

**B B C W O R L D W I D E L I M I T E D**  
**(FORMERLY BBC ENTERPRISES LIMITED)**

**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR**  
**THE YEAR ENDED 31ST MARCH 1995**



**BBC WORLDWIDE LIMITED**  
**(FORMERLY BBC ENTERPRISES LIMITED)**

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**BBC WORLDWIDE LIMITED (FORMERLY BBC ENTERPRISES LIMITED)**

**REPORT OF THE DIRECTORS**

The directors present their report and the audited consolidated financial statements of the group for the year ended 31st March 1995.

**RESULTS FOR THE YEAR**

The consolidated profit after taxation and minority interests for the year was £13,403,000 (1994: £7,975,000) which will be added to reserves. The directors do not recommend the payment of a dividend.

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The company co-produces and subsequently licenses television programmes worldwide, publishes books and magazines, and distributes videos, tapes and programme related products. The activities are organised under various operating divisions and subsidiaries. The objective is to maximise the multiple media potential throughout the world for BBC products and to reinvest into BBC programming.

In May 1994, as a major step in the development of the BBC's international and commercial strategy, the Corporation announced the creation of BBC Worldwide as the overall structure for the management with which to establish Britain as a major player in the global media market with the BBC in the leading position. BBC Worldwide Ltd (renamed from BBC Enterprises Ltd on January 1st 1995) is the corporate and commercial heart of this strategy.

The activities of another BBC subsidiary, BBC World Service Television Ltd, will from April 1995, be integrated into BBC Worldwide Ltd and the combined operations organised into two operating divisions alongside the regionally structured BBC World Service.

The 'two-division' structure of BBC Worldwide Ltd will be focused on their respective business objectives:

**BBC Worldwide Publishing**

Responsible for the continuing growth worldwide of the existing magazines, books, videos and licensing businesses and the development of a multi-media publishing business internationally.

**BBC Worldwide Television**

Growing the existing co-production of programming with the BBC and subsequent exploitation of rights through the network of regional offices, including product licenced from the BBC. The continuing development of BBC branded channels around the world.

**BBC WORLDWIDE LIMITED (FORMERLY BBC ENTERPRISES LIMITED)**  
**REPORT OF THE DIRECTORS (CONT'D)**

Changes to investments occurring during this financial year (shown in notes 16-18 of the financial statements) were as follows:-

1. On December 31st 1994 the Company acquired the remaining 45% interest in BBC Direct Ltd making it a wholly owned subsidiary from that date.
2. On January 26th 1995 the Company invested in 75% of European Channel Broadcasting Limited and 45% of European Channel Management Limited. These new companies were established with Thames Television Ltd and Cox Programming Ltd for the marketing of two BBC branded European channels, launched during the year, BBC World and BBC Prime.
3. On February 23rd 1995 the Company disposed of its 19% interest in Twin Network Limited to Whitbread plc.
4. On March 31st 1995 the Company acquired 100% ownership of BBC World Service Television Ltd (WSTV) from the BBC. On the same day the business of WSTV was transferred from that company to BBC Worldwide Ltd.
5. On March 31st 1995 the Company acquired from the BBC its 6.7% interest in the voting share capital of The Multimedia Corporation Ltd.

**CHANGES IN FIXED ASSETS**

The movements in fixed assets during the year are set out in note 8 to the consolidated financial statements.

**EMPLOYEES AND HEALTH AND SAFETY**

The company is an employer in its own right, separate from the BBC, and will continue to determine and implement appropriate conditions of service and personnel strategies commensurate with its commercial objectives and strategies and to develop fully the potential of its staff in rapidly changing circumstances.

The group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, where possible, for retraining employees who become disabled to enable them to perform work identified as appropriate to their aptitudes and abilities.

**BBC WORLDWIDE LIMITED (FORMERLY BBC ENTERPRISES LIMITED)**  
**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.

DIRECTORS

The directors who served during the year are:

R Phillis	(Chairman)
D E Hatch	(Vice Chairman)
Dr J A G Thomas	
K S Owen	(resigned August 27th 1994)
K N Wright	
N J Chapman	
G Massey	(resigned September 30th 1994)
P S Phippen	(resigned April 11th 1995)
J Alexander	(resigned March 31st 1995)
A W Wyatt	
J G Roscoe	
A P Howden	
R J Emery	(appointed March 31st 1995)
M G Young	( " " " " )

DIRECTORS' INTERESTS

No director had any interest in the share capital of the company at 1st April 1994 or 31st March 1995. According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company or any other group company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

CONTRIBUTIONS FOR CHARITABLE PURPOSES

Charitable contributions amounted to £500 (1994: £11,104)

INSURANCE OF DIRECTORS

The group maintains insurance for BBC Worldwide Limited's directors in respect of their duties as directors.

