the Group and focuses on minimising interest rate and foreign exchange rate risk. The treasury positions are managed in a non-speculative manner. The main financial risks faced by the Group are funding and credit risk. The Board continually reviews the funding requirements of the Group and its exposure to liquidity risk.

The directors consider the principal risk facing the company is the impact of the global downturn. Further information on the company's outlook and commercial risk is set out in the ultimate parent's accounts. Copies of World Television Group PLC consolidated financial statements can be obtained from the company's registered address.

### **Directors**

The directors of the company during the year were:

S Garvey  
E Kimber

### **Going concern**

After making due and careful enquiry, the directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, given the ongoing support of its parent, World Television Group PLC. For this reason, the directors continue to adopt a 'Going Concern' basis in preparing the financial statements.

### **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.

# World Television Limited

## Report of the directors for the year ended 31 December 2008 (Continued)

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### Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

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 11<sup>th</sup> May 2009

# **World Television Limited**

## **Report of the independent auditors**

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### **To the shareholders of World Television Limited**

We have audited the financial statements of World Television Limited for the year ended 31 December 2008 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 and whether the information given in the directors' report is consistent with those financial statements. We also report to you if, in our opinion, 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 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.

# World Television Limited

## Report of the independent auditors (*Continued*)

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### *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 2008 and of its loss 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.

*BDO Sky Hayward LLP*

**BDO STOY HAYWARD LLP**  
*Chartered Accountants  
and Registered Auditors*  
London

Date     11 MAY 2009

# World Television Limited

## Profit and loss account for the year ended 31 December 2008

	Note	2008 £'000	2007 £'000
<b>Turnover</b>	2	4,913	4,381
Cost of sales		(1,766)	(1,421)
<b>Gross profit</b>		3,147	2,960
Administrative expenses		(3,183)	(3,049)
<b>Operating loss</b>	5	(36)	(89)
Interest payable	6	(9)	(17)
<b>Loss on ordinary activities before taxation</b>		(45)	(106)
Taxation on loss on ordinary activities	7	-	-
<b>Loss for the year</b>	17	(45)	(106)

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 8 to 16 form part of these financial statements.



# World Television Limited

## Balance sheet at 31 December 2008

	Note	2008 £'000	2008 £'000	2007 £'000	2007 £'000
<b>Fixed assets</b>					
Tangible assets	8		133		131
Investments	9		-		-
			<u>133</u>		<u>131</u>
<b>Current assets</b>					
Stocks and work in progress	10	35		34	
Debtors - due in one year	11	929		770	
- due after more than one year	11	395		395	
		<u>1,324</u>		<u>1,165</u>	
Cash at bank and in hand		61		-	
		<u>1,420</u>		<u>1,199</u>	
<b>Creditors: amounts falling due within one year</b>	12	2,239		2,031	
<b>Net current liabilities</b>			<u>(819)</u>		<u>(832)</u>
<b>Total assets less current liabilities</b>			<u>(686)</u>		<u>(701)</u>
<b>Creditors: amounts falling due after more than one year</b>	13		(39)		(29)
<b>Provisions for liabilities</b>	14		(100)		(50)
<b>Net liabilities</b>			<u>(825)</u>		<u>(780)</u>
<b>Capital and reserves</b>					
Called up share capital	16		28		28
Share premium account	17		453		453
Other reserves	17		5		5
Profit and loss account	17		(1,311)		(1,266)
<b>Shareholders' deficit</b>	18		<u>(825)</u>		<u>(780)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 11<sup>th</sup> May 2009

  
E Kimber  
Director

The notes on pages 8 to 16 form part of these financial statements.

# World Television Limited

## Notes forming part of the financial statements for the year ended 31 December 2008

### 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*

The company is a communications agency that specialises in video for large corporations, governments and international organisations. Turnover relating to webcasting is recognised when the webcasting services are performed, which is compliant with FRS 5 Application Note G. Turnover in respect of television programme production is recognised on the basis of the amount earned during the year in accordance with the contractual arrangements. Turnover excludes VAT.

#### *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

#### *Investments*

Investments are stated at cost less provision for any impairment.

