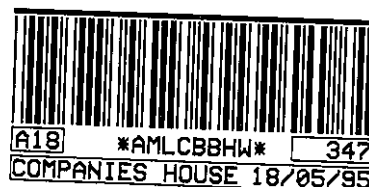


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YORKSHIRE TELEVISION LIMITED

REPORT AND ACCOUNTS

FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 1994



YORKSHIRE TELEVISION LIMITED

Directors

Victor Watson, CBE, DL (Chairman)
John Fairley (Managing Director)
Tony Brill (Group Director of Personnel)
Nicholas Castro (Group Financial Director)
Ralph Coyle (Legal Director and Company Secretary)
Kenneth Dixon, DL
Richard Gregory (Director of Broadcasting)
Stephen Hall
David Holdgate (Group Financial Controller)
Grant McKee (Director of Network Programmes)

Secretary

Ralph Coyle

Registered Office

The Television Centre, Leeds, LS3 1JS

Registered Number

899713

London Offices

15 Bloomsbury Square
London, WC1A 2LJ

Regional Offices

8 Bull Ring Lane, Grimsby, South Humberside, DN31 1DY
23 The Prospect Centre, Kingston upon Hull, HU2 8PN
Unit 3, Bailgate, Lincoln, LN2 1DH
Charter Square, Sheffield, S1 3EJ
8 Coppergate, York, YO1 1NR

Auditors

KPMG, Leeds

Bankers

Midland Bank plc, Leeds

YORKSHIRE TELEVISION LIMITED

NOTICE OF MEETING

Notice is hereby given that the annual general meeting of Yorkshire Television Limited will be held at The Television Centre, Leeds LS3 1JS on Friday, 12 May 1995 at 11.00a.m. for the following purposes :

- (a) To receive and consider the report of the directors and the statement of accounts for the fifteen month period ended 31 December 1994 and the report of the auditors thereon.
- (b) To authorise the directors to fix their own remuneration.
- (c) To re-elect as a director, in accordance with Regulation 79 of the Articles, Mr Nicholas Castro who, being eligible, offers himself for re-election.
- (d) To re-appoint the auditors and to authorise the directors to fix their remuneration.

BY ORDER OF THE BOARD



R J COYLE
Secretary

The Television Centre
LEEDS
LS3 1JS

7 April 1995

Note : In accordance with section 372 of the Companies Act 1985, any member entitled to attend and vote is entitled to appoint a proxy to attend and, on a poll, vote on his behalf. A proxy need not be a member.

YORKSHIRE TELEVISION LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited accounts for the 15 month period ended 31 December 1994.

Principal activity

The principal activity of the Company is the production, broadcasting and sale of television programmes and the sale of television advertising. The Company is the independent programme contractor for the Yorkshire region, holding a licence which came into effect on 1st January 1993 and which was awarded by the Independent Television Commission.

Review and development of business

	15 months to Dec 1994 £'000	Year to Sep 1993 £'000
Turnover	216,184	181,245
Profit / (loss) before taxation	40,593	(11,306)
Taxation	1,818	(3,247)
Profit/(loss) for the financial period	38,775	(8,059)

Proposed dividend

The directors propose no final dividend for the period (1993 - nil).

Fixed assets

An analysis of fixed assets appears in note 9 to the accounts.

Directors and directors' interests

The current directors are named on page 1.

During the period the following persons resigned as directors on the dates indicated :

Allan Hardy	11 March 1994
David Bould	30 September 1994
Edwin Wright	31 December 1994
Juliet Jowitt	31 December 1994
Nicholas Playne	31 December 1994

The following persons were appointed as directors during the period or since the period end on the dates indicated :

David Bould	1 October 1993
Richard Gregory	1 October 1993
David Holdgate	1 October 1993
Grant McKee	1 October 1993

Mr Nicholas Castro was appointed a director on 7 April 1995 and, in accordance with Regulation 79 of the Articles of Association, retires and, being eligible, offers himself for re-election.

