

INVIEW INTERACTIVE LIMITED
REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

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INVIEW INTERACTIVE LIMITED

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FOR THE YEAR ENDED 30 SEPTEMBER 2008**

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INVIEW INTERACTIVE LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2008**

DIRECTORS:

K Austin
Mrs J A Austin
N Markham
S P G T Dore
M Stewart
N Johnson
J Hytner
N W Humby
D A Thatcher

SECRETARY:

Mrs J A Austin

REGISTERED OFFICE:

Meridian House
Gadbrook Park
Northwich
Cheshire
CW9 7RA

REGISTERED NUMBER:

5394629 (England and Wales)

AUDITORS:

Murray Smith LLP
Chartered Accountants
Registered Auditors
Darland House
44 Winnington Hill
Northwich
Cheshire CW8 1AU

INVIEW INTERACTIVE LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 SEPTEMBER 2008

The directors present their report with the financial statements of the company for the year ended 30 September 2008.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was the specialist development of broadcast technology for digital TV.

DIRECTORS

The directors shown below have held office during the period from 1 October 2007 to the date of this report.

K Austin	
Mrs J A Austin	
M Seaman	- resigned 16 January 2008
N Markham	
S P G T Dore	
M Stewart	- appointed 8 November 2007
N Johnson	- appointed 8 November 2007
J Hytner	- appointed 16 January 2008
N W Humby	- appointed 16 January 2008
D A Thatcher	- appointed 15 September 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these 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;
- 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

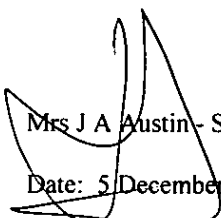
So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Murray Smith LLP, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:


Mrs J A Austin - Secretary
Date: 5 December 2008

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF INVIEW INTERACTIVE LIMITED

We have audited the financial statements of Inview Interactive Limited for the year ended 30 September 2008 on pages five to twelve. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

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 whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors 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.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 30 September 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

Continued on page 4

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
INVIEW INTERACTIVE LIMITED (Continued)**

Emphasis of matter - Going Concern

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £2,455,694 during the year ended 30 September 2008 and, at that date, the company's liabilities exceeded its total assets by £4,900,739. As referred to in note 1 to the financial statements, these conditions indicate the existence of a material uncertainty should future funding not be available.



Murray Smith LLP
Chartered Accountants
Registered Auditors
Darland House
44 Winnington Hill
Northwich
Cheshire CW8 1AU

Date: 8 December 2008

INVIEW INTERACTIVE LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2008**

	Notes	2008 £	2007 £
TURNOVER		1,122,376	452,818
Cost of sales		<u>(1,470,143)</u>	<u>(690,974)</u>
GROSS LOSS		(347,767)	(238,156)
Administrative expenses		<u>(2,098,091)</u>	<u>(1,600,066)</u>
		(2,445,858)	(1,838,222)
Other operating income		<u>76,620</u>	<u>102,118</u>
OPERATING LOSS	2	(2,369,238)	(1,736,104)
Interest receivable and similar income		<u>19,659</u>	<u>3,878</u>
		(2,349,579)	(1,732,226)
Interest payable and similar charges		<u>(106,115)</u>	<u>(43,698)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,455,694)	(1,775,924)
Tax on loss on ordinary activities	3	<u>-</u>	<u>-</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(2,455,694)	(1,775,924)
ACCUMULATED LOSS BROUGHT FORWARD		<u>(2,870,807)</u>	<u>(1,094,883)</u>
ACCUMULATED LOSS CARRIED FORWARD		<u>(5,326,501)</u>	<u>(2,870,807)</u>

The notes form part of these financial statements

INVIEW INTERACTIVE LIMITED

**BALANCE SHEET AS AT
30 SEPTEMBER 2008**

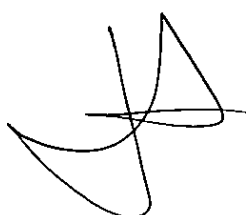
	Notes	2008 £	2007 £
FIXED ASSETS			
Intangible assets	4	-	200,025
Tangible assets	5	<u>52,673</u>	<u>52,514</u>
		52,673	252,539
CURRENT ASSETS			
Debtors	6	480,386	168,876
Cash at bank and in hand		<u>196,043</u>	<u>297,824</u>
		676,429	466,700
CREDITORS			
Amounts falling due within one year	7	<u>2,230,432</u>	<u>764,875</u>
NET CURRENT LIABILITIES		<u>(1,554,003)</u>	<u>(298,175)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(1,501,330)	(45,636)
CREDITORS			
Amounts falling due after more than one year	8	<u>3,399,409</u>	<u>2,399,409</u>
		<u>(4,900,739)</u>	<u>(2,445,045)</u>
CAPITAL AND RESERVES			
Called up share capital	11	425,762	425,762
Profit and loss account		<u>(5,326,501)</u>	<u>(2,870,807)</u>
SHAREHOLDERS' FUNDS		<u>(4,900,739)</u>	<u>(2,445,045)</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved by the Board of Directors on 5 December 2008 and were signed on its behalf by:

