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WORLD TELEVISION LIMITED

REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 10 SEPTEMBER 1995

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Company Number: 2590549

# WORLD TELEVISION LIMITED

## DIRECTORS REPORT

The directors present their report and the audited financial statements for the year ended 10 September 1995.

### PRINCIPAL ACTIVITY

The principal activity of the company is the production and distribution of television news and related programmes.

### BUSINESS REVIEW

The company has had a successful year and the directors are satisfied with the state of the company's affairs.

### RESULTS AND DIVIDEND

The profit for the year after taxation was £32,775 (1994 - £17,956). The directors have paid a dividend of £21,600 and the balance of £11,175 has been transferred to reserves.

### FIXED ASSETS

Movements in fixed assets are shown in note 5 to the accounts. During the year, the company purchased specialist equipment costing £75,651 and office furniture and equipment including carpets costing £10,124. £6,661 was spent on further improvements to the property. The property was revalued on 10 September 1995 and this revaluation is reflected in the accounts.

### CHANGE OF NAME

On 20 March 1995 the company changed its name from World Environment and Developments News Ltd to World Television Ltd.

### DIRECTORS AND THEIR INTEREST IN SHARES

The directors who held office during the year and their interest in the ordinary £1 shares of the company are as follows:-

	<u>Ordinary Shares of £1 each</u>	
	<u>1995</u>	<u>1994</u>
A M BOOTH	1	1
P J SIBLEY	1	1

WORLD TELEVISION LIMITED

DIRECTORS REPORT (continued)

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

BY ORDER OF THE BOARD

  
Secretary

# Hollingdales

CHARTERED ACCOUNTANTS

33 Wine Street, Bristol BS1 2BQ Tel (0117) 925 2255 Fax (0117) 925 2679

## AUDITORS' REPORT TO THE SHAREHOLDERS OF WORLD TELEVISION LIMITED

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3 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 consider 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. However, the evidence available to us was limited because the company was not subject to an audit for the year ended 10 September 1994 and no audit opinion was formed on the opening balances for the current year or on the comparative figures. Any adjustment to those figures would have a consequential significant effect of the profit for the year ended 10 September 1995.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### QUALIFIED OPINION ARISING FROM LIMITATION OF AUDIT SCOPE

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the opening balance sheet, in our opinion the accounts give a true and fair view of the state of the company's affairs as at 10 September 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect of the limitation on our work relating to opening balances, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit and we were unable to determine whether proper accounting records had been maintained.

*Hollingdales*

Chartered Accountants and  
Registered Auditor

Bristol

*12 January 1996*

## WORLD TELEVISION LIMITED

### ACCOUNTING POLICIES

#### BASIS OF ACCOUNTING

The financial statements are prepared on the historical cost basis of accounting.

#### TANGIBLE FIXED ASSETS

Tangible fixed assets are shown at cost less accumulated depreciation.

Depreciation is charged at the following annual rates:

Freehold Property	2% straight line.
Specialist equipment	33% straight line.
Office furniture, fittings and equipment	20% straight line.

#### STOCK AND WORK IN PROGRESS

Work in progress is stated in the balance sheet at the lower of cost and net realisable value.

#### TURNOVER

Turnover represents the amounts derived from the provision of goods and services during the year, excluding value added tax.

#### CASHFLOW STATEMENT

The company has taken advantage of the exemption available to small companies in Financial Reporting Standard 1 and has not produced a cash flow statement.

#### LEASED ASSETS

In accordance with the principals of Statement of Standard Accounting Practice Number 21, assets used by the company funded by finance leases and hire purchase contracts have been capitalised. Details of the net book value of such assets are included in note 5 and of the future liabilities under such contracts in note 8. A charge is made against profit for the financing charges on such assets. Assets funded by operating leases are not capitalised, total costs being charged to the profit and loss account as hire of equipment.

#### PENSION COSTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the scheme and is shown in note 2 to the accounts.

#### DEFERRED TAXATION

Provision is made, using the liability method, for timing differences between the treatment of certain items for taxation and accounting purposes to the extent that it is probable that a liability or asset will crystallise in the foreseeable future.

WORLD TELEVISION LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 10 SEPTEMBER 1995

	<u>Notes</u>	<u>1995</u> £	<u>1994</u> £
TURNOVER		450,847	254,011
Administrative expenses		396,056	227,570
		<hr/>	<hr/>
OPERATING PROFIT	1	54,791	26,441
Bank interest receivable		326	125
Interest payable	3	(13,818)	(4,960)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		41,299	21,606
Taxation	4	(8,524)	(3,650)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		32,775	17,956
Dividends paid		(21,600)	-
		<hr/>	<hr/>
RETAINED PROFIT FOR YEAR	12	11,175	17,956
		<hr/>	<hr/>

All the company's activities are classified as continuing.