AUDITORS

A resolution to appoint KPMG as the Company's auditors will be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD

Director



Date:

20/6/95

**BBC WORLDWIDE LIMITED (FORMERLY BBC ENTERPRISES LIMITED)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss of the group for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31st March 1995. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and the group, and to prevent and detect fraud and other irregularities.

BY ORDER OF THE BOARD

Director



Date:

25/6/95

**AUDITORS' REPORT TO THE MEMBERS  
OF BBC WORLDWIDE LIMITED (FORMERLY BBC ENTERPRISES LIMITED)**

We have audited the financial statements on pages 6 to 29 which have been prepared on the basis set out in the accounting policies on page 10.

**Respective responsibilities of directors and auditors**

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

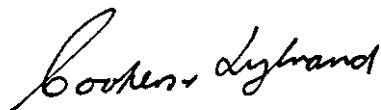
**Basis of opinion**

We conducted our audit in accordance with Auditing Standards 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 presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 March 1995 and of the profit and total recognised gains and losses of the group for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



**Coopers & Lybrand  
London  
Chartered Accountants and Registered Auditors**

Date: 21 June 1995.

**BBC WORLDWIDE LIMITED (FORMERLY BBC ENTERPRISES LIMITED)**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH 1995**

	<u>Notes</u>	<u>1995</u> £'000	<u>1994</u> £'000
TURNOVER	2	273,906	238,876
Cost of sales		<u>(160,512)</u>	<u>(145,750)</u>
GROSS PROFIT		113,394	93,126
Net operating expenses	3	<u>(93,385)</u>	<u>(76,013)</u>
OPERATING PROFIT		20,009	17,113
Income from interests in associated undertakings		1,464	681
Loss on termination of operations		<u>-</u>	<u>(3,155)</u>
		21,473	14,639
Net interest payable	4	<u>(391)</u>	<u>(1,059)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	21,082	13,580
Taxation on profit on ordinary activities	7	<u>(7,674)</u>	<u>(6,032)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		13,408	7,548
Minority interests		<u>(5)</u>	<u>427</u>
PROFIT FOR THE FINANCIAL YEAR		13,403	7,975
Dividends		<u>-</u>	<u>-</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR	19	<u>13,403</u>	<u>7,975</u>

All activities are derived from continuing operations.



**BBC WORLDWIDE LIMITED (FORMERLY BBC ENTERPRISES LIMITED)**

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 1995**

	<u>Notes</u>	<u>1995</u> £'000	<u>1994</u> £'000
<b>FIXED ASSETS</b>			
Tangible assets	8a	18,832	13,656
Investment in programmes for future sale	9	54,458	54,951
Investments in associated undertakings	17	970	10
Other investments	18	<u>1,369</u>	<u>-</u>
		<u>75,629</u>	<u>68,617</u>
<b>CURRENT ASSETS</b>			
Stocks	10	15,064	8,920
Debtors	11	71,245	56,687
Cash at bank and in hand		8,411	10,766
Investments		<u>51</u>	<u>5</u>
		94,771	76,378
CREDITORS: amounts falling due within one year	12	<u>116,863</u>	<u>79,261</u>
<b>NET CURRENT (LIABILITIES)</b>		<u>(22,092)</u>	<u>(2,883)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		53,537	65,734
CREDITORS: amounts falling due after more than one year	13	6,800	18,022
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	14	<u>1,304</u>	<u>496</u>
<b>NET ASSETS</b>		<u>45,433</u>	<u>47,216</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	250	250
Profit and loss account	19	<u>45,176</u>	<u>46,966</u>
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>		45,426	47,216
Minority interests		<u>7</u>	<u>-</u>
		<u>45,433</u>	<u>47,216</u>

The financial statements on pages 6 to 29 were approved by the board of directors on \_\_\_\_\_ and were signed on its behalf by:

 20.6.95

**R. PHILLIS  
DIRECTOR**

**BBC WORLDWIDE LIMITED (FORMERLY BBC ENTERPRISES LIMITED)**

**COMPANY BALANCE SHEET AS AT 31ST MARCH 1995**

	<u>Notes</u>	<u>1995</u> £'000	<u>1994</u> £'000
<b>FIXED ASSETS</b>			
Tangible assets	8b	17,166	12,365
Investment in programmes for future sale	9	45,748	41,015
Investments in subsidiary undertakings	16	17,679	11,671
Investments in associated undertakings	17	46	1
Other investments	18	<u>1,369</u>	<u>-</u>
		<u>82,008</u>	<u>65,052</u>
<b>CURRENT ASSETS</b>			
Stocks	10	14,099	8,412
Debtors	11	64,689	47,944
Cash at bank and in hand		<u>2,350</u>	<u>8,921</u>
		<u>81,138</u>	<u>65,277</u>
<b>CREDITORS: amounts falling due within one year</b>	12	<u>114,847</u>	<u>67,712</u>
<b>NET CURRENT (LIABILITIES)</b>		<u>(33,709)</u>	<u>(2,435)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		48,299	62,617
<b>CREDITORS: amounts falling due after one year</b>	13	6,800	18,000
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	14	1,304	496
		<u>40,195</u>	<u>44,121</u>
<b>NET ASSETS</b>		<u>40,195</u>	<u>44,121</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	250	250
Profit and loss account	19	39,945	43,871
		<u>40,195</u>	<u>44,121</u>
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>		<u>40,195</u>	<u>44,121</u>

The financial statements on pages 6 to 29 were approved by the board of directors on \_\_\_\_\_ and were signed on its behalf by:

 20.6.95

**R. PHILLIS  
DIRECTOR**

**BBC WORLDWIDE LIMITED (FORMERLY BBC ENTERPRISES LIMITED)**

**CONSOLIDATED STATEMENT OF TOTAL  
RECOGNISED GAINS AND LOSSES**

	<u>1995</u> £'000	<u>1994</u> £'000
Profit for the financial year	13,403	7,975
Other net gains and losses recognised in reserves:		
Exchange translations effect on:		
profit for the financial year	(74)	11
foreign currency net assets	(947)	117
	<hr/>	<hr/>
Total recognised gains and losses for the year	12,382	8,103
	<hr/>	<hr/>

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

Total recognised gains and losses for the year (as above)	12,382	8,103
Goodwill written off on acquisitions	(14,172)	(1,686)
Transfer of goodwill previously written off to the profit and loss account	-	3,155
	<hr/>	<hr/>
Net additions to shareholders' funds	(1,790)	9,572
Shareholders' funds at 1st April	47,216	37,644
	<hr/>	<hr/>
Shareholders' funds at 31st March	45,426	47,216
	<hr/>	<hr/>

There is no difference between the profit on ordinary activities before taxation and the retained loss for the year, and their historical cost equivalents.

**BBC WORLDWIDE LIMITED (FORMERLY BBC ENTERPRISES LIMITED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1995**

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

a) Basis of Accounting

The company and its subsidiaries prepare their financial statements in accordance with the historical cost convention.

b) Basis of Consolidation

All subsidiary and associated undertakings prepare financial statements to 31st March except for European Channel Management Limited and European Channel Broadcasting Limited whose year end is 31 December. For the purposes of the consolidated accounts interim accounts have been prepared to 31 March.

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

c) Turnover

Turnover which excludes value added tax, sales between group companies and trade discounts, represents licence fees from the distribution of joint productions, agency income and commission 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.

d) Foreign Currency Translation

Assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at the rates of exchange ruling at that date and the results of overseas subsidiaries are translated into sterling at month-end rates.

Differences on exchange arising from the re-translation of the opening net investment in subsidiary undertakings, and from the translation of the results of those undertakings at month-end rates are taken to reserves. All other foreign exchange differences are taken to the profit and loss account in the year in which they arise.

**BBC WORLDWIDE LIMITED (FORMERLY BBC ENTERPRISES LIMITED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1995 (Cont'd)**

1. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

e) Purchased goodwill

Goodwill represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired and is written off immediately against reserves. On disposal goodwill previously written off against reserves is transferred to the profit and loss account for the year.

f) 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.

g) 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 lower of the period of the lease and 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.

h) Investment in Programmes for Future Sale

Investment in programmes for future sale are stated at cost, after writing off the costs of programmes that are considered irrecoverable, less accumulated amortisation. Certain 'topical' programme genres are recognised as having a one to two year life and are amortised accordingly. Amortisation on all other programming is charged against income over the average marketable life which is estimated to be five years. The cost of 'Investment in Programmes for Future Sale' and accumulated amortisation have been reduced by the value of programmes over five years old.

**BBC WORLDWIDE LIMITED (FORMERLY BBC ENTERPRISES LIMITED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1995 (Cont'd)**

1. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

i) Stocks

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

j) Pensions

BBC Worldwide 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.

The company also operates its own defined contribution scheme.

k) Deferred Taxation

Deferred taxation has been provided at 31st March 1995 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. Provision is made only to the extent that it is, in the opinion of the directors, probable that an actual liability will crystallise.

l) Segmental Reporting

As permitted by paragraph 55 (5) schedule 4 of the Companies Act 1985 and Statement of Standard Accounting Practice 25 the group has not presented segmental information on profit before tax and net assets as, in the view of the directors, such disclosure would be seriously prejudicial to its interests.

m) Cash Flow Statement

The cash flows of the group are included in the consolidated group cash flow statement of the British Broadcasting Corporation, the ultimate parent. The group is thus exempt, under the terms of Financial Reporting Standard No. 1, from preparing a cash flow statement.

