

BBC ENTERPRISES LIMITED

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 1988



BBC ENTERPRISES LIMITED

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 1988

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## BBC ENTERPRISES LIMITED

### REPORT OF THE DIRECTORS

The directors present their report and consolidated financial statements of the group for the year ended 31st March 1988.

#### RESULT FOR THE YEAR

The consolidated profit after taxation for the year was £3,599,000 which will be added to the reserves. The directors do not recommend the payment of a dividend.

#### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company is a worldwide distributor of television programmes and related products and a publisher of magazines and books. The UK company has three operating divisions as follows:

##### Programme Sales

The division is a joint producer of television programmes and licences the rights to customers throughout the world. It also distributes other BBC programmes worldwide.

##### Magazines

The division publishes periodicals including the Radio Times and BBC Wildlife. On 27th February 1988 the publishing of The Listener, which was previously undertaken by the company, became the joint responsibility of the BBC and Independent Television Publications Ltd.

##### Consumer Products

The division manufactures and distributes worldwide home video tapes, audio discs and tapes, publishes books and schools materials, and supplies television programmes to the educational and business markets. Other activities include character merchandising, data transmission facilities, retail outlets and telephone information lines.

#### SUBSIDIARIES

The group includes a wholly owned subsidiary in the USA - Lionheart Television International Inc. - whose principal activity is television programme distribution in North America. There is also a wholly owned French subsidiary - BBC Telecordiale (SARL) - through which teletext data is supplied.

#### CO-PRODUCTIONS DEPARTMENT

The Co-productions Department, which forms part of BBC Enterprises Limited, is responsible for procuring co-finance for television programmes and administering approved co-production deals on behalf of the BBC. In 1987/88 the gross value of deals, including resources was £15.1m (1986/87: £18.6m), and these are accounted for within the financial statements of the BBC.

## REPORT OF THE DIRECTORS (continued)

### EMPLOYEES AND HEALTH AND SAFETY

It is the company policy to provide equal opportunities to all its staff, and to give full consideration to applications for employment from registered disabled persons.

Employees who become unable to carry out the job for which they are employed are given individual consideration. Depending on the nature, severity and duration of the disability, individuals may be considered for alternative work, including retraining if necessary.

It is company policy to make information available to employees to enable them to take a wider interest in the company and its performance. This objective is achieved through regular consultative meetings, handbooks, newspapers and noticeboards.

### DIRECTORS

The Directors who served during the year are:

W.F. Cotton (Chairman - resigned 22nd April 1988)  
C.J. Arnold-Baker (Chief Executive)  
M. Checkland  
D.E. Hatch  
B.A. Jennings  
J.F. Keeble  
R. Laughton (appointed 14th January 1988)  
K.S. Owen  
Dr. J.A.G. Thomas  
K.N. Wright

On 25th April 1988, P. Fox joined the Board and was appointed Chairman.

### DIRECTORS INTERESTS

No Director had any interest in the share capital of the company at 1st April 1987 or 31st March 1988.

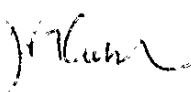
### CONTRIBUTIONS FOR CHARITABLE PURPOSES

Charitable contributions amounted to £731 (1987: £103,313).

### AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution proposing the re-appointment of Deloitte Haskins & Sells as auditors to the company will be put to the Annual General Meeting.

BY ORDER OF THE BOARD

  
Secretary

1st July 1988

AUDITORS' REPORT TO THE MEMBERS OF  
BBC ENTERPRISES LIMITED

We have audited the financial statements on pages 4 to 18 in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31st March 1988 and of the profit and source and application of funds of the group for the year then ended and comply with the Companies Act 1985.

*Deloitte Haskins & Sells*

Chartered Accountants

London

1st July 1988

## BBC ENTERPRISES LIMITED

### STATEMENT OF ACCOUNTING POLICIES

#### BASIS OF ACCOUNTING

The company and its subsidiaries prepare their financial statements on the historical cost basis of accounting.

