

***WORLD WIDE ENTERTAINMENT PRODUCTION
& SALES PTY LTD***

***FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2006***

WORLD WIDE ENTERTAINMENT PRODUCTION & SALES PTY LTD
STATEMENT OF FINANCIAL PERFORMANCE
AS AT 30 JUNE 2006

	Notes	CONSOLIDATED		COMPANY	
		2006	2005	2006	2005
		\$	\$	\$	\$
REVENUE FROM ORDINARY ACTIVITIES					
Sales		6,685,040	6,243,924	6,685,040	6,243,924
Interest		-	329	-	329
Other		53,073	49,503	53,073	48,128
TOTAL REVENUE		6,738,113	6,293,756	6,738,113	6,292,381
Raw materials and consumables used					
Programming		366,648	268,857	606,693	463,500
Programme and production expenses		986,266	627,524	986,266	627,524
Employee benefits expenses		283,849	1,012,564	411,481	1,159,243
Depreciation and amortisation and provision expenses		2,286,612	2,077,071	1,925,330	1,740,595
Marketing expenses		859,260	197,206	858,240	196,579
Courier and postage expenses		643,612	635,682	643,612	635,682
Borrowing costs expenses		331,513	224,950	331,513	224,950
Other expenses from ordinary activities		369,746	230,108	369,746	228,485
		362,122	541,654	359,998	538,973
TOTAL OPERATING EXPENSES		6,489,628	5,815,616	6,492,879	5,815,531
PROFIT / (LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE					
		248,485	478,140	245,234	476,850
Income tax expense current year		(975)	(387)	-	-
PROFIT / (LOSS) FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE					
		247,510	477,753	245,234	476,850
RETAINED SURPLUS/(DEFICIT) AT BEGINNING OF YEAR					
		929,038	451,285	920,067	443,217
RETAINED SURPLUS/(DEFICIT) AT END OF YEAR					
		1,176,548	929,038	1,165,301	920,067

The above statements of financial performance should be read in conjunction with the accompanying notes.

WORLD WIDE ENTERTAINMENT PRODUCTION & SALES PTY LTD
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2006

	CONSOLIDATED		COMPANY	
	2006	2005	2006	2005
	\$	\$	\$	\$
CURRENT ASSETS				
Cash at bank	261,616	330,178	261,588	326,395
Debtors	3,826,392	2,758,659	3,808,146	2,722,347
Less Provision for doubtful debts	(620,000)	-	(620,000)	-
Prepayments	32,070	-	32,070	-
Tape stock	278,854	185,940	75,623	29,310
TOTAL CURRENT ASSETS	3,778,932	3,274,777	3,557,427	3,078,052
NON CURRENT ASSETS				
Investment	197,580	29,593	197,916	29,929
Loan subsidiary	-	-	49,146	153,167
Footage	1,361,804	993,229	357,806	293,787
Less accumulated amortisation	(740,028)	(507,021)	(123,868)	(65,903)
Deferred tax asset	293,467	148,009	176,678	69,100
Program library	6,134,006	4,067,727	6,134,006	4,067,727
Accumulated amortisation	(3,424,214)	(2,437,948)	(3,424,214)	(2,437,948)
Equipment	836,784	680,192	836,784	680,192
Accumulated amortisation	(578,149)	(406,873)	(578,149)	(406,873)
Leasehold improvement	96,650	92,682	89,546	89,546
Accumulated amortisation	(40,673)	(30,654)	(37,772)	(28,773)
TOTAL NON CURRENT ASSETS	4,137,227	2,628,936	3,677,879	2,443,951
TOTAL ASSETS	7,916,159	5,903,713	7,235,306	5,522,003
CURRENT LIABILITIES				
Bank overdraft	535,451	480,788	535,451	480,788
Creditors	887,016	614,384	460,110	412,881
Provision employee entitlements	78,294	79,064	52,231	32,594
Deferred tax liability	116,352	77,497	-	-
TOTAL CURRENT LIABILITIES	1,617,113	1,251,733	1,047,792	926,263
NON CURRENT LIABILITIES				
Provision employee entitlements	26,098	13,952	17,410	13,952
Loan directors'	3,256,953	2,340,000	3,256,953	2,340,000
Loan other	1,250,927	928,655	1,159,330	881,386
TOTAL NON CURRENT LIABILITIES	4,533,978	3,282,607	4,433,693	3,235,338
TOTAL LIABILITIES	6,151,091	4,534,340	5,481,485	4,161,601
NET ASSETS	1,765,068	1,369,373	1,753,821	1,360,402
ISSUED CAPITAL				
Issued and paid up capital (shares issued 40,001)	440,335	440,335	440,335	440,335
Asset re-valuation reserve	148,185	-	148,185	-
Retained surplus/(deficit)	1,176,548	929,038	1,165,301	920,067
TOTAL EQUITY	1,765,068	1,369,373	1,753,821	1,360,402

The above statements of financial position should be read in conjunction with the accompanying notes.

WORLD WIDE ENTERTAINMENT PRODUCTION & SALES PTY LTD
ABN 31 050 239 328

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared for use by the directors and members of the company. The directors have determined that the company is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the following Australian Accounting Standards:

AASB 101:	Presentation of Financial Statements
AASB 107:	Cash Flow Statements
AASB 108:	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 1031:	Materiality

The report is also prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

(a) Income Tax

The company adopts the liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any permanent differences.