**BBC WORLDWIDE LIMITED (FORMERLY BBC ENTERPRISES LIMITED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1995 (Cont'd)**

2. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1995</u> £'000	<u>1994</u> £'000
Turnover analysed by type of business		
Television	81,100	64,031
Magazine and Book publishing	117,527	115,228
Video and Audio	51,216	44,411
Other activities	<u>24,063</u>	<u>15,206</u>
	273,906	238,876
	<hr/>	<hr/>
Turnover analysed by geographical destination (all turnover originates from within the UK)		
UK	195,686	175,586
Rest of world	<u>78,220</u>	<u>63,290</u>
	273,906	238,876
	<hr/>	<hr/>

Television sales include licensing for standard television, cable, and simultaneous relay. Co-production contributions to the British Broadcasting Corporation are administered by BBC Worldwide Limited but not included in the above turnover figures.

	<u>1995</u> £'000	<u>1994</u> £'000
3. NET OPERATING EXPENSES		
Distribution costs	65,235	51,730
Administrative expenses	<u>28,150</u>	<u>24,283</u>
	93,385	76,013
	<hr/>	<hr/>
4. NET INTEREST PAYABLE	<u>1995</u> £'000	<u>1994</u> £'000
Interest receivable	486	571
Interest payable on bank loans and overdrafts repayable by instalments within five years: BBC loan	(802)	-
Other	<u>(75)</u>	<u>(1,630)</u>
	(391)	(1,059)
	<hr/>	<hr/>

**BBC WORLDWIDE LIMITED (FORMERLY BBC ENTERPRISES LIMITED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1995 (Cont'd)**

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:	<u>1995</u> £'000	<u>1994</u> £'000
Depreciation - owned (see below)	4,594	3,421
- held under finance leases	-	33
Amortisation of programme investment for future sales	29,795	28,346
Auditors' remuneration		
- company audit fees	79	78
- subsidiaries audit fees	58	64
- other fees	118	149
Operating lease rentals - plant and machinery	952	899
- other	792	489
Amounts written off investments	-	10

Included in the depreciation charge above is £1,250,000 in respect of accelerated depreciation on a freehold property (see also note 8).

6. DIRECTORS AND EMPLOYEES	<u>1995</u> £'000	<u>1994</u> £'000
a) Employees		
Staff costs - wages and salaries	29,490	27,901
- social security costs	2,949	2,600
- other pension costs	<u>1,216</u>	<u>835</u>
	<u>33,655</u>	<u>31,336</u>

Excluded from staff costs analysed above are the following amounts in respect of redundancy costs: £1,875,000 (1994: £318,000).

The average number of persons employed by the group during the year was:

	1995	1994
	Number	Number
Television	285	250
Magazines	448	515
Consumer Products	247	211
Service Departments	202	187
	<u>1,182</u>	<u>1,163</u>



**BBC WORLDWIDE LIMITED (FORMERLY BBC ENTERPRISES LIMITED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1995 (Cont'd)**

b) Pensions

Many 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 valuation 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 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 at 1st April, 1993, using the projected unit method. The main long-term assumptions are that the annual rate of return on investments would exceed increases in earnings by 1.9% and exceed pension increases by 3.8%.

The market value of the scheme's assets at 1st April 1993 was £3,436m and the actuarial value of the assets represented 118% of the value of the benefits due to members, after allowing for expected future increases in earnings. The employer's and employees' standard contribution rates were 4½% of pensionable salary. This maintained the Scheme surplus within the parameters of the Inland Revenue guidelines.

After allowing for the cost of certain benefit improvements, the pension charge in the BBC Worldwide Limited financial statements for the year was £527,000 (1994: £605,000) after deducting a proportion of the scheme surplus amortised over the average remaining service of the contributing members.

The Company also operates its own defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £111,000 (1994: £39,302).

