

B B C E N T E R P R I S E S L I M I T E D

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31ST MARCH 1991

REGISTERED NUMBER: 1420028

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BBC ENTERPRISES LTD

REPORT OF THE DIRECTORS

The directors present their report and consolidated financial statements of the group for the year ended 31st March 1991.

#### RESULTS FOR THE YEAR

The consolidated profit after taxation and minority interests for the year was £2,897,000. The Directors recommend the payment of a dividend of £670,000 leaving a balance of £2,227,000 to be transferred to reserves.

#### PRINCIPAL ACTIVITIES

The group licenses television programmes worldwide, publishes books and magazines and distributes videos, records, tapes and programme related products. The activities are organised under various operating divisions and subsidiaries as follows:

##### Programme Sales

The division is the major co-producer of BBC programmes and licenses the rights to customers throughout the world. It also distributes programmes throughout the world on behalf of the BBC and other producers.

##### Magazines

The division publishes a wide range of periodicals including Radio Times, Youth titles such as Fast Forward and Number One, Clothes Show, BBC Good Food, BBC Gardeners World and BBC Wildlife. The subsidiary Redwood Publishing produces publications for prestigious clients such as Marks and Spencer, American Express, Unisys and British Rail.

##### Consumer Product

The division produces and distributes on a worldwide basis videos, records and tapes. It also publishes books, schools materials and exploits training and business videos. Other activities include character merchandising and retail outlets.

##### Co-Productions Department

This department forms part of BBC Enterprises Ltd and is responsible for procuring co-finance and facilities for BBC television programmes on behalf of the BBC. In 1990/91 the gross value of deals (including resources and facilities) was £27.6m (1989/90 £30m) and they are accounted for within the financial statements of the BBC.

Cont'd.....

## REPORT OF THE DIRECTORS (CONT'D)

### Television Relay

BBC 1 and BBC 2 are relayed terrestrially to several European countries and BBC Europe TV transmits via satellite to most of Europe. From 91/92 the BBC Europe TV service will become part of BBC World Service TV broadcasting an enhanced service, including BBC World Service News, to an even wider audience.

### Other UK Terrestrial Broadcasting

Data transmission facilities are licensed to users on behalf of the BBC.

### INVESTMENT IN SUBSIDIARIES

The BBC Enterprises group includes a wholly owned subsidiary in the USA - BBC Lionheart TV International Inc - which is based in New York and registered in Delaware. The principal activity is the rental of television programmes and related product in the USA.

BBC Telecordiale (SARL) is a wholly owned French subsidiary through which teletext data is supplied.

Redwood Publishing Ltd is a majority owned subsidiary whose principal activity is contract publishing on behalf of blue chip clients.

BBC Subscription Television Ltd was registered on December 5th 1989 and has not yet traded. It is a wholly owned subsidiary.

World Publications Ltd is a majority owned subsidiary whose principal activity is the publication of periodicals.

Hartog Hutton Publishing Ltd, whose principal activity is the publication of periodicals, is now wholly owned following the acquisition of the remaining 49% on December 5th 1990.

The remaining 50% interest in Video World Publishing Ltd was acquired on June 13th 1990. The company publishes a fortnightly video of topical BBC television programming.

On January 31st 1991 the company acquired a 100% shareholding in Wildlife Publications Ltd the previous joint venture publisher of BBC Wildlife magazine.

### INVESTMENT IN ASSOCIATES AND OTHER INVESTMENTS

BBC Frontline Ltd is a magazine distribution company in which BBC Enterprises Ltd owns a 23% interest.

Film and Television Completions plc is involved in underwriting film and television productions and the company has a 28% interest.

## REPORT OF THE DIRECTORS (CONT'D)

BBC Audio International Ltd, in which the company has a 50% interest, was incorporated on June 14th 1990 to exploit the BBC sound archives.

Cardcast Ltd in which the company has a minority (18%) interest provides a credit/charge card authorisation service to retailers.

During the year the company entered into a joint venture arrangement with Whitbread and others through a minority (20%) interest in Twin Network Ltd. The principal activity is to develop and exploit interactive video games in public houses.

