

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 1992

Registered Number: 1420023



EBC ENTERPRISES LIMITED

CONTENTS

	<u>PAGES</u>
REPORT OF THE DIRECTORS	1
REPORT OF THE AUDITOR	6
CONSOLIDATED PROFIT & LOSS ACCOUNT	7
CONSOLIDATED BALANCE SHEET	8
COMPANY BALANCE SHEET	9
NOTES TO THE FINANCIAL STATEMENTS	10 .

## 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 1992.

#### RESULTS FOR THE YEAR

The consolidated profit after taxation and minority interests for the year was £2,155,000 (1991: £2,897,000) which will be added to reserves. The directors do not recommend the payment of a dividend.

#### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company 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 and on 31st March 1992 the Chief Executive announced a reorganisation of the Programme Sales and Co-production divisions into two new divisions, UK Television and International division. The objective is to maximise the multimedia potential throughout the world for our major programme investments. The major operating areas are now:

##### 1. International Division

The major co-producer of BBC programmes and the provider of third party co-finance and facilities for the BBC the division is responsible for world-wide licensing and distribution of television programming including on behalf of the BBC and other producers. Its brief now includes overseas exploitation of related products such as videos and books.

##### 2. Magazines Division

The division, including its subsidiary and associate companies, publishes and distributes a wide range of magazines including Radio Times, BBC Good Food, BBC Gardeners' World, BBC Wildlife, Fast Forward. Through Redwood Publishing the division produces various contract publications for prestigious clients such as American Express, Marks and Spencer, and British Rail.

##### 3. UK Television Division

The division is responsible for relations with Cable and Satellite in the UK, for developing sponsorship of sport, music and art events, and for the world-wide marketing of sport, news and current affairs programming.

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

4. Consumer Products Division

The division invests in BBC and non-BBC products and produces and distributes videos and audio tapes for the consumer market. It also publishes books and produces educational publishing materials for schools, further education and business training. Other activities include character merchandising and retail outlets. During 1991/92 the decision was taken to close down BBC Records and the publication of the fortnightly video magazine through Video World Publishing Ltd.

5. Other Activities

Data transmission facilities are licensed on behalf of the BBC in the provision of a range of facilities and these electronic publishing activities will become part of Magazines division in 1992/93.

INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

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 and investment in television programming in the USA. Related product including videos and training products are also exploited.

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.

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

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.

Hartog Hutton Publishing Ltd is a wholly owned publisher of periodicals.

Wildlife Publications Ltd is a wholly owned subsidiary and publishes BBC Wildlife magazine monthly.

BBC Audio International Ltd is a 50% owned venture to exploit the BBC sound archives. It was incorporated on June 14th 1991.

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

On April 1st 1991 the shareholding in BBC Subscription Ltd was transferred from BBC Enterprises Ltd to BBC.

The company increased its investment into Cardcast Ltd to 26.72% during the year. Cardcast Ltd provides a credit/charge card authorisation service to retailers.

The shareholding in Twin Network Ltd, a joint venture with Whitbread and others to develop interactive games, was diluted to 17.27% when we did not take up the most recent rights issue.

**1991/92 INVESTMENTS**

On January 22nd 1992 Ealing Studios Ltd was incorporated but this company is dormant as yet.

On March 12th 1992 the company acquired 33.3% of the equity of The Sales Consortium Ltd the main business of which is theatric film distribution, trading as The Sales Company.

On March 27th 1992 a wholly owned subsidiary was incorporated called BBC Enterprises (Investments) Ltd which will be the vehicle for holding shares in associate companies on behalf of BBC Enterprises Ltd. The first acquisition was a 50% interest in BBC Haymarket Exhibitions Ltd on May 12th 1992.

**CURRENT AND FUTURE DEVELOPMENTS**

**Overview**

The trading result for 1991/92 was better than anticipated. The majority of our businesses are dependent on the UK economy which did not come out of recession during the year. An additional threat to profitability in the year was the full impact of the open market for listings magazines. This was a hard fought and sometimes bloody battle. In the event The Radio Times, 'Magazine of the Year', emerged as brand leader of a market that had contracted rather than expanded. Its objective of remaining the up market listings magazine had been achieved.

**Developments**

The company has continued to increase its investment in BBC and other producers' product despite the downturn in profit and the repayment of the BBC loan in October 1991. This funding has been replaced with a syndicated five year loan.

