

Company Registration No. 2590549

WORLD TELEVISION LIMITED

Report and Financial Statements

30 June 2002

Deloitte & Touche LLP
London



WORLD TELEVISION LIMITED

REPORT AND FINANCIAL STATEMENTS 2002

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WORLD TELEVISION LIMITED

REPORT AND FINANCIAL STATEMENTS 2002

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A M Booth
P J Sibley

SECRETARY

Walgate Services
25 North Row
London W1K 6DJ

REGISTERED OFFICE

8 Fitzroy Square
London W1T 5HN

BANKERS

Natwest Bank plc
Bristol City Office

SOLICITORS

Fladgate Fielder
25 North Row
London W1K 6DJ

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
London

WORLD TELEVISION LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2002.

PRINCIPAL ACTIVITY

The principal activity of the company is the production and distribution of television news and related programmes.

RESULTS AND BUSINESS REVIEW

The audited financial statements for the year ended 30 June 2002 are set out on pages 6 to 18. The profit for the year after tax was £294,315 (2001 – loss £1,179,847).

During the preceding year the company expanded in anticipation of a public offering of shares of its parent company on the Alternative Investment Market ('IPO'). Due to the market conditions at the end of 2000, the IPO did not proceed and the losses incurred during the year ended 30 June 2001 reflected the costs of the aborted IPO and the expanded cost base that was not supported by the scale of business.

During the current year the directors have taken steps to rectify the position through a cost reduction plan including limited redundancy programme and the completion of the sale of the freehold premises in Bristol for consideration of £245,000. Further, on 19 December 2001, the company acquired 100% of the ordinary share capital of UCTX Limited for consideration comprising cash of £26,250 and loan stock of £99,750. UCTX Limited is involved with the production and distribution of webcasts principally in the financial services sector. The directors believe that the activities of UCTX Limited will have advantageous business synergies with those undertaken by World Television Limited.

The company has traded satisfactorily during the year ended 30 June 2003 and the directors believe that this progress will be maintained during the year to 30 June 2004.

DIVIDENDS

During the year no interim dividend was paid (2001 – £9,000). No final dividend is proposed (2001 – £nil).

DIRECTORS AND THEIR INTERESTS

The directors who served throughout the year (except as stated) were as follows:

A M Booth

P J Sibley

C Helvert (resigned 9 January 2003)

A Alexander (resigned 25 January 2002)

The interests of A M Booth and P J Sibley in the share capital of the parent company, World Television Group plc, are disclosed in that company's financial statements. None of the other directors have had any interests in the share capital of the company or other group companies during the year.

WORLD TELEVISION LIMITED

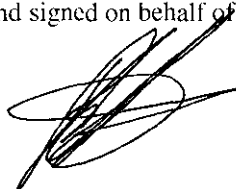
DIRECTORS' REPORT (CONTINUED)

AUDITORS

On 31 July 2002 Arthur Andersen resigned as the company's auditors and Deloitte & Touche were appointed in their place.

On 1 August 2003, Deloitte & Touche transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. A resolution to re-appoint Deloitte & Touche LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



P J Sibley
Director

16 December 2003

WORLD TELEVISION LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year 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; 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 the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WORLD TELEVISION LIMITED

We have audited the financial statements of World Television Limited for the year ended 30 June 2002 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 22. 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

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of 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 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.

Opinion

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



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London

16 Dec 2003

WORLD TELEVISION LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 30 June 2002

	Note	Continuing Operations 2002 £	Acquisition 2002 £	Total 2002 £	Continuing Operations 2001 £
TURNOVER	1	4,744,776	150,670	4,895,446	3,054,931
Cost of sales		(1,778,128)	(44,898)	(1,823,026)	(1,394,636)
GROSS PROFIT		2,966,648	105,772	3,072,420	1,660,295
Administrative expenses		(2,746,238)	(87,207)	(2,833,445)	(2,850,862)
OPERATING PROFIT/(LOSS)	2	220,410	18,565	238,975	(1,190,567)
Bank interest receivable				-	6,893
Interest payable	3			(14,293)	(25,839)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION				224,682	(1,209,513)
Tax on profit/(loss) on ordinary activities	4			69,633	29,666
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION				294,315	(1,179,847)
Dividends	7			-	(9,000)
RETAINED PROFIT/(LOSS) FOR THE YEAR	18			294,315	(1,188,847)

