

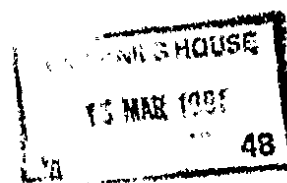
B B C E N T E R P R I S E S L I M I T E D

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31ST MARCH 1990

Coopers
& Lybrand
Deloitte

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BBC ENTERPRISES LIMITEDREPORT OF THE DIRECTORS

The directors present their report and consolidated financial statements of the group for the year ended 31st March 1990.

RESULTS FOR THE YEAR

The consolidated profit after taxation and minority interests for the year was £9,327,000 which will be added to the 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, records, tapes and programme related products. The activities are organised under various operating divisions and subsidiaries as follows:

Programme Sales

The division is a 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 periodicals in the UK including the Radio Times, BBC Wildlife, Fast Forward and BBC Good Food.

Consumer Products

The division manufactures 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.

Television Relay

BBC 1 and Two are relayed terrestrially to several European Countries and BBC Europe transmits via satellite to most European Countries.

Transmission Capacity

Data transmission facilities are licensed on behalf of the BBC and in 1990 BBC Subscription Television Limited was formed to exploit the night time hours available on both channels.

REPORT OF THE DIRECTORS (CONT'D)

FUTURE DEVELOPMENTS

BBC Enterprises Limited publishes the Radio Times which currently provides the only full week's listing of BBC Television and Radio programmes. The Broadcasting Bill, which completed its Report stage on 10th May 1990, now contains provisions requiring programme service providers to make information about programmes available to anyone wishing to publish in the UK.

As a programme service provider the BBC remains the owner of the copyright in all circumstances and it is entitled to a fee for the provision of programme information. In general the fee should be agreed between the programme service provider and the publisher. However, in the event of a dispute the publisher's offer initially prevails and application must be made to the Copyright Tribunal to settle the dispute.

Any fees payable to the BBC must be paid over, less administration costs, to BBC Enterprises Limited as assignee.

POST BALANCE SHEET EVENT

On 12th April 1990 the group acquired the publishing rights to the title No. 1 magazine. The purchased goodwill generated on this acquisition has been charged directly to reserves in the current year.

SUBSIDIARIES

The group includes a wholly owned subsidiary in the USA, Lionheart Television International Incorporated, whose principal activity is the distribution of television programmes in the USA. There is also a wholly owned French subsidiary BBC Telecordiale (SARL) through which teletext data is supplied. Redwood Publishing Limited is a majority owned subsidiary whose principal activity is contract publishing. Video World Publishing Limited is an associated company with Lloyds of London Press which markets a fortnightly video magazine featuring topical BBC Television output. Since the balance sheet date the remaining 50% shareholding in the company has been acquired.

During this financial year the following acquisitions took place:

On 16th October 1989 the company acquired a 51% shareholding in Hartog Hutton Publishing Limited whose principal activity is the publishing of periodicals.

On 12th January 1990 the company incorporated a wholly owned subsidiary BBC Subscription Television Limited whose principal activity will be to exploit the night time hours on BBC transmitters.

On 2nd February 1990 the company acquired a 23% shareholding in Frontline Limited (now BBC Frontline Limited) - a magazine distribution company.

REPORT OF THE DIRECTORS (CONT'D)

On 9th February 1990 the company acquired 76% of the shareholding of Hyde Park Publications Limited, renamed World Publications Limited, whose principal activity is the publication of periodicals.

On 9th March 1990 the company acquired a minority shareholding in Film & Television Completions plc whose principal activity is underwriting film and television productions.

CO-PRODUCTIONS DEPARTMENT

This department forms part of BBC Enterprises Limited and is responsible for procuring co-finance and facilities for BBC television programmes and administering approved co-production deals on behalf of the BBC. In 1989/90 the gross value of deals (including resources and facilities) was £30m (1988/89 £20.5m) and they are accounted for within the financial statements of the BBC.

EMPLOYEES AND HEALTH AND SAFETY

It is company policy to provide equal opportunities to all its staff, and to give full consideration to applications for employment from registered disabled persons.

