

Company Registration No. 3990450 (England and Wales)

YOU ME TV LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2006



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COMPANIES HOUSE 30/06/2006

WESTON KAY

CHARTERED ACCOUNTANTS

73/75 Mortimer Street,
London W1W 7SQ

YOU ME TV LIMITED

COMPANY INFORMATION

Directors	D M Green M Patton S Green
Secretary	W K Nominees Limited
Company number	3990450
Registered office	73/75 Mortimer Street London W1W 7SQ
Auditors	Weston Kay 73/75 Mortimer Street London W1W 7SQ
Bankers	Barclays Bank PLC London Corporate Banking PO Box 15161R 50 Pall Mall London SW1A 1QA
Solicitors	Fladgate Fielder 25 North Row London W1K 6DJ

YOU ME TV LIMITED

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YOU ME TV LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2006

The directors present their report and financial statements for the year ended 31 May 2006.

Principal activities and review of the business

The principal activity of the company continues to be the provision of advice, subscriptions and introductions to entertainment and communications services for consumers.

The company has continued to develop its systems and outlets and has further enhanced the commercial arrangements entered into with the providers of key products. During the year, the number of retail outlets grew from 38 to 58 with 1 further outlet opening in the period since the balance sheet date and a number of other outlets planned for the immediate future. The company has achieved a 46% increase in turnover compared to the previous year and a 31% increase in gross profit. The results achieved by each outlet are closely monitored and action taken where performance is believed to have fallen below expectations. The directors are pleased to report that the anticipated growth has been realised and plans are in place to further develop the trading and profitability of the company in the current financial year.

Due to the limited number of service providers in the market place in which the company operates, the company is reliant upon the continued development of products from these service providers in order to further promote the business. Additionally, any changes in the number of service providers and the products on offer can affect the business, either positively or negatively, depending upon the changes which occur. The company is not exposed to risk from any interest rate fluctuations due to the level of funds maintained in the company and, as the service providers are primarily large established companies, the company has little exposure to price risk.

At the balance sheet date, the company was trading from 58 retail outlets. Of these, 20 were opened during the year and of the additions to fixed assets, £318,210 relates to the purchase of equipment and other assets at the retail outlets. Current assets amounted to £1,883,057, of which £459,486 was held as liquid funds. Included in debtors are additional amounts due from service providers both from the increased levels of operations and as a result of an exercise being carried out to ensure all income was being collected. The exercise gave rise to additional income being agreed which has been collected after the balance sheet date. The total net assets of the company amounted to £1,467,620. As part of the rationalisation of the company, 57 Ordinary shares were repurchased during the year for a total consideration of £100,000 and further shares have been redeemed for a total consideration of £250,000 since the year end.

Results and dividends

The results for the year are set out on page 6.

The directors do not recommend the payment of a dividend for the year.

Post balance sheet events

Towards the end of the financial year, the members of the company received an offer from third parties to acquire their entire shareholding in the company. At the time of the approval of the accounts, the members are considering the offer.

Purchase of own shares

During the year, the company repurchased 57 Ordinary shares of 1p each for total cash consideration of £100,000. These shares were then cancelled.

Subsequent to the year end, 10 'A' Ordinary shares of 1p each have been repurchased for total cash consideration of £250,000. These shares have been cancelled.

YOU ME TV LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2006

Directors

The following directors have held office since 1 June 2005:

D M Green
S Bentley (Resigned 28 July 2005)
M Patton
S Green

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of 1p each	
	31 May 2006	1 June 2005
D M Green	1,999	1,999
M Patton	-	-
S Green	1	1

	Deferred Ordinary shares of 1p each	
	31 May 2006	1 June 2005
D M Green	-	-
M Patton	-	-
S Green	-	-

	'A' ordinary shares of 1p each	
	31 May 2006	1 June 2005
D M Green	10	-
M Patton	-	-
S Green	-	-

Mr Patton, a director, was granted an option to subscribe for 150 Ordinary shares of 1p each at a total price of £150 on 30 March 2004. To date, this option has not been exercised.

Charitable donations	2006	2005
	£	£

During the year the company made the following payments:

Charitable donations	455	200
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Creditor payment policy

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

On average, trade creditors at the year end represented 9 (2005- 11) days' purchases.