WORLD TELEVISION LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year ended 30 June 2002

	Note	2002 £	2001 £
Profit/(loss) for the financial year		294,315	(1,179,847)
Deferred tax on revalued asset	19	18,040	(18,040)
Total gains and losses recognised		<u>312,355</u>	<u>(1,197,887)</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

Year ended 30 June 2002

	Note	2002 £	2001 £
Reported profit/(loss) on ordinary activities before taxation		224,682	(1,209,513)
Realisation of property revaluation gains of prior years	18	70,436	-
Difference between an historical cost depreciation charge and actual depreciation charge		-	1,726
Historical cost profit/(loss) on ordinary activities before taxation		<u>295,118</u>	<u>(1,207,787)</u>
Historical cost profit/(loss) for the year retained after taxation and dividends		<u>347,514</u>	<u>(1,187,121)</u>

WORLD TELEVISION LIMITED

BALANCE SHEET 30 June 2002

	Note	2002 £	2001 £
FIXED ASSETS			
Tangible assets	8	382,668	588,071
Investments	9	126,006	6
		<u>508,674</u>	<u>588,077</u>
CURRENT ASSETS			
Stocks	10	8,854	4,189
Debtors			
- due within one year	11	874,525	591,492
- due after one year	11	64,547	29,500
Cash at bank and in hand		172,512	1,759
		<u>1,120,438</u>	<u>626,940</u>
CREDITORS: amounts falling due within one year	12	<u>(1,741,532)</u>	<u>(1,549,912)</u>
NET CURRENT LIABILITIES		<u>(621,094)</u>	<u>(922,972)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(112,420)</u>	<u>(334,895)</u>
CREDITORS: amounts falling due after more than one year	13	(36,627)	(108,467)
PROVISIONS FOR LIABILITIES AND CHARGES	16	-	(18,040)
NET LIABILITIES		<u>(149,047)</u>	<u>(461,402)</u>
CAPITAL AND RESERVES			
Called up share capital	17	28,570	28,570
Share premium account	18	453,587	453,587
Revaluation reserve	18	-	70,436
Profit and loss account	18	(631,204)	(1,013,995)
EQUITY SHAREHOLDERS' DEFICIT		<u>(149,047)</u>	<u>(461,402)</u>

These financial statements were approved by the Board of Directors on 16 December 2003.

Signed on behalf of the Board of Directors

PJ Sibley

Director

16 December 2003

WORLD TELEVISION LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2002

1. ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below.

Basis of preparation

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

During the preceding year, the company expanded in anticipation of a public offering of shares of its parent company on the Alternative Investment Market ('IPO'). Due to the market conditions at the end of 2000, the IPO did not proceed and the loss incurred during the year ended 30 June 2001 reflected the costs of the aborted IPO and the expanded cost base that was not supported by the scale of business.

During the current year, the directors have taken steps to rectify the position through a cost reduction plan including limited redundancy programme and the completion of the sale of the freehold premises in Bristol for consideration of £245,000. However, as at the balance sheet date the company has net liabilities of £149,047 (2001: £461,402).

The directors have prepared projected cash flow information for the period to 31 December 2004 which shows positive monthly cash flows. The company has a bank loan with a limit of £36,414 which expires in May 2004 and an overdraft facility of £50,000 which is repayable on demand. The directors expect that the company will continue to operate within these bank facilities and, accordingly, consider it appropriate to prepare the accounts on a going concern basis. The financial statements do not contain any adjustments that would result if the accounts were prepared on a basis other than that of a going concern.

Group financial statements

No consolidated accounts have been prepared as the company is a wholly-owned subsidiary of World Television Group plc and is therefore exempt under section 228(1) of the Companies Act 1985.

