

COMPANY NUMBER: 4547560

**TV EYE LIMITED
ANNUAL REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2005**



TV EYE LIMITED
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31ST DECEMBER, 2005

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TV EYE LIMITED

COMPANY INFORMATION

Directors

M Green
A Griffiths
G Isherwood
G Murray
L Streatfield
R Walker

Secretary

Halco Secretaries Limited

Registered Office

61-63 Monmouth Street
5 Ching Court
London WC2H 9EZ

Auditors

Shipleys LLP
10 Orange Street
Haymarket
London WC2H 7DQ

Legal Advisors

Charles Russell
8-10 New Fetter Lane
London EC4A 1RS

TV EYE LIMITED
DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the financial statements of the company for the year ended 31st December 2005.

ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The principal activity of the company during the year was the provision of a financial reporting service and an attribution service within the broadcast industry. The financial reporting service provided individual broadcasters with financial data on advertising agencies. The attribution service standardised and validated commercial attribution data held by broadcasters on airtime sales and television research systems.

During the year, the company has been subject to an ongoing review by the Office of Fair Trading ("OFT") into whether its working practices breach relevant competition law. The OFT closed its case on 24 May 2005 following agreement of Formal Commitments given by TV Eye Limited.

Prior to the year end, the directors decided to close the financial reporting service function of the company. The division's activities terminated on 28 February 2006.

The company was released from three out of the four Formal Commitments on 1 March 2006, with the remaining commitment remaining in place until 2009 in relation to the composition of the Board of Directors.

The Directors confirm that TV Eye has not been subject to any infringement decision and has not been issued with any financial penalty by the OFT.

RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £52,424 (2004: profit - £103,421).

The directors do not recommend the payment of a dividend.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by the Companies Act 1985 to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company at the end of the financial period and of the result for that period. The directors consider that in preparing the financial statements the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates and confirm that all applicable accounting standards have been followed. The financial statements have been prepared on a going concern basis.

The directors are responsible for ensuring that the company keeps proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and for ensuring that the financial statements comply with the Companies Act 1985. The directors also have responsibility for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TV EYE LIMITED

DIRECTORS' REPORT - CONTINUED

DIRECTORS' INTERESTS

The directors, who held office during the year, were as follows:-

Current Directors

M Green
A Griffiths (appointed 5th April, 2005)
G Isherwood (appointed 28th April, 2006)
G Murray
L Streatfield (appointed 1st March, 2006)
R Walker

Resigned Directors

A Baxter (resigned 18th March, 2005)
J De Blocq Van Kuffeler (resigned 5th April, 2005)
S De Cesare (resigned 10th March, 2006)
G Digby (resigned 5th April, 2005)
D Scott (appointed 5th April, 2005 and resigned 29th June, 2005)
K Waller (resigned 28th April, 2006)

The directors had no disclosable interest in the shares of the company during the year, nor for the preceding year.

AUDITORS

On 1 May 2006, the practice of AGN Shipleys transferred its business to Shipleys LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The company's consent has been given to treating the appointment of AGN Shipleys as extending to Shipleys LLP with effect from 1 May 2006 under the provisions of section 26(5) Companies Act 1989. Shipleys LLP has indicated its willingness to remain in office and a resolution to reappoint Shipleys LLP will be proposed at the Annual General Meeting.

By Order of the Board



**M. Green
Director**

19/5/06

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TV EYE LIMITED**

We have audited the financial statements of TV Eye Limited for the year ended 31st December, 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and 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 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 described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report 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, 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31st December, 2005 and of the loss of the company the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Shipley LLP
Registered Auditors
10 Orange Street
London
WC2H 7DQ
25 MAY 2006

TV EYE LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER, 2005

		Notes	2005 £	2004 £
TURNOVER	continuing activities	1.2	178,721	537,712
	discontinuing activities		320,511	-
			<u>499,232</u>	<u>537,712</u>
ADMINISTRATIVE EXPENSES			<u>(564,098)</u>	<u>(405,826)</u>
OPERATING (LOSS)/PROFIT		2	(64,866)	131,886
INTEREST RECEIVABLE AND SIMILAR INCOME		4	<u>2,844</u>	<u>1,789</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			(62,022)	133,675
TAXATION		5	<u>9,598</u>	<u>(30,254)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			(52,424)	103,421
RETAINED PROFIT/(LOSS) BROUGHT FORWARD			<u>87,687</u>	<u>(15,734)</u>
RETAINED PROFIT CARRIED FORWARD			<u>35,263</u>	<u>87,687</u>


There have been no recognised gains or losses, other than the results for the financial year and all profits or losses have been accounted for on an historical cost basis.