YOU ME TV LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2006

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board on 30 June 2006



D M Green
Director

YOU ME TV LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF YOU ME TV LIMITED

We have audited the financial statements of You Me TV Limited for the year ended 31 May 2006 set out on pages 6 to 19. These financial statements have been prepared in accordance with 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 the directors and auditors

As described in the Statement of Directors' Responsibilities on page 3 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records or if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out in note 20 to the financial statements.


YOU ME TV LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF YOU ME TV LIMITED

Opinion

In our opinion the financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 May 2006 and of its profit for the year then ended ;
- the information given in the directors' report is consistent with the financial statements; and
- have been properly prepared in accordance with the Companies Act 1985.


Weston Kay
Chartered Accountants
Registered Auditor
73/75 Mortimer Street
London W1W 7SQ

30 June 2006

YOU ME TV LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2006

	Notes	2006 £	2005 £
Turnover	2	4,974,843	3,412,171
Cost of sales		(2,828,510)	(1,772,145)
Gross profit		2,146,333	1,640,026
Administrative expenses		(1,673,891)	(1,131,825)
Other operating income		593,753	210,592
Operating profit	3	1,066,195	718,793
Other interest receivable and similar income	4	18,390	8,954
Interest payable and similar charges	5	(41)	(1,186)
Profit on ordinary activities before taxation		1,084,544	726,561
Tax on profit on ordinary activities	6	(284,423)	(194,514)
Profit for the year	14	800,121	532,047

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

YOU ME TV LIMITED

BALANCE SHEET AS AT 31 MAY 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Intangible assets	7		2,851		3,367
Tangible assets	8		569,595		452,542
Investments	9		2		2
			<u>572,448</u>		<u>455,911</u>
Current assets					
Debtors	10	1,423,571		469,421	
Cash at bank and in hand		459,486		744,547	
		<u>1,883,057</u>		<u>1,213,968</u>	
Creditors: amounts falling due within one year	11	(965,725)		(866,643)	
Net current assets			<u>917,332</u>		<u>347,325</u>
Total assets less current liabilities			<u>1,489,780</u>		<u>803,236</u>
Provisions for liabilities	12		(22,160)		(35,737)
			<u>1,467,620</u>		<u>767,499</u>
Capital and reserves					
Called up share capital	13		50,008		50,009
Share premium account	14		917,491		917,491
Profit and loss account	14		500,121		(200,001)
Shareholders' funds	15		<u>1,467,620</u>		<u>767,499</u>

Approved by the Board and authorised for issue on 30 June 2006


D M Green
Director

YOU ME TV LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2006

	£	2006 £	£	2005 £
Net cash inflow from operating activities		148,610		1,201,757
Returns on investments and servicing of finance				
Interest received	18,390		8,954	
Interest paid	(41)		(1,186)	
Net cash inflow for returns on investments and servicing of finance		18,349		7,768
Capital expenditure				
Payments to acquire tangible assets	(352,020)		(286,054)	
Net cash outflow for capital expenditure		(352,020)		(286,054)
Net cash (outflow)/inflow before management of liquid resources and financing		(185,061)		923,471
Financing				
Purchase of own shares	(100,000)		-	
Net cash outflow from financing		(100,000)		-
(Decrease)/increase in cash in the year		(285,061)		923,471

YOU ME TV LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2006

1	Reconciliation of operating profit to net cash inflow from operating activities	2006	2005
		£	£
	Operating profit	1,066,195	718,793
	Depreciation of tangible assets	234,967	157,449
	Amortisation of intangible assets	516	516
	(Increase)/decrease in debtors	(954,150)	181,035
	(Decrease)/Increase in creditors within one year	(198,918)	143,964
	Net cash inflow from operating activities	148,610	1,201,757

2	Analysis of net funds	1 June 2005	Cash flow	Other non-cash changes	31 May 2006
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	744,547	(285,061)	-	459,486
	Net funds	744,547	(285,061)	-	459,486

3	Reconciliation of net cash flow to movement in net funds	2006	2005
		£	£
	(Decrease)/increase in cash in the year	(285,061)	923,471
	Movement in net funds in the year	(285,061)	923,471
	Opening net funds/(debt)	744,547	(178,924)
	Closing net funds	459,486	744,547

YOU ME TV LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Trademarks

Trademarks are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

1.5 Research and development

Development expenditure is written off to the profit and loss account when it is incurred unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is capitalised and amortised over the period during which the company is expected to benefit. Development expenditure represents the cost of the design and development of the corporate identity and of the computer system which will be utilised by the company in its trade.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Motor Vehicle	25% Straight line
Computer Equipment	25% Straight line
Office Equipment	25% Straight line
Computer Software	25% / 33% Straight line

