

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

***FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007***

WORLD WIDE ENTERTAINMENT PRODUCTION & SALES PTY LTD
INCOME STATEMENT
AS AT 30 JUNE 2007

	Notes	CONSOLIDATED		COMPANY	
		2007	2006	2007	2006
		\$	\$	\$	\$
REVENUE FROM ORDINARY ACTIVITIES					
Sales		6,307,173	6,685,040	6,307,173	6,685,040
Interest		723	-	723	-
Other		60,238	53,073	60,238	53,073
TOTAL REVENUE		6,368,134	6,738,113	6,368,134	6,738,113
Raw materials and consumables used					
Raw materials and consumables used		314,313	366,648	656,477	606,693
Programming		1,103,359	986,266	1,103,359	986,266
Programme and production expenses		235,463	283,849	371,566	411,481
Employee benefits expenses		2,357,055	2,286,612	2,033,546	1,925,330
Depreciation and amortisation and provision expenses		498,052	859,260	230,804	858,240
Marketing expenses		652,733	643,612	652,733	643,612
Courier and postage expenses		242,513	331,513	242,513	331,513
Borrowing costs expenses		336,460	369,746	336,460	369,746
Other expenses from ordinary activities		539,456	362,122	652,943	359,998
TOTAL OPERATING EXPENSES		6,279,404	6,489,628	6,280,401	6,492,879
PROFIT / (LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE					
		88,730	248,485	87,733	245,234
Income tax expense current year		(299)	(975)	-	-
PROFIT / (LOSS) FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE					
		88,431	247,510	87,733	245,234
RETAINED SURPLUS/(DEFICIT) AT BEGINNING OF YEAR		1,176,548	929,038	1,165,301	920,067
RETAINED SURPLUS/(DEFICIT) AT END OF YEAR		1,264,979	1,176,548	1,253,034	1,165,301

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

WORLD WIDE ENTERTAINMENT PRODUCTION & SALES PTY LTD
BALANCE SHEET
AS AT 30 JUNE 2007

	CONSOLIDATED		COMPANY	
	2007	2006	2007	2006
	\$	\$	\$	\$
CURRENT ASSETS				
Cash at bank	199,510	261,616	199,508	261,588
Debtors	2,493,403	3,826,392	2,487,984	3,808,146
Less Provision for doubtful debts	-	(620,000)	-	(620,000)
Prepayments	7,318	32,070	7,318	32,070
Tape stock	261,547	278,854	72,065	75,623
TOTAL CURRENT ASSETS	2,961,778	3,778,932	2,766,875	3,557,427
NON CURRENT ASSETS				
Investment	188,600	197,580	188,936	197,916
Loan subsidiary	-	-	141,138	49,146
Footage	1,648,571	1,361,804	424,158	357,806
Less accumulated amortisation	(1,082,305)	(740,028)	(200,790)	(123,868)
Deferred tax asset	303,460	293,467	200,453	176,678
Program library	8,266,482	6,134,006	8,266,482	6,134,006
Accumulated amortisation	(4,527,573)	(3,424,214)	(4,527,573)	(3,424,214)
Equipment	527,782	836,784	525,937	836,784
Accumulated amortisation	(282,668)	(578,149)	(282,343)	(578,149)
Leasehold improvement	90,393	96,650	88,271	89,546
Accumulated amortisation	(30,585)	(40,673)	(29,251)	(37,772)
TOTAL NON CURRENT ASSETS	5,102,157	4,137,227	4,795,418	3,677,879
TOTAL ASSETS	8,063,935	7,916,159	7,562,293	7,235,306
CURRENT LIABILITIES				
Bank overdraft	580,945	535,451	580,917	535,451
Creditors	703,393	887,016	455,068	460,110
Provision employee entitlements	95,053	78,294	76,416	52,231
Deferred tax liability	102,869	116,352	-	-
TOTAL CURRENT LIABILITIES	1,482,260	1,617,113	1,112,401	1,047,792
NON CURRENT LIABILITIES				
Provision employee entitlements	26,098	26,098	17,410	17,410
Loan directors'	3,414,603	3,256,953	3,414,603	3,256,953
Loan other	1,294,284	1,250,927	1,183,133	1,159,330
TOTAL NON CURRENT LIABILITIES	4,734,985	4,533,978	4,615,146	4,433,693
TOTAL LIABILITIES	6,217,245	6,151,091	5,727,547	5,481,485
NET ASSETS	1,846,690	1,765,068	1,834,746	1,753,821
ISSUED CAPITAL				
Issued and paid up capital (shares issued 40,001)	440,335	440,335	440,335	440,335
Asset re-valuation reserve	141,376	148,185	141,376	148,185
Retained surplus/(deficit)	1,264,979	1,176,548	1,253,035	1,165,301
TOTAL EQUITY	1,846,690	1,765,068	1,834,746	1,753,821

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

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 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 2007

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 2007

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 2007. 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 six years. Production costs in relation to the production of weekly programmes are expensed in the

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

period they arise.

(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 2007

The directors have determined that the company is not a reporting entity and that these special purpose financial statements are 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 2007 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 19th day of 2007

Independent Audit Report to the members of World Wide Entertainment Production & Sales Pty Ltd

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of World Wide Entertainment Production & Sales Pty Ltd (the company), which comprises the balance sheet as at 30 June 2007, and the income statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report are appropriate to meet the financial reporting requirements of the company's constitution and are appropriate to meet the needs of the members. The directors' responsibilities also include establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the directors' financial reporting 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects the financial position of World Wide Entertainment Production & Sales Pty Ltd as of 30 June 2007 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

WHK Day Neilson

WHK Day Neilson

Ron Fraser

Ross Fraser

Geelong

19 December 2007