We shall continue to develop a network of sales offices and use the strength of the International Division to leverage overseas sales of related product. The UK revenue base will continue to be grown through expansion into niche satellite and cable channels using the strength of the BBC archives.

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

**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 has fulfilled its intention of becoming an employer in its own right, separate from the BBC, and will progressively determine and implement appropriate conditions of service and personnel strategies.

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.

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:

I Phillips	(Chairman appointed April 1991)
D E Hatch	(Vice Chairman)
C J Arnold-Baker	(Chief Executive)
Sir Michael Checkland	
J F Keeble	
K S Owen	
Dr J A G Thomas	
K N Wright	
A P Howden	
N J Chapman	
G Roscoe	
G Massey	
Sir Paul Fox	(Chairman resigned April 1991)
W Wyatt	(appointed May 1991)

**DIRECTORS' INTERESTS**

No director had any interest in the share capital of the company at 1st April 1991 or 31st March 1992.

**CONTRIBUTIONS FOR CHARITABLE PURPOSES**

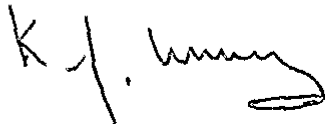
Charitable contributions amounted to £4,470 (1991: £3,425)

**BEC ENTERPRISES LIMITED**  
**REPORT OF THE DIRECTORS (CONT'D)**

**AUDITOR**

A resolution will be proposed at the forthcoming Annual General Meeting to reappoint Coopers & Lybrand as the company's auditor. Until 1st June 1992 the Firm practised in the name of Coopers and Lybrand Deloitte.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'K N Wright', with a stylized flourish at the end.

**K N WRIGHT**  
**Director**  
**16th June 1992**

**REPORT OF THE AUDITOR 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 affairs of the group and company at 31st March 1992 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Coopers & Lybrand  
Chartered Accountants and Registered Auditor**

**London**

**16th June 1992**



**BBC ENTERPRISES LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH 1992**

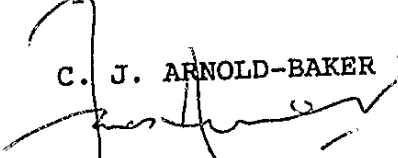
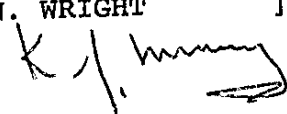
	<u>Notes</u>	<u>1992</u> £'000	<u>1991</u> £'000
TURNOVER	2	180,069	197,522
Cost of sales		<u>115,547</u>	<u>137,919</u>
GROSS PROFIT		64,522	59,703
Other operating expenses	3	59,179	55,630
Loss from interest in associated undertakings		<u>-</u>	<u>259</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		5,343	3,804
Net interest income	4	29	2,251
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	<u>5,372</u>	<u>6,055</u>
Taxation on profit on ordinary activities	7	<u>2,876</u>	<u>3,261</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		2,496	2,794
Minority interests		<u>341</u>	<u>103</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND MINORITY INTERESTS		2,155	2,897
Dividends		-	670
RETAINED PROFIT FOR THE YEAR	18	<u>2,155</u>	<u>2,227</u>

**BBC ENTERPRISES LIMITED**

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 1992**

	<u>Notes</u>	<u>1992</u> £'000	<u>1991</u> £'000
<b>FIXED ASSETS</b>			
Tangible assets	8a	11,914	8,248
Investment in programmes for future sale	9	39,461	32,259
Investments in associated undertakings	17	<u>1</u>	<u>127</u>
		<u>51,376</u>	<u>40,634</u>
<b>CURRENT ASSETS</b>			
Stocks	10	7,247	9,548
Debtors	11	46,696	48,162
Cash at bank and in hand		<u>4,073</u>	<u>18,437</u>
		58,016	76,147
 CREDITORS: amounts falling due within one year	 12	 52,856	 62,893
		<u>5,160</u>	<u>13,254</u>
<b>NET CURRENT ASSETS</b>			
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>56,536</b>	<b>53,888</b>
 CREDITORS: amounts falling due after one year	 13	 24,048	 24,513
 PROVISIONS FOR LIABILITIES AND CHARGES Deferred taxation	 14	 2,636	 2,042
		<u>29,852</u>	<u>27,333</u>
<b>NET ASSETS</b>			
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	250	250
Profit and loss account	18	29,525	27,347
Minority interests		<u>77</u>	<u>(264)</u>
		<u>29,852</u>	<u>27,333</u>

