

W O R L D T E L E V I S I O N L I M I T E D

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 1999

2590549



HLB KIDSONS

CHARTERED ACCOUNTANTS

BRISTOL

WORLD TELEVISION LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1999

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Company Number : 2590549

WORLD TELEVISION LIMITED

DIRECTORS REPORT

The directors present their report and the audited financial statements for the period ended 30 September 1999.

PRINCIPAL ACTIVITY

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

YEAR 2000 COMPLIANCE

As is well known, many computers and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This is a complex and pervasive issue. The operation of our business depends not only upon our computer systems, but also to some degree on those of our suppliers and customers. This could expose us to further risk in the event that there is a failure by other parties to remedy their own Year 2000 issues.

The company has undertaken a thorough audit to assess the risks to our business resulting from the date change to the year 2000. The resultant recommendations have been acted upon and we are confident that our internal systems will be fully Year 2000 compliant.

DIRECTORS AND THEIR INTEREST IN SHARES

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

	<u>Ordinary Shares of £1 each</u>	
	<u>30.9.99</u>	<u>30.9.98</u>
A M BOOTH	10,000	10,000
P J SIBLEY	10,000	10,000

SMALL COMPANY EXEMPTIONS

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

AUDITORS

HLB Kidsons have agreed to offer themselves for re-appointment as auditors of the company.

WORLD TELEVISION LIMITED

DIRECTORS REPORT (continued)

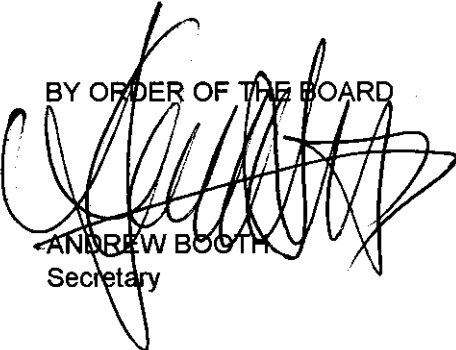
DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period 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



ANDREW BOOTH
Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS OF WORLD TELEVISION LIMITED

We have audited the financial statements on pages 5 to 13 which have been prepared in accordance with the accounting policies set out on page 8.

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. 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 the company's affairs at 30 September 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

HCB Kidsons

Chartered Accountants and
Registered Auditor

16 June 2000

Bristol

WORLD TELEVISION LIMITED**PROFIT AND LOSS ACCOUNT**
FOR THE YEAR ENDED 30 SEPTEMBER 1999

	<u>Notes</u>	<u>1999</u> £	<u>1998</u> £
TURNOVER		1,611,350	1,317,609
Cost of sales		770,125	523,634
		<hr/>	<hr/>
GROSS PROFIT		841,225	793,975
Administrative expenses		816,041	589,940
		<hr/>	<hr/>
OPERATING PROFIT	1	25,184	204,035
Bank interest receivable		811	708
Interest payable	4	(18,196)	(17,934)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		7,799	186,809
Taxation	5	(5,074)	(34,500)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	14	2,725	152,309
Dividends paid	6	0	(84,000)
		<hr/>	<hr/>
RETAINED PROFIT FOR THE PERIOD		2,725	68,309
		<hr/>	<hr/>

All the company's activities are classified as continuing.

Movements in reserves are shown in the notes to the financial statements.

There were no recognised gains or losses in 1999 or 1998 other than the profit for the period.

WORLD TELEVISION LIMITED**NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 30 SEPTEMBER 1999**

	<u>1999</u> £	<u>1998</u> £
Reported profit on ordinary activities before taxation	7,799	186,809
Difference between actual and historical cost depreciation	1,505	1,429
Historical cost profit on ordinary activities before taxation	<u>9,304</u>	<u>188,238</u>
Taxation	5,074	34,500
Dividends	-	84,000
Retained historical cost profit for the year after taxation and dividends	<u>4,230</u>	<u>69,738</u>

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR
FOR THE YEAR ENDED 30 SEPTEMBER 1999**

	<u>1999</u> £	<u>1998</u> £
Profit for the year	2,725	68,309
Unrealised surplus on the revaluation of freehold property	49,680	-
Total gains and losses relating to the financial year	<u>52,405</u>	<u>68,309</u>

