REGISTRAR OF COMPANIES

World Television Group PLC

Report and Financial Statements

Year Ended 31 December 2009

Company Number 03901656

Chairman's statement

Dear Shareholders,

2009 was a year in which we experienced the full impact of the worst recession in sixty years Trading conditions were difficult as the downturn forced clients to reduce spending on video communications But despite these conditions, World Television Group delivered a better financial performance than in 2008

For the first time in its history the company made an operating profit, albeit a modest one EBITDA was substantially higher than the year before, our loss before tax was small and net cash flow was positive Net current assets were positive for the first time since 2004 We achieved this against a background of lower revenues than in 2008 and after taking a £235k charge for Kamera Holdings AB goodwill

The current management team was appointed almost five years ago At that time the Group had net current liabilities of £1,868k, a loss before tax of £898k, negative EBITDA of £37k and negative cashflow from operating activities of £1,402k The comparative figures in 2009 were net current assets of £39k, a loss before tax of £29k, positive EBITDA of £575k and positive operating cashflow of £360k

This does not mean we are satisfied with the progress we have made We have yet to achieve the consistent profitability that has been our goal and there is still much work to do But our objective in 2009 was to stabilise the business in the new economic environment and in this we succeeded

Our long term objective remains the same to be the video communications provider of choice to big international organisations We believe passionately that there is a big opportunity in this market as globalisation and the broadband internet facilitate video communications in business

In late 2007 and early 2008 we were making good progress, with rapidly-growing revenues and new products coming onstream after a period of investment As the recessionary storm gathered force we had to adjust, but it has not affected our long term objective

The onset of the recession in the second half of 2008 continued into 2009 Many of our clients spent less and in particular our long-standing British Satellite News (BSN) contract ended in September As UK government debt grew rapidly, departments looked for ways to reduce spending and as a result the contract was not renewed We responded immediately by reducing our London overheads

Aside from the recession, in the summer our Swedish managing director resigned and some of his colleagues followed Since then we have restructured the Swedish business, which provided very little webcasting, to have a more even balance between webcasting and content production This is the model we use successfully in other countries and we believe it will deliver a more profitable business in the second half of 2010 and into 2011

Regardless of the business conditions we continue to innovate in dynamic areas like smartphone applications and desktop webcasting These new solutions, which would have been technically impossible two or three years ago, will help us to maintain the leadership position that a global supplier requires

In early 2010 we agreed on changes to the Board After many years of service Peter Sibley and Andrew Booth have stepped down and Toby Low, Thomas Rajman and Tanja Bach have joined Peter and Andrew co-founded the company in 1991 and built the business from nothing to being the European market leader Their contribution to the Group has been immense and their experience and vision have been invaluable to the Board They are making way on the Board for a new generation of managers who have the skills to take the Group forward

Toby, Thomas and Tanja are Managing Directors of our businesses in the UK, Switzerland and Spain respectively and their participation in the Board will strengthen the international collaboration that makes World Television different from its competitors

Outlook

We do not expect the market to be any easier in 2010 than it was in 2009 Client budgets in 2009 were lower than in 2008 and some are lower again this year Many clients set budgets in the middle of the previous calendar year, so 2009 budgets were set before the recession became evident in late 2008 2010 budgets are based on cautious assumptions and trading in the first quarter of 2010 was therefore disappointing

Revenues in Germany have grown as we expand our market share, but elsewhere conditions are still difficult The Group's highest short-term priority is to improve the performance of Sweden In 2009 the Group performed better in the first quarter than in the second and it is possible that this will be reversed in 2010

Chairman's statement

The biggest limitation on growing our business is the size of our sales force In this market we should employ many more salespeople, but our balance sheet does not allow us to recruit a big team We have therefore launched a partnership initiative to work with businesses who have client relationships but lack the video solutions, particularly live webcasting, that their clients need Partnerships began to generate new revenue in the first quarter and the Directors believe they will grow The strength and sophistication of our product range is a valuable asset in these discussions

We will reduce our overheads further in 2010, partly due to new and more cost-efficient offices in London and Stockholm We expect to make further savings in fixed costs as the year progresses There will be no charge to the profit and loss account for Kamera Holdings AB goodwill in 2010

Forecasting our performance continues to be difficult The Directors believe that business conditions will improve as the European economy emerges from recession However, we cannot be sure when this improvement will take effect and in the meantime we will take any appropriate steps to ensure our cost structure is right for the market

I would like to thank all my colleagues who continued to show the utmost professionalism and dedication to client service World Television would not be the company it is without their skills, loyalty and determination

Steve Garvey

Chairman

30 April 2010

Operatıonal and financıal revıew

2009 Fınancıal Summary

- Revenue for 2009 was £9 6m (2008 £10 9m)
- Underlyıng revenue (excludıng the expıry of the BSN contract, Australıan webcastıng and Swedısh office rental) was £8 1m (2008 £9 1m)
- Net cash flow from operatıng actıvıtıes £360k (2008 £312k)
- Operatıng profit £18k (2008 loss £550k)
- Loss before tax £29k (2008 loss £355k)
- Fınal year of £235k charge for Kamera Holdıngs AB goodwıll

The group worked through tough economıc condıtıons durıng 2009 but the rıght actıon was taken ın the fourth quarter of 2008 to reduce costs and survıve the downturn Overall performance was overshadowed by the expıry of the BSN contract wıth the Foreıgn and Commonwealth Office at the end of the thırd quarter and changes to the Swedısh management team ın the second half of the year

Revenue for the year was £9 6m supported by £454k of currency gaıns Total revenue ın 2008 was £10 9m Overall reductıon ın underlyıng revenue (excludıng the effect of the BSN contract, Swedısh rental ıncome and Australıan webcastıng revenue), was £978k or 10 7% In terms of total revenue, the declıne was £1 3m or 12 3%

Operatıng expenses before exceptıonal ıtems were £9 2m (2008 £11 0m) Excludıng the ımpact of adverse currency conversıon of £390k, operatıng expenses fell by £2 2m made up of the reductıon ın cost of sales of £0 3m due to reduced revenue and overheads fallıng by £1 9m The largest reductıon ın overheads was ın personnel costs of £1 4m followed by £200k ın travel costs and £100k ın sales and marketıng

Net operatıng cash was £360k (2008 £312k) Cash contınues to be tıghtly managed

The group ınvested £36k (2008 £93k) ın software development and £107k (2008 £212k) ın capıtal expendıture The amount spent on software development was for a desktop webcastıng solutıon, StreamStudıo Lıte, and the project contınued ınto 2010