The financial statements on pages 7 to 24 were approved by the board of directors on 16th June 1992 and were signed on its behalf by:

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


BBC ENTERPRISES LIMITED

COMPANY BALANCE SHEET AS AT 31ST MARCH 1992

	<u>Notes</u>	<u>1992</u> £'000	<u>1991</u> £'000
<b>FIXED ASSETS</b>			
Tangible assets	8b	11,155	7,645
Investment in programmes for future sale	9	34,834	28,425
Investments in subsidiary undertakings	16	8,585	7,637
Investments in associated undertakings	17	<u>1</u>	<u>127</u>
		<u>54,575</u>	<u>43,834</u>
<b>CURRENT ASSETS</b>			
Stocks	10	6,277	9,028
Debtors	11	42,525	47,322
Cash at bank and in hand		<u>619</u>	<u>11,638</u>
		49,421	67,988
CREDITORS: amounts falling due within one year	12	<u>45,096</u>	<u>53,714</u>
<b>NET CURRENT ASSETS</b>		<u>4,325</u>	<u>14,274</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		58,900	58,108
CREDITORS: amounts falling due after one year	13	24,000	24,400
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	14	2,636	2,042
		<u>32,264</u>	<u>31,666</u>
<b>NET ASSETS</b>		=====	=====
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	250	250
Profit and loss account	18	32,014	31,416
		<u>32,264</u>	<u>31,666</u>
		=====	=====

The financial statements on pages 7 to 24 were approved by the board of directors on 16th June 1992 and were signed on its behalf by:

C. J. ARNOLD-BAKER ]

] DIRECTORS

K. N. WRIGHT ]

**BBC ENTERPRISES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1992**

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

The consolidated financial statements show the results for the year ended 31st March 1992 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.

c) Turnover

Turnover 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 retranslation 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.

e) Purchased goodwill

Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Goodwill arising on the acquisition of subsidiary and associate undertakings is written off immediately against reserves.

**BBC ENTERPRISES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1992 (CONT'D)**

1. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

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 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. 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 Sale' and accumulated amortisation have been reduced by the value of programmes over five years old.

i) 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.

j) 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.

BBC ENTERPRISES LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 1992 (CONT'D)

1. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

k) Deferred Taxation

Deferred taxation has been provided at 31st March 1992 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 crystallise in the future so as to give rise to a tax liability.

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.

2. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1992</u> £'000	<u>1991</u> £'000
Turnover analysed by type of business		
Television sales	47,904	48,742
Magazines and books publishing	94,233	112,407
Videos, records and tapes	32,375	32,079
Other activities	<u>5,557</u>	<u>4,394</u>
	180,069	197,622
	=====	=====
Turnover analysed by geographical destination (all turnover originates from within the UK)		
UK	134,008	149,061
Rest of world	<u>46,061</u>	<u>48,561</u>
	180,069	197,622
	=====	=====

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

BEC ENTERPRISES LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 1992 (CONT'D)

	<u>1992</u> £'000	<u>1991</u> £'000
<b>3. OTHER OPERATING EXPENSES</b>		
Distribution costs	41,121	34,025
Administrative expenses	18,058	21,605
	<hr/>	<hr/>
	59,179	55,630
	=====	=====
	 <u>1992</u> £'000	 <u>1991</u> £'000
<b>4. NET INTEREST INCOME</b>		
Interest receivable	1,370	2,415
Interest payable on bank loans and overdrafts repayable by instalments within five years	(1,341)	(164)
	<hr/>	<hr/>
	29	2,251
	=====	=====
<b>5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		
Profit on ordinary activities before taxation is stated after crediting:	<u>1992</u> £'000	<u>1991</u> £'000
Release of prior year provisions	3,800	-
and charging:		
Depreciation	2,399	2,113
Amortisation of programme investment for future sales	14,598	14,119
Auditor remuneration - company	62	66
- subsidiaries	54	57
Operating lease rentals	1,617	1,142
Hire of plant and machinery	95	83
Amounts written off investments	208	250
Litigation and MMC defence fees	2,300	-
	<hr/>	<hr/>
<b>6. DIRECTORS AND EMPLOYEES</b>	<u>1992</u> £'000	<u>1991</u> £'000
a) Employees		
Staff costs - wages and salaries	20,644	18,383
- social security costs	2,049	1,676
- other pension costs	430	228
	<hr/>	<hr/>
	23,123	20,287
	=====	=====

Excluded from staff costs analysed above are the following amounts in respect of redundancy costs: £627,000 (1991: £439,000).