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:

P Fox	(Chairman)
D E Hatch	(Vice Chairman)
C J Arnold-Baker	(Chief Executive)
M Checkland	
B A Jennings	(resigned 31st July 1989)
J F Keeble	
R Laughton	
K S Owen	
Dr J A G Thomas	
K N Wright	
A P Howden	(appointed 24th July 1989)
N Chapman	(appointed 23rd November 1989)
G Roscoe	

REPORT OF THE DIRECTORS (CONT'D)

DIRECTORS' INTERESTS

No director had any interest in the share capital of the company at 1st April 1989 or 31st March 1990.

CONTRIBUTIONS FOR CHARITABLE PURPOSES

Charitable contributions amounted to £600 (1989: £991)

AUDITORS

Deloitte Haskins & Sells, our auditors, have merged their practice with Coopers & Lybrand and now practise in the name of Coopers & Lybrand Deloitte. They have signed their audit report in their new name and 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

15th June 1990

AUDITORS' REPORT TO THE MEMBERS OF
BBC ENTERPRISES LIMITED

We have audited the financial statements on pages 6 to 25 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the group's and company's affairs at 31st March 1990 and of the group's profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand Deloitte

Coopers & Lybrand Deloitte
Chartered Accountants

London

15th June 1990

BBC ENTERPRISES LIMITEDSTATEMENT OF ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The company and its subsidiaries prepare their financial statements on the historical cost basis of accounting.

BASIS OF CONSOLIDATION

The consolidated financial statements show the results for the year ended 31st March 1990 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.

MAGAZINE TITLE

The purchased value of magazine titles acquired in previous years has been written down over their estimated economic life. The purchased value of magazine titles acquired during the current year has been eliminated by immediate write-off.

BBC ENTERPRISES LIMITEDSTATEMENT OF ACCOUNTING POLICIES (CONT'D)

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.

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 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.

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 UK Statement of Standard Accounting Practice on accounting for pension costs has been adopted from 1st April 1989. From that date 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 LIMITEDSTATEMENT OF ACCOUNTING POLICIES (CONT'D)

DEFERRED TAXATION

Deferred taxation has been provided at 31st March 1990 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.

LITIGATION

At any one time there are a number of legal claims outstanding against the company. Following discussions with the company's legal advisers, the directors are of the opinion that the company's liability under these claims is not greater than the amounts provided in the financial statements.

BBC ENTERPRISES LIMITEDCONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 1990

	<u>Notes</u>	<u>1990</u> £'000	<u>1989</u> £'000
TURNOVER	1	183,717	154,042
Cost of sales		<u>(113,251)</u>	<u>(94,488)</u>
GROSS PROFIT		70,466	59,554
Amortisation of programme investment	7	(12,212)	(8,373)
Distribution expenses		(28,457)	(24,979)
Administration and other expenses		(17,628)	(15,758)
Interest receivable		2,253	1,276
Interest payable	2	<u>(107)</u>	<u>(135)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	14,315	11,585
Taxation on profit on ordinary activities	5	<u>(4,999)</u>	<u>(3,919)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		9,316	7,666
Minority Interest		11	(14)
RETAINED PROFIT FOR THE YEAR	15	<u>9,327</u> =====	<u>7,652</u> =====

BBC ENTERPRISES LIMITEDCONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 1990

	<u>Notes</u>	<u>1990</u> £'000	<u>1989</u> £'000
FIXED ASSETS			
Intangible assets	6c	-	68
Tangible assets	6a	8,670	8,987
Investment in programmes for future sale	7	27,129	25,028
Investment in associated companies	14	<u>100</u>	<u>-</u>
		<u>35,899</u>	<u>34,083</u>
CURRENT ASSETS			
Stocks	8	7,985	7,937
Debtors	9	40,110	32,145
Cash at bank and in hand		<u>28,855</u>	<u>15,814</u>
		76,950	55,896
CREDITORS: amounts falling due within one year	10	<u>56,721</u>	<u>40,286</u>
		<u>20,229</u>	<u>15,610</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS: amounts falling due after one year		25,000	25,000
Amount owed to BBC		706	762
Finance leases and other obligations		<u>25,706</u>	<u>25,762</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	11	<u>2,392</u>	<u>2,461</u>
NET ASSETS			
CAPITAL AND RESERVES			
Called up share capital	12	250	250
Profit and loss account	15	28,000	21,250
Minority Interests		<u>(220)</u>	<u>(30)</u>
		28,030	21,470
		=====	=====