### CURRENT AND FUTURE DEVELOPMENTS

#### Overview

As expected the UK economy, on which the group depends for the majority of its revenues, went deeper into recession. Although very strong product helped to limit the effect our 90/91 result inevitably suffered - not least from the very serious downturn in advertising spend.

The investment in product and acquisitions over the past three years has achieved the planned diversification and resilience. With the expected upturn in the domestic economy and growth strategies for overseas markets this investment will produce increasing revenue and profit growth. However the acceptance by the DTI of the Sadler recommendations, and subsequent referral to the MMC, does diametrically conflict with the demands on the BBC to maximise alternatives to the licence fee as a way of funding their services.

#### Radio Times Open Market

From March 1st 1991 programme listings information was licensed to anyone who requested it and several new seven day listing publications were marketed by competitors covering all TV and most of the Radio output. It is too soon to draw firm conclusions about the size of the new market or about market share. However, Radio Times intends to remain brand leader in this field.

The majority of the licensees of BBC listings information are taking advantage of the Broadcasting Act by disputing the fee structure and referring the dispute to the Copyright Tribunal. Considerable delay is expected in the resolution of this dispute.

#### EMPLOYEES AND HEALTH AND SAFETY

During the year the company fulfilled the intention to negotiate to a position of being an employer in its own right, separate from the BBC, and will progressively determine and implement appropriate conditions of service and personnel strategies.

REPORT OF THE DIRECTORS (CONT'D)

It is company policy to make information available to employees to enable them to take a wider interest in the company and its performance. This objective is achieved through regular consultative meetings, handbooks, newspapers and noticeboards.

Employees who become unable to carry out the job for which they are employed are given individual consideration. Depending on the nature, severity and duration of the disability, individuals may be considered for alternative work, including retraining if necessary.

DIRECTORS

The directors who served during the year are:

Sir Paul Fox	(Chairman)
D E Hatch	(Vice Chairman)
C J Arnold-Baker	(Chief Executive)
M Checkland	
J F Keeble	
R Laughton	(resigned December 1990)
K S Owen	
Dr J A G Thomas	
K N Wright	
A P Howden	
N Chapman	
G Roscoe	
G Massey	(appointed March 1991)

On his retirement as Managing Director of BBC Network Television in April 1991 Sir Paul Fox also resigned as Chairman of the Company. The new Chairman will be Mr Ian Phillips, the Director of Finance of the BBC.

Mr Will Wyatt, who succeeds Sir Paul Fox as MDNTel, will become a non-executive director of the Company.

DIRECTORS' INTERESTS

No director had any interest in the share capital of the company at 1st April 1990 or 31st March 1991.

REPORT OF THE DIRECTORS ( CONT'D )

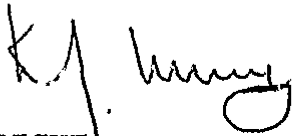
CONTRIBUTIONS FOR CHARITABLE PURPOSES

Charitable contributions amounted to £3,425 (1990: £600)

AUDITORS

A Resolution will be proposed at the forthcoming Annual General Meeting to reappoint Coopers & Lybrand Deloitte as the company's auditors.

BY ORDER OF THE BOARD



K N WRIGHT  
Director

17th June 1991

**AUDITORS' REPORT TO THE MEMBERS OF  
BBC ENTERPRISES LIMITED**

We have audited the financial statements on pages 7 to 24 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the affairs of the company and the group as at 31st March 1991 and of the profit and source and application of funds of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Coopers & Lybrand D.L. etc*

**Coopers & Lybrand Deloitte  
Chartered Accountants**

London

17th June 1991



**BBC ENTERPRISES LIMITED**

**STATEMENT OF ACCOUNTING POLICIES**

**BASIS OF ACCOUNTING**

The company and its subsidiaries prepare their financial statements on the historical cost basis of accounting and in accordance with applicable accounting standards.

**BASIS OF CONSOLIDATION**

The consolidated financial statements show the results for the year ended 31st March 1991 and the state of affairs at that date of the company and its subsidiaries.

As permitted by Section 228(7) of the Companies Act 1985 no profit and loss account has been presented for the holding company.

