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YORKSHIRE TELEVISION LIMITED

COMPANIES  
PR20  
14 APR 1994  
HOUSE

REPORT AND ACCOUNTS FOR THE YEAR ENDED

30TH SEPTEMBER 1993

## YORKSHIRE TELEVISION LIMITED

### Directors

Victor Watson, CBE, DL (Chairman)  
John Fairley (Managing Director)  
David Bould (Deputy Group Commercial Director)  
Tony Brill (Group Director of Personnel)  
Ralph Coyle (Legal Director and Company Secretary)  
Kenneth Dixon, DL  
Richard Gregory (Director of Regional Programmes)  
Stephen Hall  
Allan Hardy (Group Commercial Director)  
David Holdgate (Finance Director)  
Juliet Jowitt  
Grant McKee (Director of Network Programmes)  
Nicholas Playne  
Edwin Wright (Director of Operations)

### Secretary

Ralph Coyle

### Registered Office

The Television Centre, Leeds, LS3 1JS

### Registered Number

899713

### London Offices

Television House, 31/32 Bedford Row, London, WC1R 4HE

### 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 Peat Marwick, Leeds

### Bankers

National Westminster 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 Tuesday 12th April 1994 at 11 00 a m for the following purposes

- (a) To receive the annual report of the directors and statement of accounts for the year ended 30th September 1993 and the report of the auditors thereon
- (b) To authorise the directors to fix their own remuneration.
- (c) 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

10th March 1994

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 year ended 30th September 1993

### 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

	1993	1992 As restated
	£'000	£'000
Turnover	181,245	192,497
Profit on ordinary activities before taxation	(11,306)	4,313
Taxation	(3,247)	2,240
(Loss)/profit for the financial year	(8,059)	2,073

### Proposed dividend

The directors propose no final dividend for the year (1992 – nil).

### Fixed assets

An analysis of fixed assets appears in note 10 to the accounts.

### Directors and directors' interests

The current directors are named on page 1.

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

Jeremy Hardie	15th May 1993
Craig Pearman	31st May 1993
John Calvert	2nd September 1993
Mark Burrell	30th September 1993
Clive Leach	30th September 1993
Sir Derek Palmar	30th September 1993

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

Tony Brill	2nd September 1993
David Bould	1st October 1993
Richard Gregory	1st October 1993
David Holdgate	1st October 1993
Grant McKee	1st October 1993

# YORKSHIRE TELEVISION LIMITED

## DIRECTORS' REPORT

The beneficial and family interests of directors in the shares of the holding company as at 30th September 1993 are as follows

	30th September 1993			Warrants	
	Ordinary shares of 25p Issued	Under option	Employee share scheme *	Issued	Employee share scheme **
Victor Watson	5,000	—	—	1,400	—
John Fairley	3,791	65,000	4,950	24,904	549
David Bould	1,445	20,000	3,234	392	363
John Calvert ***	168	136,204	3,413	—	183
Ralph Coyle	657	83,976	3,797	108	391
Richard Gregory	—	—	1,674	—	113
Allan Hardy	2,271	65,000	5,034	636	560
David Holdgate	454	—	2,618	128	305
Juliet Jowitt	500	—	—	140	—
Clive Leach	117,892	151,975	7,161	30,288	766
Grant McKee	—	—	2,475	—	137
Sir Derek Palmer	5,000	—	—	1,400	—
Nicholas Playne	5,429	—	—	1,400	—
Edwin Wright	55,637	66,026	4,656	15,436	530

	1st October 1992			Warrants	
	Ordinary shares of 25p Issued	Under option	Employee share scheme *	Issued	Employee share scheme **
Victor Watson	5,000	—	—	1,400	—
John Fairley	2,724	30,000	3,464	30,762	691
John Calvert	—	97,104	1,576	—	183
Ralph Coyle	32	48,976	2,472	—	499
Allan Hardy	1,771	30,000	3,515	495	701
Juliet Jowitt	500	—	—	140	—
Clive Leach	107,669	101,795	4,715	30,146	908
Sir Derek Palmer	5,000	—	—	1,400	—
Nicholas Playne	5,000	—	—	1,400	—
Edwin Wright	55,164	46,026	2,373	15,302	664

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

\*\*\* Of the options granted to Mr Calvert, 45,952 were granted under the terms of the Yorkshire Television Share Option Scheme 1984-1994. The remaining 90,252 were granted, with the consent of the holding company, by the trustees of the Yorkshire Television Share Option Scheme 1989, under the terms of that scheme.