**BBC WORLDWIDE LIMITED (FORMERLY BBC ENTERPRISES LIMITED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1995 (Cont'd)**

6. DIRECTORS AND EMPLOYEES (CONT'D)

c) Directors' emoluments

The remuneration paid to the directors of the parent company was:	<u>1995</u> £'000	<u>1994</u> £'000
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Emoluments (including pension contributions and benefits in kind)	789	854
Compensation for loss of office	<u>640</u>	<u>-</u>
	<u>1,429</u>	<u>854</u>

Fees and emoluments (excluding pension contributions) include amounts paid to:	<u>1995</u> £'000	<u>1994</u> £'000
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The Chairman	-	-
The highest-paid director	<u>163</u>	<u>118</u>

The number of directors (including the Chairman and the highest-paid director) who received fees and other emoluments (excluding pension contributions) in the following ranges was:

	<u>1995</u> Number	<u>1994</u> Number
£ 0 - £ 5,000	7	5
£ 40,001 - £ 45,000	-	1
£ 45,001 - £ 50,000	1	-
£ 65,001 - £ 70,000	1	-
£ 80,001 - £ 85,000	-	2
£ 85,001 - £ 90,000	-	1
£ 90,001 - £ 95,000	1	-
£ 95,001 - £100,000	-	1
£100,001 - £105,000	1	1
£105,001 - £110,000	1	1
£115,001 - £120,000	1	1
£160,001 - £165,000	1	-

**BBC WORLDWIDE LIMITED (FORMERLY BBC ENTERPRISES LIMITED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1995 (Cont'd)**

7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	<u>1995</u> £'000	<u>1994</u> £'000
UK Corporation tax at 33% (1994: 33%)	4,585	5,267
Group relief payable	4,176	3,136
Deferred taxation (see note 14)	(3,517)	(3,446)
Double taxation relief	<u>(782)</u>	<u>(523)</u>
	4,462	4,434
Overseas taxation	<u>2,273</u>	<u>1,587</u>
	6,735	6,021
Share of associated undertakings' tax	388	225
Prior year adjustments:		
Corporation tax	(3,987)	144
Group relief payable	213	(2,494)
Deferred taxation (see note 14)	<u>4,325</u>	<u>2,136</u>
	<u>7,674</u>	<u>6,032</u>

**BBC WORLDWIDE LIMITED (FORMERLY BBC ENTERPRISES LIMITED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1995 (Cont'd)**

8. TANGIBLE FIXED ASSETS

a) Group

	<u>Buildings</u> £'000	<u>Plant &amp; Machinery</u> £'000	<u>Fixtures &amp; Fittings</u> £'000	<u>Total</u> £'000
<b>Cost:</b>				
At 1st April 1994	10,660	12,141	7,541	30,342
Additions	656	2,167	975	3,798
Acquisitions	-	9,538	703	10,241
Disposals	(421)	(429)	(443)	(1,293)
Exchange adjustment	(40)	-	(74)	(114)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 1995	10,855	23,417	8,702	42,974
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Accumulated depreciation:</b>				
At 1st April 1994	2,283	8,362	6,041	16,686
Charge for the year	1,678	1,835	1,081	4,594
Eliminated on disposals	(421)	(278)	(276)	(975)
Acquisitions	-	3,258	673	3,931
Exchange adjustment	(37)	-	(57)	(94)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 1995	3,503	13,177	7,462	24,142
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value:</b>				
At 31st March 1995	7,352	10,240	1,240	18,832
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 1994	8,377	3,779	1,500	13,656
	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of buildings contains the following amounts in respect of leasehold and freehold property:

	1995 £'000	1994 £'000
Short leasehold	640	171
Long leasehold	3,877	4,013
Freehold	2,835	4,193
	<hr/>	<hr/>
	7,352	8,377
	<hr/>	<hr/>

**BBC WORLDWIDE LIMITED (FORMERLY BBC ENTERPRISES LIMITED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1995 (Cont'd)**

8. TANGIBLE FIXED ASSETS (CONT'D)

b) Company

	<u>Buildings</u> £'000	<u>Plant &amp; Machinery</u> £'000	<u>Fixtures &amp; Fittings</u> £'000	<u>Total</u> £'000
<b>Cost:</b>				
At 1st April 1994	9,940	11,567	5,162	26,669
Additions	5	2,066	366	2,437
Acquisitions	-	9,538	703	10,241
Disposals	-	(403)	-	(403)
At 31st March 1995	<u>9,945</u>	<u>22,768</u>	<u>6,231</u>	<u>38,944</u>
<b>Accumulated depreciation:</b>				
At 1st April 1994	1,734	7,989	4,581	14,304
Charge for the year	1,499	1,703	595	3,797
Acquisitions	-	3,258	673	3,931
Eliminated on disposals	-	(254)	-	(254)
At 31st March 1995	<u>3,233</u>	<u>12,696</u>	<u>5,849</u>	<u>21,778</u>
<b>Net book value:</b>				
At 31st March 1995	<u>6,712</u>	<u>10,072</u>	<u>382</u>	<u>17,166</u>
At 31st March 1994	<u>8,206</u>	<u>3,578</u>	<u>581</u>	<u>12,365</u>

The net book value of buildings contains the following amounts in respect of leasehold and freehold property:

	1995 £'000	1994 £'000
Long leasehold	3,877	4,013
Freehold	2,835	4,193
	<u>6,712</u>	<u>8,206</u>

**BBC WORLDWIDE LIMITED (FORMERLY BBC ENTERPRISES LIMITED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1995 (Cont'd)**

9. INVESTMENT IN PROGRAMMES FOR FUTURE SALE	<u>Group</u> £'000	<u>Company</u> £'000
Cost:		
At 1st April 1994	107,888	77,348
Exchange Adjustment	(2,705)	-
Additions	30,535	25,001
Written off during the year	(8,875)	(8,875)
Less: cost of programmes fully amortised as at 31st March 1995	<u>(19,964)</u>	<u>(17,321)</u>
At 31st March 1995	<u>106,879</u>	<u>76,153</u>
Amortisation:		
At 1st April 1994	52,937	36,333
Exchange Adjustment	(1,472)	-
Amortisation for the year	29,795	20,268
Amortisation on programmes written off during the year	(8,875)	(8,875)
Less: accumulated amortisation on programmes fully amortised as at 31st March 1995	<u>(19,964)</u>	<u>(17,321)</u>
At 31st March 1995	<u>52,421</u>	<u>30,405</u>
Net book value:		
At 31st March 1995	<u>54,458</u>	<u>45,748</u>
At 31st March 1994	<u>54,951</u>	<u>41,015</u>

The amortisation charge for the year of £29,795,000 (1994: £28,346,000) is included in cost of sales.

10. STOCKS

	Group		Company	
	<u>1995</u> £'000	<u>1994</u> £'000	<u>1995</u> £'000	<u>1994</u> £'000
Raw materials and consumables	2,854	1,534	1,889	1,026
Work in progress	5,624	3,331	5,624	3,331
Finished goods and goods for resale	<u>6,586</u>	<u>4,055</u>	<u>6,586</u>	<u>4,055</u>
	<u>15,064</u>	<u>8,920</u>	<u>14,099</u>	<u>8,412</u>

**BBC WORLDWIDE LIMITED (FORMERLY BBC ENTERPRISES LIMITED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1995 (Cont'd)**

11. DEBTORS

	Group		Company	
	1995 £'000	1994 £'000	1995 £'000	1994 £'000
Amounts falling due within one year:				
Trade debtors	52,719	38,409	37,232	26,267
Amounts owed by subsidiary undertakings	-	-	9,727	5,202
Amounts owed by associated undertakings	9,779	8,827	10,123	8,827
Other debtors	2,686	2,808	1,799	1,322
Prepayments and accrued income	<u>5,786</u>	<u>5,896</u>	<u>5,712</u>	<u>5,712</u>
	<u>70,970</u>	<u>55,940</u>	<u>64,593</u>	<u>47,330</u>
Amounts falling due after more than one year:				
Trade debtors	<u>275</u>	<u>747</u>	<u>96</u>	<u>614</u>
	<u>275</u>	<u>747</u>	<u>96</u>	<u>614</u>
	<u>71,245</u>	<u>56,687</u>	<u>64,689</u>	<u>47,944</u>

**BBC WORLDWIDE LIMITED (FORMERLY BBC ENTERPRISES LIMITED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1995 (Cont'd)**

12. CREDITORS

Amounts falling due  
within one year:

	Group		Company	
	<u>1995</u> £'000	<u>1994</u> £'000	<u>1995</u> £'000	<u>1994</u> £'000
Trade creditors	40,786	27,289	39,592	25,928
Amounts owed to the BBC	23,700	13,134	21,009	3,420
Amounts owed to subsidiary undertakings	-	-	10,431	7,905
Amounts owed to associated undertakings	-	179	-	179
Amounts owed to fellow subsidiary undertakings	502	2,475	203	2,500
Other creditors	3,603	2,379	1,800	1,627
Corporation tax	5,036	4,044	4,631	3,664
Social security and other taxes	862	1,376	862	612
Accruals and deferred income	42,374	28,385	36,319	21,877
	<u>116,863</u>	<u>79,261</u>	<u>114,847</u>	<u>67,712</u>



**BBC WORLDWIDE LIMITED (FORMERLY BBC ENTERPRISES LIMITED)**  
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13. CREDITORS

Amounts falling due  
after more than one year:

	Group		Company	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
	£'000	£'000	£'000	£'000
Loan owed to the BBC	6,800	18,000	6,800	18,000
Other creditors	<u>-</u>	<u>22</u>	<u>-</u>	<u>-</u>
	<u>6,800</u>	<u>18,022</u>	<u>6,800</u>	<u>18,000</u>

The loan to the BBC is not repayable before April 1996 and bears interest at market rates.