Amortısatıon of ıntangıble assets ıncludes £235k (2008 £235k) for goodwıll arısıng on the acquısıtıon of Kamera Holdıngs AB 2009 ıs the final year for thıs charge and goodwıll ıs now fully wrıtten down

Key performance ındıcators

The KPI's are set out below

	2009 £'000	2008 £'000
Total turnover	9,558	10,905
Underlyıng turnover *	8,146	9,124
EBITDA	575	10
EBITDA per employee	7	0 09
PBT	(29)	(355)
Net operatıng cashflow	360	312

* (excludıng BSN contract, Australıan busıness and Swedısh office rental)

Treasury polıcy and financıal rısk management

The fundıng and treasury functıons of the Group are managed centrally under guıdelınes approved by the Board The treasury functıon raıses all the fundıng for the Group and focuses on mınımısıng ınterest rate and foreıgn exchange rate rısk The Group has a number of overseas subsıdıarıes whose functıonal currency ıs not sterlıng As a result, changes ın exchange rates ımpact on the translatıon of the net assets of the subsıdıary balance sheets and operatıng results ınto sterlıng, and the Group's balance sheet and profit and loss account can be affected sıgnıficantly by movements ın exchange rates agaınst sterlıng The treasury posıtıons are managed ın a non-speculatıve manner The maın financıal rısks faced by the Group are fundıng of workıng capıtal and credıt rısk The Board contınually revıews the fundıng requırements of the Group and ıts exposure to lıquıdıty rısk Credıt management has been tıghtened to reduce the rısk of bad debts due to the economıc downturn The Group does not enter ınto derıvatıve ınstruments

Operational and financial review

Group strategy

Our strategic goals are to be the video communications provider of choice to big international organisations and to establish a leading position as the market consolidates In the short term, the Group's strategy has been to weather the current economic crisis and ensure the Group's survival until economic conditions improve

These goals cannot be achieved without consistent profitability, something which the Group has not delivered to date The Board will continue its priority to build a profitable business by adapting rapidly to constantly changing market conditions We plan to develop and market new products as technology offers fresh opportunities for our clients to communicate with their target audiences

We will look for opportunities in faster-growing markets outside Western Europe We will do so within our current financial limitations and will therefore aim to work in partnerships where we can add value with our technology, brand, European resources, client base and content production skills

Business Plan 2010

The Group's business plan for 2010 is to trade profitably in the prevailing market conditions The Board has taken a cautious approach to financial planning in 2010 along similar lines to its 2009 plan We do not assume that trading will improve until we can see strong evidence that this will be the case

Despite this caution, there is no doubt that the market will improve as confidence returns to our clients and their communications budgets begin to grow, perhaps slowly at first In order to position the Group for the recovery, we are currently launching new products and building partnership arrangements as described above

Against this background, we aim to achieve modest growth in local currencies in the trading entities The exception is Sweden, where the changes in management have presented an opportunity reshape the business in line with the rest of the Group Our aim in Sweden is to generate higher profitability while accepting that revenues may be at a lower level for some time

Outlook and commercial risk

The Board considers the principal risks facing the Group to be the timing of the global economy's recovery from recession, the availability of working capital and the performance of the Swedish business The directors believe it is likely that trading conditions will improve in the second half of 2010 but there is no guarantee this will take place

Accordingly the Board's outlook is cautious with a view to ensuring the Group's ability to survive until client spending increases, however long that may take The main non-trading financial risk is liquidity Working capital remains tight and the Group relies on both operational cash flows and facilities with its bankers If trading conditions were to deteriorate further in 2010, there is a risk that our financing could be reviewed or withdrawn by our bankers and should these be withdrawn, alternative arrangements would have to be put in place with the main objective of ensuring there are sufficient available funds for business requirements If key staff members resigned, there is a risk they may take client relationships with them

Our trading risk is mitigated by the size of our client base During 2008 and 2009 we worked for approximately 500 clients and we continue to win new clients Since the end of BSN, the Group has very limited exposure to government contracts, which the Directors believe will be difficult to win as government spending is cut further

Steve Garvey
Chief Executive Officer

Evelyn Kimber
Chief Financial Officer

30 April 2010

Directors and advisors

Directors

Steve Garvey
Chairman and Chief Executive Officer

Evelyn Kimber
Chief Financial Officer

Jim Hall
Chief Operating Officer

Toby Low (appointed on 18 March 2010)
Managing Director World Television UK

Thomas Rajman (appointed on 18 March 2010)
Managing Director World Television Switzerland

Tanja Bach (appointed on 18 March 2010)
Managing Director World Television Spain

Company Secretary

Evelyn Kimber

Registered office

33 Notting Hill Gate
London W11 3JQ

Registered in England and Wales

03901656

Auditors

BDO LLP
55 Baker Street
London W1U 7EU

Solicitors

Fladgate LLP
25 North Row
London W1K 6DJ

Registrars

Capita Registrars
Northern House
Woodsome Park
Fenay Bridge
Huddersfield
West Yorkshire HD8 0GA

Corporate governance statement

The Group de-listed from the Alternative Investment Market ("AIM") in September 2007 and is therefore not required to comply with the provisions of the Principles of Good Governance and the Code of Best Practice ("the Combined Code") Nevertheless the Board is committed to ensuring that proper standards of corporate governance operate throughout the Group and has followed the principles of the Combined Code so far as is practicable and appropriate for the nature and size of the Group

Below is a brief description of the role of the Board, followed by a statement regarding the Group's system of internal controls

The Board

The Board currently comprises the Chairman and Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer and three Executive Directors who are also Managing Directors of subsidiary companies

Key features of the Corporate Governance structure are

- the Chairman and Chief Executive Officer is responsible for the development of the corporate strategy and is closely involved with the financing of the Group, and
- the Chairman and Chief Executive Officer exercises his delegated powers through the management team comprising himself, the Chief Financial Officer, Chief Operating Officer, Executive Directors and senior members of management

All directors have access to the advice and services of the Company Secretary, who ensures that the Board meets formally at least eight times per year, receives appropriate and timely information for decision making, that Board procedures are followed and that statutory and regulatory requirements are met Any director, in order to fulfil his duties, may take independent professional advice at the parent company's expense

The Board as a whole is responsible for its structure, size, composition and succession planning thereby keeping under review the Board's blend of skills and experience

Audit Services

The Board meets at least twice per year with the external auditors to review the accounts and audit of the Group The Board reviews the Group's accounting policies, financial reporting, internal control and risk management procedures The Board seeks to ensure that its Annual Report and Financial Statements provide a balanced and concise assessment of the Group's position It also considers the appointment of the auditors and their remuneration

Statutory disclosures required by the Companies Act 2006 of audit and non-audit fees are given in note 6