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:

Freehold property	2% straight line
Leasehold improvements	20% straight line
Specialist equipment	20% straight line
Office furniture, fittings and equipment	33% straight line

Revaluation of property

The company has taken advantage of the transitional provisions of FRS 15 'Tangible Fixed Assets' and retained the book amount of the freehold property which was revalued prior to implementation of that standard. The property was last revalued at 31 December 1998 and the valuation has not been subsequently updated.

On disposal of the property, the related balance remaining in the revaluation reserve is transferred to the profit and loss account as a movement on reserves.

Investments

Investments are stated at cost less provision for any impairment.

Stock

Stock is stated at the lower of cost and net realisable value.

WORLD TELEVISION LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2002

1. ACCOUNTING POLICIES (CONTINUED)

Long term contracts

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 long term contract balances in stock.

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.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding contract to dispose of these assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Leased assets

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance sheet of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals under operating leases are charged on a straight-line basis over the lease term.

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.

Cashflow

Under the provisions of Financial Reporting Standard No.1 (Revised) 'Cash Flow Statements', the company has not prepared a cashflow statement because the 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.

WORLD TELEVISION LIMITED

NOTES TO THE ACCOUNTS Year ended 30 June 2002

2. OPERATING PROFIT/(LOSS)

	2002 £	2001 £
Operating profit/(loss) is stated after charging:		
Auditors' remuneration for audit services	29,396	30,000
Depreciation		
- owned assets	133,990	133,758
- held under finance leases	35,167	20,985
Operating lease rentals		
- Equipment	18,921	42,337
Exceptional items		
- Redundancy costs	-	233,652
- Provision against Lynch Talbot debtor	-	184,198
Profit on disposal of fixed assets	78,750	-
	<u>78,750</u>	<u>-</u>

3. INTEREST PAYABLE

	2002 £	2001 £
On finance leases	9,087	16,611
On bank loans and overdrafts	5,206	9,228
	<u>14,293</u>	<u>25,839</u>

4. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	2002 £	2001 £
The credit for taxation comprises:		
United Kingdom corporation tax at a 20% (2001 – 20%)		
Current year	(27,513)	14,706
Adjustment in respect of prior years	2,146	6,960
	<u>(25,367)</u>	<u>21,666</u>
Deferred tax		
Timing differences, origination and reversal	5,000	-
Adjustments to the estimated recoverable amounts of deferred tax assets arising in previous periods	109,601	-
Adjustment in respect of prior years	(19,601)	8,000
	<u>69,633</u>	<u>29,666</u>

WORLD TELEVISION LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2002

4. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES (CONTINUED)

	2002 £	2001 £
<i>Factors affecting tax (charge)/credit for the current year</i>		
Profit/(loss) on ordinary activities before tax	224,682	(1,209,513)
Tax at 20%	(44,936)	241,903
Expenses not deductible for tax purposes	(6,578)	2,889
Capital allowances in excess of depreciation	1,477	(30,949)
Utilisation of tax losses	31,149	(157,327)
Movement in short term timing differences	4,220	(41,810)
Chargeable gain on disposal of property	(12,845)	-
Prior period adjustments	2,146	6,960
Current tax (charge)/credit for the year	(25,367)	21,666

5. STAFF COSTS

The average monthly number of employees (including directors) was:

	2002 No.	2001 No.
Sales and production	13	17
Administration	32	20
	45	37

Aggregate remuneration comprised:

	2002 £	2001 £
Wages and salaries	1,680,626	1,327,157
Social security costs	170,240	134,299
Other pension costs	26,723	28,572
	1,877,589	1,490,028

6. DIRECTORS' REMUNERATION

Directors' remuneration during the year comprised:

	2002 £	2001 £
Total emoluments	153,550	131,000
Company contributions to money purchase pension schemes	7,500	4,375
	161,050	135,375

Two directors are accruing benefits through money purchase pension schemes (2001: 2).