YORKSHIRE TELEVISION LIMITED

DIRECTORS' REPORT

The beneficial and family interests of directors in the shares of the holding company as at 31 December 1994 are as follows :

	31 December 1994				
	Ordinary shares of 25p Issued	Under option	Employee share scheme *	Warrants Issued	Employee share scheme **
Victor Watson	2,000	-	-	1,400	-
John Fairley	293	65,000	4,448	31,044	409
Tony Brill	-	20,000	-	-	-
Nicholas Castro	4,000	35,000	-	-	-
Ralph Coyle	1,014	83,976	3,440	207	292
Richard Gregory	-	20,000	1,121	-	113
David Holdgate	1,235	20,000	1,892	330	103
Grant McKee	45	20,000	2,475	-	137

	1 October 1993				
	Ordinary shares of 25p Issued	Under option	Employee share scheme *	Warrants Issued	Employee share scheme **
Victor Watson	5,000	-	-	1,400	-
John Fairley	3,791	65,000	4,950	24,904	549
Ralph Coyle	657	83,976	3,797	108	391
Richard Gregory	-	-	1,674	-	113
David Holdgate	509	-	2,618	128	305
Grant McKee	45	-	2,475	-	137

No other director had any beneficial or non-beneficial interest in the shares of the holding company and no director had any beneficial or non-beneficial interest in the shares of the Company.

* The shares referred to under this heading are held by the trustees of the Yorkshire Television Employee Share Scheme on behalf of the directors as participating employees.

** The warrants referred to under this heading are held by the trustees of the Yorkshire Television Employee Share Scheme on behalf of the directors as participating employees.

During the period from 31 December 1994 to 8 March 1995 no changes took place in the beneficial or family interests of the directors, nor in respect of any options over shares in the holding company held by the directors.

Further details of options held by directors who are also directors of the holding company are given in that company's accounts.

During the year the Company purchased a property for £172,000 in which a director, Tony Brill, lives rent free. It is intended that this property will be sold to that director during 1995.

The board is not aware of any other contract (other than service contracts) in relation to the Company, its holding company or any of its subsidiaries in which any director has, or has had, a material interest.

YORKSHIRE TELEVISION LIMITED

DIRECTORS' REPORT

Directors' and officers' insurance

As permitted under the terms of its Memorandum and Articles of Association the Company has purchased and maintained liability insurance for its directors and officers, excluding the auditors.

Employees - consultation and involvement

The Company's team briefing system continues to provide employees with information on developments in all areas of the Company on a monthly basis. This is supplemented by a comprehensive communications system including Company meetings, notice boards, a Group magazine and a house monitor information system.

Joint committees, which include staff representatives, continue to meet regularly to consider job evaluation, health and safety and equal opportunities issues.

With respect to the Company's pension fund, its performance is communicated to members in the trustee company's annual report and each member also receives an individual annual benefit statement. Staff members sit on the board of the trustee company responsible for the administration of the pension scheme, as does a pensioner.

Disabled persons

The Company gives full and fair consideration to applications for employment received from disabled persons, having regard to their particular aptitudes and abilities and has consistently promoted positive policies on disability. When disablement occurs during the course of employment the Company will, wherever possible, provide alternative or restructured employment and/or training. The Company will endeavour to provide, wherever practicable, modification to equipment and aids for employment, and has invested considerable capital expenditure in the provision of access and toilet facilities for disabled people.

The Company liaises closely with the Employment Service Planning, Assessment, and Counselling Teams and is an active member of the Broadcasters' Forum on Disability and the Northern Employers Association on Disability Issues. The Company participates in the Leeds Experience in conjunction with Leeds TEC, which provides a structured approach to training disabled people.

Change of year end

On 28 January 1994 the board resolved to change the Company's accounting reference date to 31 December. Thus, for the current financial period and each successive calendar year, the accounting reference period of the Company will end on 31 December.

YORKSHIRE TELEVISION LIMITED

DIRECTORS' REPORT

Donations

During the period the Company made charitable and arts and sciences donations of £255,000 (1993 - £294,000). No contributions were made for political purposes.

Auditors

On 6 February 1995 our auditors changed the name under which they practise from KPMG Peat Marwick to KPMG and, accordingly, have signed their report in their new name. In accordance with section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the Company will be proposed at the forthcoming annual general meeting.

Tax Status

In the opinion of the directors, the close company provisions of the Income and Corporation Taxes Act 1988 do not apply to the Company.