The Board also reviews the independence of the external auditors

The external auditors continue to operate procedures to safeguard against the possibility that the auditors' objectivity and independence could be compromised This includes annual independence confirmations by all staff

The auditors report to the Board on matters including independence and non-audit fees on an annual basis

Remuneration

The Chairman and Chief Executive Officer provides advice and recommendations to the Board regarding the framework for executive remuneration

Corporate governance statement

Risk assessment and internal control

The directors are responsible for risk assessment and the systems of internal control Although no system of internal control can provide absolute assurance against material misstatement or loss, the Group's systems are designed to provide the directors with reasonable assurance that problems are identified on a timely basis and dealt with appropriately The key elements of the Group's system of internal control are as follows

Company management

The Chairman and Chief Executive Officer chairs management meetings for the Group comprising the senior management with responsibilities for sales, marketing, service support, technology, product development, business development and finance Additionally, there are regular meetings of business development forums where the future direction of the Group's product offerings and routes to market are considered

The Managing Directors of each operating company report monthly on key financial and operational matters

Financial management

Detailed annual budgets are prepared for the Group and each operating company These budgets are reviewed and agreed by the Board and actual performance is reported against these budgets on a monthly basis The Group has in place documented authority levels for approving purchase orders, invoices and all bank transactions Further information concerning financial risk management is detailed in the Operational and Financial Review

Quality management

The Group's businesses are focused on meeting the highest levels of customer satisfaction Quality procedures for the development of the products, services and maintenance support are documented and reviewed frequently

Internal audit

The Group does not operate an internal audit function, the Board feels this is appropriate due to the current size of the Group's business

External audit

Executive management have a dialogue with the external auditors on matters arising from their work

Dialogue with shareholders

The directors of the Group, together with their advisors, hold meetings with the key shareholders, thereby helping to ensure that there is a mutual understanding of objectives All shareholders can be kept informed of company announcements, in addition to statutory requirements by emailing ir@world-television com with details of their shareholding

On behalf of the Board

Steve Garvey

Chairman and Chief Executive Officer

30 April 2010

Report of the directors
for the year ended 31 December 2009

The directors present their report together with the audited Financial Statements for the year ended 31 December 2009

Results and dividends

The results of the Group for the year are set out on page 15 and show a loss after tax of £70k (2008 loss - £355k) after deducting amortisation of intangible assets of £371k (2008 - £362k)

The directors do not recommend a final dividend

Principal activities, review of business and future developments

World Television is a leading video communications company for corporations, governments and international organisations It has offices in London, Stockholm, Madrid, Frankfurt, Cologne, Zurich and Geneva The Group also has a representative office in AsiaPacific in Singapore

A review of the Group's operations and future developments is included in the Chairman's Statement and the Operational and financial review on pages 1 to 4

Research and development

The Group continues to invest in research and development During the year, total development costs of £36k have been capitalised in respect of new product development that will benefit the group in the medium to long term Of this, £24k was outsourced to third parties

Changes to the Board

On 4 January 2010 Andrew Booth resigned as a Non-Executive Director

On 4 January 2010 Peter Sibley resigned as a Non-Executive Director

On 18 March 2010 Toby Low, Thomas Rajman and Tanja Bach were appointed to the Board

Going Concern

As at 31 December 2009 the Group had net assets of £425k (2008 - £538k) and net current assets of £39k (2008 net current liabilities - £215k)

The Group's outlook and risks and uncertainties are set out in the Operational and Financial Review on page 3

In assessing the going concern of the Group, the directors have prepared forecast information for the period ending twelve months from the date of the approval of these Financial Statements The forecast has been prepared on a cautious basis in line with the difficult economic environment

The liquidity position of the Group assumes that existing banking facilities continue and should this position change the directors would have to seek alternative facilities The directors have concluded that, in the event that trading deteriorates, economic conditions fail to improve or banking facilities are withdrawn, these factors would materially affect the company's ability to discharge its commitments in the normal course of business Nevertheless, after considering the uncertainties described above, the directors believe that the Group should have sufficient funding to continue in operational existence for at least twelve months from the date of approval of these Financial Statements On this basis, they consider that it is appropriate to prepare the Financial Statements on the going concern basis

Directors' interests

The directors at the end of the year and their beneficial interests (unless otherwise stated) in the ordinary share capital of the parent company are as follows

	At 31 December 2009		At 31 December 2008	
Name	**Numbers of shares held**	**Percentage of shareholding**	Numbers of shares held	Percentage of shareholding
Steve Garvey	**10,000,000**	**0 60%**	10,000,000	0 60%
Evelyn Kimber	—	—	—	—
Jim Hall	—	—	—	—

The directors at the end of the year had beneficial interests in the management share capital of the parent company as follows

	At 31 December 2009		At 31 December 2008	
Name	**Numbers of shares held**	**Percentage of shareholding**	Numbers of shares held	Percentage of shareholding
Steve Garvey	**65**	**65 0%**	65	65 0%
Evelyn Kimber	**25**	**25 0%**	25	25 0%
Jim Hall	**10**	**10 0%**	10	10 0%

No directors have a material interest in any contract, other than their service contract, subsisting during or at the end of the financial year that was significant in relation to the Group's business

In February 2010, Thomas Rajman acquired 3,778,759 ordinary shares There have been no other changes in the above shareholdings between 31 December 2009 and 30 April 2010

Directors' share options

The table below sets out the interest of directors in share options of World Television Group PLC

	At start of year 000's	Granted/ Re-priced 000's	Lapsed 000's	At end of year 000's	Exercise price (pence)	Date of grant	Lapsed date
S Garvey	2,604	—	—	2,604	0 6	17/01/05	16/01/15
	12,502	—	6,251	6,251	0 25	22/12/08	21/12/18
	15,106	—	**6,251**	**8,855**			
E Kimber	**10,002**		**5,001**	**5,001**	0 25	22/12/08	21/12/18
Jim Hall	**10,002**		**5,001**	**5,001**	0 25	22/12/08	21/12/18
Toby Low	**8,335**	—	**4,167**	**4,168**	0 25	22/12/08	21/12/18
Thomas Rajman	**8,335**	—	—	**8,335**	0 25	12/05/09	11/05/19
Tanja Bach	**2,000**	—	—	**2,000**	1 00	16/03/06	15/03/16
	8,335	—	—	**8,335**	0 25	16/04/09	15/03/19
	10,335	—	—	**10,335**			

Report of the directors
for the year ended 31 December 2009

Employment of disabled people and employee involvement

Every effort is made to keep all staff informed and involved in the operations and progress of the Group This is achieved through the use of electronic communications and staff briefings

The Group operates Approved, Unapproved and Enterprise Management Incentive employee share option schemes, in which certain of the Group's employees are invited to participate