WORLD TELEVISION LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2002

7. DIVIDENDS

	2002 £	2001 £
Ordinary dividends of nil p (2001: 45p) per share	-	9,000

8. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold improvements £	Computer and office equipment £	Specialist equipment £	Total £
Cost/valuation					
At 1 July 2001	175,000	25,007	227,200	508,292	935,499
Additions	-	32,531	19,041	54,640	106,212
Transfers from subsidiary	-	-	34,342	-	34,342
Disposals	(175,000)	-	-	(41,810)	(216,810)
At 30 June 2002	-	57,538	280,583	521,122	859,243
Depreciation					
At 1 July 2001	8,750	4,168	91,993	242,517	347,428
Charge for the year	-	7,894	73,467	87,796	169,157
Disposals	(8,750)	-	-	(31,260)	(40,010)
At 30 June 2002	-	12,062	165,460	299,053	476,575
Net book value					
At 30 June 2002	-	45,476	115,123	222,069	382,668
At 30 June 2001	166,250	20,839	135,207	265,775	588,071

Included in the above is leased equipment at a net book value of £ 126,151 (2001: £122,634).

The freehold property was revalued on 31 December 1998 by Burston Cook, Consultant Surveyors, at open market value. The surplus arising has been credited to the revaluation reserve.

9. FIXED ASSET INVESTMENTS

	2002 £	2001 £
Subsidiary undertakings		
At 1 July 2001	6	6
Additions	126,000	-
At 30 June 2002	126,006	6

WORLD TELEVISION LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2002

9. FIXED ASSET INVESTMENTS (CONTINUED)

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

	Country of incorporation	Holding
World Images Limited	UK	Ordinary
World Post-Production Limited	UK	Ordinary
World Multi-Media Limited	UK	Ordinary

On 14 December 2001, the company acquired 100% of the issued share capital of UCTX Limited for consideration comprising cash of £26,250 and loan stock of £99,750.

10. STOCKS

	2002 £	2001 £
Stocks	4,189	4,189
Work in progress	4,665	-
	<u>8,854</u>	<u>4,189</u>

11. DEBTORS

	2002 £	2001 £
Trade debtors	706,398	440,975
Long term contract balances	-	-
Deferred tax (Note 16)	95,000	-
Other debtors and prepayments	137,674	180,017
	<u>939,072</u>	<u>620,992</u>
Long term contract balances comprise:		
Amounts recoverable on contracts	32,957	25,035
Less: payments on account	(32,957)	(25,035)
	<u>-</u>	<u>-</u>

Included within other debtors and prepayments is £64,547 (2001 – £29,500) falling due after more than one year.

WORLD TELEVISION LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2002

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Convertible debt		
Convertible unsecured loan stock	99,750	-
Other creditors		
Bank loans	26,665	35,480
Bank overdraft	-	43,534
Obligations under finance leases	68,327	55,964
Payments received on account	81,056	301,411
Trade creditors	868,132	740,709
Amounts owed to group undertaking	39,858	-
Corporation tax	27,513	2,146
Other taxes and social security	221,763	137,453
Other creditors	51,200	-
Accruals	257,268	233,215
	<u>1,641,782</u>	<u>1,549,912</u>
	<u>1,741,532</u>	<u>1,549,912</u>

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

	2002 £	2001 £
Bank loan	15,834	43,472
Obligations under finance leases	20,793	64,995
	<u>36,627</u>	<u>108,467</u>

14. BORROWINGS

The aggregate amount of borrowings was as follows:

	2002 £	2001 £
Bank loans		
- falling due within one year	26,665	35,480
- falling due within one to two years	15,834	27,639
- falling due within two to five years	-	15,833
	<u>42,499</u>	<u>78,952</u>
Convertible unsecured loan stock	<u>99,750</u>	<u>-</u>

On 19 December 2001, the company issued convertible unsecured non-interest bearing loan notes of £99,750. These loan notes were convertible to cash or ordinary shares of £0.01 each in the capital of World Television Group plc on the first anniversary of the issue of the loan note at the option of the note holder. As at the date of approval of the accounts, £48,317 has been redeemed, £6,669 converted into equity and the balance of £44,764 remains as unsecured loan stock convertible on demand.