BY ORDER OF THE BOARD



R J COYLE
Secretary

The Television Centre
LEEDS
LS3 1JS

7 April 1995

YORKSHIRE TELEVISION LIMITED

DIRECTORS' RESPONSIBILITIES

As required by company law the directors have prepared financial statements giving a true and fair view of the state of the affairs of the Company at the end of the financial period and of the profit or loss for that period.

In preparing the statements, which have been produced on a going concern basis, the directors have adopted suitable accounting policies and applied them consistently, made judgements that are reasonable and prudent and have complied with applicable accounting standards.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safe-guarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

YORKSHIRE TELEVISION LIMITED

REPORT OF THE AUDITORS
TO THE MEMBERS OF YORKSHIRE TELEVISION LIMITED

We have audited the financial statements on pages 9 to 19.

Respective responsibilities of directors and auditors

As described on page 7 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 the 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 as at 31 December 1994 and of the profit of the Company for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors

1 The Embankment
Neville Street
LEEDS
LS1 4 DW

7 April 1995

YORKSHIRE TELEVISION LIMITED

PROFIT AND LOSS ACCOUNT FOR THE 15 MONTH PERIOD ENDED 31 DECEMBER 1994

	Note	15 months to Dec 1994 £'000	Year to Sep 1993 £'000
Turnover from continuing activities	1	216,184	181,245
Cost of sales and transmissions		89,098	83,000
Gross profit		<u>127,086</u>	<u>98,245</u>
Other operating expenses	2	86,926	107,753
Operating profit / (loss)		<u>40,160</u>	<u>(9,508)</u>
Profit on sale of intangible fixed assets	4	(2,948)	-
Interest and other income	5	2,515	1,798
Profit / (loss) before tax		<u>40,593</u>	<u>(11,306)</u>
Tax on profit / (loss)	7	1,818	(3,247)
Profit / (loss) for the financial period		<u>38,775</u>	<u>(8,059)</u>
Dividends paid and proposed	8	-	-
Retained profit / (loss) for the financial period		<u>38,775</u>	<u>(8,059)</u>

Statement of total recognised gains and losses

There are no recognised gains or losses in any of the above periods other than those set out in the profit and loss account.



The notes on pages 12 to 19 form part of these accounts.

YORKSHIRE TELEVISION LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 1994

	Note	1994 £'000	1993 £'000
Fixed assets			
Tangible assets	9	21,302	23,586
Programme rights	10	1,192	1,505
Investments	11	95	96
		<u>22,589</u>	<u>25,187</u>
Current assets			
Film rights		17,416	12,250
Stocks	12	8,704	12,274
Debtors	13	34,676	39,607
Short term deposits		10,825	19,983
Cash at bank and in hand		10,461	6,267
		<u>82,082</u>	<u>90,381</u>
Creditors - amounts falling due within one year	14	<u>56,741</u>	<u>108,988</u>
Net current assets/(liabilities)		25,341	(18,607)
Total assets less current liabilities		<u>47,930</u>	<u>6,580</u>
Creditors - amounts falling due after more than one year	14	10,742	8,167
		<u>37,188</u>	<u>(1,587)</u>
Capital and reserves			
Called up share capital	16	3,410	3,410
Profit and loss account	17	33,778	(4,997)
		<u>37,188</u>	<u>(1,587)</u>

The financial statements on pages 9 to 19 were approved by the board on 7 April 1995 and were signed on its behalf by :

VICTOR WATSON  }
Directors
NICHOLAS CASTRO  }

The notes on pages 12 to 19 form part of these accounts.

YORKSHIRE TELEVISION LIMITED

ACCOUNTING POLICIES

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards. The Company has taken advantage of the exemption in Financial Reporting Standard Number 1 from producing a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

Programmes, programme rights, film rights and other stocks

Programmes completed but not transmitted or delivered, and programmes in the course of production, are valued at cost, excluding overheads. Acquired programme rights are valued at cost. Where appropriate, provision is made against programmes, programme rights and film rights to write them down to their net realisable value.

Technical and sundry stocks are valued at the lower of cost and net realisable value.

Income from the sale of programmes to the ITV Network is recognised in the month in which the transmission was originally scheduled. Income from other programmes is recognised on delivery of the material, on commencement of the licence period or in accordance with the terms of the programme supply contract, as appropriate. Acquired programme rights are amortised on a straight line basis over their estimated useful lives.