1.7 Leasing

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

1.8 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.9 Revenue recognition

The company receives a contribution from service providers towards the initial costs of retail outlets. Following the formalising of agreements with these service providers, the contributions are non-returnable once the relevant retail outlet has been in operation for 12 months. The contribution, included in the accounts as other operating income, is released to the profit and loss account in equal monthly instalments over 12 months. Previously, the amounts were released to the profit and loss account in equal monthly instalments over 36 months, the typical lease period of the retail outlets. This represents a change in estimation technique and has resulted in an increase in the amount released to the profit and loss account of £189,917 compared to that under the previous estimation technique.

YOU ME TV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2006

1 Accounting policies

(continued)

1.10 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.11 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The subsidiary undertaking is dormant and has not traded since incorporation. Group accounts are therefore not prepared as the subsidiary is not material in relation to the company accounts.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

	2006 £	2005 £
Operating profit is stated after charging:		
Amortisation of intangible assets	516	449
Depreciation of tangible assets	234,967	157,516
Operating lease rentals	1,034,662	554,110
Auditors' remuneration	27,500	8,710
Remuneration of auditors for non-audit work	19,000	8,800
Directors' remuneration	341,042	283,195

4 Investment income

	2006 £	2005 £
Bank interest	18,390	8,881
Other interest	-	73
	18,390	8,954

5 Interest payable

	2006 £	2005 £
On bank loans and overdrafts	41	1,186

YOU ME TV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2006

6 Taxation	2006 £	2005 £
Domestic current year tax		
U.K. corporation tax	298,000	-
Current tax charge	298,000	-
Deferred tax		
Deferred tax charge/credit current year	(13,577)	194,514
	<u>284,423</u>	<u>194,514</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>1,084,544</u>	<u>726,561</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2005: 19.00%)	<u>206,063</u>	<u>138,046</u>
Effects of:		
Non deductible expenses	5,398	6,583
Depreciation add back	44,742	30,087
Capital allowances	(43,467)	(24,324)
Tax losses utilised	(15,951)	(150,390)
Other tax adjustments	101,215	(2)
	<u>91,937</u>	<u>(138,046)</u>
Current tax charge	<u>298,000</u>	<u>-</u>

The company has estimated losses of £ nil (2005: £ 34,449) available for carry forward against future trading profits.

YOU ME TV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2006

7 Intangible fixed assets

	Trademarks	Development Costs	Total
	£	£	£
Cost			
At 1 June 2005 & at 31 May 2006	5,161	10,000	15,161
Amortisation			
At 1 June 2005	1,794	10,000	11,794
Charge for the year	516	-	516
At 31 May 2006	2,310	10,000	12,310
Net book value			
At 31 May 2006	2,851	-	2,851
At 31 May 2005	3,367	-	3,367

8 Tangible fixed assets

	Motor Vehicle	Computer Equipment	Office Equipment	Computer Software	Total
	£	£	£	£	£
Cost					
At 1 June 2005	44,290	70,038	620,630	13,190	748,148
Additions	-	10,052	340,418	1,550	352,020
At 31 May 2006	44,290	80,090	961,048	14,740	1,100,168
Depreciation					
At 1 June 2005	3,604	55,591	227,100	9,311	295,606
Charge for the year	11,073	19,547	200,826	3,521	234,967
At 31 May 2006	14,677	75,138	427,926	12,832	530,573
Net book value					
At 31 May 2006	29,613	4,952	533,122	1,908	569,595
At 31 May 2005	40,686	14,447	393,530	3,879	452,542

YOU ME TV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2006

9 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 June 2005 & at 31 May 2006	2
Net book value	
At 31 May 2006	2
	<hr/>
At 31 May 2005	2
	<hr/>

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
You Me Digital Limited	England	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2006 £	Profit for the year 2006 £
	Principal activity		
You Me Digital Limited	Dormant	2	-
		<hr/>	<hr/>

10 Debtors

	2006 £	2005 £
Trade debtors	842,688	302,595
Other debtors	49,485	9,960
Prepayments and accrued income	531,398	156,866
	<hr/>	<hr/>
	1,423,571	469,421
	<hr/>	<hr/>