WORLD TELEVISION LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2002

15. OBLIGATIONS UNDER FINANCE LEASES

The net obligations under finance leases are repayable as follows:

	2002 £	2001 £
Within one year	68,327	55,964
Between two and five years	20,793	64,995
	<u>89,120</u>	<u>120,959</u>

16. PROVISIONS FOR LIABILITIES AND CHARGES

The deferred tax (asset)/provision at 30 June 2002 comprises:

	2002 £	2001 £
Opening balance	18,040	8,000
Credit to profit and loss account	(95,000)	(8,000)
(Credit)/charge to statement of total recognised gains and losses	(18,040)	18,040
Deferred tax (asset)/provision	(95,000)	18,040
Transfer of deferred tax asset to debtors (Note 11)	95,000	-
Closing provision	<u>-</u>	<u>18,040</u>
<i>Analysis of deferred tax balance:</i>	2002 £	2001 £
Losses	(95,000)	-
ACT set off	-	18,040
	<u>(95,000)</u>	<u>18,040</u>

A deferred tax asset of £451,612 from trade losses has not been recognised. This asset will be recovered if there are sufficient future taxable profits.

17. SHARE CAPITAL

	2002 £	2001 £
Authorised		
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Issued, called up and fully paid		
Ordinary shares of £1 each	20,000	20,000
B Shares of £1 each	8,570	8,570
	<u>28,570</u>	<u>28,570</u>

WORLD TELEVISION LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2002

18. RESERVES

	Share premium account £	Revaluation reserve £	Profit and loss account £	Total £
At 1 July 2001	453,587	70,436	(1,013,995)	(489,972)
Retained profit for the year	-	-	294,315	294,315
Realisation of profit on disposal of fixed asset	-	(88,476)	88,476	-
Deferred tax on revalued asset	-	18,040	-	18,040
At 30 June 2002	<u>453,587</u>	<u>-</u>	<u>(631,204)</u>	<u>(177,617)</u>

19. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' DEFICIT

	2002 £	2001 £
Profit/(loss) for the year	294,315	(1,179,847)
Dividends	-	(9,000)
	<u>294,315</u>	<u>(1,188,847)</u>
Deferred tax on revalued asset	18,040	(18,040)
New share capital subscribed	-	462,157
	<u>312,355</u>	<u>(744,730)</u>
Net addition/(reduction) in shareholder's funds	(461,402)	283,328
Opening equity shareholders' (deficit)/funds	<u>(461,402)</u>	<u>283,328</u>
Closing equity shareholders' deficit	<u>(149,047)</u>	<u>(461,402)</u>

20. OPERATING LEASE COMMITMENTS

The company had the following annual commitments under non-cancellable operating leases:

	2002		2001	
	Land and buildings £	Other £	Land and buildings £	Other £
Expiry date:				
- within one year	-	2,394	-	2,394
- between two to five years	-	21,704	-	32,708
- after five years	118,000	-	118,000	-
	<u>118,000</u>	<u>24,098</u>	<u>118,000</u>	<u>35,102</u>

21. RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of World Television Group plc, a company which produces group accounts. Consequently, in accordance with FRS 8 the company is not required to disclose related party transactions. The consolidated accounts of World Television Group plc are available from 8 Fitzroy Square, London, W1T 5HN.

WORLD TELEVISION LIMITED

NOTES TO THE ACCOUNTS

Year ended 30 June 2002

22. ULTIMATE PARENT COMPANY

The directors consider the immediate and ultimate parent company and controlling entity of the company at 30 June 2002 and parent undertaking of the largest and smallest group to consolidate the accounts of the company to be World Television Group plc, a company incorporated in Great Britain. The consolidated accounts of World Television Group plc are available from 8 Fitzroy Square, London, W1T 5HN.