#### BASIS OF CONSOLIDATION

The consolidated financial statements show the results for the year ended 31st March 1988 and the state of affairs at that date of the company and its subsidiaries.

As permitted by Section 228 (7) of the Companies Act 1985 no profit and loss account has been presented for the holding company.

#### TURNOVER

Turnover represents licence fees from the distribution of joint productions, agency fees from the distribution of programmes on behalf of the BBC and from other producers' titles and from the sale of magazines, books, records, tapes and video cassettes, character and other merchandising including BBC Microcomputer, and income from exhibitions, shops, transmission and other facilities.

#### FOREIGN CURRENCY TRANSLATION

Assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at the exchange rates ruling at that date. Any gains or losses arising on translation of the opening net assets and other exchange differences are taken to the profit and loss account.

The profit and loss accounts in the overseas subsidiaries are translated into sterling at month-end rates. Exchange differences arising on translation to year-end rates are taken directly to reserves.

#### PURCHASED GOODWILL

Goodwill arising on acquisition of subsidiary companies has been charged against reserves in the year of acquisition.

#### TANGIBLE FIXED ASSETS

Fixed assets are stated at cost, other than assets costing less than £100 which are written off in the year of acquisition. Depreciation of plant and machinery, furniture and fittings, tools and equipment is calculated to write off the cost of the assets by equal annual instalments over their estimated economic lives, at appropriate rates, between three and five years. Depreciation on buildings has been calculated on the straight line basis over an estimated life of forty years.

#### LEASED ASSETS

Finance lease rentals are capitalised at the total amount of rentals payable under the leasing agreement (excluding finance charges) and are depreciated, on a straight line basis, from the date of acquisition, over the period of their anticipated useful life of five years. Finance charges are charged over the period of the lease on a reducing balance basis in relation to the original cost. Rentals under operating leases are charged on a straight line basis over the lease term.

BBC ENTERPRISES LIMITED

STATEMENT OF ACCOUNTING POLICIES (continued)

INVESTMENT IN PROGRAMMES FOR FUTURE SALE

Investment in programmes for future sale are stated at cost, after writing off the costs of programmes that are considered irrecoverable, less accumulated amortisation. The amortisation is charged against income over the average marketable life, which is estimated to be five years. The cost of 'Investment in Programmes for Future Sale' and accumulated amortisation have been reduced by the value of programmes over five years old.

STOCKS

Stocks comprising raw film, blank tape, video tape, records, books and paper stock and work in progress are stated at the lower of cost and net realisable value.

DEFERRED TAXATION

Deferred taxation has been provided at 31st March 1988 at expected applicable rates to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for taxation purposes, except to the extent that it is, in the opinion of the directors, reasonable to assume that the timing differences will not reverse in the future so as to give rise to a tax liability.

BBC ENTERPRISES LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH 1988

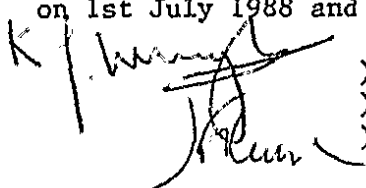
	<u>Notes</u>	<u>1988</u> <u>£'000</u>	<u>1987</u> <u>£'000</u>
TURNOVER	1	137,815	117,399
Cost of sales		86,485	74,400
GROSS PROFIT		51,330	42,999
Distribution expenses		(31,615)	(27,978)
Administration and other expenses		(14,198)	(11,948)
Bank interest receivable		935	1,321
Interest payable	2	(41)	(211)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	6,411	4,183
Taxation on profit on ordinary activities	5	(2,812)	(1,416)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			
RETAINED FOR THE YEAR	14	3,599	2,767



BBC ENTERPRISES LIMITEDCONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 1988