It is the Group's aim that recruitment and development of staff should be determined solely on ability and other relevant requirements of the job Disabled people and those who become disabled are given the same consideration as others and depending on their skills, will enjoy the same prospects as other staff

World Television is committed to being a socially responsible employer and has an active policy of Equal Opportunities and Diversity & Inclusion The Group embraces part-time and job-share opportunities and offers a health benefit scheme

The Group aims to create an open and honest environment for employees We aim to keep staff informed on operations and the progress of the Group

Supplier payment policy

The Group agrees appropriate terms and conditions individually with its suppliers It seeks to abide by these agreed terms provided that the supplier has also complied with them The Group had 40 creditors days at 31 December 2009 (2008 - 58 days)

Donations

There were no political or charitable donations during the year (2008 - £Nil)

Auditors

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting

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 purpose 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

By order of the Board

Evelyn Kimber

Company Secretary

30 April 2010

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK 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 and Company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006 They 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

Report of the independent auditors

TO THE MEMBERS OF WORLD TELEVISION GROUP PLC

We have audited the financial statements of World Television Group PLC for the year ended 31 December 2009 which comprise the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated and company balance sheets, the consolidated cash flow statement and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006 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 directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2009 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements

Report of the independent auditors

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

BDO LLP

Andrew Viner, (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

30 April 2010

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Consolidated profit and loss account
for the year ended 31 December 2009

	Note	2009 £'000	2008 £'000
Turnover	2	**9,558**	10,905
Operating expenses before exceptional items and amortisation		**(9,169)**	(10,981)
– Restructuring costs	7	—	(112)
– Amortisation of intangible fixed assets	10	**(371)**	(362)
Total operating expenses	3	**(9,540)**	(11,455)
Operating profit/(loss)	6	**18**	(550)
Interest receivable	8	**8**	238
Interest payable	8	**(55)**	(43)
Loss on ordinary activities before taxation		**(29)**	(355)
Taxation	9	**(41)**	—
Loss for the financial year	21	**(70)**	(355)

All amounts relate to continuing activities

The notes on pages 20 to 43 form part of these Financial Statements

Consolidated statement of total recognised gains and losses
for the year ended 31 December 2009

	Note	**2009 £'000**	2008 £'000
Loss for the financial year		**(70)**	(355)
Exchange translation differences	22	**(43)**	(18)
Total recognised gains and losses for the year		**(113)**	(373)

The notes on pages 20 to 43 form part of these Financial Statements

Consolidated balance sheet
at 31 December 2009

World Television Group PLC *Company number 03901656*	Note	**2009** **£'000**	**2009** **£'000**	2008 £'000	2008 £'000
Fixed assets					
Intangible assets	10		**176**		511
Tangible assets	11		**309**		409
			485		920
Current assets					
Debtors	13	**1,229**		2,336	
Cash at bank and in hand		**688**		565	
		1,917		2,901	
Creditors amounts falling due within one year	14	**(1,878)**		(3,116)	
Net current assets/(liabilities)			**39**		(215)
Total assets less current liabilities			**524**		705
Creditors amounts falling due after more than one year	15		**(49)**		(57)
Provisions for liabilities and charges	17		**(50)**		(110)
Net assets			**425**		538
Capital and reserves					
Called up share capital	18		**19,499**		19,499
Share premium account	21		**10,065**		10,065
Capital redemption reserve	21		**16,874**		16,874
Merger reserve	21		**(15,999)**		(15,999)
Other reserves	21		**2,384**		2,384
Profit and loss account	21		**(32,398)**		(32,285)
Shareholders' funds	22		**425**		538

The Financial Statements were approved and authorised by the Board on 30 April 2010

Steve Garvey
Chairman and Chief Executive Officer

Evelyn Kimber
Chief Financial Officer

The notes on pages 20 to 43 form part of these Financial Statements

Parent company ('the Company') balance sheet
at 31 December 2009

World Television Group PLC *Company number 03901656*	Note	2009 £'000	2009 £'000	2008 £'000	2008 £'000
Fixed assets					
Intangible assets	10		**176**		276
Investments	12		**1,995**		2,110
			2,171		2,386
Current assets					
Debtors – due in one year	13	**284**		219	
Cash at bank and in hand		**65**		—	
		349		219	
Creditors amounts falling due within one year	14	**(377)**		(471)	
Net current liabilities			**(28)**		(252)
Total assets less current liabilities			**2,143**		2,134
Creditors: amounts falling due after more than one year	15		**(950)**		(830)
Provisions for liabilities and charges	17		**—**		(10)
Net assets			**1,193**		1,294
Capital and reserves					
Called up share capital	18		**19,499**		19,499
Share premium account	21		**10,065**		10,065
Capital redemption reserve	21		**16,874**		16,874
Other reserves	21		**19**		19
Profit and loss account	21		**(45,264)**		(45,163)
Shareholders' funds	22		**1,193**		1,294

The Financial Statements were approved and authorised by the Board on 30 April 2010

Steve Garvey
Chairman and Chief Executive Officer

Evelyn Kimber
Chief Financial Officer

The notes on pages 20 to 43 form part of these Financial Statements

Consolidated cashflow statement
for the year ended 31 December 2009

	Note	2009 £'000	2009 £'000	2008 £'000	2008 £'000
Net cash inflow from operating activities	23		**360**		312
Returns on investment and servicing of finance					
Interest received		**8**		17	
Interest paid		**(16)**		(24)	
Interest element of finance lease rentals		**(17)**		(19)	
Net cash outflow from returns on investment and servicing of finance			**(25)**		(26)
Taxation					
Corporation tax			**—**		—
Capital expenditure and financial investment					
Payments to acquire intangible assets		**(36)**		(93)	
Payments to acquire tangible assets		**(107)**		(212)	
Receipts from sales of tangible assets		**—**		22	
Cash outflow from capital expenditure and financial investment			**(143)**		(283)
Cash inflow before financing			**192**		3
Financing					
Issue of loan finance		**169**		200	
Repayment of loan finance		**(217)**		(1)	
Issue of new finance leases		**37**		92	
Capital element of finance lease payments paid		**(58)**		(82)	
Cash (outflow)/inflow from financing			**(69)**		209
Increase in cash	25		**123**		212

The notes on pages 20 to 43 form part of these Financial Statements

Notes forming part of the Financial Statements
for the year ended 31 December 2009

1 Accounting policies

The Financial Statements have been prepared under the historical cost convention in accordance with applicable accounting standards

The following principal accounting policies have been applied

Going concern basis

As at 31 December 2009 the Group had net assets of £425k (2008 - £538k) and net current assets of £39k (2008 net current liabilities - £215k)