Timing differences, which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income are brought to account either as provision for deferred income tax or as a future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond any reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation, and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the company are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(c) Foreign Currency Transactions and Balances

Foreign currency transactions during the financial year are converted to Australian currency at the rates of exchange applicable at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are converted at the rates of exchange ruling at that date.

The gains and losses from conversion of assets and liabilities, whether realised or unrealised, are included in profit from ordinary activities as they arise.

The assets and liabilities of overseas controlled entities, which are self sustaining, are translated at financial year-end rates and operating results are translated at rates ruling at the end of each month. Gains and losses arising on translation are taken directly to the foreign currency translation reserve.

Exchange differences arising on hedged transactions undertaken to hedge foreign currency exposures, other than those for the purchase and sale of goods and services, are brought to account in the profit from ordinary activities when the exchange rates change. Any material gain or loss arising at the time of entering into a hedge transaction is deferred and brought to account in the profit from ordinary activities over the lives of the hedges.

Costs or gains arising at the time of entering hedged transactions for the purchase and sale of goods and services, and exchange differences that occur up to the date of purchase or sale are deferred and included in the measurement of the purchase or sale.

Gains and losses from speculative foreign currency transactions are brought to account in the profit from ordinary activities when the exchange rates change.

(d) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

(e) Revenue

Revenue from sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue is recognised when the right to receive the revenue has been established.

All revenue is stated net of the amount of goods and services tax (GST).

(f) Impact of Adoption of Australian Equivalents to International Financial Reporting Standards

The director of the company are preparing and managing the transition to Australian Equivalent of International Financial Reporting Standards (AIFRS) effective for financial years commencing from 1 January 2005. The adoption of AIFRS will be reflected in the company's financial statements for the year ending 30 June 2006. On first time adoption of AIFRS, comparatives for the financial year ended 30 June 2005 are required to be restated. The majority of the AIFRS transitional adjustments will be made retrospectively against retained earnings at 1 July 2004.

(g) Principles of Consolidations

A controlled entity is any entity controlled by World Wide Entertainment Production & Sales Pty Ltd. Control exists where World Wide Entertainment Production & Sales Pty Ltd has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with World Wide Entertainment Production & Sales Pty Ltd to achieve the objectives of World Wide Entertainment Production & Sales Pty Ltd.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation.

Where a controlled entity has entered or left the economic entity during the year its operating results have been included from the date control was obtained or until the date control ceased.

(h) Depreciation

Depreciation is calculated on a straight line and diminishing value basis to write off the net cost of the various classes of fixed assets during their expected useful lives. Additions for the year are depreciated on a pro-rata basis from the date of purchase.

(i) Programme Library

Production costs in relation to series episodes are capitalised and amortised over a period of four years. Production costs in relation to the production of weekly programmes are expensed in the period they arise.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Footage

Footage costs are capitalised when incurred and amortised over 24 months. The exception to this is footage purchased under licence which expires at 31 December 2009. This is amortised over the period from purchase date until expiry of the licence.

The actual footage is an asset and is used in the ongoing production of programming.

(k) Receivables

Included in receivables are amounts owing to the economic entity related to withholding tax. These amounts can only be recovered by crediting against income tax payable. Accordingly, the economic entity must earn sufficient taxable income before the withholding tax receivable is recovered. The economic entity expects to generate taxable income to enable recovery of these balances.

WORLD WIDE ENTERTAINMENT PRODUCTION & SALES PTY LTD
ABN 31 050 239 328

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2006

The directors have determined that the company is not a reporting entity and that this special purpose financial statements should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 1 to 6 present fairly the company's financial position as at 30 June 2006 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as a when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Mr R W Farrow
Director

Signed at Geelong this 24th day of January 2007



WORLD WIDE ENTERTAINMENT PRODUCTION AND SALES PTY LTD

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C
OF THE CORPORATIONS ACT 2001**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2006 there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit

Signed at Geelong this 25th day of January 2007.

WHK Day Neilson

WHK Day Neilson

Ross Fraser

Ross Fraser
Principal

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
WORLD WIDE ENTERTAINMENT PRODUCTION AND SALES PTY LTD**

Scope

We have audited the attached financial report, being a special purpose financial report of World Wide Entertainment Production and Sales Pty Ltd for the year ended 30 June 2006, as set out on pages 1 to 16. The company's directors are responsible for the financial report and have determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the requirements of the *Corporations Act 2001* and are appropriate to meet the needs of the members. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of World Wide Entertainment Production and Sales Pty Ltd. No opinion is expressed as to whether the accounting policies used, and described in Note 1, are appropriate to the needs of the members.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting requirements under the company's constitution. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1, so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia.

The audit opinion expressed in this report has been formed on the above basis.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

Audit Opinion

In our opinion, the financial report of World Wide Entertainment Production and Sales Pty Ltd is in accordance with:

- (a) the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2006 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
 - (ii) complying with Accounting Standards in Australia to the extent described in Note 1 and the *Corporations Regulations 2001*; and
- (b) other mandatory professional reporting requirements to the extent described in Note 1.

Signed at Geelong this 25th day of January 2007.

WHK Day Neilson

WHK Day Neilson

Ross Fraser

Ross Fraser

Principal