During the period from 30th September 1993 to 31st December 1993 no changes took place in the beneficial or family interests of the directors, nor in respect of any options over shares in the Company held by the directors.

## YORKSHIRE TELEVISION LIMITED

### DIRECTORS' REPORT

Craig Pearman left his employment with the Company on 31st May 1993 and, on 7th November 1993, Clive Leach resigned from his employment with the Company. Details of the arrangements relating to the termination of the employment of both Mr Pearman and Mr Leach are set out in the accounts of the holding company. Mr Pearman remained a consultant to the Company for a period of five months ending on 31st October 1993 at a consultancy fee of £5,000 per month.

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.

#### 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 has both formal and informal briefing arrangements for ensuring that all employees are kept informed by their managers of the performance of the Company and their own areas of operation, including formalised "team briefings". Information is also provided through company handbooks, notice boards, the distribution of press cuttings and company staff meetings. The success of the company magazine has led to its extension throughout the Yorkshire–Tyne Tees Television Holdings plc group of companies.

There are joint working parties with management and staff representatives covering such areas of mutual interest as health and safety and job evaluation and a working party has been formed to address equal opportunities.

Employees are encouraged to participate in the group through membership of the Employee Share Scheme, created by the holding company, which is open to all employees having the appropriate service qualifications.

With respect to the Company's pension fund, its performance is communicated to members of 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 and a further member will be appointed to the trustee company board from among existing pensioners.

#### 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. Its policy is to make no differentiation between the disabled and the able-bodied in respect of career development and promotion. If individuals become disabled during employment and are unable to do their own jobs, consideration is given to retraining for alternative jobs. In applying this policy the health and safety of all employees is an overriding consideration.

The Yorkshire–Tyne Tees Television Holdings plc group is an active member of the Broadcasters' Forum on Disability, the Equality Exchange, 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.

Considerable capital expenditure has been invested in the provision of access and toilet facilities for the disabled in the Company's Leeds complex.

#### Change of year end

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

YORKSHIRE TELEVISION LIMITED

DIRECTORS' REPORT

Donations

During the year the Company made grants to the arts and sciences of £168,300 (1992 - £285,000) and donations of £38,049 (1992 - £126,000) to various charities. No contributions were made for political purposes.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Peat Marwick 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

10th March 1994

## 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 year and of the results of the Company for the period to that date.

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 adequate 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 30th September 1993 and of the loss of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick

KPMG PEAT MARWICK  
Chartered Accountants  
Registered Auditors

1 The Embankment  
Neville Street  
LEEDS  
LS1 4 DW

10th March 1994

# YORKSHIRE TELEVISION LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER 1993

	Note	1993 £'000	1992 As restated £'000
Turnover from continuing activities	1	181,245	192,497
Cost of sales and transmissions	2	83,000	75,866
Gross profit		98,245	116,631
Other operating expenses	3	75,866	103,600
Allocation to employee share scheme		—	687
Operating profit		22,379	12,344
Interest and other income	4	1,798	2,188
		20,581	10,156
Treasury licence payments	5	31,887	5,843
(Loss) / profit on ordinary activities before tax	6	(11,306)	4,313
Tax on (loss) / profit on ordinary activities	8	(3,247)	2,240
(Loss) / profit for the financial year		(8,059)	2,073
Dividends paid	9	—	3,065
Retained loss for the financial year	18	(8,059)	(992)

### Statement of recognised gains and losses

There are no recognised gains or losses in either of the above periods other than those set out in the profit and loss account and the prior year adjustment described below and in note 10.

### Prior year adjustment

As explained in note 10 a change in accounting policy has been treated as a prior year adjustment. The effect on the year to 30th September 1992 is to increase profit by £540,000.

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


# YORKSHIRE TELEVISION LIMITED

## BALANCE SHEET AS AT 30TH SEPTEMBER 1993

		1993	1992
	Note	£'000	As restated £'000
<b>Fixed assets</b>			
Tangible assets	10	23,586	18,966
Programme rights	11	1,505	1,755
Investments	12	96	147
		<u>25,187</u>	<u>20,868</u>
<b>Current assets</b>			
Film rights		12,250	11,819
Stocks	13	12,274	12,410
Debtors	14	39,607	29,467
Short term deposits		19,633	21,525
Certificates of tax deposit		350	1,350
Cash at bank and in hand		6,267	8
		<u>90,381</u>	<u>76,579</u>
<b>Creditors — amounts falling due within one year</b>	15	108,988	84,072
<b>Net current liabilities</b>		(18,607)	(7,493)
<b>Total assets less current liabilities</b>		<u>6,580</u>	<u>13,375</u>
<b>Creditors — amounts falling due after more than one year</b>	15	8,167	5,983
		<u>(1,587)</u>	<u>7,392</u>
<b>Capital and reserves</b>			
Called up share capital	17	3,410	3,410
Profit and loss account	18	(4,997)	3,982
		<u>(1,587)</u>	<u>7,392</u>