The financial statements on pages 6 to 25 were approved by the board of directors on 15th June 1990 and were signed on its behalf by:

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

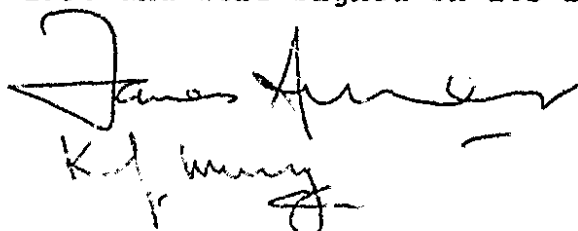
K. N. Wright
C. J. Arnold-Baker

BBC ENTERPRISES LIMITEDCOMPANY BALANCE SHEET AS AT 31ST MARCH 1990

	<u>Notes</u>	<u>1990</u> £'000	<u>1989</u> £'000
FIXED ASSETS			
Tangible assets	6b	8,009	8,232
Investment in programmes for future sale	7	26,715	23,681
Investments in subsidiary companies	13	5,143	4,619
Investments in associated companies	14	100	-
		<u>39,967</u>	<u>36,532</u>
CURRENT ASSETS			
Stocks	8	7,632	7,825
Debtors	9	36,558	28,789
Cash at bank and in hand		<u>24,526</u>	<u>13,763</u>
		68,716	50,377
CREDITORS: amounts falling due within one year	10	<u>50,585</u>	<u>36,229</u>
NET CURRENT ASSETS		<u>18,131</u>	<u>14,148</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		58,098	50,680
CREDITORS: amounts falling due after one year			
Amount owed to BBC		25,000	25,000
Obligations under finance leases		<u>639</u>	<u>690</u>
		25,639	25,690
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	11	2,392	2,461
NET ASSETS		30,067	22,529
CAPITAL AND RESERVES			
Called up share capital	12	250	250
Profit and loss account	15	29,817	22,279
		<u>30,067</u>	<u>22,529</u>
		=====	=====

The financial statements on pages 6 to 25 were approved by the board of directors on 15th June 1990 and were signed on its behalf by:

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



BBC ENTERPRISES LIMITEDCONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31ST MARCH 1990

	<u>1990</u> £'000	<u>1989</u> £'000
SOURCE OF FUNDS		
Consolidated profit on ordinary activities before taxation after minority interests	14,326	11,571
Adjustments for items not involving the movement of funds:		
Intragroup transfers and investments	-	187
Minority interest in retained profits	(190)	(30)
Depreciation of tangible fixed assets	2,406	2,475
Amortisation of programmes for future sale	12,212	8,373
(Profit)/Loss on sale of fixed assets	(28)	57
Exchange differences taken to reserves	72	(240)
Unrealised (Profit)/Loss on exchange	(114)	101
Depreciation of intangible fixed assets	<u>68</u>	<u>16</u>
Funds generated from operations	28,752	22,510
Proceeds on sale of fixed assets	42	119
Fixed assets, no longer used, pending sale	-	228
Obligations under finance leases falling due within one year and after one year	<u>24</u>	<u>-</u>
TOTAL SOURCE OF FUNDS	<u>28,818</u>	<u>22,857</u>
APPLICATION OF FUNDS		
Investment in associated companies	100	-
Purchase of fixed assets	2,079	3,067
Purchase of intangible fixed assets	-	84
Taxation paid	3,991	4,221
Investment in programmes for future sale	14,279	13,392
Purchase of goodwill on acquisition of subsidiaries and unincorporated businesses	2,593	1,138
Movement in finance lease creditors	<u>-</u>	<u>179</u>
TOTAL APPLICATION OF FUNDS	<u>23,042</u>	<u>22,081</u>
NET SOURCE OF FUNDS	<u>5,776</u> =====	<u>776</u> =====