# World Television Limited

## Notes forming part of the financial statements for the year ended 31 December 2008 (Continued)

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### 1 Accounting policies (Continued)

#### *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 as accrued income, 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 deferred income. 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.

#### *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.

# World Television Limited

## Notes forming part of the financial statements for the year ended 31 December 2008 (Continued)

### 1 Accounting policies (Continued)

#### Share-based payments

Where share options are awarded by World Television Group PLC to employees, the fair value of the options at the date of grant is charged to the profit and loss account over the vesting period. Non-market vesting conditions are taken into account by adjusting the total number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that will eventually vest.

When shares and share options are granted by World Television Group PLC to employees of subsidiary companies, the fair value of the awards is recharged to the profit and loss account of that subsidiary. This has resulted in a credit of nil (2007 - £44k) being included in the profit and loss account of the company. The information relevant and assumptions used to determine the fair value of the options granted under the equity - settled based remuneration schemes are disclosed in the accounts of the ultimate parent.

### 2 Turnover

Turnover is wholly attributable to the principal activity of the company, and arises solely within the United Kingdom.

### 3 Employees

	2008 £'000	2007 £'000
Staff costs consist of:		
Wages and salaries	1,395	1,394
Social security costs	157	137
Other pension costs	53	33
	<u>1,605</u>	<u>1,564</u>

The average number of employees and officers (including executive directors) employed by the company is set out below:

	Number	Number
Sales and operations	27	24
General, finance and administration	7	9
	<u>34</u>	<u>33</u>

Average number of employees in 2008 excludes staff performing group functions. Average number of employees for 2007 has been restated to reflect more accurately staff functions.

### 4 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 2008 (Continued)

## 5 Operating loss

	2008 £'000	2007 £'000
This has been arrived at after charging/(crediting):		
Auditors' remuneration - fees payable to the company's auditor for the audit of the company's annual accounts	22	(28)
Depreciation - owned assets	44	51
- held under finance leases	32	54
Operating lease rentals - equipment	14	11
- other	108	146
Share option credit	-	(44)
Gain on disposal of fixed assets	(11)	-
Exchange gain	(9)	-
	<hr/>	<hr/>

## 6 Interest payable

	2008 £'000	2007 £'000
Interest payable and similar charges:		
On finance leases	(7)	(8)
On bank loans and overdrafts	(2)	(9)
	<hr/>	<hr/>
	(9)	(17)
	<hr/>	<hr/>

## 7 Taxation

There was no tax charge in the current year (2007 - £Nil).

	2008 £'000	2007 £'000
Profit/(Loss) on ordinary activities before taxation	(45)	(106)
	<hr/>	<hr/>
Profit/(Loss) on ordinary activities at the standard rate of corporation tax in the UK of 28.5% (2007 - 30%)	(13)	(32)
Effects of:		
Expenses not deductible for tax purposes	13	5
Depreciation in excess of capital allowances for year	-	13
Deferred tax asset due to losses not recognised in the period	-	8
Other short term timing difference	-	6
Group tax relief	-	-
	<hr/>	<hr/>
Current tax charge for year	-	-
	<hr/>	<hr/>

# World Television Limited

Notes forming part of the financial statements  
for the year ended 31 December 2008 (Continued)

## 8 Tangible assets

	Leasehold improvements £'000	Computer and office equipment £'000	Specialist equipment £'000	Total £'000
<i>Cost</i>				
At 1 January 2008	84	573	695	1,352
Additions	-	40	49	89
Disposals	-	(12)	(9)	(21)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2008	84	601	735	1,420
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 January 2008	74	521	626	1,221
Charge for the year	5	37	34	76
Disposals	-	(6)	(4)	(10)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2008	79	552	656	1,287
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 December 2008	5	49	79	133
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2007	10	52	69	131
	<hr/>	<hr/>	<hr/>	<hr/>

Included in the above is leased equipment at a net book value of £61,952 (2007 - £58,499). The related depreciation charge for the year was £32,343 (2007 - £54,002).