The financial statements on pages 9 to 19 were approved by the board on 10th March 1994 and were signed on its behalf by :

VICTOR WATSON



Directors

JOHN FAIRLEY



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

## YORKSHIRE TELEVISION LIMITED

### ACCOUNTING POLICIES

#### Fundamental accounting concept

The accounts have been prepared on a going concern basis because the ultimate holding company has agreed to provide adequate funds for the Company to meet its liabilities as they fall due

#### 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

On the first transmission of a programme produced or a film purchased by the Company, the costs of the production or the film rights are written off and the appropriate income is recognised. Programmes completed but not transmitted and programmes in the course of production are valued at cost excluding overheads. Film rights are valued at cost. Acquired programme rights are valued at cost and amortised on a straight line basis over their expected useful lives. Provision is made, where appropriate, 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.

#### 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 year.

#### 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.

#### Channel Four subscription

Channel Four subscriptions are based on Channel Four's accounting year ended on 31st March and calculated by reference to advertising revenue for the twelve months ended on the previous 31st January. The subscriptions are charged in the accounts as they become payable together with adjustments to reflect the differing accounting periods. As discussed in note 1 to the accounts the basis of the relationship with Channel Four changed on 1st January 1993 and from that date the Channel Four subscription ceased.

#### 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 23.

# YORKSHIRE TELEVISION LIMITED

## NOTES TO THE ACCOUNTS

### 1 Turnover from continuing activities

Turnover excludes value added tax and comprises:

	1993 £'000	1992 £'000
Advertising revenue	108,365	137,542
Channel Four safety net (below)	2,065	-
Sales of television programmes		
ITV Network	56,794	40,658
Channel Four	4,985	3,389
Other UK	391	297
North America	-	2,451
Rest of World	900	616
Sundry income	7,745	7,544
	<u>181,245</u>	<u>192,497</u>

Under the terms of the arrangement which saw Channel Four assume responsibility for the sale of its own airtime, a function previously performed by the ITV Network licensees, a scheme was put in place between the licensees on the one hand and Channel Four on the other to provide compensation from either party should Channel Four's share of terrestrial advertising revenue differ from a share of 14%. The formula is based on advertising share over a calendar year and, in the absence of final agreed figures for 1993, estimates have been made for the purposes of these accounts. Channel Four's share of the combined advertising revenue of the terrestrial television channels has been estimated as 17.8%. The resultant estimated company share of the repayment to the ITV Network by Channel Four of £2,065,000 has been shown as turnover.

### 2 Cost of sales and transmissions

Included within cost of sales and transmissions are the costs of the purchase of programmes from the ITV Network of £34,661,000 (1992: £38,128,000) which are calculated on the basis of the Company's share of the network net advertising revenue in each calendar year. In the absence of agreed shares for 1993 the calculation is based on a conservative estimate of the Company's share of net advertising revenue.

### 3 Other operating expenses

	1993 £'000	1992 £'000
Rentals payable to the ITC and NTL	4,651	7,080
Channel Four subscription	5,650	24,278
Staff costs	33,460	34,313
Operating costs	24,442	29,546
Exceptional restructuring costs	7,663	8,383
	<u>75,866</u>	<u>103,600</u>

### 4 Interest and other income

	1993 £'000	1992 £'000
Interest receivable on short term deposits	1,296	1,433
Other interest receivable	-	193
Interest payable to holding company	(2,925)	(3,935)
Interest payable on bank overdrafts and loans due within five years	(169)	(124)
Dividend receivable from associated undertaking	-	245
	<u>(1,798)</u>	<u>(2,188)</u>

## NOTES TO THE ACCOUNTS

Until 31st 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 10% to 31st December 1991 and 2.5% thereafter) 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 1st January 1993 exchequer levy ceased.