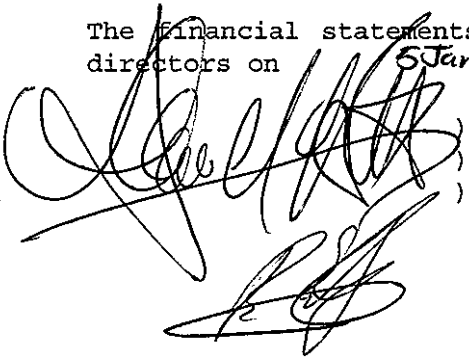
WORLD TELEVISION LIMITED

BALANCE SHEET

AT 10 SEPTEMBER 1995

	<u>Notes</u>	<u>1995</u> £	<u>1994</u> £
FIXED ASSETS			
Tangible assets	5	237,336	162,058
CURRENT ASSETS			
Stock and Work in Progress	6	27,735	9,154
Debtors	7	73,989	107,631
Cash at bank and in hand		23,759	1,892
		125,483	118,677
CREDITORS: AMOUNTS DUE WITHIN ONE YEAR	8	205,095	157,229
NET CURRENT LIABILITIES		(79,612)	(38,552)
TOTAL ASSETS LESS CURRENT LIABILITIES		157,724	123,506
CREDITORS: AMOUNTS DUE AFTER MORE THAN ONE YEAR	8	108,768	114,066
		48,956	9,440
CAPITAL AND RESERVES			
Called up share capital	11	2	2
Profit and loss account	12	20,613	9,438
Revaluation reserve	12	28,341	-
SHAREHOLDERS' FUNDS		48,956	9,440

The financial statements on pages 5 to 13 were approved by the board of directors on *5 January 1996* and were signed on its behalf by:

  
Directors

**WORLD TELEVISION LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**FOR THE YEAR ENDED 10 SEPTEMBER 1995**

	<u>1995</u> £	<u>1994</u> £
Profit for the financial year	11,175	17,956
Unrealised surplus on the revaluation of the freehold property	28,341	-
	<hr/>	<hr/>
Total gains and losses relating to the year	<u>39,516</u>	<u>17,956</u>



WORLD TELEVISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 10 SEPTEMBER 1995

1.	OPERATING PROFIT	<u>1995</u>	<u>1994</u>
		£	£
	The operating profit is stated after charging:		
	Auditors' remuneration	2,400	-
	Depreciation of owned assets	15,851	4,677
	Depreciation of assets held under lease agreements	21,354	3,313
	Hire of equipment	3,753	2,657
2.	DIRECTORS AND EMPLOYEES		
	Staff costs (including directors):	<u>1995</u>	<u>1994</u>
		£	£
	Wages and salaries	80,607	57,736
	Social security costs	8,857	3,612
	Pension costs	2,400	-
		<u>91,864</u>	<u>61,348</u>
	The average number of people employed by the company was:	<u>1995</u>	<u>1994</u>
		£	£
	Directors	2	2
	Video editor	1	1
	Other	1	-
		<u>4</u>	<u>3</u>
	Directors emoluments including pension contributions	<u>49,596</u>	<u>51,439</u>
3.	INTEREST PAYABLE	<u>1995</u>	<u>1994</u>
		£	£
	On finance leases	6,006	2,952
	On bank overdraft	-	8
	On bank loan due to be repaid after more than five years	7,812	2,000
		<u>13,818</u>	<u>4,960</u>
4.	TAXATION	<u>1995</u>	<u>1994</u>
		£	£
	UK Corporation tax on current period profit at 25%	8,000	3,650
	Underprovision in prior years	524	-
		<u>8,524</u>	<u>3,650</u>

WORLD TELEVISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 10 SEPTEMBER 1995 (continued)

5. TANGIBLE FIXED ASSETS

COST

At 11 September 1994  
Additions  
Disposals  
Revaluation

Freehold Property £	Office Furniture & Equipment £	Specialist Equipment £	Total £
46,500	4,254	124,111	174,865
6,661	10,124	75,651	92,436
-	-	(13,096)	(13,096)
26,839	-	-	26,839
80,000	14,378	186,666	281,044

At 10 September 1995

DEPRECIATION

At 11 September 1994  
Charge for period  
Disposals  
Revaluation

540	1,248	11,019	12,807
962	2,325	33,918	37,205
-	-	(4,802)	(4,802)
(1,502)	-	-	(1,502)