The costs of other programme sales are written off in full in line with the income recognised in the period.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date or at forward contract rates as appropriate. Transactions in foreign currencies are translated at the rates of exchange ruling at the date of the transaction. Exchange gains and losses arising from trading operations are included in the results for the period.

Depreciation

Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows :

Leasehold land and buildings	Lesser of life of lease and 50 years
Technical plant and equipment	5 - 10 years
Fixtures and fittings	10 years
Motor vehicles	4 years

Leases

Assets acquired under finance leases are capitalised and are subsequently dealt with under the same accounting policies as other tangible fixed assets. Future obligations under finance leases are included in creditors net of finance charges allocated to future periods. Finance charges are allocated to accounting periods to produce a constant periodic rate of charge on the outstanding balance at the end of each accounting period.

Expenditure on leases other than finance leases is charged to the profit and loss account on an accruals basis.

Deferred taxation and tax losses

Deferred taxation is calculated using the liability method and is provided on all timing differences to the extent that they are expected to crystallise within the foreseeable future. Where a deferred tax asset arises, the balance is written off to the profit and loss account unless the asset is recoverable without replacement, in which case it is carried forward as a debtor. Group relief for corporation tax losses, where available, is paid for by group companies by applying the current rate of corporation tax to losses surrendered.

Pension costs

Pension costs are accounted for on the basis of charging the cost of pensions over the employees' working lives. Variations from the regular cost (as defined by Statement of Standard Accounting Practice Number 24) are spread over the average remaining working lifetime of the current members of the scheme as a constant reduction in the cost expressed as a percentage of total pensionable salaries. Further details are given in note 21.

YORKSHIRE TELEVISION LIMITED

NOTES TO THE ACCOUNTS

1 Turnover from continuing activities

Turnover excludes value added tax and comprises :

	15 months to Dec 1994 £'000	Year to Sep 1993 £'000
Advertising revenue	133,848	108,365
Sales of television programmes		
ITV Network	59,931	56,794
Channel Four	2,536	4,985
Other UK	4,246	391
Rest of World	181	900
Sundry income	15,442	9,810
	<u>216,184</u>	<u>181,245</u>

2 Other operating expenses

	15 months to Dec 1994 £'000	Year to Sep 1993 £'000
Rentals payable to the ITC and NTL	4,175	4,651
Channel Four subscription	-	5,650
Staff costs	34,623	33,460
Allocation to employee share scheme	315	-
Operating costs	28,261	24,442
Treasury licence payments (note 3)	55,980	31,887
Waiver of amount due to holding company	(37,404)	-
Exceptional restructuring costs	976	7,663
	<u>86,926</u>	<u>107,753</u>

Operating costs include the following :

Depreciation of tangible fixed assets	5,413	4,045
Auditors' remuneration - audit	83	70
- non audit	492	140
Hire of facilities and equipment	4,567	3,105
Operating leases - land and buildings	1,619	1,162
- equipment	516	412
Finance leases finance charge	805	400
Profit on sale of fixed assets	(24)	(95)

3 Treasury licence payments

Until 31 December 1992 the Company made licence payments described as 'exchequer levy' in two parts. The first part was calculated on net advertising revenue (at the rate of 2.5%) and the second part was calculated on domestic profits (at the rate of 25%). Profits and advertising revenue were computed in accordance with statements of principles published by the Independent Television Commission and were apportioned to the different levy periods on a time basis. On the commencement of the new licence period on 1 January 1993 exchequer levy ceased.

From 1 January 1993 the Company makes licence payments in two parts. The first part is an index linked 'cash bid'. The second part is a payment of a pre-determined fixed percentage of qualifying revenue, the 'PQR', which is at a rate of 7% for the licence held by the Company. Qualifying revenue comprises advertising revenue and income from sponsorships and amounted to £135,331,000 in the period (1993 : £109,417,000).

YORKSHIRE TELEVISION LIMITED

NOTES TO THE ACCOUNTS

4 Profit on sale of intangible fixed assets

During the period the company sold certain programme rights, previously held at nil net book value, to a subsidiary company, Academy Television Limited. Profit has been recognised on this transaction to the extent that the consideration has been realised in cash.