14. DEFERRED TAXATION (Group and Company)	£'000	
At 1st April 1994	496	
Current year credit (see note 7)	(3,517)	
Prior year charge (see note 7)	<u>4,325</u>	
At 31st March 1995	<u>1,304</u>	
The full potential liability comprises:	<u>1995</u>	<u>1994</u>
	£'000	£'000
Capital allowances on tangible fixed assets	182	830
Capital allowances on investment in programmes for future sale	1,671	(111)
Other timing differences	<u>(549)</u>	<u>(223)</u>
	<u>1,304</u>	<u>496</u>

**BBC WORLDWIDE LIMITED (FORMERLY BBC ENTERPRISES LIMITED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1995 (Cont'd)**

15. CALLED UP SHARE CAPITAL	<u>1995</u> £'000	<u>1994</u> £'000
Authorised 1,000,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid 250,000 Ordinary shares of £1 each	<u>250</u>	<u>250</u>
16. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS (Company)		
		Shares in subsidiary undertakings £'000
Cost At 1st April 1994	14,326	
Additions (see # below)	<u>6,008</u>	
At 31st March 1995	<u>20,334</u>	
Provisions At 1st April 1994	<u>(2,655)</u>	
At 31st March 1995	<u>(2,655)</u>	
Net book value At 31st March 1995	<u>17,679</u>	
At 31st March 1994	<u>11,671</u>	

**BBC WORLDWIDE LIMITED (FORMERLY BBC ENTERPRISES LIMITED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1995 (Cont'd)**

16. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS (Company) (CONT'D)

The principal subsidiaries of the company as at 31st March 1995 are:

<u>% Interest</u>	<u>Name</u>	<u>Principal Activity</u>
100	BBC Worldwide Americas Inc*	Coproducer and distributor of television programmes and multi media exploitation
100	Woodlands Publishing Limited	Magazine publishing
100	Hartog Hutton Publishing Limited	Publisher of periodicals
100	BBC Worldwide (France) SARL**	Programme licencing and multimedia exploitation
100	BBC Enterprises (Investments) Limited	Investment company
100	BBC Worldwide (Germany) GMBH***	Programme licensing and multimedia exploitation
100	Broadcasting Data Services Limited	Publisher of listings data
100	BBC World Service Television Limited#	Non trading
100	BBC Direct Limited	Direct marketing
75	European Channel Broadcasting Limited#	Satellite broadcaster

\* registered in Delaware, USA

\*\* incorporated in France

\*\*\* incorporated in Germany

# additions in year

All of the above are incorporated in England and Wales, except where otherwise indicated, and have been included in the consolidated accounts.

**BBC WORLDWIDE LIMITED (FORMERLY BBC ENTERPRISES LIMITED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1995 (Cont'd)**

17. INVESTMENTS IN ASSOCIATED UNDERTAKINGS

<u>Group</u>	Interests in associated undertakings £'000	Net loans to associated undertakings £'000	Total £'000
Cost			
At 1st April 1994	807	-	807
Additions	45	270	315
Disposals	<u>(379)</u>	<u>-</u>	<u>(379)</u>
At 31st March 1995	<u>473</u>	<u>270</u>	<u>743</u>
Share of post acquisition reserves			
At 1st April 1994	9	-	9
Retained profits less losses	1,076	-	1,076
Dividends received	<u>(431)</u>	<u>-</u>	<u>(431)</u>
At 31st March 1995	<u>654</u>	<u>-</u>	<u>654</u>
Provisions			
At 1st April 1994	(806)	-	(806)
Provided in year	-	-	-
Disposals	<u>379</u>	<u>-</u>	<u>379</u>
At 31st March 1995	<u>(427)</u>	<u>-</u>	<u>(427)</u>
Net book value			
At 31st March 1995	<u>700</u>	<u>270</u>	<u>970</u>
At 31st March 1994	<u>10</u>	<u>-</u>	<u>10</u>
<u>Company</u>			
Cost			
At 1st April 1994	807		
Additions	45		
Disposals	<u>(379)</u>		
At 31st March 1995	<u>473</u>		
Provisions			
At 1st April 1994	(806)		
Disposals	<u>379</u>		
At 31st March 1995	<u>(427)</u>		
Net book value			
At 31st March 1995	<u>46</u>		
At 31st March 1994	<u>1</u>		

**BBC WORLDWIDE LIMITED (FORMERLY BBC ENTERPRISES LIMITED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1995 (Cont'd)**

17. INVESTMENTS IN ASSOCIATED UNDERTAKINGS (CONT'D)

The principal associates of the group as at 31st March 1995 are:

<u>% Interest</u>	<u>Name</u>	<u>Principal Activity</u>
23	Frontline Limited	Distribution of magazines.
50	Galleon Limited	Magazine subscription fulfilment management.
50	BBC Haymarket Exhibitions Limited	Organisation of trade and public exhibitions.
45	European Channel Management Limited#	Channel distribution.