At 10 September 1995

NET BOOK VALUE

At 10 September 1995

80,000	10,805	146,531	237,336

At 10 September 1994

45,960	3,006	113,092	162,058

Included in the above are the following amounts relating to leased assets: Equipment at net book value £57,813  
(1994 - £96,083)

WORLD TELEVISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 10 SEPTEMBER 1995 (continued)

5. TANGIBLE FIXED ASSETS (continued)

The freehold property was revalued on 10 September 1995 by Osmond Tricks, Consultant Surveyors at open market value and this revaluation has been reflected in the accounts. The surplus arising has been credited to the revaluation reserve.

The historical cost of the freehold property is:

	£
Historial cost	53,161
Accumulated depreciation based on historical cost	1,502
	<hr/>
Historical cost at book value	51,659
	<hr/> <hr/>

All other assets are stated at historical cost.

6. WORK IN PROGRESS	<u>1995</u>	<u>1994</u>
	£	£
Stock of videos	2,853	-
Work done but not invoiced	24,882	9,154
	<hr/>	<hr/>
	27,735	9,154
	<hr/> <hr/>	<hr/> <hr/>
7. DEBTORS	<u>1995</u>	<u>1994</u>
	£	£
Trade debtors	62,159	91,443
Other debtors	9,930	16,053
Prepayments	1,900	135
	<hr/>	<hr/>
	73,989	107,631
	<hr/> <hr/>	<hr/> <hr/>

**WORLD TELEVISION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 10 SEPTEMBER 1995 (continued)**

8. CREDITORS	<u>1995</u>	<u>1994</u>
	£	£
Amounts due within one year:		
Bank loan (see note 9)	17,857	17,857
Property loan (see note 9)	6,667	6,667
Payments received on account	72,173	50,000
Trade creditors	53,442	33,538
Corporation tax	8,347	3,650
Other taxes and social security	3,078	9,410
Accruals	16,464	18,905
Directors' loan account	9,065	1,463
Finance lease	18,002	15,739
	<u>205,095</u>	<u>157,229</u>
Amounts due after one year		
Bank loan (see note 9)	84,821	67,679
Property loan (see note 9)	6,667	13,333
Finance lease	17,280	33,054
	<u>108,768</u>	<u>114,066</u>

The finance lease creditor is all due to be repaid within five years.

9. BORROWINGS	<u>1995</u>	<u>1994</u>
	£	£
The aggregate amount of borrowings was as follows:		
Falling due within one year		
Bank loan	17,857	17,857
Property loan	6,667	6,667
	<u>24,524</u>	<u>24,524</u>
Falling due within one to two years		
Bank loan	17,857	17,857
Property loan	6,667	6,667
	<u>24,524</u>	<u>24,524</u>
Falling due within two to five years		
Bank loan	53,571	49,821
Property loan	-	6,667
	<u>53,571</u>	<u>56,488</u>
Falling due after five years		
Bank loan	13,393	-
Aggregate amounts	<u>116,012</u>	<u>105,536</u>

WORLD TELEVISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 10 SEPTEMBER 1995 (continued)

9. BORROWINGS (continued)

The property loan is repayable by twelve quarterly instalments of £1,667. No interest is charged. It is secured by a charge over the company's freehold property.

The bank loan is being repaid by monthly instalments of £1,488 excluding interest. Interest is charged at 3% above the base rate. It is secured by a charge over all the company's assets.

10. DEFERRED TAXATION

No provision has been made for deferred taxation as it is not considered probable that a liability will crystallise in the foreseeable future. The amount of unprovided deferred taxation is £2,743 (1994 - £nil).

11. CALLED UP SHARE CAPITAL	<u>1995</u>	<u>1994</u>
	£	£
Authorised:		
1,000 ordinary shares of £1 each	1,000	1,000
	<u>          </u>	<u>          </u>
Allotted, called up and fully paid:		
2 ordinary shares of £1 each	2	2
	<u>          </u>	<u>          </u>

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>Share</u>	<u>Revalu-</u>	<u>Profit</u>	<u>1995</u>	<u>1994</u>
	<u>Capital</u>	<u>ation</u>	<u>&amp; Loss</u>	<u>Total</u>	<u>Total</u>
	£	£	£	£	
Balance at 11 September 1994	2		9,438	9,440	(8,516)
Profit for the year	-		11,175	11,175	17,956
Revaluation in year	-	28,341	-	28,341	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Balance at 10 September 1995	2	28,341	20,613	48,956	9,440
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>