	<u>Notes</u>	<u>1988</u> <u>£'000</u>	<u>1987</u> <u>£'000</u>
FIXED ASSETS			
Tangible assets	6a	8,799	8,013
Investment in programmes for future sale	7	20,009	17,622
		<u>28,808</u>	<u>25,635</u>
CURRENT ASSETS			
Stocks	8	6,609	6,582
Debtors	9	25,618	24,359
Cash at bank and in hand		14,199	9,543
		<u>46,426</u>	<u>40,484</u>
CREDITORS: amounts falling due within one year	10	30,904	26,220
NET CURRENT ASSETS		<u>15,522</u>	<u>14,264</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		44,330	39,899
CREDITORS: amount falling due after one year			
Amount owed to the BBC		25,000	25,000
Obligations under finance leases		941	-
		<u>25,941</u>	<u>25,000</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	11	3,350	3,657
		<u>29,291</u>	<u>28,657</u>
NET ASSETS		<u>15,039</u>	<u>11,242</u>
CAPITAL AND RESERVES			
Called up share capital	12	250	250
Profit and loss account	14	14,789	10,992
		<u>15,039</u>	<u>11,242</u>

The financial statements on pages 4 to 18 were approved by the board of directors on 1st July 1988 and were signed on its behalf by:

 )  
 ) Directors

BBC ENTERPRISES LIMITED

COMPANY BALANCE SHEET AS AT 31ST MARCH 1988

	<u>Notes</u>	<u>1988</u> <u>£'000</u>	<u>1987</u> <u>£'000</u>
FIXED ASSETS			
Tangible assets	6b	8,367	7,799
Investment in programmes for future sale	7	19,083	17,470
Investments in subsidiary companies	13	5	-
		<u>27,455</u>	<u>25,269</u>
CURRENT ASSETS			
Stocks	8	6,570	6,509
Debtors	9	25,704	21,679
Cash at bank and in hand		14,148	9,485
		<u>46,422</u>	<u>37,673</u>
CREDITORS: amounts falling due within one year	10	27,538	22,791
NET CURRENT ASSETS		<u>18,884</u>	<u>14,882</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		46,339	40,151
CREDITORS: amount falling due after one year			
Amount owed to the BBC		25,000	25,000
Obligations under finance leases		941	-
		<u>25,941</u>	<u>25,000</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	11	3,350	3,657
		<u>29,291</u>	<u>28,657</u>
NET ASSETS		<u>17,048</u>	<u>11,494</u>
CAPITAL AND RESERVES			
Called up share capital	12	250	250
Profit and loss account	14	16,798	11,244
		<u>17,048</u>	<u>11,494</u>

The financial statements on pages 4 to 18 were approved by the board of directors on 1st July 1988 and were signed on its behalf by:

*K. J. [Signature]*  
*[Signature]*  
 ) Directors

BBC ENTERPRISES LIMITED

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED 31ST MARCH 1988

	<u>1988</u>	<u>1987</u>
SOURCE OF FUNDS	£'000	£'000
Consolidated profit on ordinary activities before taxation	6,411	4,183
Adjustments for items not involving the movement of funds:		
Depreciation of tangible fixed assets	1,862	1,633
Amortisation of programmes for future sale	7,324	6,570
(Profit)/loss on sale of fixed assets	(23)	7
Exchange differences taken to reserves	198	(9)
Unrealised loss on exchange	404	235
Write off of subsidiary	-	52
Funds generated from operations	16,176	12,671
Proceeds on sale of fixed assets	58	77
Long term loan from BBC	-	25,000
Obligations under finance leases falling due after one year	941	-
TOTAL SOURCE OF FUNDS	17,175	37,748
APPLICATION OF FUNDS		
Purchase of fixed assets	2,683	1,850
Taxation paid	2,341	1,822
Investment in programmes for future sale	9,711	9,720
Purchase of goodwill on acquisition of subsidiary	-	1,780
TOTAL APPLICATION OF FUNDS	14,735	15,172
NET SOURCE OF FUNDS	2,440	22,576
THE NET SOURCE OF FUNDS IS REPRESENTED BY THE FOLLOWING INCREASE IN WORKING CAPITAL		
Increase in stocks	27	4,064
Increase in debtors	1,663	11,167
Increase in creditors	(3,037)	(9,079)
(Increase)/Decrease in amount owed to BBC	(2,329)	17,460
	(3,676)	23,612
MOVEMENT IN NET LIQUID FUNDS		
Increase in cash at bank and in hand	4,656	1,556
Decrease/(Increase) in bank loans and overdrafts	(2,592)	1,460
	6,116	(1,036)
INCREASE IN WORKING CAPITAL	2,440	22,576