The Group's outlook and risks and uncertainties are set out in the Operational and Financial Review on pages 3 and 4

In assessing the going concern of the Group, the directors have prepared forecast information for the period ending twelve months from the date of the approval of these Financial Statements The forecast has been prepared on a cautious basis in line with the difficult economic environment

The liquidity position of the Group assumes that existing banking facilities continue and should this position change the directors would have to seek alternative facilities The directors have concluded that, in the event that trading deteriorates, economic conditions fail to improve or banking facilities are withdrawn, these factors would materially affect the company's ability to discharge its commitments in the normal course of business Nevertheless, after considering the uncertainties described above, the directors believe that the Group should have sufficient funding to continue in operational existence for at least twelve months from the date of approval of these Financial Statements On this basis, they consider that it is appropriate to prepare the Financial Statements on the going concern basis

Basis of consolidation

The consolidated Financial Statements include the Financial Statements of the Company and its subsidiary undertakings as at 31 December 2009

Undertakings in which the Group has a material interest are accounted for as subsidiaries where the Group exercises dominant influence Unless otherwise stated the acquisition method of accounting has been adopted, under which the results of subsidiary undertakings acquired in the year are included in the consolidated profit and loss account from the date of acquisition and interests sold are consolidated up to the date of disposal

As permitted by section 408 of the Companies Act 2006, the Company has not presented its own profit and loss account The Company made a loss of £101k for the year (2008 loss - £3,740k)

Merger accounting

In relation to the merger of Virtue Group and World Television Group in August 2004, the consolidated Financial Statements have been prepared using merger accounting principles as set out in Financial Reporting Standard No 6 – Acquisitions and Mergers ("FRS 6")

Where merger accounting is used the investment is recorded in the Company's balance sheet at the nominal value of the shares issued together with the fair value of any additional consideration paid In the consolidated Financial Statements merged subsidiary undertakings are treated as if they had always been a member of the Group Any difference between the nominal value of the shares acquired by the Company and those issued by the Company to acquire them is taken to reserves

Foreign currencies

Foreign currency transactions of individual companies are translated at contracted rates or where no contract exists, at the average monthly rates Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date Any differences are taken to the profit and loss account

The results of overseas subsidiary undertakings are translated into sterling at the average rates of exchange during the year The balance sheets are translated into sterling at the rate of exchange ruling on the balance sheet date Exchange differences arising on the translation of opening shareholders' funds and the profit and loss movement for the year are recorded as a movement on reserves

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to reserves

1 Accounting policies (continued)

Foreign currencies (continued)

Principal rate of exchange

	2009 Year-end	2009 Average	2008 Year-end	2008 Average
Euro	**1 111**	**1 123**	1 027	1 260
Swiss franc	**1 653**	**1 696**	1 529	2 001
Australian dollar	**1 784**	**1 993**	2 098	2 190
Swedish kronor	**11 451**	**11 934**	11 245	12 102

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings, is the difference between the fair value of purchase consideration and the fair value of the assets and liabilities acquired In calculating goodwill, the total consideration, both actual and deferred, is taken into account Where the deferred consideration is contingent and dependent upon future trading performance, an estimate of the value of likely consideration payable is made The contingent deferred consideration is re-assessed annually and a corresponding adjustment is made to the goodwill arising on acquisition

Goodwill is capitalised and amortised through the profit and loss account over its expected useful economic life which is estimated at five years Goodwill is denominated in the currency in which the acquisition is made and financed

Research and development

Development expenditure meeting the criteria as set out in SSAP 13 is capitalised and amortised over its useful economic life of three years, commencing in the year the Group starts to benefit from the expenditure

All other research and development expenditure is charged to the profit and loss account in the period in which it is incurred

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less a provision for depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets in equal instalments over their expected useful economic lives The normal expected useful lives of the major categories of tangible fixed assets are

Computer equipment and software	—	2-3 years
Specialist equipment	—	2-3 years
Fixtures, fittings and equipment	—	3-4 years

Impairment of fixed assets and goodwill

The carrying values of fixed assets are reviewed for impairment when a triggering event arises that indicates assets might be impaired First year impairment reviews are conducted for acquired goodwill and intangible assets Impairment is determined by the comparison of the carrying value of the asset against the higher of net realisable value and value in use Any provision for impairment is charged to the profit and loss account in the year concerned

1. Accounting policies (continued)

Investments

Investments are stated at cost less any provision for impairment in value

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

Turnover

World Television 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 unless indicated excludes transactions between companies within the Group and VAT

Expenditure

Expenditure is recognised in respect of goods and services received when supplied in accordance with contractual terms Provision is made when an obligation exists for a future liability in respect of past events and where the amount of the obligation can be readily estimated

Restructuring costs are recognised in respect of the direct expenditures of a business re-organisation where the plans are sufficiently detailed and well advanced, and where appropriate communication to those affected has been undertaken by the balance sheet date

Pension costs

The Group operates a stakeholder pension scheme which is made available to certain employees No contributions are payable by the Group Contributions to a few employees' own money purchase pension schemes were charged to the profit and loss accounts as incurred

Finance leases

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 over the term of the lease The corresponding leasing commitments are shown as amounts 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 The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balances of capital repayments outstanding

Operating leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term

Property provisions

Provisions for dilapidation charges that will crystallise at the end of the period of occupancy are provided for in full on empty properties and are charged to the income statement evenly over the period of the lease for occupied properties

1 Accounting policies (continued)

Finance costs

Finance costs of debts are recognised in the profit and loss account at a constant rate on the carrying amount over the life of the debt

Deferred taxation

Provision is made for deferred taxation using the incremental liability approach and is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws substantively enacted at the balance sheet date

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

Share-based payments

Where share options are awarded 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 to employees of subsidiary companies, the fair value of the awards is treated as a capital contribution and spread over the period of performance relating to the grant The corresponding entry is made in reserves

Financial instruments

In relation to the disclosures made in note 16

- short-term debtors and creditors are not treated as financial assets or financial liabilities except for the currency disclosures, and
- the Group does not hold or issue derivative financial instruments for trading purposes

2 Segmental analysis

	Turnover		Profit/(loss) before tax		Net assets/(liabilities)	
	2009 £'000	2008 £'000	**2009 £'000**	2008 £'000	**2009 £'000**	2008 £'000
Europe and rest of the world	**4,865**	5,038	**97**	3,783	**2,963**	2,909
UK	**4,651**	5,813	**(25)**	(398)	**(3,731)**	(3,665)
Group	**42**	54	**(101)**	(3,740)	**1,193**	1,294
	9,558	10,905	**(29)**	(355)	**425**	538