## 9 Fixed asset investments

	Subsidiary undertakings £'000
<i>Cost</i>	
At 1 January 2008 and 31 December 2008	126
	<hr/>
<i>Provision</i>	
At 1 January 2008 and at 31 December 2008	126
	<hr/>
<i>Net book value</i>	
At 1 January 2008 and 31 December 2008	-
	<hr/>

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 Television Limited

Notes forming part of the financial statements  
for the year ended 31 December 2008 (*Continued*)

## 10 Stocks and work in progress

	2008 £'000	2007 £'000
Work in progress	19	23
Stocks	16	11
	<u>35</u>	<u>34</u>

## 11 Debtors

	2008 £'000	2007 £'000
Amounts receivable in one year:		
Trade debtors	580	271
Deferred tax	41	41
Other debtors	13	12
Prepayments and accrued income	295	446
	<u>929</u>	<u>770</u>
Amounts receivable after more than one year:		
Amounts owed by group undertakings	395	395
	<u>395</u>	<u>395</u>
Analysis of deferred tax asset:		
	2008 £'000	2007 £'000
As at 1 January and 31 December 2008	41	41

A deferred tax asset of £324,000 (2007 - £352,000) has not been recognised on the grounds that there is currently insufficient evidence of recoverability.

# World Television Limited

Notes forming part of the financial statements  
for the year ended 31 December 2008 (Continued)

## 12 Creditors: amounts falling due within one year

	2008 £'000	2007 £'000
<b>Convertible debt</b>		
Convertible unsecured loan stock	43	43
<b>Other creditors</b>		
Bank loans and overdraft	266	238
Obligations under finance leases	17	39
Trade creditors	443	524
Other creditors	49	162
Amounts owed to group undertakings	901	640
Other taxes and social security	231	169
Accruals and deferred income	289	216
	<b>2,196</b>	<b>1,988</b>
	<b>2,239</b>	<b>2,031</b>

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

## 13 Creditors: amounts falling due after more than one year

	2008 £'000	2007 £'000
Amounts owed to group undertakings	24	24
Obligations under finance leases	15	5
	<b>39</b>	<b>29</b>

Amounts owed to group undertakings are unsecured and interest free.

## 14 Provision for liabilities

	Property provisions £'000
At 1 January 2008	50
Charged to profit and loss account	50
At 31 December 2008	<b>100</b>

Property provision is for dilapidations of the company's leased offices.



# World Television Limited

Notes forming part of the financial statements  
for the year ended 31 December 2008 (*Continued*)

## 15 Finance lease creditor

Obligations under finance leases are due as follows:

	2008 £'000	2007 £'000
Within one year	17	39
In more than one year but not more than two years	15	5
In more than two years but not more than five years	-	-
	<u>32</u>	<u>44</u>

## 16 Share capital

	2008 £'000	2007 £'000
<i>Authorised</i>		
50,000 ordinary shares of £1 each	50	50
	<u></u>	<u></u>
<i>Issued, called up and fully paid</i>		
28,570 ordinary shares of £1 each	28	28
	<u></u>	<u></u>

## 17 Reserves

£'000	Share premium account £'000	Other reserve £'000	Profit and loss account £'000
At 1 January 2008	453	5	(1,266)
Loss for the year	-	-	(45)
	<u></u>	<u></u>	<u></u>
At 31 December 2008	453	5	(1,311)

## 18 Reconciliation of movements in shareholders' deficit

	2008 £'000	2007 £'000
Loss for the year	(45)	(106)
Share option credit	-	(44)
Opening shareholders' deficit	(780)	(630)
	<u></u>	<u></u>
Closing shareholders' deficit	(825)	(780)

# World Television Limited

Notes forming part of the financial statements  
for the year ended 31 December 2008 (Continued)

## 19 Commitments under operating leases

As at 31 December 2008, the company had annual commitments under non-cancellable operating leases as set out below:

	2008 Land and buildings £'000	2008 Other £'000	2007 Land and buildings £'000	2007 Other £'000
Operating leases which expire:				
In less than 1 year	146	7	-	-
In two to five years	-	6	146	12
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

## 20 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.

## 21 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.