Mrs J A Austin - Director

K Austin - Director




The notes form part of these financial statements

INVIEW INTERACTIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements have also been prepared on the going concern basis. In adopting this, the directors consider that the company has sufficient capital to enable it to continue in business, but they recognise the inherent uncertainty if further capital is required. The financial statements do not include any adjustments that would result if further finances are required which cannot be secured.

Turnover

Turnover represents net invoiced work done and goods sold, excluding Value Added Tax.

Depreciation

Depreciation is provided for at the following annual rates in order to write off the cost of each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is shorter.

Plant and equipment	25%	straight line
Computer equipment	25%	straight line
Digital TV and computer software	33.33%	straight line

A proportion only of the annual figure is charged during the period of acquisition, the proportion being calculated on the number of months of ownership.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase commitments

Tangible fixed assets acquired under hire purchase contracts are capitalised and depreciated over their estimated useful lives. The corresponding obligations are treated in the balance sheet as liabilities. Finance charges are allocated to accounting periods on a straight line basis over the term of the contracts.

Operating leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on a straight line basis.

Pension costs

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund. The company also makes contributions to employees' personal pension schemes. The pension cost for the year represents total contributions payable by the company to the various schemes.

INVIEW INTERACTIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

2. OPERATING LOSS

The operating loss is stated after charging:

	2008	2007
	£	£
Depreciation - owned assets	17,841	9,634
Depreciation - assets held under hire purchase contracts	-	3,934
Digital TV and computer software amortisation	200,025	200,000
Auditors remuneration	5,000	4,000
Pension costs	<u>29,249</u>	<u>22,846</u>
Directors' emoluments and other benefits, etc	<u>224,528</u>	<u>199,597</u>

3. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 30 September 2008 nor for the year ended 30 September 2007.

Factors affecting the tax charge

The tax assessed for the year is higher than the small companies rate of corporation tax in the UK and the difference is explained below:

	2008	2007
	£	£
Loss on ordinary activities before tax	<u>(2,455,694)</u>	<u>(1,775,924)</u>
Loss on ordinary activities multiplied by the small companies rate of corporation tax in the UK of 20.5% (2007 - 19.5%)	(503,417)	(346,305)
Effects of:		
Permanent timing differences	(10,094)	13,014
Short term timing differences	32,706	-
Excess capital allowances over depreciation	(442)	(4,216)
Losses carried forward	<u>481,247</u>	<u>337,507</u>
Current tax charge	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

Trading losses of £5,094,396 (2007 - £2,746,849) have been carried forward to future periods. These losses have not been recognised as a deferred tax asset, as there is insufficient evidence that the asset will be recoverable against future trading profits.

INVIEW INTERACTIVE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008**

4. INTANGIBLE FIXED ASSETS

	Digital TV and computer software £
COST	
At 1 October 2007	
and 30 September 2008	<u>600,037</u>
AMORTISATION	
At 1 October 2007	400,012
Amortisation for the year	<u>200,025</u>
At 30 September 2008	<u>600,037</u>
NET BOOK VALUE	
At 30 September 2008	<u>-</u>
At 30 September 2007	<u>200,025</u>

5. TANGIBLE FIXED ASSETS

	Plant and equipment £	Computer equipment £	Total £
COST			
At 1 October 2007	4,668	57,007	61,675
Additions	<u>1,240</u>	<u>16,760</u>	<u>18,000</u>
At 30 September 2008	<u>5,908</u>	<u>73,767</u>	<u>79,675</u>
DEPRECIATION			
At 1 October 2007	684	8,477	9,161
Charge for the year	<u>1,255</u>	<u>16,586</u>	<u>17,841</u>
At 30 September 2008	<u>1,939</u>	<u>25,063</u>	<u>27,002</u>
NET BOOK VALUE			
At 30 September 2008	<u>3,969</u>	<u>48,704</u>	<u>52,673</u>
At 30 September 2007	<u>3,984</u>	<u>48,530</u>	<u>52,514</u>