**TURNOVER**

Turnover represents licence fees from the distribution of joint productions, agency income from the distribution of programmes on behalf of the BBC and from other producers' titles and from the publication of magazines, books, videos, records and tapes, character merchandising, transmission, and other facilities.

**FOREIGN CURRENCY TRANSLATION**

Assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at the exchange rates ruling at that date. Any gains or losses arising on translation of the opening net assets and other exchange differences are taken to the profit and loss account.

The profit and loss accounts in the overseas subsidiaries are translated into sterling at month-end rates. Exchange differences arising on translation to year-end rates are taken directly to reserves.

**PURCHASED GOODWILL**

Goodwill arising on acquisition of subsidiary companies and unincorporated businesses has been charged against reserves in the year of acquisition.

**TANGIBLE FIXED ASSETS**

Tangible fixed assets are stated at cost, other than assets costing less than £100 which are written off in the year of acquisition. Depreciation of plant and machinery, furniture and fittings, tools and equipment is calculated to write off the cost of the assets by equal annual instalments over their estimated economic lives, at appropriate rates, between three and five years. Depreciation on buildings has been calculated on the straight line basis over an estimated life of forty years.

Cont'd...../

BBC ENTERPRISES LIMITED

STATEMENT OF ACCOUNTING POLICIES (CONT'D)

LEASED ASSETS

Finance lease rentals are capitalised at the total amount of rentals payable under the leasing agreement (excluding finance charges) and are depreciated, on a straight line basis, from the date of acquisition, over the period of their anticipated useful life of five years. Finance charges are charged over the period of the lease on a reducing balance basis in relation to the original cost. Rentals under operating leases are charged on a straight line basis over the lease term.

INVESTMENT IN PROGRAMMES FOR FUTURE SALES

Investment in programmes for future sales are stated at cost, after writing off the costs of programmes that are considered irrecoverable, less accumulated amortisation. The amortisation is charged against income over the average marketable life, which is estimated to be five years. The cost of 'Investment in Programmes for Future Sales' and accumulated amortisation have been reduced by the value of programmes over five years old.

STOCKS

Stocks comprising raw film, blank tape, video tape, records, books and paper stock and work in progress are stated at the lower of cost and net realisable value.

PENSIONS

BBC Enterprises Limited is a member of the BBC Pension Scheme and its contributions to the scheme are based on pension costs across the BBC as a whole.

The charge to the profit and loss account for pensions comprises the regular pension cost reduced by the amortisation of the scheme surplus over the average remaining service lives of employees in the scheme.

DEFERRED TAXATION

Deferred taxation has been provided at 31st March 1991 at expected applicable rates to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for taxation purposes, except to the extent that it is, in the opinion of the directors, reasonable to assume that the timing differences will not reverse in the future so as to give rise to a tax liability.

## BBC ENTERPRISES LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH 1991

	Notes	1991 £'000	1990 £'000
TURNOVER	1	197,622	183,717
Cost of sales		137,919	125,463
GROSS PROFIT		59,703	58,254
Distribution expenses		34,025	28,457
Administration and other expenses		21,605	17,628
Share of losses of associated companies		269	0
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		3,804	12,169
Net interest income	2	2,251	2,146
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	6,055	14,315
Taxation on profit on ordinary activities	5	3,261	4,999
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		2,794	9,316
Minority interests		103	11
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND MINORITY INTERESTS		2,897	9,327
Dividends		670	0
RETAINED PROFIT FOR THE YEAR	16	2,227	9,327

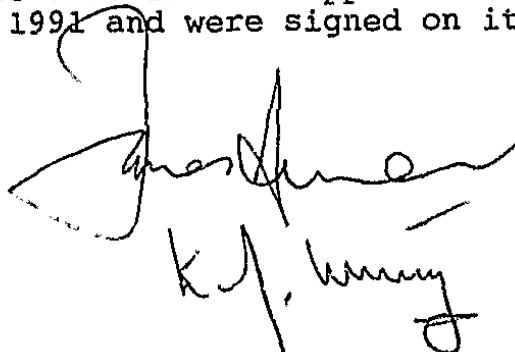
BBC ENTERPRISES LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 1991