BBC ENTERPRISES LIMITED

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31ST MARCH 1990 (CONT'D)

THE NET SOURCE OF FUNDS IS REPRESENTED BY THE FOLLOWING INCREASE IN WORKING CAPITAL

	<u>1990</u> £'000	<u>1989</u> £'000
Increase in stock	48	1,328
Increase in debtors	7,965	6,628
(Increase) in creditors	(10,266)	(10,582)
(Increase)/Decrease in amount owed to BBC	<u>(5,198)</u>	<u>643</u>
	<u>(7,451)</u>	<u>(1,983)</u>
 MOVEMENT IN NET LIQUID FUNDS		
Increase in cash at bank and in hand	13,041	1,615
Decrease in bank loans and overdrafts	<u>186</u>	<u>1,144</u>
	<u>13,227</u>	<u>2,759</u>
 INCREASE IN WORKING CAPITAL	 5,776 =====	 776 =====

BBC ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1990

1. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1990</u> £'000	<u>1989</u> £'000
Turnover analysed by type of business		
Television sales	45,549	38,049
Magazines and Books Publishing	105,042	94,288
Videos, Records and Tapes	26,451	17,066
Other activities	<u>6,675</u>	<u>4,639</u>
	183,717	154,042
	=====	=====
Turnover analysed by geographical location		
UK	139,800	117,152
Rest of World	<u>43,917</u>	<u>36,890</u>
	183,717	154,042
	=====	=====

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.

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

	<u>1990</u> £'000	<u>1989</u> £'000
2. INTEREST PAYABLE		
Interest on bank loans and overdrafts repayable within five years	78	116
Interest on finance leases	<u>29</u>	<u>19</u>
	107	135
	=====	=====

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1990</u> £'000	<u>1989</u> £'000
Profit on ordinary activities before taxation is stated after charging:		
Depreciation - on tangible fixed assets	2,086	2,224
- tangible fixed assets held under finance leases	320	251
- on intangible assets	68	16
Amortisation of investment in programmes for future sales	12,212	8,373
Staff costs (refer note 4)	16,729	14,732
Auditors' remuneration	121	82
Profit on foreign currency translation	(133)	(732)
Operating lease rentals	545	490

BBC ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1990 (CONT'D)

	<u>1990</u> £'000	<u>1989</u> £'000
4. DIRECTORS AND EMPLOYEES		
a) Employees		
Staff costs - wages and salaries	14,555	12,655
- social security costs	1,275	1,028
- other pension costs	<u>899</u>	<u>1,049</u>
	16,729	14,732
	=====	=====

Excluded from staff costs analysed above are the following amounts in respect of redundancy costs: £924,000 (1989: £1,298,000).

The average number of persons employed by the group during the year was 867 (1989: 885)

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 at 1 April 1987, using the attained age method.

After allowing for the cost of certain benefit improvements, the pensions charge is £899,000 which has been calculated after deducting a proportion of the scheme surplus amortised over the average remaining service life of the contributing members. In previous years the pensions charge was calculated to be the actual contributions payable.

At 31st March 1990, a prepayment of £100,000 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 1990.

BBC ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1990 (CONT'D)

4. DIRECTORS AND EMPLOYEES (CONT'D)

c) Directors' emoluments	<u>1990</u> £'000	<u>1989</u> £'000
--------------------------	----------------------	----------------------

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

Fees	10	9
Executive emoluments	<u>487</u>	<u>369</u>
	497	378
	=====	=====

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

The chairman	10	9
The highest paid director	119	79

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

	<u>1990</u> Number	<u>1989</u> Number
£ 0 - £ 5,000	5	5
£40,001 - £45,000	-	1
£45,001 - £50,000	-	3
£55,001 - £60,000	3	1
£60,001 - £65,000	2	-
£70,001 - £75,000	1	-

d) Higher-paid employees

The number of employees of the parent company other than directors who received remuneration (excluding pension contributions) in the following ranges was:

	<u>1990</u> Number	<u>1989</u> Number
£30,001 - £35,000	12	6
£35,001 - £40,000	12	2
£40,001 - £45,000	2	4
£45,001 - £50,000	2	1
£50,001 - £55,000	2	-
£55,001 - £60,000	2	-

BBC ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1990 (CONT'D)

5. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	<u>1990</u> £'000	<u>1989</u> £'000
Current:		
UK Corporation tax at 35% (1989 - 35%)	6,400	4,730
Deferred taxation	(1,452)	(889)
Double taxation relief	<u>(412)</u>	<u>(541)</u>
	4,536	3,300
Overseas taxation	<u>412</u>	<u>541</u>
	4,948	3,841
Prior year adjustment:		
Corporation tax	(1,332)	78
Deferred taxation	<u>1,383</u>	<u>-</u>
	<u>4,999</u>	<u>3,919</u>
	=====	=====

6. FIXED ASSETS

a) Tangible Fixed Assets of the Group

	<u>Buildings</u> £'000	<u>Plant & Machinery</u> £'000	<u>Fixtures, Fittings, Tools & Equipment</u> £'000	<u>Total</u> £'000
Cost:				
At 1st April 1989	5,857	4,826	2,833	13,516
Exchange Adjustment	9	-	8	17
Additions	25	1,461	593	2,079
Disposals	(11)	(74)	(42)	(127)
Additions in respect of new subsidiary	<u>-</u>	<u>20</u>	<u>-</u>	<u>20</u>
At 31st March 1990	<u>5,880</u>	<u>6,233</u>	<u>3,392</u>	<u>15,505</u>
	=====	=====	=====	=====
Accumulated depreciation:				
At 1st April 1989	803	1,917	1,809	4,529
Exchange Adjustment	1	-	3	4
Charge for the year	213	1,356	837	2,406
Eliminated on disposal	-	(73)	(40)	(113)
Depreciation in respect of new subsidiary	<u>-</u>	<u>9</u>	<u>-</u>	<u>9</u>
At 31st March 1990	<u>1,017</u>	<u>3,209</u>	<u>2,609</u>	<u>6,835</u>
	=====	=====	=====	=====
Net book value:				
At 31st March 1990	<u>4,863</u>	<u>3,024</u>	<u>783</u>	<u>8,670</u>
	=====	=====	=====	=====
At 31st March 1989	<u>5,054</u>	<u>2,909</u>	<u>1,024</u>	<u>8,987</u>
	=====	=====	=====	=====

The net book value of tangible fixed assets includes an amount of £1,025,244 (1989: £940,997) in respect of assets obtained under finance leases.

BBC ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1990 (CONT'D)

6. FIXED ASSETS (CONT'D)

b) Tangible Fixed Assets of the Company	<u>Buildings</u>	<u>Plant & Machinery</u>	<u>Fixtures, Fittings, Tools & Equipment</u>	<u>Total</u>
	£'000	£'000	£'000	£'000
Cost:				
At 1st April 1989	5,405	4,826	2,176	12,407
Additions	-	1,428	522	1,950
Disposals	(11)	(74)	-	(85)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 1990	5,394	6,180	2,698	14,272
	=====	=====	=====	=====
Accumulated depreciation:				
At 1st April 1989	745	1,917	1,513	4,175
Charge for the year	135	1,350	676	2,161
Eliminated on disposal	-	(73)	-	(73)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 1990	880	3,194	2,189	6,263
	=====	=====	=====	=====
Net book value:				
At 31st March 1990	4,514	2,986	509	8,009
	=====	=====	=====	=====
At 31st March 1989	4,660	2,909	663	8,232
	=====	=====	=====	=====

The net book value of tangible fixed assets includes an amount of £951,182 (1989: £940,997) in respect of assets obtained under finance leases.