BBC ENTERPRISES LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 1992 (CONT'D)

6. DIRECTORS AND EMPLOYEES (CONT'D)

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

	1992 Number	1991 Number
Programme Sales	215	222
Magazines	445	361
Consumer Products	200	197
Service Departments	180	184
Other	21	29
	-----	-----
	1,061	993
	=====	=====

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 1 April 1990, using the attained age method.

After allowing for the cost of certain benefit improvements, the pensions charge is £430,000 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 1992, a prepayment of £1,102,000 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 1992.



BEC ENTERPRISES LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 1992 (CONT'D)

6. DIRECTORS AND EMPLOYEES (CONT'D)

c) Directors' emoluments

The remuneration paid to the directors of the parent company was:

	<u>1992</u> £'000	<u>1991</u> £'000
Fees	-	10
Other emoluments (including pension contributions and benefits in kind)	<u>673</u>	<u>620</u>
	673	630
	=====	=====

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

	<u>1992</u> £'000	<u>1991</u> £'000
The Chairman	-	10
The highest-paid director	128	123

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>1992</u> Number	<u>1991</u> Number
£ 0 - £ 5,000	7	5
£ 55,001 - £ 60,000	-	1
£ 65,001 - £ 70,000	1	2
£ 70,001 - £ 75,000	1	1
£ 75,001 - £ 80,000	-	1
£ 80,001 - £ 85,000	3	1
£ 95,001 - £100,000	1	-
£125,001 - £135,000	1	-

7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	<u>1992</u> £'000	<u>1991</u> £'000
Current:		
UK Corporation tax at 33% (1991: 34%)	364	4,193
Group relief payable	2,350	-
Deferred taxation (see note 14)	(818)	(1,392)
Double taxation relief	<u>(365)</u>	<u>(179)</u>
	1,531	2,622
Overseas taxation	<u>866</u>	<u>564</u>
	2,397	3,186
Prior year adjustment:		
Corporation tax	(975)	(967)
Group relief payable	42	-
Deferred taxation (see note 14)	<u>1,412</u>	<u>1,042</u>
	2,876	3,261
	=====	=====

**BEC ENTERPRISES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1992 (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 1991	5,869	6,410	4,277	16,556
Additions	3,779	1,630	1,015	6,424
Disposals	-	(435)	(298)	(733)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 1992	9,648	7,605	4,994	22,247
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Accumulated depreciation:</b>				
At 1st April 1991	1,253	3,673	3,382	8,308
Charge for the year	299	1,389	712	2,400
Eliminated on disposals	-	(163)	(212)	(375)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 1992	1,552	4,899	3,882	10,333
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Net book value:</b>				
At 31st March 1992	8,096	2,706	1,112	11,914
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31st March 1991	4,616	2,737	895	8,248
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The net book value of plant & machinery includes an amount of £49,070 (1991: £57,223) in respect of assets obtained under finance leases.

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

	1992 £	1991 £
Short leasehold	163	237
Long leasehold	4,278	4,379
Freehold assets in the course of construction	3,655	-
	<hr/>	<hr/>
	8,096	4,616
	<hr/> <hr/>	<hr/> <hr/>

**BEC ENTERPRISES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1992 (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
Cost:				
At 1st April 1991	5,394	6,385	3,374	15,153
Additions	3,778	1,638	568	5,984
Disposals	-	(419)	(134)	(553)
	<u>9,172</u>	<u>7,604</u>	<u>3,808</u>	<u>20,584</u>
At 31st March 1992	=====	=====	=====	=====
Accumulated depreciation:				
At 1st April 1991	1,015	3,662	2,831	7,508
Charge for the year	224	1,392	528	2,144
Eliminated on disposals	-	(154)	(69)	(223)
	<u>1,239</u>	<u>4,900</u>	<u>3,290</u>	<u>9,429</u>
At 31st March 1992	=====	=====	=====	=====
Net book value:				
At 31st March 1992	<u>7,933</u>	<u>2,704</u>	<u>518</u>	<u>11,155</u>
	=====	=====	=====	=====
At 31st March 1991	<u>4,379</u>	<u>2,723</u>	<u>543</u>	<u>7,645</u>
	=====	=====	=====	=====