	Notes	1991 £'000	1990 £'000
<b>FIXED ASSETS</b>			
Tangible assets	6a	8,248	7,719
Investment in programmes for future sales	7	32,259	27,129
Investment in associated companies	14	127	100
		<u>40,634</u>	<u>34,948</u>
<b>CURRENT ASSETS</b>			
Stocks	8	9,548	7,985
Debtors	9	48,162	40,110
Cash at bank and in hand		18,437	28,855
		<u>76,147</u>	<u>76,950</u>
CREDITORS: amounts falling due within one year	10	62,893	56,409
<b>NET CURRENT ASSETS</b>		<u>13,254</u>	<u>20,541</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>53,888</u>	<u>55,489</u>
CREDITORS: amounts falling due after one year			
Amount owed to BBC	21	24,400	25,000
Finance leases and other obligations		113	67
		<u>24,513</u>	<u>25,067</u>
<b>PROVISION FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	11	2,042	2,392
<b>NET ASSETS</b>		<u>27,333</u>	<u>28,030</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	250	250
Profit and loss account	16	27,347	28,000
Minority interests		(264)	(220)
		<u>27,333</u>	<u>28,030</u>

The financial statements on pages 7 to 24 were approved by the board of directors on 17th June 1991 and were signed on its behalf by:

C.J. ARNOLD-BAKER }  
                                  } DIRECTORS  
K.N. WRIGHT            }



Handwritten signatures of C.J. Arnold-Baker and K.N. Wright.

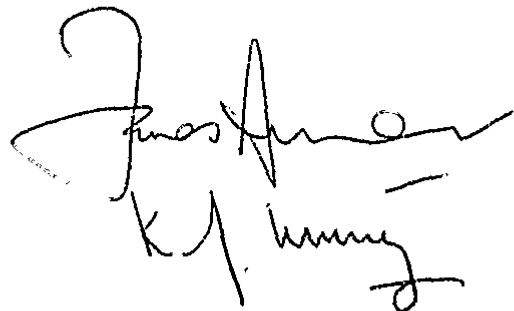
BBC ENTERPRISES LIMITED

COMPANY BALANCE SHEET AS AT 31ST MARCH 1991

	Notes	1991 £'000	1990 £'000
<b>FIXED ASSETS</b>			
Tangible assets	6b	7,645	7,058
Investment in programmes for future sales	7	28,425	26,715
Investment in subsidiary companies	13	7,637	5,143
Investment in associated companies	14	127	100
		<u>43,834</u>	<u>39,016</u>
<b>CURRENT ASSETS</b>			
Stocks	8	9,028	7,632
Debtors	9	47,322	36,558
Cash at bank and in hand		11,638	24,526
		<u>67,988</u>	<u>68,716</u>
CREDITORS: amounts falling due within one year	10	53,714	50,273
<b>NET CURRENT ASSETS</b>		<u>14,274</u>	<u>18,443</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>58,108</u>	<u>57,459</u>
CREDITORS: amounts falling due after one year			
Amount owed to BBC	21	24,400	25,000
		<u>24,400</u>	<u>25,000</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	11	2,042	2,392
<b>NET ASSETS</b>		<u>31,666</u>	<u>30,067</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	250	250
Profit and loss account	16	31,416	29,817
		<u>31,666</u>	<u>30,067</u>

The financial statements on pages 7 to 24 were approved by the board of directors on 17th June 1991 and were signed on its behalf by:

C.J. ARNOLD-BAKER ]  
K.N. WRIGHT ] DIRECTORS



## BBC ENTERPRISES LIMITED

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED 31ST MARCH 1991

SOURCE OF FUNDS	1991 £'000	1990 £'000
Consolidated profit on ordinary activities before taxation after minority interests	6,158	14,326
Adjustments for items not involving the movement of funds:		
Amounts written off investments	250	0
Minority interest in retained profits	(44)	(190)
Depreciation of tangible fixed assets	2,173	2,406
Amortisation of programmes for future sales	14,119	12,212
(Profit) on sale of fixed assets	(14)	(28)
Exchange differences taken to reserves	(167)	72
Unrealised loss/(profit) on exchange	81	(114)
Depreciation of intangible fixed assets	0	68
Funds generated from operations	<u>22,556</u>	<u>28,752</u>
Proceeds on sale of fixed assets	48	42
Obligations under finance leases falling due within one year and after one year	0	24
TOTAL SOURCE OF FUNDS	<u>22,604</u>	<u>28,818</u>
APPLICATION OF FUNDS		
Investment in associated companies and other investments	277	100
Purchase of fixed assets	2,758	2,079
Taxation paid	6,556	3,991
Investment in programmes for future sales	19,308	14,279
Purchase of goodwill on acquisition of subsidiaries	2,713	2,593
Repayment of BBC loan	600	0
TOTAL APPLICATION OF FUNDS	<u>32,212</u>	<u>23,042</u>
NET (APPLICATION)/SOURCE OF FUNDS	<u>(9,608)</u>	<u>5,776</u>

## BBC ENTERPRISES LIMITED

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED 31ST MARCH 1991 (CONT'D)THE NET SOURCE OF FUNDS IS REPRESENTED BY THE FOLLOWING  
(DECREASE)/INCREASE IN WORKING CAPITAL

	1991 £'000	1990 £'000
Increase in stocks	1,563	48
Increase in debtors	8,052	7,965
(Increase) in creditors	(5,068)	(10,266)
(Increase) in amount owed to BBC	(2,179)	(5,198)
	<u>2,368</u>	<u>(7,451)</u>
MOVEMENTS IN NET LIQUID FUNDS		
(Decrease)/increase in cash at bank and in hand	(10,418)	13,041
(Increase)/decrease in bank loans and overdrafts	(1,558)	186
	<u>(11,976)</u>	<u>13,227</u>
(DECREASE)/INCREASE IN WORKING CAPITAL	<u>(9,608)</u>	<u>5,776</u>

BBC ENTERPRISES LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH 1991

1. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1991 £'000	1990 £'000
Turnover analysed by type of business		
Television sales	48,742	45,549
Magazines and Books Publishing	112,407	105,042
Videos, Records and Tapes	32,079	26,451
Other activities	4,394	6,675
	<u>197,622</u>	<u>183,717</u>
Turnover analysed by geographical location		
UK	149,061	139,800
Rest of World	48,561	43,917
	<u>197,622</u>	<u>183,717</u>

Television sales includes licensing for standard television, cable, simultaneous relay and education and training use. Co-production contributions to the BBC are administered by BBC Enterprises Limited but not included in the above turnover figures.

The analysis of profit before taxation by class of business has not been disclosed as, in the opinion of the directors, the information would be prejudicial to the company's operations.

	1991 £'000	1990 £'000
2. NET INTEREST INCOME		
Interest receivable	2,415	2,253
Interest payable on bank loans repayable within five years	(164)	(78)
Other interest payable	0	(29)
	<u>2,251</u>	<u>2,146</u>

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:	1991 £'000	1990 £'000
Depreciation of tangible fixed assets	2,173	2,086
Hire of plant and machinery	83	43
Amounts written off investments	250	0
Amortisation of investment in programmes for future sales	14,119	12,212
Staff costs (refer note 4)	20,287	16,729
Auditors' remuneration	123	121
Operating lease rentals	1,142	545



BBC ENTERPRISES LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH 1991 (CONT'D)

4. DIRECTORS AND EMPLOYEES

	1991	1990
a) Employees	£'000	£'000
Staff costs - wages and salaries	18,383	14,555
- social security costs	1,676	1,275
- other pension costs	228	899
	<u>20,287</u>	<u>16,729</u>

Excluded from staff costs analysed above are redundancy costs of £439,000 (1990:£924,000).

The average number of persons employed by the group during the year was 993 (1990: 867).

b) Pensions

BBC Enterprises Limited is a member of the BBC Pension Scheme and its contributions to the scheme are based on pension costs across the BBC as a whole.