6 (Loss) / profit on ordinary activities before taxation

	1993	1992 As restated
	£'000	£'000
Depreciation of tangible fixed assets	4,045	4,099
Auditors' remuneration – audit	84	32
– non audit	140	223
Hire of facilities and equipment	3,105	2,871
Operating leases – land and buildings	1,162	1,029
Finance leases finance charge	400	57

Profit on sale of fixed assets	95	77
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(a) Staff costs during the year, including directors' remuneration but excluding the cost of artistes, comprised :

	1993 £'000	1992 £'000
Wages and salaries	29,479	29,345
Social security costs	2,201	2,471
Other pension costs	1,780	2,497
	<b>33,460</b>	<b>34,313</b>

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# YORKSHIRE TELEVISION LIMITED

## NOTES TO THE ACCOUNTS

### 7 Emoluments (continued)

(b) Directors' remuneration, including pension fund contributions, was :

	1993 £'000	1992 £'000
As directors	137	143
As executives – Salary	659	656
– Bonuses	144	1,423
– Pension fund contributions	299	338
– Other benefits	60	59
	<u>1,299</u>	<u>2,619</u>

The directors remuneration as executives for 1992 disclosed above included payments in respect of the group's deferred bonus scheme. Full details of these payments were set out in the 1992 accounts of the holding company.

(c) The number of directors whose earnings, excluding pension contributions but including the deferred bonus payments referred to above, were within the following ranges were :

	1993	1992
Up to £5,000	1	–
£5,001 – £10,000	2	1
£10,001 – £15,000	4	7
£15,001 – £20,000	2	–
£20,001 – £25,000	–	1
£25,001 – £30,000	1	–
£30,001 – £35,000	–	1
£35,001 – £40,000	1	–
£40,001 – £45,000	–	–
£45,001 – £50,000	–	1
£50,001 – £55,000	1	–
£55,001 – £60,000	–	–
£60,001 – £65,000	1	–
£65,001 – £70,000	1	–
£70,001 – £75,000	1	–
£75,001 – £80,000	2	–
£80,001 – £85,000	–	1
£85,001 – £90,000	–	–
£90,001 – £95,000	1	–
£95,001 – £100,000	–	1
£100,001 – £105,000	–	1
£105,001 – £110,000	–	1
£110,001 – £115,000	–	1
£115,001 – £120,000	–	1
£120,001 – £125,000	–	1
£125,001 – £130,000	–	1
£130,001 – £135,000	–	1
£135,001 – £140,000	–	1
£140,001 – £145,000	–	1
£145,001 – £150,000	–	1
£150,001 – £155,000	–	1
£155,001 – £160,000	–	1
£160,001 – £165,000	–	1
£165,001 – £170,000	–	1
£170,001 – £175,000	–	1
£175,001 – £180,000	–	1
£180,001 – £185,000	–	1
£185,001 – £190,000	–	1
£190,001 – £195,000	–	1
£195,001 – £200,000	–	1
£200,001 – £205,000	–	1
£205,001 – £210,000	–	1
£210,001 – £215,000	–	1
£215,001 – £220,000	–	1
£220,001 – £225,000	–	1
£225,001 – £230,000	–	1
£230,001 – £235,000	–	1
£235,001 – £240,000	–	1
£240,001 – £245,000	–	1
£245,001 – £250,000	–	1
£250,001 – £255,000	–	1
£255,001 – £260,000	–	1
£260,001 – £265,000	–	1
£265,001 – £270,000	–	1
£270,001 – £275,000	–	1
£275,001 – £280,000	–	1
£280,001 – £285,000	–	1
£285,001 – £290,000	–	1
£290,001 – £295,000	–	1
£295,001 – £300,000	–	1
£300,001 – £305,000	–	1
£305,001 – £310,000	–	1
£310,001 – £315,000	–	1
£315,001 – £320,000	–	1
£320,001 – £325,000	–	1
£325,001 – £330,000	–	1
£330,001 – £335,000	–	1
£335,001 – £340,000	–	1
£340,001 – £345,000	–	1
£345,001 – £350,000	–	1
£350,001 – £355,000	–	1
£355,001 – £360,000	–	1
£360,001 – £365,000	–	1
£365,001 – £370,000	–	1
£370,001 – £375,000	–	1
£375,001 – £380,000	–	1
£380,001 – £385,000	–	1
£385,001 – £390,000	–	1
£390,001 – £395,000	–	1
£395,001 – £400,000	–	1
£400,001 – £405,000	–	1
£405,001 – £410,000	–	1
£410,001 – £415,000	–	1
£415,001 – £420,000	–	1
£420,001 – £425,000	–	1
£425,001 – £430,000	–	1
£430,001 – £435,000	–	1

Included in the above are :

	1993	1992
Chairman's emoluments	£50,000	£50,000
Highest paid director	£214,000	£432,000

In addition the highest paid director received £41,000 (1992 – £59,000) to reimburse him for interest costs on borrowings incurred in connection with a house which he was required to buy under the terms of his contract with the Company.