	External 2009 £'000	**Internal 2009 £'000**	**Total 2009 £'000**	External 2008 £'000	Internal 2008 £'000	Total 2008 £'000
Turnover						
Europe and rest of the world	**4,963**	**(98)**	**4,865**	5,097	(59)	5,038
UK	**4,595**	**56**	**4,651**	5,808	5	5,813
Group	**—**	**42**	**42**	—	54	54
	9,558	**—**	**9,558**	10,905	—	10,905

3 Total operating expenses

All operating expenses relate to administrative expenses and can be further analysed as follows

	2009 £'000	2008 £'000
Staff costs (note 4)	**4,455**	5,419
Depreciation	**182**	229
Amortisation of intangible assets	**371**	362
Other operating expenses	**4,532**	5,445
	9,540	11,455

4 Employees

Group	2009 £'000	2008 £'000
Staff costs (including directors) consist of		
Wages and salaries	**3,764**	4,552
Social security costs	**571**	721
Pension costs	**84**	108
Other costs	**36**	38
	4,455	5,419

	Number	Number
Average number of people employed (including executive directors)		
Sales, marketing and product development	**10**	21
Technology and operations	**54**	64
Management and administration	**20**	22
	84	107

5 Directors' remuneration

	2009 £'000	2008 £'000
Aggregate emoluments	**375**	396
Pension contributions	**15**	16
	390	412

Emoluments of the highest paid director were £116,000 (2008 - £124,000) Company pension contributions of £6,000 (2008 - £6,000) were made to a money purchase scheme on his behalf

Contributions to three (2008 – three) directors' own money purchase pension schemes were made in 2009

6 Operating profit/(loss)

	2009 £'000	2008 £'000
This is arrived at after charging		
Depreciation of own assets	**105**	154
Depreciation of finance lease assets	**77**	75
Amortisation of intangible assets (note 10)	**371**	362
Exceptional operating expenses (note 7)	**—**	112
Operating leases		
– Land and buildings	**462**	418
– Plant and machinery	**105**	33
Profit on disposal of tangible fixed assets	**6**	10
Exchange loss	**26**	17
Auditors' remuneration		
– Fees payable to the company's auditor for the audit of the company's annual accounts	**35**	31
– Fees payable to the company's auditor and its associates for other services		
– the audit of the company's subsidiaries, pursuant to legislation	**45**	45
– other services pursuant to legislation	**—**	5
– tax services	**25**	27

7 Exceptional items

	2009 £'000	2008 £'000
Exceptional operating expenses		
Restructuring costs[1]	—	112
Total	—	112

[1] Restructuring costs in 2008 relates to redundancy expenses

[2] Share options were issued to key employees in December 2009, however the charge for the year ended 31 December 2009 is considered to be immaterial to the Group and has not been reflected in the financial statements All options carried forward from 2008, have either lapsed or vested as at 31 December 2009

8 Interest receivable/(payable)

	2009 £'000	2008 £'000
Interest receivable		
On bank balances and deposits	8	17
Foreign exchange gains[1]	—	221
Total Interest receivable	8	238
Interest payable		
On finance leases	(17)	(19)
On bank loans and overdrafts	(8)	(19)
Foreign exchange losses[1]	(22)	—
Other	(8)	(5)
Total Interest payable	(55)	(43)

[1] Represents net (losses)/gains due to foreign currency translations against sterling in relation to cumulative intercompany balances

9 Taxation

There was no current year tax charge (2008 - £Nil) A deferred tax asset of £41k has been reversed as it is no longer expected to be recoverable

	2009 £'000	2008 £'000
UK Corporation Tax		
Total current tax	—	—
Deferred Tax		
Deferred tax charge	41	—
	41	—

	2009 £'000	2008 £'000
Loss on ordinary activities before tax	(29)	(355)
Loss on ordinary activities before tax multiplied by the standard rate of corporate tax in the UK of 28% (2008 – 28 5%)	(8)	(101)
Effects of		
Depreciation in excess of capital allowances for the period	26	27
Amortisation of intangible assets and goodwill	66	67
Non-taxable income/Non-deductible expenses	(56)	29
Losses not recognised in the period for which no deferred tax asset was recognised	145	60
Losses utilised in the period	(173)	(82)
Current tax charge	—	—

Deferred tax asset

A potential deferred tax asset of £1 7 million (2008 - £1 5 million) has not been recognised on losses available to carry forward against the Group in accordance with FRS 19 These losses may be offset in the future only against taxable profits generated by the entities concerned

Also, a potential deferred tax asset of £255,000 (2008 - £196,000) has not been recognised in these financial statements relating to depreciation charged in excess of capital allowances

10 Intangible assets

Group	Development costs £'000	Negative goodwill £'000	Positive goodwill £'000	Total £'000
Cost				
At 1 January 2009	525	(150)	4,807	5,182
Additions	36	—	—	36
At 31 December 2009	**561**	**(150)**	**4,807**	**5,218**
Amortisation				
At 1 January 2009	249	(150)	4,572	4,671
Charge for the year	136	—	235	371
At 31 December 2009	**385**	**(150)**	**4,807**	**5,042**
Net book value				
At 31 December 2009	**176**	—	—	**176**
At 1 January 2009	276	—	235	511

Company	Development costs £'000
Cost	
At 1 January 2009	525
Additions	36
At 31 December 2009	**561**
Amortisation	
At 1 January 2009	249
Charge for the year	136
At 31 December 2009	**385**
Net book value	
At 31 December 2009	**176**
At 1 January 2009	276

10 Intangible assets (continued)

Development costs relating to the development of webcasting application software have been capitalised in accordance with SSAP 13 These costs will be amortised over their useful economic life of 3 years, commencing in the year the Group starts to benefit from the expenditure

11 Tangible assets

Group	Fixtures, fittings and equipment £'000	Computer equipment and software £'000	Specialist equipment £'000	Total £'000
Cost				
At 1 January 2009	908	1,832	848	3,588
Exchange differences	(27)	(108)	(6)	(141)
Additions	69	33	5	107
Disposals/Write off	(365)	(26)	(547)	(938)
At 31 December 2009	**585**	**1,731**	**300**	**2,616**
Depreciation				
At 1 January 2009	878	1,589	712	3,179
Exchange differences	(26)	(93)	(3)	(122)
Charge for the year	19	107	56	182
Disposals/Write off	(362)	(25)	(545)	(932)
At 31 December 2009	**509**	**1,578**	**220**	**2,307**
Net book value				
At 31 December 2009	**76**	**153**	**80**	**309**
At 1 January 2009	30	243	136	409

The net book value of tangible fixed assets for the Group includes an amount of £126,000 (2008 - £206,000) in respect of assets held under finance lease agreements