YOU ME TV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2006

11 Creditors: amounts falling due within one year	2006 £	2005 £
Trade creditors	103,035	86,959
Corporation tax	298,000	-
Other taxes and social security costs	100,717	117,261
Directors' current accounts	497	927
Accruals and deferred income	463,476	661,496
	<u>965,725</u>	<u>866,643</u>

12 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 June 2005	35,737
Profit and loss account	(13,577)
	<u>22,160</u>
Balance at 31 May 2006	<u>22,160</u>

The deferred tax liability is made up as follows:

	2006 £	2005 £
Accelerated capital allowances	22,250	42,283
Tax losses available	(90)	(6,546)
	<u>22,160</u>	<u>35,737</u>

YOU ME TV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2006

13 Share capital	2006 £	2005 £
Authorised		
950,020 Ordinary shares of 1p each	9,500	9,500
49,980 Deferred Ordinary shares of 1p each	500	500
20 'A' ordinary shares of 1p each	-	-
	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid		
2,689 Ordinary shares of 1p each	28	29
4,998,000 Deferred Ordinary shares of 1p each	49,980	49,980
10 'A' ordinary shares of 1p each	-	-
	<u>50,008</u>	<u>50,009</u>

The deferred shares of 1p each do not have any rights in respect of voting or dividends and holders are only entitled to receive the return of capital on a winding up equivalent to the amount paid up in respect of those shares.

The 'A' Ordinary 1p shares rank pari passu with Ordinary 1p shares except that, prior to any of the share capital being admitted for dealing on an investment exchange, each 'A' share will be treated as representing 0.5% of the issued share capital, other than deferred shares. On admission to a recognised investment exchange, or the issue of shares in connection with such admission, the 'A' shares will be converted into a number of Ordinary shares representing 0.5% of the total issued Ordinary shares.

During the year, 57 Ordinary shares of 1p each were purchased by the company for total consideration of £100,000 and the shares cancelled. Subsequent to the year end, the A Ordinary shares of 1p each were purchased by the company for total consideration of £250,000 and the shares cancelled.

Warrants have been issued to subscribe for 56 Ordinary shares of 1p each in the 5 years from February 2002 at an amount of £1,785.72 per share and to subscribe for 53 Ordinary shares of 1p each in the 5 years from February 2002 at an amount of £434.02 per share.

The following share option has been granted:

1 option to subscribe for 150 Ordinary shares of 1 pence each at a total price of £150 granted on 30 March 2004.

14 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 June 2005	917,491	(200,001)
Profit for the year	-	800,121
Purchase of own shares	-	(99,999)
Balance at 31 May 2006	<u>917,491</u>	<u>500,121</u>

YOU ME TV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2006

15 Reconciliation of movements in shareholders' funds	2006 £	2005 £
Profit for the financial year	800,121	532,047
Purchase of own shares	(100,000)	-
Net addition to shareholders' funds	700,121	532,047
Opening shareholders' funds	767,499	235,452
Closing shareholders' funds	1,467,620	767,499

16 Financial commitments

At 31 May 2006 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2006 £	2005 £
Expiry date:		
Within one year	345,750	137,073
Between two and five years	883,500	535,300
In over five years	26,500	-
	1,255,750	672,373

17 Directors' emoluments	2006 £	2005 £
Emoluments for qualifying services	341,042	283,195
Emoluments disclosed above include the following amounts paid to the highest paid director:		
Emoluments for qualifying services	180,210	105,716

YOU ME TV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2006

18 Transactions with directors

The following directors had interest free loans during the year. The movement on these loans are as follows:

	Amount outstanding		Maximum
	2006	2005	in year
	£	£	£
Director's current account (debit bal)	-	-	105,000

The loan for £105,000 was outstanding for 5 days during the year. As shown by note 22, Mr Green's account was in credit at the balance sheet date.

19 Employees

Number of employees

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

	2006 Number	2005 Number
Administrative	12	14
Sales	7	12
	19	26

Employment costs

	2006 £	2005 £
Wages and salaries	785,412	939,109
Social security costs	83,013	89,225
	868,425	1,028,334

20 Auditors - Other Services

In common with many businesses of our size and nature we use our auditors to process and submit returns to the tax authorities and assist with the preparation of the financial statements.

21 Control

The company is controlled by Mr D Green, a director, who owns 1,999 of the 2,853 voting shares in issue at 31 May 2005.

YOU ME TV LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 MAY 2006**

22 Related party transactions

At the balance sheet date, Mr Green, a director of the company, was owed an amount of £497 (2005: £927) in respect of expenses paid on behalf of the company.