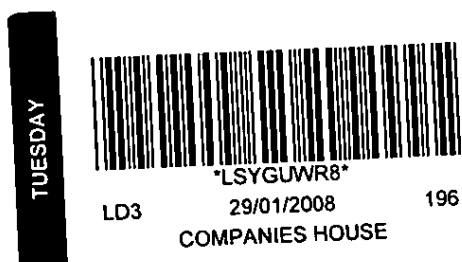


HART DAVIES TV LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2007



Company no 02704976

HART DAVIES TV LIMITED

FINANCIAL STATEMENTS

For the year ended 31 MARCH 2007

Company registration number **02704976**

Registered office **9 Savoy Street
London
WC2E 7HR**

Directors **A M Connock
G Davies
D A Hart
N Patel
S M Hodgson**

Secretary **N Patel**

Bankers **Bank of Scotland
Corporate Banking
PO Box 39900
Level 7
155 Bishopsgate
London
EC2M 3YB**

Solicitors **Reynolds Porter Chamberlain
Tower Bridge House
St Katherine's Way
London
E1W 1AA**

Auditors **Grant Thornton UK LLP
Registered Auditors
Chartered Accountants
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP**

HART DAVIES TV LIMITED

FINANCIAL STATEMENTS

For the year ended 31 MARCH 2007

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HART DAVIES TV LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the year ended 31 March 2007

Principal activity

The principal activity of the company is the production of high quality factual programming and drama documentary making

Business review

There was a loss for the year after taxation amounting to £84,940 (2006 £20,657) The directors do not recommend payment of dividends (2006 £nil)

Directors

The present membership of the Board is set out below All served on the Board throughout the year

A M Connock
G Davies
D A Hart
S M Hodgson
N Patel

A M Connock and N Patel are also directors of the ultimate parent company, Ten Alps Plc and their interests are disclosed in the financial statements of that company No other directors held any interest in the share capital of the company of any other Ten Alps plc group company at any time during the year

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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 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,
- 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

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

HART DAVIES TV LIMITED

REPORT OF THE DIRECTORS

Statement of directors' responsibilities (continued)

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial risk management objectives and policies

The company uses various financial instruments including cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The main risk arising from the company's financial instruments is liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

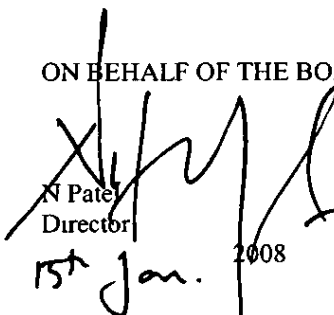
Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD


N Patel
Director
15th Jan. 2008

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF HART DAVIES TV LIMITED

We have audited the financial statements of Hart Davies TV Limited for the year ended 31 March 2007 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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, 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 Directors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
HART DAVIES 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 March 2007 and of its loss for the year then ended,
- have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements for the period ended 31 March 2007



**GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

LONDON

16 January 2008

Note The maintenance and integrity of the HART DAVIES TV LIMITED website is the responsibility of the directors the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website

Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions

HART DAVIES TV LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

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

The principal accounting policies of the company have remained unchanged from the previous year and are set out below

CASH FLOW STATEMENT

The company has taken advantage of the exemption within FRS 1 (Revised) not to prepare a cash flow statement as it is a wholly owned subsidiary undertaking and the parent company has included a consolidated cash flow statement in its financial statements

TURNOVER

Turnover (which excludes VAT) represents the value of amounts receivable from clients in respect of production costs and is recognised over the period of the production

Gross profit on production activity is recognised based upon the state of completion of the production and in accordance with the underlying contract. Gross profit from the exploitation of the programme rights is recognised when receivable

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment

Depreciation is calculated to write down the cost of all tangible fixed assets by equal annual instalments over the estimated useful economic lives. The rates generally applicable are

Fixtures and fittings	- 20% on a straight line basis
Computer equipment	- 33% on a straight line basis

DEFERRED TAXATION

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

HART DAVIES TV LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 MARCH 2007

	Note	Year ended 31 March 2007 £	4 months ended 31 March 2006 £
Turnover	1	868,150	514,867
Cost of sales		<u>(468,670)</u>	<u>(394,661)</u>
Gross profit		399,480	120,206
Administrative expenses		<u>(485,668)</u>	<u>(140,863)</u>
Loss before interest and taxation		(86,188)	(20,657)
Interest received		<u>1,248</u>	<u>-</u>
Loss on ordinary activities before taxation		(84,940)	(20,657)
Tax on loss on ordinary activities		<u>-</u>	<u>-</u>
Loss on ordinary activities after taxation		<u>(84,940)</u>	<u>(20,657)</u>

All transactions arise from continuing operations

There were no recognised gains or losses other than the loss for the financial year