### 8 Tax on (loss) / profit on ordinary activities

	1993 £'000	1992 £'000
Corporation tax at 33% (1992 – 33.5%) on the result for the year	(2,271)	1,917
Corporation tax – adjustment re prior years	(976)	463
Deferred taxation (note 16)	–	(140)
	<u>(3,247)</u>	<u>2,240</u>

# YORKSHIRE TELEVISION LIMITED

## NOTES TO THE ACCOUNTS

### 9 Dividends

An interim dividend of £3,065,000 was paid in 1992

### 10 Tangible fixed assets

	Long leasehold property £'000	Short leasehold property £'000	Plant and equipment Technical £'000	Other £'000	Total £'000
Cost or valuation					
At 1st October 1992	10,725	1,194	53,023	6,023	70,965
Prior year adjustment (below)	—	—	(18,643)	—	(18,643)
As restated	10,725	1,194	34,380	6,023	52,322
Acquisition (note 19)	—	—	—	1,362	1,362
Additions	442	465	6,413	484	7,804
Disposals	—	—	(496)	(7)	(503)
At 30th September 1993	11,167	1,659	40,297	7,862	60,985
Depreciation					
At 1st October 1992	283	885	45,635	4,681	51,484
Prior year adjustment (below)	—	—	(18,127)	—	(18,127)
As restated	283	885	27,508	4,681	33,357
Acquisition (note 19)	—	—	—	403	403
Charge for the year	216	66	2,963	800	4,045
Disposals	—	—	(401)	(5)	(406)
At 30th September 1993	499	951	30,070	5,879	37,399
Net book amounts					
At 30th September 1993	10,668	708	10,227	1,983	23,586
At 30th September 1992 (as restated)	10,442	309	7,388	1,342	19,481

Plant and equipment includes assets acquired under finance leases in respect of which, at 30th September 1993, the net book amount was £6,969,000 (1992 – £2,536,000) after charging £842,000 (1992 – £567,000) depreciation for the year.

#### Prior year adjustment

The directors have decided that it is no longer appropriate to revalue technical plant and equipment and adjustments have been made for this change of accounting policy. The restatement above serves to remove from the accounts the cumulative cost and depreciation balances which result from the revaluation of assets in previous years. The net adjustment of £515,000 eliminates the opening balance on revaluation reserve (note 18).

### 11 Programme rights

Programme rights comprise rights acquired at a cost of £2,505,000 less accumulated amortisation charges of £1,000,000. Amortisation charges in the year amounted to £250,000 (1992 – £250,000).



# YORKSHIRE TELEVISION LIMITED

## NOTES TO THE ACCOUNTS

### 12 Investments

	1993 £'000	1992 £'000
Shares in subsidiary undertakings	—	—
Shares in associated undertakings	78	78
Other investments other than loans	18	69
	<u>96</u>	<u>147</u>

#### Shares in subsidiary undertakings

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

	Percentage of ordinary share capital held %	Principal activity
Media and Airtime Sales Limited	100	Dormant
Yorkshire Television Pension Trust Limited	100	Dormant
Venture Television Limited	100	Dormant

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

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 are set out below :

	Percentage of ordinary share capital held %	Principal activity
Educational Television Company Limited	21	Educational programming
Anodyne Limited	45	Dormant

The above companies operate principally in the United Kingdom and are registered in England and Wales.

#### Other investments other than loans

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

	Equity held %	1993 £'000	1992 £'000
Independent Television News Limited	—	—	38
Independent Television Facilities Centre Limited	10.0	5	5
Oracle Teletext Limited	9.0	13	13
Chameleon Television Limited	15.0	—	13
		<u>18</u>	<u>69</u>

The investment in Independent Television News Limited was disposed of during the year and the investment in Chameleon Television Limited has been fully provided against during the year.

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 30th September 1993.