12 Investments

Company	Investment in Group undertakings £'000	Loans to Group undertakings £'000	Total £'000
Cost			
At 1 January 2009 and at 31 December 2009	**13,260**	**892**	**14,152**
Provision for impairment			
At 1 January 2009	11,150	892	12,042
Charge for the year	115	—	115
At 31 December 2009	**11,265**	**892**	**12,157**
Net book value			
At 31 December 2009	**1,995**	—	**1,995**
At 1 January 2009	2,110	—	2,110

12 Investments (continued)

The principal undertakings in which the Company's interest at the year-end is 20% or more are as follows

Company	Country of incorporation and operation	% owned and voting rights	Main activity
World Television (Switzerland) Limited	Great Britain/ Switzerland	100% *	Streaming services
Virtue Corporate Services Limited	Great Britain	100%	Streaming services
World Television Pty Limited	Australia	100%	Streaming services
World Television Deutschland GmbH	Germany	100% *	Streaming services
Virtue Communications Limited	Great Britain	100% *	Streaming services
World Television Spain S L	Spain	100% *	Streaming services
Virtue Broadcasting (Holdings) Limited	Great Britain	100%	Holding company
World Television Sweden Holding AB	Sweden	99 56%	Holding company
Virtue Broadcasting Limited	Great Britain	100%	Holding company
World Television Limited	Great Britain	100% *	Television production

* indirect holding

13 Debtors

	Group 2009 £'000	Group 2008 £'000	Company 2009 £'000	Company 2008 £'000
Trade debtors	742	1,566	—	—
Amount due by Group undertakings	—	—	110	182
Other debtors	248	170	166	28
Prepayments and accrued income	239	559	8	9
Deferred tax	—	41	—	—
	1,229	2,336	284	219

All amounts are due within one year

14 Creditors amounts falling due within one year

	Group 2009 £'000	Group 2008 £'000	Company 2009 £'000	Company 2008 £'000
Bank loans and overdraft[1]	219	360	72	109
Trade creditors	588	1,023	84	113
Amounts owed to Group undertakings	—	—	54	29
Other taxes and social security	282	550	—	—
Other creditors[2]	95	133	66	45
Accruals and deferred income	634	1,002	86	158
Finance lease creditors	60	48	15	17
	1,878	3,116	377	471

[1] Bank loans and overdrafts are secured by fixed and floating charge over the assets of the Company

[2] Other creditors includes loan from management of £66,000 (2008 - £Nil) at interest rate of 8 8% (refer to note 27 for related party transactions)

15 Creditors amounts falling due after more than one year

	Group 2009 £'000	Group 2008 £'000	Company 2009 £'000	Company 2008 £'000
Bank loans	**34**	6	**34**	6
Finance lease creditors	**15**	51	**—**	15
Amounts owed to Group undertakings	**—**	—	**916**	809
	49	57	**950**	830

16 Financial instruments

The Operational and Financial Review on page 3 sets out details of the Group's treasury and financial risk management policy

a) Short-term debtors and creditors

As permitted by FRS 13, short-term debtors and creditors have been excluded from all the following disclosures, other than the currency risk disclosures

b) Interest rate profile

Financial assets

The only significant financial asset the Group has is cash at bank Cash is held either on current or on short-term deposits at floating rates of interest determined by the relevant bank's prevailing base rate

Financial liabilities

The Group's financial liabilities as at 31 December 2009 consist of the following

Finance leases to the value of £75,000 are outstanding at the year-end The interest rates for finance leases range from 4% to 12 1%

16 Financial instruments (continued)

c) Maturity profile of Group's financial liabilities

	2009 Bank loans and overdraft £'000	**2009 Finance leases £'000**	**2009 Other financial liabilities £'000**	**2009 Total £'000**	2008 Bank loans and overdraft £'000	2008 Finance leases £'000	2008 Other financial liabilities £'000	2008 Total £'000
In one year or less or on demand	**219**	**60**	**66**	**345**	360	48	—	408
In more than one year but not more than two years	**34**	**15**	**—**	**49**	6	48	—	54
In more than two years but not more than five years	**—**	**—**	**—**	**—**	—	3	—	3
Total	**253**	**75**	**66**	**394**	366	99	—	465

d) Currency profile

	2009 £'000	2008 £'000
Financial assets		
Sterling	**104**	65
Australian dollar	**10**	35
Swiss franc	**339**	216
Swedish kronor	**22**	151
Euro	**213**	98
Total	**688**	565

Cash is held either on current or on short-term deposits at floating rates of interest determined by the relevant bank's prevailing base rate

Financial liabilities

The Group's financial liabilities as at 31 December 2009 are denominated in sterling

16 Financial instruments (continued)

e) Borrowing facilities

The Group has no undrawn committed borrowing facilities (2008 - £Nil)

f) Fair value of financial assets and liabilities

In the directors' opinion there is no material difference between the book value and current value of any of the Group's financial assets and liabilities (2008 - £Nil)

g) Currency risk

As a result of overseas operations the group's balance sheet and profit and loss account can be affected significantly by movements in exchange rates against sterling This is largely through conversion of foreign currency results and balances into sterling The Group's main exposure is in its foreign currency bank accounts and intercompany balances that are held between companies with different currencies

h) Hedges

The Group has no material hedged transactions or positions in the period (2008 - £Nil)

17 Provisions for liabilities and charges

Group analysis of provisions for liabilities and charges

Group	Property provisions £'000
At 1 January 2009	110
Written-back to profit and loss account	(60)
At 31 December 2009	**50**

Company	Property provisions £'000
At 1 January 2009	10
Written-back to profit and loss account	(10)
At 31 December 2009	—

Property provisions are for property dilapidations in the UK

18 Share capital

	2009 Number of ordinary shares 000's	2009 Nominal value £'000	2008 Number of ordinary shares 000's	2008 Nominal value £'000
Authorised				
Ordinary shares of 0 1p each	**40,000,000**	**40,000**	40,000,000	40,000
Deferred shares of 2 4p each	**743,005**	**17,832**	743,005	17,832
Management shares of £1 each	—	—	—	—
Allotted and fully paid				
Ordinary shares of 0 1p each	**1,667,052**	**1,667**	1,667,052	1,667
Deferred shares of 2 4p each	**743,005**	**17,832**	743,005	17,832
Management shares of £1 each	—	—	—	—

The deferred shares have no voting rights and no rights to dividend

A new class of management shares was created in 2008 The authorised shares is £300 of which £100 was issued at the Balance Sheet date Holders of management shares have no rights to receive notice of, or to attend or vote at, any general meeting of the Company and shall have no right to receive dividends or other distributions from the Company

