

VIRGIN BROADCASTING LIMITED  
FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31ST OCTOBER 1992

Company Number : 1311784



VIRGIN BROADCASTING LIMITED  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31ST OCTOBER 1992

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VIRGIN BROADCASTING LIMITED

REPORT OF THE DIRECTORS

The directors present the annual report and financial statements for the fifteen months ended 31st October 1992.

**BASIS OF ACCOUNTING**

The Company has changed its accounting reference date to 31st October to be in line with that of its ultimate holding company, Voyager Investments Limited.

**RESULTS**

The results on page 4 show a retained loss for the period of £386,667 (1991 - loss of £1,893,902).

**PRINCIPAL ACTIVITIES**

The Company continues to be engaged in the field of television and radio programme production.

**FUTURE PROSPECTS**

The Company continues to seek out relevant opportunities in the television and radio market.

**DIVIDENDS**

The directors do not recommend the payment of a dividend (1991 - Nil).

**FIXED ASSETS**

The changes in fixed assets during the period are shown in notes 9 and 10 on pages 8 and 9 of the financial statements.

**DIRECTORS**

Directors throughout the period, were as follows:-

**Resigned**

T.M. Abbott	
R.C.N. Branson	
R.H.F. Devereux	25 February 1993
J.S. Draper	8 June 1992
C.J.C. Levison	1 November 1991

None of the directors had an interest in the shares of the Company during the period to 31 October 1992 other than as a result of an interest in the shares of the ultimate holding company at 31 October 1992, Voyager Investments Limited (formerly Virgin Holdings Limited).

The interests of the directors in the shares of the ultimate holding company are disclosed in the directors' report of that company.

VIRGIN BROADCASTING LIMITED

REPORT OF THE DIRECTORS  
(Contd/...)

**ISSUE OF SHARES**

During the year the Company's immediate holding company, Virgin Management Limited, subscribed for a further 2,999,100 ordinary share capital at par in the Company by way of a rights issue.

**AUDITORS**

In accordance with section 385 of the Companies Act 1985 a resolution to reappoint the auditors, KPMG Peat Marwick, will be proposed at the Annual General Meeting.

By order of the Board

  
D. Potts  
Secretary

120 Campden Hill Road  
London, W8 7AR

07-09-93

REPORT OF THE AUDITORS, KPMG PEAT MARWICK,  
TO THE MEMBERS OF VIRGIN BROADCASTING LIMITED

We have audited the financial statements on pages 4 to 10 in accordance with Auditing Standards.

In our opinion, the financial statements give a true and fair view of the state of the Company's affairs at 31st October 1992 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Astral Towers  
Betts Way  
Gatwick  
West Sussex  
RH10 2XA

*KPMG Peat Marwick*

KPMG Peat Marwick  
Chartered Accountants  
Registered Auditors

*1 June* 1993

VIRGIN BROADCASTING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE FIFTEEN MONTHS ENDED 31ST OCTOBER 1992

	Notes	15 months ended 31st October 1992 £	12 months ended 31st July 1991 £
Turnover	2	495,616	299,000
Cost of sales		<u>(513,955)</u>	<u>(360,997)</u>
Gross profit		(18,339)	(61,997)
Administrative expenses		<u>(860,575)</u>	<u>(30,033)</u>
Operating loss	3	(878,914)	(92,030)
Exceptional Item	4	188,874	(52,120)
Amounts written off investments		-	(1,360,884)
Interest receivable and similar income	6	167,954	26,832
Interest payable and similar charges	7	<u>(435,619)</u>	<u>(415,700)</u>
Loss on ordinary activities before taxation		(957,705)	(1,893,902)
Taxation	8	<u>571,038</u>	<u>-</u>
Loss for the financial period		(386,667)	(1,893,902)
Retained losses brought forward		<u>(2,689,384)</u>	<u>(795,482)</u>
Retained losses carried forward		<u>£(3,076,051)</u>	<u>£(2,689,384)</u>

VIRGIN BROADCASTING LIMITED

BALANCE SHEET AS AT 31ST OCTOBER 1992

	Notes	1992 £	1991 £
<b>FIXED ASSETS</b>			
Tangible assets	9	119,032	223,152
Investments	10	<u>203</u>	<u>1,308,406</u>
		<u>119,235</u>	<u>1,531,558</u>
<b>CURRENT ASSETS</b>			
Stock	11	--	101,260
Debtors	12	<u>1,037,321</u>	<u>421,061</u>
		1,037,321	522,321
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	<u>(1,233,407)</u>	<u>(4,732,306)</u>
NET CURRENT LIABILITIES		<u>(196,086)</u>	<u>(4,209,985)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(76,851)	(2,678,427)
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	14	<u><u>(76,851)</u></u>	<u><u>(10,857)</u></u> <u>(2,689,284)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	2,999,200	100
Profit and loss account		<u>(3,076,051)</u>	<u>(2,689,384)</u>
		<u>(76,851)</u>	<u>(2,689,284)</u>

The notes on pages 6 to 10 form part of the these financial statements.