BBC ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 1988

1. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1988</u> <u>£'000</u>	<u>1987</u> <u>£'000</u>
Turnover analysed by type of business		
Television sales	36,673	35,613
Magazine & book publishing	87,040	71,513
Other activities	14,102	10,273
	<u>137,815</u>	<u>117,399</u>
Turnover analysed by geographical location		
UK	102,589	83,585
Rest of World	35,226	33,814
	<u>137,815</u>	<u>117,399</u>

Television sales includes licensing for standard television, cable, simultaneous relay and Education & Training use. Co-production contributions to the British Broadcasting Corporation are administered by BBC Enterprises Ltd but not included in the above turnover figures.

The analysis of profit before taxation by class of business has not been disclosed as in the opinion of the directors, this information would be prejudicial to the company's operations.

2. <u>INTEREST PAYABLE</u>	<u>1988</u> <u>£'000</u>	<u>1987</u> <u>£'000</u>
Interest on bank loans and overdrafts repayable within 5 years	41	211

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1988</u> <u>£'000</u>	<u>1987</u> <u>£'000</u>
After charging:		
Depreciation - on tangible owned fixed assets	1,799	1,633
- tangible fixed assets held under finance leases	63	-
Amortisation of investment in programmes for future sales	7,324	6,570
Staff costs (refer Note 4)	12,989	11,046
Auditors' remuneration	67	66
Loss on foreign currency translation	1,136	329
Operating lease rentals	210	152
Exceptional items:		
Write down of stocks and work in progress on interactive video disk research and development, books, home video and records	-	2,200

BBC ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 1988

4. DIRECTORS AND EMPLOYEES	<u>1988</u> <u>£'000</u>	<u>1987</u> <u>£'000</u>
a) Employees		
Staff costs - wages and salaries	10,651	9,097
- social security costs	909	671
- other pension costs	1,429	1,278
	<u>12,989</u>	<u>11,046</u>

The average number of persons employed by the group during the year was 859 (1987: 849)

b) Directors' emoluments	<u>1988</u> <u>£'000</u>	<u>1987</u> <u>£'000</u>
The remuneration paid to the directors of the parent company was:		
Fees	N11	N11
Executive emoluments	254	255
	<u>254</u>	<u>255</u>
Fees and emoluments (excluding pension contributions) disclosed above include amounts paid to:		
The chairman (1987: chairmen)	<u>N11</u>	<u>N11</u>
The highest paid director	<u>92</u>	<u>43</u>
The number of other directors who received fees and other emoluments (excluding pension contributions) in the following ranges was:		

	<u>Number</u> <u>1988</u>	<u>Number</u> <u>1987</u>
£ 0 - £5,000	3	3
£ 5,001 - £10,000	1	1
£10,001 - £15,000	-	1
£20,001 - £25,000	-	1
£25,001 - £30,000	-	1
£30,001 - £35,000	1	2
£35,001 - £40,000	1	1
£40,001 - £45,000	2	-

BBC ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 1988 (continued)

4. DIRECTORS AND EMPLOYEES (continued)

c) Higher-paid employees

The number of employees other than directors who received remuneration (excluding pension contributions) in the following range was:

	<u>1988</u>	<u>1987</u>
£30,001 - £35,000	5	-
£35,001 - £40,000	1	-

5. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

Current:

U.K. Corporation tax at 35% (1987 - 35%)  
Deferred taxation  
Double taxation relief

	<u>1988</u> £'000	<u>1987</u> £'000
	4,173	2,986
	(1,202)	(1,532)
	(497)	(323)
	<u>2,474</u>	<u>1,131</u>
	497	323
	<u>2,971</u>	<u>1,454</u>

Overseas taxation

Prior year adjustment:

Corporation tax  
Deferred taxation

	<u>(1,054)</u>	<u>(99)</u>
	895	61
	<u>2,812</u>	<u>1,416</u>

**BBC ENTERPRISES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 1988 (continued)**

**6. TANGIBLE ASSETS**

a) The Group	Buildings	Plant and Machinery	Fixtures, fittings, tools and equipment	Total
	£'000	£'000	£'000	£'000
<b>Cost:</b>				
At 1st April 1987	5,373	6,065	1,081	12,519
Additions	167	1,747	769	2,683
Disposals	-	(122)	(4)	(126)
At 31st March 1988	5,540	7,690	1,846	15,076
<b>Accumulated depreciation:</b>				
At 1st April 1987	477	3,464	565	4,506
Charge for the year	147	1,238	477	1,862
Eliminated on disposal	-	(88)	(3)	(91)
At 31st March 1988	624	4,614	1,039	6,277
<b>Net book value:</b>				
At 31st March 1988	4,916	3,076	807	8,799
At 1st April 1987	4,896	2,601	516	8,013

The net book value of tangible fixed assets includes an amount of £1,191,902 (1987: £Nil) in respect of assets obtained under finance leases.

BBC ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 1988 (continued)

6. TANGIBLE ASSETS (Continued)

b) The Company	Buildings	Plant and Machinery	Fixtures, fittings, tools and equipment	Total
	£'000	£'000	£'000	£'000
Cost:				
At 1st April 1987	5,362	6,065	848	12,275
Additions	11	1,747	600	2,358
Disposals	-	(123)	-	(123)
At 31st March 1988	5,373	7,689	1,448	14,510
Accumulated depreciation:				
At 1st April 1987	476	3,464	536	4,476
Charge for the year	134	1,238	379	1,751
Eliminated on disposal	-	(84)	-	(84)
At 31st March 1988	610	4,618	915	6,143
Net book value:				
At 31st March 1988	4,763	3,071	533	8,367
At 1st April 1987	4,886	2,601	312	7,799

The net book value of tangible fixed assets includes an amount of £1,191,902 (1987: £Nil) in respect of assets obtained under finance leases.



BBC ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 1988 (continued)

7. INVESTMENT IN PROGRAMMES FOR FUTURE SALE	<u>Group</u>		<u>Company</u>	
	£'000		£'000	
Cost:				
At 1st April 1987	29,730		29,350	
Additions	9,711		8,755	
Written off during the year	(1,336)		(1,289)	
	<u>38,105</u>		<u>36,816</u>	
Less: cost of programmes fully amortised as at 31st March 1988	(3,763)		(3,763)	
At 31st March 1988	<u>34,342</u>		<u>33,053</u>	
Amortisation:				
At 1st April 1987	12,108		11,880	
Amortisation for the year	6,294		6,112	
Amortisation on programmes written off during the year	(306)		(259)	
	<u>18,096</u>		<u>17,733</u>	
Less: accumulated amortisation on programmes fully amortised as at 31st March 1988	(3,763)		(3,763)	
At 31st March 1988	<u>14,333</u>		<u>13,970</u>	
Net book value:				
At 31st March 1988	<u>20,009</u>		<u>19,083</u>	
At 1st April 1987	<u>17,622</u>		<u>17,470</u>	
8. STOCKS	<u>Group</u>		<u>Company</u>	
	<u>1988</u>	<u>1987</u>	<u>1988</u>	<u>1987</u>
	£'000	£'000	£'000	£'000
Raw materials and consumables	2,100	2,328	2,100	2,328
Work in progress	1,140	1,433	1,140	1,433
Finished goods and goods for resale	3,369	2,821	3,330	2,748
	<u>6,609</u>	<u>6,582</u>	<u>6,570</u>	<u>6,509</u>