BBC ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1990 (CONT'D)

	<u>1990</u> £'000
6) <u>FIXED ASSETS (CONT'D)</u>	
c) Intangible Assets	
The Group	
Magazine Titles	
Cost:	
At 1st April 1989	383
Additions	-
Disposals	<u>(307)</u>
At 31st March 1990	76 =====
Amortisation	
At 1st April 1989	315
Charge for Year	68
Disposals	<u>(307)</u>
At 31st March 1990	76 =====
Net book value:	
At 31st March 1990	- =====
At 31st March 1989	68 =====

BBC ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1990 (CONT'D)

7. INVESTMENT IN PROGRAMMES FOR FUTURE SALE	<u>Group</u> £'000	<u>Company</u> £'000
Cost:		
At 1st April 1989	43,765	41,683
Exchange Adjustment	51	-
Additions	14,279	14,145
Written off during the year	(7,274)	(6,984)
Less: cost of programmes fully amortised as at 31st March 1990	<u>(5,577)</u>	<u>(5,577)</u>
At 31st March 1990	45,244 =====	43,267 =====
Amortisation:		
At 1st April 1989	18,737	18,002
Exchange Adjustment	17	-
Amortisation for the year	11,871	11,060
Amortisation on programmes written off during the year	(6,933)	(6,933)
Less: accumulated amortisation on programmes fully amortised as at 31st March 1990	<u>(5,577)</u>	<u>(5,577)</u>
At 31st March 1990	18,115 =====	16,552 =====
Net book value:		
At 31st March 1990	27,129 =====	26,715 =====
At 31st March 1989	25,028 =====	23,681 =====

The profit and loss account line showing £12,212,000 comprises the amortisation charge for the year of £11,871,000 plus the net write offs of £341,000 (£7,274,000 - £6,933,000).

8. STOCKS

	Group		Company	
	<u>1990</u> £'000	<u>1989</u> £'000	<u>1990</u> £'000	<u>1989</u> £'000
Raw materials and consumables	2,729	2,931	2,378	2,822
Work in progress	624	223	624	223
Finished goods and goods for resale	<u>4,632</u>	<u>4,783</u>	<u>4,630</u>	<u>4,780</u>
	7,985 =====	7,937 =====	7,632 =====	7,825 =====

BBC ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1990 (CONT'D)

9. DEBTORS

	Group		Company	
	<u>1990</u> £'000	<u>1989</u> £'000	<u>1990</u> £'000	<u>1989</u> £'000
Trade debtors	33,474	27,979	28,904	24,407
Amounts owed by subsidiaries	-	-	1,726	586
Other debtors	656	2,199	264	2,099
Prepayments and accrued income	<u>5,980</u>	<u>1,967</u>	<u>5,664</u>	<u>1,697</u>
	<u>40,110</u>	<u>32,145</u>	<u>36,558</u>	<u>28,789</u>
	=====	=====	=====	=====

Trade debtors include debtors due after more than one year of £310,657 (1989: £558,597)

10. CREDITORS

	Group		Company	
	<u>1990</u> £'000	<u>1989</u> £'000	<u>1990</u> £'000	<u>1989</u> £'000
Amounts falling due within one year:				
Bank loans and overdrafts	142	328	-	-
Trade creditors	31,878	26,783	28,479	23,249
Amounts owed to the BBC	10,070	4,872	10,070	4,872
Corporation tax	5,247	4,170	5,247	4,170
Accruals and deferred income	9,053	3,882	6,477	3,687
Obligations under finance leases	<u>331</u>	<u>251</u>	<u>312</u>	<u>251</u>
	<u>56,721</u>	<u>40,286</u>	<u>50,585</u>	<u>36,229</u>
	=====	=====	=====	=====

A bank overdraft of £7,000 in a subsidiary company is secured on the assets of that subsidiary.

BBC ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1990 (CONT'D)

11. DEFERRED TAXATION	Group/ Company	Group/ Company
The full potential liability is:	<u>1990</u> £'000	<u>1989</u> £'000
Capital allowances on tangible fixed assets	1,305	1,100
Capital allowances on investment in programmes for future sale	1,052	1,344
Other timing differences	<u>35</u>	<u>17</u>
	2,392	2,461
	=====	=====
Amount provided (the movement in the year being a transfer to profit and loss account)	69	889
	=====	=====
 12. CALLED UP SHARE CAPITAL	 <u>1990</u> £'000	 <u>1989</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	250	250
	=====	=====
 13. INVESTMENTS IN SUBSIDIARY COMPANIES	 <u>1990</u> £'000	 <u>1989</u> £'000
At 1st April 1989	4,619	5
Additions during year	1,799	6,803
Less net provision against investments	(1,275)	(2,189)
	-----	-----
At 31st March 1990	5,143	4,619
	=====	=====

During the year, BBC Enterprises Limited acquired two subsidiaries; a 76% interest in Hyde Park Publications Limited, renamed World Publications Limited, and a 51% interest in Hartog Hutton Publishing Limited. Both companies are registered in the United Kingdom and the principal activity of each is the publication of periodicals.