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

	1992 £	1991 £
Long leasehold	4,278	4,379
Freehold assets in the course of construction	3,655	-
	<u>7,933</u>	<u>4,379</u>
	=====	=====

**BEC ENTERPRISES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1992 (CONT'D)**

9. INVESTMENT IN PROGRAMMES FOR FUTURE SALE	<u>Group</u> £'000	<u>Company</u> £'000
Cost:		
At 1st April 1991	53,106	47,410
Exchange Adjustment	11	0
Additions	21,798	18,240
Written off during the year	(3,045)	(3,045)
Less: cost of programmes fully amortised as at 31st March 1992	<u>(2,138)</u>	<u>(1,266)</u>
At 31st March 1992	<u>69,732</u>	<u>61,339</u>
Amortisation:		
At 1st April 1991	20,847	18,985
Exchange Adjustment	4	0
Amortisation for the year	14,598	11,826
Amortisation on programmes written off during the year	(3,040)	(3,040)
Less: accumulated amortisation on programmes fully amortised as at 31st March 1992	<u>(2,138)</u>	<u>(1,266)</u>
At 31st March 1992	<u>30,271</u>	<u>26,505</u>
Net book value:		
At 31st March 1992	<u>39,461</u>	<u>34,834</u>
At 31st March 1991	<u>32,259</u>	<u>28,425</u>

The amortisation charge for the year of £14,598,000 (1991: £14,119,000) is included in cost of sales.

10. STOCKS

	Group		Company	
	<u>1992</u> £'000	<u>1991</u> £'000	<u>1992</u> £'000	<u>1991</u> £'000
Raw materials and consumables	2,467	3,534	1,497	3,014
Work in progress	1,640	1,577	1,640	1,577
Finished goods and goods for resale	<u>3,140</u>	<u>4,437</u>	<u>3,140</u>	<u>4,437</u>
	<u>7,247</u>	<u>9,548</u>	<u>6,277</u>	<u>9,028</u>

**BBC ENTERPRISES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1992 (CONT'D)**

11. DEBTORS

	Group		Company	
	<u>1992</u> £'000	<u>1991</u> £'000	<u>1992</u> £'000	<u>1991</u> £'000
Amounts falling due within one year:				
Trade debtors	27,047	26,901	21,421	20,972
Amounts owed by subsidiary undertakings	-	-	4,053	6,581
Amounts owed by associate undertakings	7,169	8,530	7,169	8,530
Other debtors	1,919	2,456	509	1,773
Prepayments and accrued income	<u>9,785</u>	<u>9,875</u>	<u>8,747</u>	<u>9,066</u>
	<u>45,920</u> =====	<u>47,762</u> =====	<u>41,899</u> =====	<u>46,922</u> =====
Amounts falling due after more than one year:				
Trade debtors	<u>776</u>	<u>400</u>	<u>626</u>	<u>400</u>
	<u>776</u> =====	<u>400</u> =====	<u>626</u> =====	<u>400</u> =====
	<u>46,696</u> =====	<u>48,162</u> =====	<u>42,525</u> =====	<u>47,322</u> =====

BEC ENTERPRISES LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 1992 (CONT'D)

12. CREDITORS

Amounts falling due  
within one year:

	Group		Company	
	<u>1992</u> £'000	<u>1991</u> £'000	<u>1992</u> £'000	<u>1991</u> £'000
Bank loans and overdrafts	875	1,700	-	1,289
Trade creditors	27,320	34,933	25,362	33,349
Amounts owed to the BBC	6,707	12,249	4,205	8,032
Corporation tax	-	2,302	-	2,092
Accruals and deferred income	12,810	10,441	8,615	5,666
Dividends	-	670	-	670
Other creditors	824	339	794	257
Social security and other taxes	221	259	14	151
Amounts owed to subsidiary undertakings	-	-	2,061	2,208
Amounts owed to fellow subsidiary undertakings	4,099	-	4,045	-
	<u>52,856</u> =====	<u>62,893</u> =====	<u>45,096</u> =====	<u>53,714</u> =====

**BEC ENTERPRISES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1992 (CONT'D)**

**13. CREDITORS**

Amounts falling due  
after more than one year:

	Group		Company	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
Bank loan repayable within five years by instalments	24,000	-	24,000	-
Obligations under finance leases	33	113	-	-
Amounts owed to the BBC	-	24,400	-	24,400
Other creditors	<u>15</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>24,048</u>	<u>24,513</u>	<u>24,000</u>	<u>24,400</u>
	=====	=====	=====	=====

During the financial year the group repaid its loan from the BBC of £24,400,000 and replaced this with a 5 year syndicated facility placed with UK commercial banks. The loan is guaranteed by the BBC.