5 Interest and other income

	15 months to Dec 1994 £'000	Year to Sep 1993 £'000
Interest receivable on short term deposits	794	1,296
Interest payable to holding company	(3,063)	(2,925)
Interest payable on bank overdrafts and loans due within five years	(246)	(169)
	<u>(2,515)</u>	<u>(1,798)</u>

6 Emoluments

(a) Staff costs during the period, including directors' remuneration but excluding the cost of artistes, comprised :

	15 months to Dec 1994 £'000	Year to Sep 1993 £'000
Wages and salaries	30,728	29,479
Social security costs	2,433	2,201
Other pension costs	1,462	1,780
	<u>34,623</u>	<u>33,460</u>

The average number of persons employed by the Company in the period comprised as follows :

	15 months to Dec 1994	Year to Sep 1993
Permanent employees	537	802
Contract staff	300	271
	<u>837</u>	<u>1,073</u>

(b) Directors' remuneration paid during the financial period, including pension fund contributions, comprised :

	15 months to Dec 1994 £'000	Year to Sep 1993 £'000
As directors	84	137
As executives - Salary	901	659
- Bonuses	3	144
- Pension fund contributions	184	299
- Other benefits	89	60
	<u>1,261</u>	<u>1,299</u>

Details of share options held by directors at 31 December 1994 are given in the directors' report.

YORKSHIRE TELEVISION LIMITED

NOTES TO THE ACCOUNTS

6 Emoluments (continued)

(c) Termination payments to directors

On 11 March 1994 the service contract of Mr Allan Hardy was terminated. Details of the financial terms of compensation paid to Mr Hardy are given in the accounts of the ultimate holding company and total £269,755 (1993 : £ nil) which has been charged in arriving at the profit for the period but are not included in the amounts disclosed in (b) above.

On 30 September 1994 the service contract of Mr David Bould was terminated. By way of compensation he was paid a lump sum of £143,711 and the Company made a further payment of £10,528 in respect of pension contributions. These amounts are not included in the amounts above but have been charged in arriving at the profit for the period.

Aggregate compensation for loss of office of directors in 1993 was £282,500.

(d) The number of directors whose earnings, excluding pension contributions, were within the following ranges were :

	15 months to Dec 1994	Year to Sep 1993
Up to £5,000	-	1
£5,001 - £10,000	-	2
£10,001 - £15,000	2	4
£15,001 - £20,000	3	2
£20,001 - £25,000	-	1
£25,001 - £30,000	1	-
£30,001 - £35,000	2	-
£35,001 - £40,000	1	-
£40,001 - £45,000	1	-
£45,001 - £50,000	1	-
£50,001 - £55,000	-	1
£55,001 - £60,000	-	1
£60,001 - £65,000	1	-
£65,001 - £70,000	-	2
£70,001 - £75,000	-	-
£75,001 - £80,000	1	1
£80,001 - £85,000	-	-
£85,001 - £90,000	-	1
£90,001 - £95,000	-	-
£95,001 - £100,000	-	1

Included in the above are :

	15 months to Dec 1994 £'000	Year to Sep 1993 £'000
Chairman's emoluments (no pension contributions paid)	18	50
Highest paid director - excluding pension contributions	194	214
- including pension contributions	224	273

YORKSHIRE TELEVISION LIMITED

NOTES TO THE ACCOUNTS

7 Tax on profit / (loss)

	15 months to Dec 1994 £'000	Year to Sep 1993 £'000
Corporation tax at 33% (1993 - 33.5%) on the result for the period	1,268	(2,271)
Corporation tax - adjustment re prior years	123	(976)
Deferred taxation (note 15)	427	-
	<u>1,818</u>	<u>(3,247)</u>

The waiver of an amount due to the holding company gave rise to no tax charge.

8 Dividends paid and proposed

No dividend is proposed, or has been paid, for the period (1993 : nil).