BBC Enterprises Limited also holds 100% of the stock of Lionheart Television International Incorporated, a corporation registered in Delaware, USA, and 100% of BBC Telecordiale (SARL) a company incorporated in France, and 77½% of the shareholding in Redwood Publishing Limited a UK company involved in contract publishing.

BBC ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1990 (CONT'D)

14. INVESTMENT IN ASSOCIATED COMPANIES

	<u>Group/ Company</u> <u>1990</u> <u>£'000</u>
At 1st April 1989	-
Additions	100
	<hr/>
At 31st March 1990	100

The investment in associated companies comprises a 28% interest in Film & Television Completions plc, a 50% interest in Video World Publishing Limited, and a 23% interest in BBC Frontline Limited.

15. PROFIT AND LOSS ACCOUNT

	<u>Group</u> <u>£'000</u>	<u>Company</u> <u>£'000</u>
At 1st April 1989	21,250	22,279
Retained profit for the year	9,327	7,763
Exchange Adjustment	(72)	-
Write off goodwill on acquisition of subsidiaries and unincorporated businesses	(2,593)	(225)
Consolidation Adjustment	88	-
	<hr/>	<hr/>
	28,000	29,817
	=====	=====

16. ACQUISITION TABLE

(a) Acquisition of World Publications Limited on 9th February 1990. Consideration paid, £1,799,000 cash for a 76% interest in the share capital of World Publications Limited.

	<u>£'000</u>
Fixed Assets	11
Net Current Liabilities	760
	<hr/>
Total Net Liabilities	749
Minority Interest 24%	180
	<hr/>
Group Share of Total Net Liabilities	569
	=====

BBC ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1990 (CONT'D)

- (b) Acquisition of the publishing rights to the title of No. 1 magazine on 12th April 1990 for £263,000 cash.

	Book Value <u>£'000</u>	Accounting Policy alignment <u>£'000</u>	Fair Value to the Group <u>£'000</u>
<u>Fixed Assets</u>			
Intangible	225	*(225)	-
Tangible	15	-	15
Current Assets	23	-	23
	<u>263</u>	<u>(225)</u>	<u>38</u>
Total Net Assets	<u>=====</u>	<u>=====</u>	<u>=====</u>

* Write off of purchased value of magazine title in accordance with group accounting policy.

17. CAPITAL COMMITMENTS	<u>1990</u> <u>£'000</u>	<u>1989</u> <u>£'000</u>
Contracted for but not provided for	317	102
Authorised but not contracted for	126	553

18. LEASE COMMITMENTS

Future minimum rental payments (net of sub-lease rental income of £75,000 (1989: £121,000)) under non cancellable operating leases, payable in the next year, are as follows:

	<u>1990</u> <u>£'000</u>	<u>1989</u> <u>£'000</u>
Expiring between two and five years inclusive	559	81
	<u>=====</u>	<u>=====</u>

BBC ENTERPRISES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1990 (CONT'D)

19. 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.

SUPPLEMENT TO THE BBC ENTERPRISES LIMITED CONSOLIDATION
PACK FOR THE YEAR ENDED 31ST MARCH 1990

		£
(a)	Balance originally agreed with CFU	8,801,633
	<u>Subsequent adjustments</u>	
	Film Stock	330,667
	Video Tape Stock	369,100
	BBC Agency Share	859,054
	Australian Sales Tax	<u>(290,177)</u>
	Balance due to BBC as per Statutory Financial Statements	<u>10,070,277</u> =====
(b)	Included in the cash at bank and in hand total are unpresented cheques for the value of £2,973,345.	