(# additions in year)

All of the above are incorporated in England and Wales.

European Channel Management Limited, which commenced trading in January 1995, is regarded as an associated undertaking of BBC Worldwide Limited but the company has no obligation to provide it with financial support under the investment agreement. As a result BBC Worldwide Limited's share of start up losses for the period to 31st March 1995 (£5.2m) and net liabilities at 31st March 1995 (£5.1m) have not been consolidated within these financial statements.

18. OTHER INVESTMENTS

	<u>Group</u> £'000	<u>Company</u> £'000
Cost		
At 1st April 1994	3	-
Additions	<u>1,627</u>	<u>1,627</u>
At 31st March 1995	<u>1,630</u>	<u>1,627</u>
Provisions		
At 1st April 1994	(3)	-
Provided in year	<u>(258)</u>	<u>(258)</u>
At 31st March 1995	<u>(261)</u>	<u>(258)</u>
Net book value		
At 31st March 1995	<u>1,369</u>	<u>1,369</u>
At 31st March 1994	<u>-</u>	<u>-</u>

**BBC WORLDWIDE LIMITED (FORMERLY BBC ENTERPRISES LIMITED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1995 (Cont'd)**

18. OTHER INVESTMENTS (CONT'D)

The principal investments (all of which are unlisted) of the group are as follows:

<u>% Interest</u>	<u>Name</u>	<u>Principal Activity</u>
20	UK Gold Television Limited (see below)	Satellite broadcaster
19.9	Satellite News Corporation Limited*	Satellite broadcaster

\* addition of the company in the year

The group owns 2,999 £1 ordinary shares and one £1 special 'A' share which gives a 20% interest in UK Gold Television Limited of nominal value. In the opinion of the directors, the group is not in a position to exercise significant influence over the operating and financial policies of UK Gold, largely because of the disposition of the other shareholders and the voting arrangements, and has no requirement to provide financial support. The group's interest in UK Gold has therefore been accounted for as a trade investment.

19. PROFIT AND LOSS ACCOUNT

	<u>Group</u> £'000	<u>Company</u> £'000
At 1st April 1994	46,966	43,871
Retained profit for the year	13,403	10,246
Exchange adjustment	(1,021)	-
Goodwill written off (see below)	(14,172)	(14,172)
	<hr/>	<hr/>
At 31st March 1995	<u>45,176</u>	<u>39,945</u>

On 31st March 1995 the company acquired the business and net assets of a subsidiary, BBC World Service Television Limited, for a consideration of £6 million plus an amount equal to the liabilities of the company at that date. The assets acquired were as follows (no fair value adjustments were required):

	£'000	£'000
Fixed assets	6,311	
Investments	1,035	
Debtors	10,929	
Cash	<u>14,479</u>	
Total assets		32,754
Liabilities as at 31st March 1995		(40,926)
Cash consideration for business		<u>(6,000)</u>
Goodwill		<u>14,172</u>

For the year ended 31st March 1995 BBC World Service Television Limited incurred an operating loss of £7,419,000 (1994: loss of £5,418,000).

**BBC WORLDWIDE LIMITED (FORMERLY BBC ENTERPRISES LIMITED)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1995 (Cont'd)**

20. CAPITAL COMMITMENTS	Group		Company	
	<u>1995</u> £'000	<u>1994</u> £'000	<u>1995</u> £'000	<u>1994</u> £'000
Fixed Assets:				
Authorized but not contracted for	1,037	1,177	1,037	1,177
Programme Investments:				
Contracted for but not provided for	12,936	12,606	12,936	12,606
Authorized but not contracted for	33,464	36,782	33,464	20,182

21. LEASE COMMITMENTS

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

	<u>Land &amp; Buildings</u> <u>1995</u> £'000	<u>Plant &amp; Machinery</u> <u>1995</u> £'000	<u>Land &amp; Buildings</u> <u>1994</u> £'000	<u>Plant &amp; Machinery</u> <u>1994</u> £'000
Expiring:				
within one year	-	125	-	3
between two and five years	180	790	-	877
after more than five years	885	-	448	-
	<u>1,065</u>	<u>915</u>	<u>448</u>	<u>880</u>

22. CONTINGENT LIABILITY

The company, together with its subsidiary BBC World Service Television Limited and fellow subsidiary BBC Subscription Television Limited has entered into a group banking arrangement with Midland Bank Plc whereby the balances on the accounts of the three companies are offset. To comply with banking regulations, the three companies have provided unlimited guarantees in respect of the overdrafts and loan facilities of the other participants.

23. 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.