9 Tangible fixed assets

	Long leasehold property £'000	Short leasehold property £'000	Plant and equipment		Total £'000
			Technical £'000	Other £'000	
Cost or valuation					
At 1 October 1993	11,167	1,659	40,297	8,031	61,154
Additions	293	1	2,513	332	3,139
Disposals	-	-	(10)	-	(10)
At 31 December 1994	<u>11,460</u>	<u>1,660</u>	<u>42,800</u>	<u>8,363</u>	<u>64,283</u>
Depreciation					
At 1 October 1993	499	951	30,070	6,048	37,568
Charge for the period	374	95	3,900	1,044	5,413
Disposals	-	-	-	-	-
At 31 December 1994	<u>873</u>	<u>1,046</u>	<u>33,970</u>	<u>7,092</u>	<u>42,981</u>
Net book amounts					
At 31 December 1994	<u>10,587</u>	<u>614</u>	<u>8,830</u>	<u>1,271</u>	<u>21,302</u>
At 30 September 1993	<u>10,668</u>	<u>708</u>	<u>10,227</u>	<u>1,983</u>	<u>23,586</u>

Plant and equipment includes assets acquired under finance leases in respect of which, at 31 December 1994, the net book amount was £6,398,000 (1993 - £6,969,000) after charging £2,446,000 (1993 - £842,000) depreciation for the period.

10 Programme rights

Programme rights comprise rights acquired at a cost of £2,505,000 less accumulated amortisation charges of £1,313,000. Amortisation charges in the period amounted to £313,000 (1993 - £250,000).

YORKSHIRE TELEVISION LIMITED

NOTES TO THE ACCOUNTS

11 Investments

	1994 £'000	1993 £'000
Shares in subsidiary undertakings	54	-
Shares in associated undertakings	23	78
Other investments other than loans	18	18
	<u>95</u>	<u>96</u>

Shares in subsidiary undertakings

Details of the Company's principal subsidiaries are set out below :

	Percentage of ordinary share capital held %	Principal activity
Walshys Facilities Limited	90	Television facilities
Media and Airtime Sales Limited	100	Dormant
Yorkshire Television Pension Trust Limited	100	Dormant
YTV 1 Limited	100	Dormant

All subsidiaries operate within the United Kingdom and are registered in England and Wales.

On 21 October 1994 the Company increased its shareholding in Walshys Facilities Limited from 30% to 90% at a cost of £2.

Group accounts have not been prepared as the Company is itself a wholly owned subsidiary of a company incorporated in Great Britain. In the opinion of the directors of the Company, the aggregate value of the assets of the Company consisting of shares in, or amounts owing from, the Company's subsidiaries is not less than the aggregate of the amounts at which those assets are stated in the balance sheet.

Shares in associated undertakings

Details of the Company's principal associates, which operate principally in the United Kingdom and are registered in England and Wales, are set out below :

	% of voting capital	Principal activity
Educational Television Company Limited	21	Educational programming
Yorkshire International Thomson Multimedia Limited (*)	50	Educational CD-ROM programming
Three on Four Limited	33	Television facilities
Anodyne Limited	45	Dormant

* Formerly Academy Television Limited

Other investments other than loans

The Company has held the following unlisted investments during the period :

	Equity %	1994 £'000	1993 £'000
Independent Television Facilities Centre Limited	10.0	5	5
Oracle Teletext Limited	9.0	13	13
		<u>18</u>	<u>18</u>

The directors estimate that the total worth of the Company's investments in associated and other companies is not less than their net book value at 31 December 1994.

YORKSHIRE TELEVISION LIMITED

NOTES TO THE ACCOUNTS

12 Stocks

	1994 £'000	1993 £'000
Completed programmes and programmes in course of production	8,409	12,056
Technical and sundry stocks	295	218
	<u>8,704</u>	<u>12,274</u>

13 Debtors

	1994 £'000	1993 £'000
Trade debtors	24,263	25,802
Amounts owed by subsidiary undertakings	215	114
Other debtors	1,969	3,805
Prepayments and accrued income including deferred taxation not written off (note 15)	7,517	9,036
	<u>33,964</u>	<u>38,757</u>
Amounts due within one year		
Deferred taxation due after more than one year (note 15)	712	850
	<u>34,676</u>	<u>39,607</u>

14 Creditors

	1994 £'000	1993 £'000
Amounts falling due within one year :		
Payments received on account	2,026	847
Trade creditors and film rights	9,397	7,884
Amounts owed to parent company and fellow subsidiaries	15,916	45,418
Corporation tax	1,177	-
Other taxation and social security payable	6,778	7,639
Other creditors	4,873	22,773
Finance lease obligations	1,895	3,627
Accruals and deferred income	14,679	20,800
	<u>56,741</u>	<u>108,988</u>
Amounts falling due after more than one year :		
Deferred instalments for film rights	4,903	3,802
Finance lease obligations (1 to 5 years)	5,536	4,365
Finance lease obligations (beyond 5 years)	303	-
	<u>10,742</u>	<u>8,167</u>