Most employees are members of the BBC Pension Scheme, which provides salary-related pension benefits on a defined-benefit basis. The scheme is subject to independent valuations by a professionally qualified actuary at least every three years, on the basis of which the actuary certifies the rate of employer's contribution which, together with the specified contributions payable by the employees and proceeds from the scheme's assets, are sufficient to fund the benefits payable under the scheme. The latest actuarial valuation of the scheme was as at 1st April 1990, using the attained age method.

After allowing for the cost of certain benefit improvements, the pensions charge is £228,000 which has been calculated after deducting a proportion of the scheme surplus amortised over the average remaining service life of the contributing members.

At 31st March 1991, a prepayment of £ 760,000 is included in debtors representing the excess of the amounts funded during the year over the pensions charge.

Particulars of the actuarial valuation of the BBC Pension Scheme are contained in the Annual Report & Accounts of the BBC for the year ending 31st March 1991.

BBC ENTERPRISES LTD  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH 1991 (CONT'D)

4. DIRECTORS AND EMPLOYEES (CONT'D)

c) Directors' emoluments

	1991 £'000	1990 £'000
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The remuneration paid to the directors of the parent company was:

Fees	10	10
Executive emoluments	620	487
	630	497

Fees and emoluments (excluding pension contributions) disclosed above include amounts paid to:

The chairman	10	10
The highest paid director	123	119

The number of other directors who received fees and other emoluments (excluding pension contributions) in the following ranges was:

	1991 Number	1990 Number
£ 0 - £ 5,000	5	5
£55,001 - £60,000	1	3
£60,001 - £65,000	-	2
£65,001 - £70,000	2	-
£70,001 - £75,000	1	1
£75,001 - £80,000	1	-
£80,001 - £85,000	1	-

BBC ENTERPRISES LTD  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH 1991 (CONT'D)

5. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	1991 £'000	1990 £'000
Current:		
UK Corporation tax at 34% (1990 35%)	4,193	6,400
Deferred Taxation	(1,392)	(1,452)
Double taxation relief	(179)	(412)
	<u>2,622</u>	<u>4,536</u>
Overseas taxation	564	412
	<u>3,186</u>	<u>4,948</u>
Prior year adjustment:		
Corporation tax	(967)	(1,332)
Deferred taxation	1,042	1,383
	<u>3,261</u>	<u>4,999</u>

6. FIXED ASSETS

a) Tangible Fixed Assets of the Group

	Buildings £'000	Plant & Machinery £'000	Fixtures & Fittings £'000	Total £'000
Cost:				
At 1st April 1990	5,880	4,656	3,407	13,943
Exchange Adjustment	(21)	0	(18)	(39)
Additions	10	1,802	946	2,758
Disposals	0	(48)	(58)	(106)
At 31st March 1991	<u>5,869</u>	<u>6,410</u>	<u>4,277</u>	<u>16,556</u>
Accumulated depreciation:				
At 1st April 1990	1,017	2,590	2,617	6,224
Exchange Adjustment	(6)	0	(11)	(17)
Charge for the year	242	1,103	828	2,173
Eliminated on disposal	0	(20)	(52)	(72)
At 31st March 1991	<u>1,253</u>	<u>3,673</u>	<u>3,382</u>	<u>8,308</u>
Net book value:				
At 31st March 1991	<u>4,616</u>	<u>2,737</u>	<u>895</u>	<u>8,248</u>
At 31st March 1990	<u>4,863</u>	<u>2,066</u>	<u>790</u>	<u>7,719</u>

The net book value of tangible fixed assets includes an amount of £57,223 (1990: £74,062) in respect of assets obtained under finance leases.