TV EYE LIMITED
BALANCE SHEET
AT 31ST DECEMBER, 2005


	Notes	2005		2004	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	6		15,263		22,543
CURRENT ASSETS					
Debtors	7	353,182		134,450	
Cash at bank and in hand		<u>122,359</u>		<u>93,638</u>	
		475,541		228,088	
CREDITORS: Amounts falling due within one year	8	<u>(455,536)</u>		<u>(162,939)</u>	
NET CURRENT ASSETS			<u>20,005</u>		<u>65,149</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>35,268</u>		<u>87,692</u>
CAPITAL AND RESERVES					
Called up share capital	9		5		5
Profit and loss account	10		<u>35,263</u>		<u>87,687</u>
EQUITY SHAREHOLDERS' FUNDS	11		<u>35,268</u>		<u>87,692</u>

Approved by the Board on 19/5/06

and signed on its behalf by:



M. Green
 Director



R. Walker
 Director

The notes on pages 7 to 11 form part of these financial statements.

TV EYE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2005

1. ACCOUNTING POLICIES

1.1 Accounting Basis and Standards

These financial statements have been prepared in accordance with the historical cost convention and are prepared in accordance with applicable accounting standards.

1.2 Turnover

Turnover represents the amounts invoiced and accrued during the year in respect of services provided, net of VAT. All turnover derives from operations in the United Kingdom.

1.3 Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at purchase cost.

Depreciation is provided at rates calculated to write off the cost of the assets, less estimated residual value, over their economic useful lives as follows:-

Computer equipment	: 33% straight line
Fixtures and fittings	: 25% straight line
Leasehold improvements	: Over the term of the lease

1.4 Deferred Taxation

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences, which result in an obligation to pay more tax at a future date, at the current tax rates and laws. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.5 Operating Leases

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

1.6 Cash Flow Statement

The company is a small company as defined by sections 246 and 247 of the Companies Act 1985 and it is therefore exempt under the terms of Financial Reporting Standard Number 1 (Revised 1996) from preparing a cash flow statement.

1.7 Pension Commitments

Members of staff are eligible to join the ITV Pension Scheme - DC Section which currently provides a defined contribution pension scheme. Two members of staff remain part of the ITV Pension Scheme - Section A which provides benefits on final pensionable salary; this scheme is closed to new members.

TV EYE LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER, 2005

2. OPERATING (LOSS)/PROFIT

	2005	2004
	£	£
This is stated after charging:		
Depreciation - owned assets	13,504	10,858
Auditors' remuneration - audit fee	6,000	6,000
- other fees	<u>1,000</u>	<u>1,000</u>

3. EMPLOYEE INFORMATION AND DIRECTORS' EMOLUMENTS

The average monthly number of persons employed during the year was:-

	Number	Number
Management and administration	<u>6</u>	<u>6</u>
Total remuneration, including directors, was:-	£	£
Wages and salaries	531,054	201,524
Social security costs	57,764	18,618
Other pension costs	<u>35,031</u>	<u>22,706</u>
	<u>623,849</u>	<u>242,848</u>
Remuneration in respect of directors was as follows:		
Emoluments	<u>374,541</u>	<u>76,950</u>
Consultancy services	<u>6,250</u>	<u>25,000</u>

One director was accruing retirement benefits during the year (2004: one)

The emoluments of the directors represent those of the highest paid director and include a redundancy payment of £287,949.