WORLD TELEVISION LIMITED**BALANCE SHEET
AT 30 SEPTEMBER 1999**

	<u>Notes</u>	<u>1999</u> £	<u>1998</u> £
FIXED ASSETS			
Tangible assets	7	413,155	361,244
CURRENT ASSETS			
Stocks	8	32,630	25,619
Debtors	9	348,527	425,227
Cash at bank and in hand		87,628	1,389
		468,785	452,235
CREDITORS : AMOUNTS DUE WITHIN ONE YEAR	10	(523,006)	(485,802)
NET CURRENT LIABILITIES		(54,221)	(33,567)
TOTAL ASSETS LESS CURRENT LIABILITIES		358,934	327,677
CREDITORS : AMOUNTS DUE AFTER MORE THAN ONE YEAR	10	(77,024)	(98,172)
PROVISION FOR LIABILITIES AND CHARGES	12	(8,000)	(8,000)
		273,910	221,505
CAPITAL AND RESERVES			
Called up share capital	13	20,000	20,000
Profit and loss account	14	163,657	159,427
Revaluation reserve	14	90,253	42,078
SHAREHOLDERS' FUNDS	14	273,910	221,505

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 5 to 13 were approved by the board of directors on 16 June 2000 and were signed on it's behalf by :

)
) Director

WORLD TELEVISION LIMITED

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements are prepared on the historical cost basis of accounting as modified by the revaluation of freehold property, and in accordance with applicable Accounting Standards.

TANGIBLE FIXED ASSETS

Tangible fixed assets are shown at cost less accumulated depreciation.

Depreciation is charged so as to allocate the cost of each asset less its estimated residual value to the periods expected to benefit from its use at the following rates :

Freehold Property	2% straight line
Specialist equipment	12.5% straight line
Office furniture, fittings and equipment	20% straight line

STOCK

Stock 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 period, 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 principles of Statement of Standard Accounting Practice No.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.

FOREIGN EXCHANGE

Transactions in foreign currencies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

WORLD TELEVISION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1999****1 OPERATING PROFIT**

	<u>1999</u> £	<u>1998</u> £
The operating profit is stated after charging :		
Auditors' remuneration	3,500	3,000
Depreciation of owned assets	53,741	52,531
Depreciation of assets held under lease agreements	9,372	6,295
Profit on sale of assets	(3,547)	(3,592)
Hire of equipment	36,945	14,169
	<u> </u>	<u> </u>

2 TURNOVER

In the opinion of the directors, 56% of the turnover of the company is attributable to geographical markets outside the U.K. (1998 64%).

3 DIRECTORS

The directors' emoluments were :	£	£
Directors' emoluments	128,000	100,500
Company contributions to a money purchase pension scheme	2,400	2,400
	<u>130,400</u>	<u>102,900</u>

4 INTEREST PAYABLE

	<u>1999</u> £	<u>1998</u> £
On finance leases	5,986	4,647
On bank loans	12,210	13,287
	<u>18,196</u>	<u>17,934</u>

5 TAXATION

	<u>1999</u> £	<u>1998</u> £
U.K. Corporation tax on current period profit at 21%	3,300	35,000
(Over) / underprovision in prior years	1,774	(500)
Provision for deferred taxation	-	-
	<u>5,074</u>	<u>34,500</u>

6 DIVIDENDS

	<u>1999</u>	<u>1998</u>
Equity - ordinary/final	-	84,000

WORLD TELEVISION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1999**

(continued)

7. TANGIBLE FIXED ASSETS

COST OR VALUATION	Freehold Property £	Office Furniture & Equipment £	Specialist Equipment £	Total £
At 1 October 1998	130,736	48,521	390,033	569,290
Revaluation	44,264	-	-	44,264
Additions	-	6,023	62,794	68,817
Disposals	-	(3,345)	(22,070)	(25,415)
At 30 September 1999	175,000	51,199	430,757	656,956
DEPRECIATION				
At 1 October 1998	4,762	22,816	180,468	208,046
Revaluation	(5,416)	-	-	(5,416)
Charge for period	3,279	9,703	50,131	63,113
Disposals	-	(2,825)	(19,117)	(21,942)
At 30 September 1999	2,625	29,694	211,482	243,801
NET BOOK VALUE				
At 30 September 1999	172,375	21,505	219,275	413,155
At 30 September 1998	125,974	25,705	209,565	361,244

Included in the above are the following amounts relating to leased assets : Equipment at net book value £54,863 (1998 - £44,235)

WORLD TELEVISION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1999****(continued)****7. TANGIBLE FIXED ASSETS (continued)**

The freehold property was revalued on 31 December 1998 by Burston Cook, 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 :

	£
Historical cost	88,694
Accumulated depreciation based on historical cost	6,938
	<hr/>
Historical cost at book value	81,756
	<hr/>

All other assets are stated at historical cost.