# BBC ENTERPRISES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1988 (continued)

### 9. DEBTORS

	Group		Company	
	1988	1987	1988	1987
	£'000	£'000	£'000	£'000
Trade debtors	23,755	23,322	21,191	19,392
Amounts owed by subsidiaries	-	-	2,857	1,728
Other debtors	1,063	317	873	76
Prepayments and accrued income	800	720	783	483
	<u>25,618</u>	<u>24,359</u>	<u>25,704</u>	<u>21,679</u>

Trade debtors include debtors due after more than one year of £394,156 (1987: £921,758).

### 10. CREDITORS

	Group		Company	
	1988	1987	1988	1987
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Bank loans and overdrafts	1,472	2,932	-	1,154
Trade creditors	17,859	14,218	15,965	12,567
Amounts owed to the BBC	5,515	3,186	5,515	3,186
Corporation tax	3,583	2,805	3,583	2,805
Accruals and deferred income	2,224	3,079	2,224	3,079
Obligations under finance leases	251	-	251	-
	<u>30,904</u>	<u>26,220</u>	<u>27,538</u>	<u>22,791</u>

### 11. DEFERRED TAXATION

	Group/ Company	Group/ Company
	1988	1987
	£'000	£'000
The full potential liability is:		
Capital allowances on tangible fixed assets	1,450	1,760
Capital allowances on investment in programmes for future sale	1,856	1,880
Other timing differences	44	17
	<u>3,350</u>	<u>3,657</u>
Amount provided (the movement in the year being a transfer to profit and loss account)	<u>3,350</u>	<u>3,657</u>

BBC ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 1988 (continued)

12. CALLED UP SHARE CAPITAL	<u>1988</u> <u>£'000</u>	<u>1987</u> <u>£'000</u>
Authorised		
1,000,000 shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
250,000 shares of £1 each	<u>250</u>	<u>250</u>

13. INVESTMENTS IN SUBSIDIARY COMPANIES

	<u>£'000</u>
At 1st April 1987	-
Additions during year	<u>5</u>
At 31st March 1988	<u>5</u>

During the year, BBC Enterprises Limited acquired a 100% interest in BBC Telecordiale (SARL), a company incorporated in France.

BBC Enterprises Limited also holds 100% of the stock of Lionheart Television International Inc., a corporation registered in Delaware, USA.

14. PROFIT AND LOSS ACCOUNT

	<u>Group</u> <u>£'000</u>	<u>Company</u> <u>£'000</u>
At 1st April 1987	10,992	11,244
Retained profit for the year	3,599	5,554
Exchange difference	198	-
At 31st March 1988	<u>14,789</u>	<u>16,798</u>

15. CAPITAL COMMITMENTS

	<u>1988</u> <u>£'000</u>	<u>1987</u> <u>£'000</u>
Contracted for but not provided for	249	43
Authorised but not contracted for	<u>763</u>	<u>596</u>

BBC ENTERPRISES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 1988 (continued)

16. LEASE COMMITMENTS

Future minimum rental payments [net of sub-lease rental income of £23,000, (1987: £15,000)] under non cancellable operating leases, payable in the next year, are as follows:

	<u>1988</u> <u>£'000</u>	<u>1987</u> <u>£'000</u>
Expiring between two and five years inclusive	120	136

17. BRITISH BROADCASTING CORPORATION

The company is a wholly owned subsidiary of the British Broadcasting Corporation which is incorporated in the United Kingdom by Royal Charter.