	Number of ordinary shares 000's	Nominal value £'000
In issue at 1 January 2009 and 31 December 2009		
Ordinary shares of 0 1p each	**1,667,052**	**1,667**
Deferred shares of 2 4p each	**743,005**	**17,832**
Management shares of £1 each	—	—
		19,499

19 Share options

Certain employees hold options to subscribe for shares in the Company at prices ranging from 0 1 pence to 6 5 pence under the Group's share option schemes The Group operates Approved, Unapproved, Enterprise Management Incentive and Employee Benefit Trust schemes for selected employees under a contract of employment to be granted options to acquire ordinary shares in the Company The number of shares subject to options, the periods in which they were granted and the periods in which they may be exercised are given below

Year of grant	Exercise price (pence)	Exercise period	2008 Number 000's	Issued Number 000's	Lapsed Number 000's	**2009 Number 000's**
2002	6 5	2002-2012	1,092	—	—	**1,092**
2003	3 0	2003-2012	5,126	—	—	**5,126**
2004	0 1	2004-2014	3,250	—	—	**3,250**
2005	0 6	2005-2015	10,418	—	2,605	**7,813**
2006	1 0	2007-2016	7,500	—	4,000	**3,500**
2008/2009	0 25	2009-2019	77,517	—	31,673	**45,844**
			104,903	—	38,278	**66,625**

Details of options held by directors are set out in the Report of the Directors on page 8

No options were exercised during the year (2008 - Nil)

20 Share Based Payment

The following relates to the 2006 and 2008 share options only, as all other options vested prior to 1 January 2006 and therefore the FRS 20 charge does not apply No further share options will be granted under the 2006 scheme

World Television Group PLC operates equity-settled share based remuneration schemes for employees, approved EMI share option schemes and unapproved International share option schemes for executive directors and certain senior management

Under the EMI and International share option schemes, options vest if certain non-market conditions are met There are no vesting conditions attached to the International Share Option Scheme (Sweden)

Under the 2008 EMI share option scheme, any unexercised options would lapse on the expiry of three calendar months following an option holder ceasing to be an employee For the 2006 EMI share option scheme, any unexercised options would lapse on the expiry of twelve months

20 Share Based Payment (continued)

	EMI Share Option Scheme		International Share Option Scheme		International Share Option Scheme (Sweden)	
	Weighted average exercise price (pence)	Number 000's	Weighted average exercise price (pence)	Number 000's	Weighted average exercise price (pence)	Number 000's
Outstanding at start of the year	0 27	48,177	0 31	24,505	0 49	12,335
Lapsed during the year	0 25	(23,338)	—	—	0 49	(12,335)
Outstanding at the end of the year	0 29	24,839	0 31	24,505	—	—

The weighted average exercise price of options outstanding at the end of the year was 0 30p and their weighted average contractual life was 10 years

Of the total number of options outstanding at the end of the year, 3,500,000 had vested and were exercisable at the end of the year

No share options were exercised during the year

The weighted average fair value of each option granted during the year was Nil (2008 - Nil)

A charge of £Nil (2008 - £Nil) has been recognised during 2009 in relation to these share options

The Group did not enter into any share-based payment transactions with parties other than employees during the current or previous period

21 Reserves

Group	Share premium £'000	Other reserves £'000	Merger reserve £'000	Capital redemption reserve £'000	Profit and loss account £'000
At 1 January 2009	10,065	2,384	(15,999)	16,874	(32,285)
Loss for the financial year	—	—	—	—	(70)
Exchange differences	—	—	—	—	(43)
At 31 December 2009	**10,065**	**2,384**	**(15,999)**	**16,874**	**(32,398)**

Company	Share premium £'000	Other reserves £'000	Capital redemption reserve £'000	Profit and loss account £'000
At 1 January 2009	10,065	19	16,874	(45,163)
Loss for the financial year	—	—	—	(101)
At 31 December 2009	**10,065**	**19**	**16,874**	**(45,264)**

22 Reconciliation of movements in shareholders' funds

	Group 2009 £'000	Group 2008 £'000	**Company 2009 £'000**	Company 2008 £'000
Loss for the financial year	**(70)**	(355)	**(101)**	(3,740)
Foreign exchange adjustments	**(43)**	(18)	—	—
Net reduction to shareholders' funds	**(113)**	(373)	**(101)**	(3,740)
Opening shareholders' funds	**538**	911	**1,294**	5,034
Closing shareholders' funds	**425**	538	**1,193**	1,294

23 Reconciliation of operating profit/(loss) to net cash outflow from operating activities

	2009 £'000	2008 £'000
Operating profit/(loss)	**18**	(550)
Depreciation of tangible fixed assets	**182**	229
Amortisation of intangible assets	**371**	362
Decrease in debtors	**1,107**	148
Decrease in creditors	**(1,216)**	(34)
Loss/(Profit) on disposal of fixed assets	**6**	(12)
(Decrease)/Increase in provisions	**(60)**	55
Foreign exchange	**(48)**	114
Net cash inflow from operating activities	**360**	312

24 Analysis of net funds/(debt)

	At 1 January 2009 £'000	Cash flow £'000	Non-cash flows £'000	At 31 December 2009 £'000
Cash in hand and at bank	565	123	—	**688**
Bank loans	(366)	113	—	**(253)**
Finance leases	(99)	21	3	**(75)**
Other loans	—	(66)	—	**(66)**
Total	**100**	**191**	**3**	**294**

25 Reconciliation of net cashflow to movements in net funds

	Note	2009 £'000	2008 £'000
Increase in cash		**123**	212
Cashflow from changes in funds/(debt)		**68**	(209)
Movement in net funds resulting from cashflows		**191**	3
Non-cash movements (foreign exchange)		**3**	—
Movement in net funds		**194**	3
Net funds at the start of the year		**100**	97
Net funds at the end of the year	24	**294**	100

26 Commitments under operating leases

As at 31 December 2009, the Group had annual commitments under non-cancellable operating leases as set out below

	2009 Land and buildings £'000	2009 Other £'000	2008 Land and buildings £'000	2008 Other £'000
Operating leases which expire				
Within one year	**79**	**105**	373	8
In two to five years	**283**	**6**	52	123
Total	**362**	**111**	425	131

27 Related party transactions

In November 2009, the directors below provided loans to the Group to assist with the costs of relocating the London office The amounts advanced were

Steve Garvey	£20,000
Jim Hall	£20,000
Toby Low	£20,000
A Booth	£9,438

Interest on the loans was 8 8% The loans were repayable monthly over a twelve month term

The balances at 31 December 2009 were

Steve Garvey	£18,667
Jim Hall	£18,667
Toby Low	£18,667
A Booth	£9,507