# YORKSHIRE TELEVISION LIMITED

## NOTES TO THE ACCOUNTS

### 13 Stocks

	1993 £'000	1992 £'000
Completed programmes and programmes in course of production	12,056	11,966
Technical and sundry stocks	218	444
	<u>12,274</u>	<u>12,410</u>

### 14 Debtors

	1993 £'000	1992 £'000
Trade debtors	25,802	18,968
Amounts owed by subsidiary undertakings	114	1,199
Amounts owed by holding company and fellow subsidiaries	—	1,929
Other debtors	3,805	323
Prepayments and accrued income including deferred taxation not written off (note 16)	9,886	7,048
	<u>39,607</u>	<u>29,467</u>

### 15 Creditors

	1993 £'000	1992 £'000
Amounts falling due within one year :		
Bank overdraft	—	3,330
Payments received on account	847	3,559
Trade creditors and film rights	7,884	12,076
Amounts owed to parent company and fellow subsidiaries	45,418	42,423
Corporation tax	—	3,193
Other taxation and social security payable	7,639	3,745
Other creditors	22,773	7,715
Lease obligations	3,627	301
Accruals and deferred income	20,800	7,730
	<u>108,988</u>	<u>84,072</u>
Amounts falling due after more than one year :		
Deferred instalments for film rights	3,802	3,965
Lease obligations (all due within five years)	4,365	2,018
	<u>8,167</u>	<u>5,983</u>

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

	1993 £'000	1992 £'000
Opening balances	2,319	225
Acquisitions	784	—
New leases	6,079	2,434
Capital element of repayments	(1,190)	(340)
Closing balances	<u>7,992</u>	<u>2,319</u>

# YORKSHIRE TELEVISION LIMITED

## NOTES TO THE ACCOUNTS

### 16 Deferred taxation

	1993		1992	
	Full potential liability	Asset carried forward	Full potential liability	Asset carried forward
Capital allowances on :				
Fixed assets	(784)	—	(824)	—
Film rights	(410)	—	(361)	—
Short term timing differences :				
Interest receivable	5	—	45	—
Other	(1,760)	(1,277)	(1,277)	(1,277)
	<u>(2,949)</u>	<u>(1,277)</u>	<u>(2,417)</u>	<u>(1,277)</u>

The deferred tax asset of £1,277,000 (1992 — £1,277,000) is included in prepayments (note 14).

The movement in deferred taxation may be analysed as follows :

	£'000
Balance at 1st October 1992	(1,277)
Profit and loss account	—
Balance at 30th September 1993	<u>(1,277)</u>

### 17 Share capital

	1993		1992	
	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>

### 18 Reserves

	Revaluation Reserve £'000	Profit and loss account £'000	Total £'000
Balance at 1st October 1992	515	3,982	4,497
Prior year adjustment	(515)	—	(515)
As restated	—	3,982	3,982
Goodwill written off on assumption of liabilities of subsidiary company (note 19)	—	(920)	(920)
Retained loss for the year	—	(8,059)	(8,059)
Balance at 30th September 1993	<u>—</u>	<u>(4,997)</u>	<u>(4,997)</u>

The movements shown above are the only movements on shareholders funds in the year.

The cumulative amount of goodwill written off on acquisition is £920,000 (1992 : nil).

# YORKSHIRE TELEVISION LIMITED

## NOTES TO THE ACCOUNTS

### 19 Acquisition

On 1st October 1992 the Company took over the trade, assets and liabilities of its wholly owned subsidiary company, Media and Airtime Sales Limited, for no consideration. The assets and liabilities taken over at that date were as follows

	£'000
Fixed assets (net book value)	959
Debtors	985
Cash at bank and in hand	1,073
Creditors falling due within one year	(3,358)
Creditors falling due after more than one year	(579)
Net liabilities	(920)

The net liabilities acquired have been treated as goodwill and written off directly to the profit and loss account.

### 20 Future capital expenditure

There is no significant capital expenditure for which orders have been placed (1992 : £3,179,000) and no approved but uncommitted expenditure (1992 : nil).

### 21 Contingent liabilities

The Company is a member of a group registration for VAT purposes under which, at 30th September 1993, there was a contingent liability of £21,361 (1992 - £41,700).

There are no other contingent liabilities as at 30th September 1993 (1992 : loan and leasing guarantees of £1,291,000).

### 22 Leasing commitments

The Company occupies properties acquired under operating leases in respect of which, at 30th September 1993, it was committed to make payments totalling £1,921,000 (1992 - £1,009,000) in the year to 30th September 1993 on leases which expire after more than five years.

### 23 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.

### 24 Holding company

The ultimate holding company at 30th September 1993 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