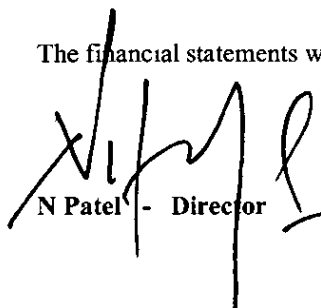
The accompanying accounting policies and notes form an integral part of these financial statements

HART DAVIES TV LIMITED

BALANCE SHEET AT 31 MARCH 2007

	Note	2007 £	2006 £
Fixed assets			
Tangible assets	3	<u>47,632</u>	<u>41,139</u>
Current assets			
Debtors	4	<u>47,346</u>	<u>77,836</u>
Cash at bank and in hand		<u>116,727</u>	<u>158,423</u>
		<u>164,074</u>	<u>236,259</u>
Creditors: amounts falling due within one year	5	<u>(257,120)</u>	<u>(237,872)</u>
Net current liabilities		<u>(93,046)</u>	<u>(1,613)</u>
Total assets less current liabilities		<u>(45,414)</u>	<u>39,526</u>
Capital and reserves			
Called up share capital	6	<u>77</u>	<u>77</u>
Profit and loss account	7	<u>(45,491)</u>	<u>39,449</u>
Shareholders' deficit		<u>(45,414)</u>	<u>39,526</u>

The financial statements were approved by the Board of Directors on 15th Jan 2008


N Patel - Director

The accompanying accounting policies and notes form an integral part of these financial statements

HART DAVIES TV LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 2007

1 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after

	Year ended 31 March 2007 £	4 months ended 31 March 2006 £
Depreciation of fixed tangible assets	18,171	4,463
Operating lease		
Land and buildings	-	7,635

The audit fee was borne by the immediate parent undertaking Ten Alps Plc

2 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows

	Year ended 31 March 2007 £	4 months ended 31 March 2006 £
Wages and salaries	320,779	139,214
Social security costs	35,762	15,555
Pension costs	27,045	9,738
	<u>383,586</u>	<u>164,507</u>

The average number of employees of the company during the year was

	Year ended 31 March 2007 Number	4 months ended 31 March 2006 Number
Management	3	3
Media	3	5
	<u>6</u>	<u>8</u>

Remuneration in respect of directors was as follows

	Year ended 31 March 2007 £
Emoluments	<u>228,592</u>

HART DAVIES TV LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 MARCH 2007

3 TANGIBLE FIXED ASSETS

	Short Leasehold land and buildings £	Fixtures and fittings £	Computer Equipment £	Total £
Cost				
At 1 April 2006	-	61,049	5,901	66,950
Additions	22,177	2,487	-	24,664
At 31 March 2007	<u>22,177</u>	<u>63,536</u>	<u>5,901</u>	<u>91,614</u>
Depreciation				
At 1 April 2006	-	20,939	4,872	25,811
Provided in the period	4,435	12,707	1,029	18,171
At 31 March 2007	<u>4,435</u>	<u>33,646</u>	<u>5,901</u>	<u>43,982</u>
Net book values				
At 31 March 2007	<u>17,742</u>	<u>29,890</u>	<u>-</u>	<u>47,632</u>
At 31 March 2006	<u>-</u>	<u>40,110</u>	<u>1,029</u>	<u>41,139</u>

4 DEBTORS

	2007 £	2006 £
Trade debtors	42,483	60,335
Other debtors	-	2,316
Prepayments and accrued income	-	10,322
Deferred tax asset	4,863	4,863
	<u>47,346</u>	<u>77,836</u>

5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Trade creditors	9,501	56,041
Amounts owed to group undertakings	134,649	-
Other taxation and social security	12,089	39,149
Accruals and deferred income	60,159	142,682
Other creditors	40,722	-
	<u>257,120</u>	<u>237,872</u>

HART DAVIES TV LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 2007

6 SHARE CAPITAL

	2007 £	2006 £
Authorised 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid 77 ordinary shares of £1 each	<u>77</u>	<u>77</u>

7 RESERVES

	Profit and loss account £
At 1 April 2006	39,449
Loss for the financial year	<u>(84,940)</u>
At 31 March 2007	<u>45,491</u>

8 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Loss for the financial year	(84,940)	(20,657)
Shareholders' funds at 1 April 2006	<u>39,526</u>	<u>60,183</u>
Shareholders' funds at 31 March 2007	<u>45,414</u>	<u>39,526</u>

9 CAPITAL COMMITMENTS

The company had no capital commitments at 31 March 2007 or 31 March 2006

10 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 2007 or 31 March 2006

HART DAVIES TV LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 MARCH 2007

11 LEASING COMMITMENTS

	2007	2006
	Land and	Land and
	buildings	buildings
	£	£
In one year or less	<u>-</u>	<u>5,726</u>

12 TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

The company has taken advantage of the exemption in Financial Reporting Standard No 8 "Related party disclosures" and has not disclosed transactions with group undertakings

There are no other related party transactions

13 ULTIMATE PARENT COMPANY

In the directors' opinion, the company's ultimate parent undertaking is Ten Alps Plc, which is incorporated in Scotland