These accounts were approved by the board of directors on 1 June 1993,  
and signed on its behalf by:-

T.M. Abbott



VIRGIN BROADCASTING LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST OCTOBER 1992

1. ACCOUNTING POLICIES

The following accounting policies have been applied in dealing with items which are considered material in relation to the Company's financial statements.

(a) Basis of accounting

The financial statements have been prepared in accordance with approved accounting standards, under the historical cost accounting rules, and on a going concern basis in view of a letter of support from the ultimate holding company, Voyager Investments Limited. In accordance with Financial Reporting Statement I, the Company is exempt from the requirement to present a cashflow statement on the grounds that it is a wholly owned subsidiary.

(b) Investments

Unlisted investments are shown at the lower of cost and the directors' valuation. Investments in subsidiaries are stated at cost less amounts written off.

(c) Depreciation

Depreciation of fixed assets is provided on a straight line basis at the following rates calculated to write off the costs or valuation less any residual value of each asset over its estimated useful life:

Leasehold property - over life of lease

Plant and machinery - over 4 years straight line  
Fixtures and fittings - over 4 years straight line

(d) Work in progress

Costs incurred in producing specific radio and television programmes are included in work in progress to the extent that they are considered to be recoverable.

e) Pension

The Company is a member of a defined contribution pension scheme approved by Virgin Management Limited. The assets of the scheme are held separately in an independently administered fund. The amount charged against profits represents the contributions payable to the scheme in respect of the accounting period.

2. TURNOVER

Turnover, which excludes value added tax, represents the sales value of services supplied. All turnover arose in the United Kingdom.

3. OPERATING LOSS

	1992	1991
	£	£
This is stated after charging:		
Depreciation of tangible fixed assets	34,219	29,946
Auditors' remuneration	5,000	5,000
Directors' emoluments	53,040	127,843
Operating lease charges	7,239	-
Finance lease interest	-	3,492
	<u>          </u>	<u>          </u>



VIRGIN BROADCASTING LIMITED

NOTES TO THE ACCOUNTS

FOR THE FIFTEEN MONTHS ENDED 31ST OCTOBER 1992

4. EXCEPTIONAL ITEM

	1992	1991
	£	£
Closure costs of former associated undertaking	-	52,120
Loss on disposal of associated undertaking	<u>188,874</u>	<u>-</u>

5. DIRECTORS AND STAFF

a) Directors' emoluments, excluding pension contributions.

	1992	1991
	£	£
Emoluments of highest paid Director	53,040	114,000
Chairman	-	-
Others	-	-

The average number of persons employed by the Company (including Directors) was:

Administration	7	7
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(b) Staff costs, including directors' emoluments during the period, amounted to:

	1992	1991
	£	£
Wages and salaries	72,559	248,576
Social security costs	4,255	28,256
Other pension costs	<u>102</u>	<u>13,845</u>
	<u>76,916</u>	<u>290,677</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	1992	1991
	£	£
Interest receivable from group undertakings	35,929	26,832
Other income received from group undertakings	<u>132,025</u>	<u>-</u>
	<u>167,954</u>	<u>26,832</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	1992	1991
	£	£
Interest payable to group undertakings	<u>435,619</u>	<u>415,700</u>

VIRGIN BROADCASTING LIMITED

NOTES TO THE ACCOUNTS

FOR THE FIFTEEN MONTHS ENDED 31ST OCTOBER 1992

8. TAX ON LOSS ON ORDINARY ACTIVITIES

	1992	1991
	<u>£</u>	<u>£</u>
Group relief recoverable in respect of prior years	571,038	-
	<u><u>571,038</u></u>	<u><u>-</u></u>

9. TANGIBLE FIXED ASSETS

	<u>Leasehold Improvements</u>	<u>Plant and Equipment</u>	<u>Fixtures and Fittings</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<b>COST</b>				
1st August 1991	123,126	122,799	18,316	264,241
Additions	-	-	-	-
Disposals	-	(122,799)	(18,316)	(141,115)
31 October 1992	<u>123,126</u>	<u>-</u>	<u>-</u>	<u>123,126</u>
<b>DEPRECIATION</b>				
1st August 1991	1,532	34,158	5,299	41,089
Charge for period	2,462	27,424	4,333	34,219
Disposals	-	(61,582)	(9,632)	(71,214)
31st October 1992	<u>4,094</u>	<u>-</u>	<u>-</u>	<u>4,094</u>
<b>NET BOOK VALUE</b>				
31st October 1992	<u>119,032</u>	<u>-</u>	<u>-</u>	<u>119,032</u>
31st July 1991	<u>121,494</u>	<u>88,641</u>	<u>13,017</u>	<u>223,152</u>