Movements in finance lease obligations during the period can be summarised as follows :

	1994 £'000	1993 £'000
Opening balances	7,992	2,319
Acquisitions	-	784
New leases	1,609	6,079
Capital element of repayments	(1,867)	(1,190)
Closing balances	<u>7,734</u>	<u>7,992</u>

YORKSHIRE TELEVISION LIMITED

NOTES TO THE ACCOUNTS

15 Deferred taxation

	1994		1993	
	Full potential liability £'000	Asset carried forward £'000	Full potential liability £'000	Asset carried forward £'000
Capital allowances on :				
Fixed assets	(955)	-	(784)	-
Film rights	(409)	-	(410)	-
Short term timing differences :				
Interest receivable	17	-	5	-
Other	(2,202)	(850)	(1,760)	(1,277)
	<u>(3,549)</u>	<u>(850)</u>	<u>(2,949)</u>	<u>(1,277)</u>

The deferred tax asset of £850,000 (1993 - £1,277,000), relating to reorganisation provisions, is included in prepayments (note 13).

The movement in deferred taxation may be analysed as follows :

	£'000
Balance at 1 October 1993	(1,277)
Profit and loss account	427
Balance at 31 December 1994	<u>(850)</u>

16 Share capital

	1994		1993	
	Authorised £'000	Issued and fully paid £'000	Authorised £'000	Issued and fully paid £'000
380,000 voting ordinary shares of 25p each	95	5	95	5
2,914,400 deferred ordinary shares of 25p each	729	729	729	729
10,705,600 'A' (non voting) deferred ordinary shares of 25p each	2,676	2,676	2,676	2,676
	<u>3,500</u>	<u>3,410</u>	<u>3,500</u>	<u>3,410</u>

17 Profit and loss account

	Profit and loss account £'000
Balance at 1 October 1993	(4,997)
Retained profit for the period	38,775
Balance at 31 December 1994	<u>33,778</u>

The cumulative amount of goodwill written off on acquisition is £920,000 (1993 : £920,000).

YORKSHIRE TELEVISION LIMITED

NOTES TO THE ACCOUNTS

18 Future capital expenditure

There is no significant capital expenditure for which orders have been placed (1993 : nil) and no approved but uncommitted expenditure (1993 : nil).

19 Contingent liabilities

The Company is a member of a group registration for VAT purposes under which, at 31 December 1994, there was a contingent liability of £12,000 (1993 : £21,000).

There are no other contingent liabilities as at 31 December 1994 (1993 : nil).

20 Commitments

The company has commitments in respect of operating leases to make payments totalling £2,362,000 in the year to 31 December 1995 (1993 : £2,390,000) on leases expiring as follows :

	1994		1993	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Within one year	-	117	-	117
Between two and five years	58	352	-	352
After more than five years	1,835	-	1,921	-
	<u>1,893</u>	<u>469</u>	<u>1,921</u>	<u>469</u>

Under the terms of its Channel 3 licence the Company is required to pay an annual cash bid of £38 million, indexed for inflation, to the Independent Television Commission.

21 Pensions

The Company is a member of a group defined benefit pension scheme, providing benefits based on final pensionable salary, which covers the majority of its permanent employees. The scheme is fully funded (with the exception of the reinsured lump sum death benefit) and is contracted out of the State Earnings Related Pension Scheme. The assets are held in a separate trustee administered fund.

The scheme is valued by an independent actuary, the rates of contribution payable being determined on the advice of the actuary. The latest actuarial valuation used the projected unit credit method of valuation. Pension costs (for the purposes of the accounting standard, SSAP 24) are also assessed in accordance with the advice of the actuary.

Details of the latest actuarial valuation of the scheme are set out in the accounts of the ultimate holding company.

22 Holding company

The ultimate holding company at 31 December 1994 was Yorkshire-Tyne Tees Television Holdings plc, which is registered in England and Wales. The largest group in which the results of the Company are consolidated is that headed by Yorkshire-Tyne Tees Television Holdings plc whose consolidated accounts may be obtained from The Television Centre, Kirkstall Road, Leeds, LS3 1JS.