8. STOCKS	<u>1999</u>	<u>1998</u>
	£	£
Stocks	32,630	25,619
	<hr/>	<hr/>
9. DEBTORS	<u>1999</u>	<u>1998</u>
	£	£
Trade debtors	339,845	416,333
Other debtors	8,682	8,894
	<hr/>	<hr/>
	348,527	425,227
	<hr/>	<hr/>

WORLD TELEVISION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1999**

(continued)

10. CREDITORS	<u>1999</u> £	<u>1998</u> £
Amounts due within one year :		
Bank overdraft (see note 11)	-	39,974
Bank loans (see note 11)	52,050	32,666
Payments received on account	116,366	126,941
Trade creditors	233,491	129,772
Advance corporation tax	-	21,000
Corporation tax	3,300	14,000
Other taxes and social security	21,400	19,886
Accruals	43,614	17,663
Directors' loan account	33,194	66,000
Finance lease	19,591	17,900
	<hr/> 523,006	<hr/> 485,802
Amounts due after more than one year		
Bank loans (see note 11)	74,399	84,363
Finance lease	2,625	13,809
	<hr/> 77,024	<hr/> 98,172

The finance lease creditor is all due to be repaid within five years. The bank loan and overdraft are secured by a fixed and floating charge over the Company's assets.

11. BORROWINGS	<u>1999</u> £	<u>1998</u> £
The aggregate amount of borrowings was as follows :		
Falling due within one year		
Bank overdraft	-	39,974
Bank loans	52,050	32,666
	<hr/> 52,050	<hr/> 72,640
Falling due within one to two years		
Bank loans	49,632	33,608
	<hr/> 49,632	<hr/> 33,608
Falling due within two to five years		
Bank loans	24,767	50,755
	<hr/> 24,767	<hr/> 50,755
Aggregate amounts	<hr/> 126,449	<hr/> 157,003

WORLD TELEVISION LIMITED**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 1999**

(continued)

12. DEFERRED TAXATION

The balance at 30 September 1999 is made up as follows :

	<u>Provided</u>		<u>Unprovided</u>	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
	£	£	£	£
Accelerated capital allowances	8,000	8,000	-	-
Capital gain on disposal of property at net book value	-	-	17,500	7,300
	<u>8,000</u>	<u>8,000</u>	<u>17,500</u>	<u>7,300</u>

13. CALLED UP SHARE CAPITAL

	<u>1999</u>	<u>1998</u>
	£	£
Authorised :		
50,000 ordinary shares of £1 each	50,000	50,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid :		
20,000 ordinary shares of £1 each	20,000	20,000
	<u> </u>	<u> </u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>Share Capital</u>	<u>Revaluation Reserve</u>	<u>Profit & Loss Account</u>	<u>1999 Total</u>	<u>1998 Total</u>
	£	£	£	£	£
Balance at 1 October 1998	20,000	42,078	159,427	221,505	153,196
Profit for the year	-	-	2,725	2,725	152,309
Dividends	-	-	-	-	(84,000)
Revaluation of fixed assets	-	49,680	-	49,680	-
Excess depreciation on revalued asset	-	(1,505)	1,505	-	-
Balance at 30 September 1999	<u>20,000</u>	<u>90,253</u>	<u>163,657</u>	<u>273,910</u>	<u>221,505</u>

15 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 30 September 2000 :

	<u>1999</u>	<u>1998</u>
	£	£
Land and buildings expiring within one year	32,000	-
	<u> </u>	<u> </u>

16 RELATED PARTY TRANSACTIONS

The Company was controlled throughout the year by P.J.Sibley and A.M.Booth who are the directors and shareholders. The directors have lent money to the Company as disclosed in note 10. No interest is payable on these loans.