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	£	£
Bank interest	<u>2,844</u>	<u>1,798</u>

TV EYE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31ST DECEMBER, 2005

5(a) TAX ON (LOSSES)/PROFITS ON ORDINARY ACTIVITIES	2005 £	2004 £
Current tax		
UK corporation tax on (losses)/profits of the period	(8,465)	30,000
Adjustments in respect of prior periods	(1,133)	56
Current tax (credit)/charge for the period	(9,598)	30,056
Deferred tax		
Origination and reversal of timing differences	-	198
Tax on (loss)/profit on ordinary activities	(9,598)	30,254
5(b) Factors affecting the tax charge for the period		
(Loss)/profit on ordinary activities before tax	(62,022)	(133,675)
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2004: 30%)	(18,607)	40,103
Expenses not deductible for tax purpose	3,490	6,080
Capital allowances for the year in excess of depreciation	1,749	(604)
Adjustment in respect of small companies rate of corporation tax	4,903	(16,712)
Adjustment in respect of provision made and in prior years	(1,133)	1,189
Current tax (credit)/charge for the period (note 5(a))	(9,598)	30,056

6. TANGIBLE FIXED ASSETS

Cost	Computer Equipment £	Office Equipment £	Leasehold Improvements £	Total £
At 1 st January, 2005	23,792	10,721	4,821	39,334
Additions	4,987	1,237	-	6,224
At 31 st December, 2005	28,779	11,958	4,821	45,558
Depreciation				
At 1 st January, 2005	13,515	2,634	642	16,791
Charge for the year	8,915	3,625	964	13,504
At 31 st December, 2005	22,430	6,259	1,606	30,295
Net Book Value				
At 31 st December, 2005	6,349	5,699	3,215	15,263
At 31 st December, 2004	10,277	8,087	4,179	22,543

TV EYE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31ST DECEMBER, 2005

7. DEBTORS	2005	2004
	£	£
Trade debtors	11,986	70,949
Other debtors	-	9,094
Corporation tax recoverable	8,465	-
Prepayments and accrued income	332,731	54,407
	<u>353,182</u>	<u>134,450</u>
8. CREDITORS: Amounts falling due within one year	£	£
Trade creditors	7,270	75,474
Corporation tax	-	30,000
Social security costs and other taxes	10,377	5,740
Other creditors	2,895	73
Accruals and deferred income	434,994	51,652
	<u>455,536</u>	<u>162,939</u>
9. SHARE CAPITAL		
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
5 Ordinary shares of £1 each	<u>5</u>	<u>5</u>
10. RESERVES	Profit and Loss Account	
		£
At 1st January, 2005		87,687
Loss for the financial year		<u>(52,424)</u>
At 31st December, 2005		<u>35,263</u>
11. RECONCILIATION IN MOVEMENT OF SHAREHOLDERS' FUNDS		
		£
Opening shareholders' funds at 1st January, 2005		87,692
Retained loss for the year		<u>(52,424)</u>
Closing shareholders' funds at 31st December, 2005		<u>35,268</u>

TV EYE LIMITED
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER, 2005

12. FINANCIAL COMMITMENTS AND CONTINGENT LIABILITIES

Operating Leases

The company had annual commitments under non-cancellable operating leases as follows:-

	Land and Buildings	
Operating leases which expire:	2005	2004
	£	£
Within two to five years	<u>32,000</u>	<u>32,000</u>

The company had no capital or other commitments at 31st December, 2005 (31st December 2004: £nil).

13. OWNERSHIP

The company is owned by Carlton Television Limited, Granada Media Group Limited, Channel Four Television Corporation, Channel Five Broadcasting Limited and GMTV Limited. Each company has a shareholding of 20%, but since the merger between Carlton Communications plc and Granada plc in February 2004, to form ITV plc, ITV plc has a 40% direct shareholding. ITV Plc owns 75% of GMTV.

14. TRANSACTIONS WITH RELATED PARTIES

Included within turnover in the financial statements are the following transactions with related parties.

	2005	2004
	£	£
ITV plc and subsidiaries	204,794	221,399
Channel Four Television Corporation	72,089	77,934
Channel Five Broadcasting Limited	<u>39,105</u>	<u>42,276</u>
	<u>315,988</u>	<u>341,609</u>

At the year end, and included within trade debtors was £nil (2004: £58,504) due from these related parties.

During the year the company recharged costs to related parties totalling £328,789 (2004: £128,508) and this amount is included within accrued income at the year end.

During the year, the company was invoiced for consultancy fees by these related parties totalling £54,750 (2004: £nil).

All transactions arose in the normal course of business and were on an arm's length basis.