14. DEFERRED TAXATION (Group and Company)	£'000	
At 1st April 1991	2,042	
Current year credit (see note 7)	(818)	
Prior year charge (see note 7)	<u>1,412</u>	
At 31st March 1992	2,636	
	=====	
The full potential liability comprises:	<u>1992</u>	<u>1991</u>
	£'000	£'000
Capital allowances on tangible fixed assets	502	545
Capital allowances on investment in programmes for future sale	1,706	1,246
Other timing differences	<u>428</u>	<u>251</u>
	<u>2,636</u>	<u>2,042</u>
	=====	=====

BBC ENTERPRISES LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 1992 (CONT'D)

15. CALLED UP SHARE CAPITAL	<u>1992</u>	<u>1991</u>
	£'000	£'000
Authorized		
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	250	250
	=====	=====
16. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS (Company)		£'000
At 1st April 1991		7,637
Release of provision against investments		948
		-----
At 31st March 1992		8,585
		=====

The principal subsidiaries of the company as at 31st March 1992 are:

<u>% Interest</u>	<u>Name</u>	<u>Principal Activity</u>
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	Ceased trading during the year
100	Wildlife Publications Limited	Dormant
100	BBC Telecordiale SARL**	Teletext supplier
100	Ealing Studios Limited	Dormant
100	BBC Enterprises (Investments) Limited	Investment company

\* registered in Delaware, USA

\*\* incorporated in France

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



**BBC ENTERPRISES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 1992 (CONT'D)**

16. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS (CONT'D)

On 1st April 1991 the company transferred its 100% interest in BBC Subscription Television Limited to the British Broadcasting Corporation for the sum of £2. No goodwill, profit, or loss arose on the transfer.

17. INVESTMENTS IN ASSOCIATED UNDERTAKINGS

	Group/ Company £'000
At 1st April 1991	127
Additions	82
Less: provisions against investments	<u>(208)</u>
	<u>1</u>

The investments in associated undertakings comprises a 28% interest in Film & Television Completions plc, a 23% interest in BBC Frontline Limited, a 26.72% interest in Cardcast Ltd, a 50% interest in BBC Audio International Limited and a 33.3% interest in The Sales Consortium Limited.

The company also has a significant interest of 17.27% in Twin Network Limited.

All of the above companies are registered in England and Wales.

18. PROFIT AND LOSS ACCOUNT

	<u>Group</u> £'000	<u>Company</u> £'000
At 1st April 1991	27,347	31,416
Retained profit for the year	2,155	561
Exchange adjustment	23	-
Goodwill adjustment	-	37
	<u>29,525</u>	<u>32,014</u>
At 31st March 1992	=====	=====

Goodwill arising on acquisitions is written off to reserves in the year of acquisition. The cumulative goodwill written off brought forward is £6,254,000.

19. CAPITAL COMMITMENTS

	<u>1992</u> £'000	<u>1991</u> £'000
Fixed Assets:		
Contracted for but not provided for	-	1,792
Authorised but not contracted for	1,266	387

BBC ENTERPRISES LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 1992

19. CAPITAL COMMITMENTS (CONT'D)	<u>1992</u> <u>£'000</u>	<u>1991</u> <u>£'000</u>
Programme Investments:		
Contracted for but not provided for	2,915	2,520
Authorised but not contracted for	17,000	14,100

20. LEASE COMMITMENTS

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

	<u>1992</u> <u>£'000</u>	<u>1991</u> <u>£'000</u>
Expiring: within one year	41	22
between one and two years	33	18
between two and five years	879	1,091
after more than five years	383	165
	<hr/>	<hr/>
	1,336	1,296
	<hr/>	<hr/>

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

21. 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.

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.