INVIEW INTERACTIVE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008**

6. DEBTORS

	2008	2007
	£	£
Trade debtors	394,176	69,975
Other debtors	2,484	36,972
Prepayments	<u>83,726</u>	<u>61,929</u>
	<u>480,386</u>	<u>168,876</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade creditors	626,978	271,681
Social security and other taxes	60,779	108,563
Other creditors	516,695	-
Accruals	<u>1,025,980</u>	<u>384,631</u>
	<u>2,230,432</u>	<u>764,875</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Preference shares (note 9)	600,000	600,000
Amounts owed to group undertakings:		
- Secured loan from Top Up TV Europe Limited	-	1,799,409
Unsecured Loan Notes 2012	<u>2,799,409</u>	<u>-</u>
	<u>3,399,409</u>	<u>2,399,409</u>

9. PREFERENCE SHARES

Details of shares shown as liabilities are as follows:

Authorised, allotted, issued and fully paid:

Number	Class	Nominal value		
		£1		
600,000	Redeemable Preference Shares		<u>600,000</u>	<u>600,000</u>

10. OPERATING LEASE COMMITMENTS

The following payments are committed to be paid within one year:

Expiring:		
Within one year	<u>-</u>	<u>12,500</u>

INVIEW INTERACTIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

11. CALLED UP SHARE CAPITAL

Authorised: Number	Class	Nominal value	2008 £	2007 £
NIL (2007 - 1,400,000)	'A' Ordinary	£0.001	-	1,400
NIL (2007 - 200,000)	'B' Ordinary	£0.001	-	200
NIL (2007 - 1,324,500)	'C' Ordinary	£1	-	1,324,500
1,364,724	Ordinary	£0.001	1,365	-
1,324,735,276	Deferred	£0.001	<u>1,324,735</u>	<u>-</u>
			<u>1,326,100</u>	<u>1,326,100</u>
Allotted, issued and fully paid:				
Number	Class	Nominal value		
NIL (2007 - 641,118)	'A' Ordinary	£0.001	-	642
NIL (2007 - 170,420)	'B' Ordinary	£0.001	-	170
NIL (2007 - 424,950)	'C' Ordinary	£1	-	424,950
1,236,488	Ordinary	£0.001	1,237	-
424,525,050	Deferred	£0.001	<u>424,525</u>	<u>-</u>
			<u>425,762</u>	<u>425,762</u>

During the year the company's share capital was restructured as follows:

- each 'C' Ordinary Share of £1 was converted into 1 'A' Ordinary Share of £0.001 each and 999 Deferred Shares of £0.001 each.
- the 'A' and 'B' Ordinary Shares of £0.001 each were then reclassified as Ordinary Shares of £0.001 each.

12. ULTIMATE PARENT COMPANY

The company is controlled by Top Up TV Europe Limited which itself is a subsidiary undertaking of Access Industries LLC, a Delaware Limited Liability Company.

INVIEW INTERACTIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

13. RELATED PARTY DISCLOSURES

No single individual or entity ultimately controls the company.

As referred to in note 8, during the year the company issued £2,799,409 Unsecured Loan Notes 2012 and, in part, utilised the proceeds in repaying a loan of £1,799,409 from the parent undertaking, Top Up TV Europe Limited. This loan was secured by a fixed and floating charge over all present and future assets of the company and carried interest at LIBOR plus 1.5%. At 30 September 2007 the interest accrued was £53,796 and the parties agreed to waive payment of this.

The Loan Notes were originally subscribed for by Teletext Limited and the majority then transferred to existing shareholders as part consideration for the acquisition of Ordinary Shares. At the year end the holders of the Loan Notes included:

	Capital £	Accrued interest at 1% over Bank base rate £
Top Up TV Europe Limited	1,830,986	101,845
Teletext Limited	699,852	38,928
4TV Limited	65,705	3,655
K Austin	101,433	5,642
Mrs J A Austin	101,433	5,642
	<u>2,799,409</u>	<u>155,712</u>

During the year goods and services were supplied on normal commercial terms to/(by) connected parties as follows:

	2008 £	2007 £
Top Up TV Europe Limited	273,555	108,457
Teletext Limited	<u>(194,217)</u>	<u>-</u>

At the year end the net amounts owed to/(by) the company in respect of the above were as follows:

	2008 £	2007 £
Top Up TV Europe Limited	18,850	10,118
Teletext Limited	<u>(226,021)</u>	<u>-</u>