BBC ENTERPRISES LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH 1991 (CONT'D)

## 6. FIXED ASSETS (CONT'D)

## b) Tangible Fixed Assets of the Company

	Buildings	Plant & Machinery	Fixtures & Fittings	Total
	£'000	£'000	£'000	£'000
Cost:				
At 1st April 1990	5,394	4,618	2,698	12,710
Additions	0	1,780	676	2,456
Disposals	0	(13)	0	(13)
At 31st March 1991	<u>5,394</u>	<u>6,385</u>	<u>3,374</u>	<u>15,153</u>
Accumulated depreciation:				
At 1st April 1990	880	2,583	2,189	5,652
Charge for the year	135	1,092	642	1,869
Eliminated on disposal	0	(13)	0	(13)
At 31st March 1991	<u>1,015</u>	<u>3,662</u>	<u>2,831</u>	<u>7,508</u>
Net book value:				
At 31st March 1991	<u>4,379</u>	<u>2,723</u>	<u>543</u>	<u>7,645</u>
At 31st March 1990	<u>4,514</u>	<u>2,035</u>	<u>509</u>	<u>7,058</u>

BBC ENTERPRISES LIMITED  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH 1991 (CONT'D)

7. INVESTMENT IN PROGRAMMES FOR FUTURE SALES	Group £'000	Company £'000
Cost:		
At 1st April 1990	45,244	43,267
Exchange Adjustment	(103)	0
Additions	19,308	14,541
Written off during the year	8,269	8,269
Less: cost of programmes fully amortised as at 31st March 1991	3,074	2,129
At 31st March 1991	<u>53,106</u>	<u>47,410</u>
Amortisation:		
At 1st April 1990	18,115	16,552
Exchange Adjustment	(44)	0
Amortisation for the year	14,119	12,831
Amortisation on programmes written off during the year	8,269	8,269
Less: accumulated amortisation on programmes fully amortised as at 31st March 1991	3,074	2,129
At 31st March 1991	<u>20,847</u>	<u>18,985</u>
Net book value:		
At 31st March 1991	<u>32,259</u>	<u>28,425</u>
At 31st March 1990	<u>27,129</u>	<u>26,715</u>

The amortisation charge for the year of £14,119,000 (1990:£12,212,000) is included in cost of sales.

8. STOCKS	Group		Company	
	1991 £'000	1990 £'000	1991 £'000	1990 £'000
Raw materials and consumables	3,534	2,729	3,014	2,378
Work in progress	1,577	624	1,577	624
Finished goods and goods for resale	4,437	4,632	4,437	4,630
	<u>9,548</u>	<u>7,985</u>	<u>9,028</u>	<u>7,632</u>

BBC ENTERPRISES LIMITED  
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## 9. DEBTORS

	Group		Company	
	1991 £'000	1990 £'000	1991 £'000	1990 £'000
Trade debtors	27,301	33,474	21,372	28,904
Amounts owed by subsidiaries	0	0	6,581	1,726
Amounts owed by associates	8,530	0	8,530	0
Other debtors	2,456	656	1,773	264
Prepayments and accrued income	9,875	5,980	9,066	5,664
	<u>48,162</u>	<u>40,110</u>	<u>47,322</u>	<u>36,558</u>

Trade debtors include debtors due after more than one year of £399,994 ( 1990: £310,657)

## 10. CREDITORS: Amounts falling due within one year

	Group		Company	
	1991 £'000	1990 £'000	1991 £'000	1990 £'000
Bank loans and overdrafts	1,700	142	1,289	0
Dividends	670	0	670	0
Trade creditors	34,933	31,878	33,349	28,479
Other creditors	339	0	257	0
Amounts owed to subsidiaries	0	0	2,208	0
Social security and other taxes	259	0	151	0
Amounts owed to the BBC	12,249	10,070	8,032	10,070
Corporation tax	2,302	5,247	2,092	5,247
Accruals and deferred income	10,441	9,053	5,666	6,477
Obligations under finance leases	0	19	0	0
	<u>62,893</u>	<u>56,409</u>	<u>53,714</u>	<u>50,273</u>

BBC ENTERPRISES LIMITED  
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11. DEFERRED TAXATION (Group and Company)	£'000
At 1st April 1990	2,392
Current year credit (see note 5)	(1,392)
Prior year charge (see note 5)	1,042
At 31st March 1991	<u>2,042</u>

The full potential liability is made up as follows:

	1991 £'000	1990 £'000
Capital allowances on tangible fixed assets	545	1,305
Capital allowances on investment in programmes for future sales	1,246	1,052
Other timing differences	251	35
	<u>2,042</u>	<u>2,392</u>
12. CALLED UP SHARE CAPITAL	1991 £'000	1990 £'000
Authorised		
1,000,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
250,000 Ordinary shares of £1 each	<u>250</u>	<u>250</u>
13. INVESTMENT IN SUBSIDIARY COMPANIES		£'000
At 1st April 1990		5,143
Additions during the year		2,359
Net release of provision no longer required		135
At 31st March 1991		<u>7,637</u>

BBC ENTERPRISES LIMITED  
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13. INVESTMENT IN SUBSIDIARIES (CONT'D)

The principal subsidiaries of the company as at 31st March 1991 are:

Share- holding %	Company name	Principal activity
100	Lionheart Television International Incorporated*	US Programme Distribution
77.5	Redwood Publishing Limited	Contract Publishing
100	Hartog Hutton Publishing Limited	Publisher of Periodicals
76	World Publications Limited	Publisher of Periodicals
100	Video World Publishing Limited	International Video Marketing
100	BBC Subscription Television Limited	Not trading
100	Wildlife Publications Limited	Publisher of Periodicals
100	BBC Telecordiale (SARL)**	Teletext supplier

\* registered in Delaware, USA

\*\* incorporated in France

All of the above are incorporated in England and Wales except where otherwise indicated.

14. INVESTMENT IN ASSOCIATED COMPANIES

	Group/ Company
	£'000
At 1st April 1990	100
Additions	252
Amounts written off investments	(225)
At 31st March 1991	<u>127</u>



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14. INVESTMENT IN ASSOCIATED COMPANIES (CONT'D)

The investment in associated companies comprises a 28% interest in Film & Television Completions plc, a 23% interest in BBC Frontline Limited, a 20% interest in Twin Network Limited and a 50% interest in BBC Audio International Limited.

15. OTHER INVESTMENTS

During the year the company obtained an 18% interest in Cardcast Limited. The cost of this investment amounted to £25,000 and has been fully written off.

16. PROFIT AND LOSS ACCOUNT

	Group £'000	Company £'000
At 1st April 1990	28,000	29,817
Retained profit for the year	2,227	3,465
Exchange Adjustment	(167)	0
Write off goodwill on acquisition of subsidiaries	(2,713)	(1,866)
At 31st March 1991	27,347	31,416

Goodwill arising on acquisitions is written off to reserves in the year of acquisition. The cumulative goodwill written off brought forward is £3,731,000.

17. ACQUISITIONS TABLE

	Wildlife Publications Ltd £'000	Video World Ltd £'000	Hartog Hutton Ltd £'000	Total £'000
Acquisition cost	1,898	459	2	2,359
Net Book Value of assets/ (liabilities) acquired	32	(328)	(58)	(354)
Goodwill written off to reserves	1,866	787	60	2,713

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18. CAPITAL COMMITMENTS	1991	1990
	£'000	£'000
Contracted for but not provided for	1,792	317
Authorised but not contracted for	387	126

19. LEASE COMMITMENTS

Future minimum rental payments under non cancellable operating leases payable in the next year are as follows:

	1991	1990
	£'000	£'000
Expiring: within one year	22	0
between one and two years	18	34
between two and five years	1,091	572
after more than five years	165	165
	<u>1,296</u>	<u>771</u>

The lease commitment expiring after more than five years is in respect of land and buildings.

20. BRITISH BROADCASTING CORPORATION

The company is a wholly owned subsidiary of the British Broadcasting Corporation which is incorporated in the United Kingdom by Royal Charter. Copies of the financial statements of the British Broadcasting Corporation may be obtained from BBC Information Services, 201 Wood Lane, London, W12 7TS.

21. POST BALANCE SHEET EVENT

The company has an interest free loan of £24.4m from the BBC which is held on a 1 year notice period. In May 1991 the BBC gave notice that it wanted the loan repaid.

22. CONTINGENT LIABILITY

The contract under which the company acquired 77.5% of the issued share capital of Redwood Publishing Limited contains provisions for put options to be exercised from 1993 under which the company may be requested by the minority to acquire the remaining 22.5% of the issued share capital at open market value.