

# **THAMES TELEVISION HOLDINGS LIMITED**

**Directors' Report and Accounts For The Year Ended  
31 December 1997**

**Registered Office:**

**1 Stephen Street,  
London W1P 1PJ**

**Company Number: 3140632**



***Board of Directors***

Anthony del Tufo  
Sarah Tingay

***Secretary***

Sarah Tingay

***Auditors***

Price Waterhouse  
Southwark Towers  
London  
SE1 9SY

***Principal Bankers***

Midland Bank plc

# THAMES TELEVISION HOLDINGS LIMITED

## ***Directors' report for the year ended 31 December 1997***

The directors present their annual report and the audited accounts for the year ended 31 December 1997.

### ***Statement of 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 year. 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

### ***Ultimate Parent Undertaking***

The company is a wholly owned subsidiary of Pearson Television Limited. The ultimate parent undertaking is Pearson plc.

### ***Principal activities and future developments***

The company holds an investment in SelecTV Limited and its subsidiaries. It will continue in this capacity.

### ***Directors***

The directors of the company during the year ended 31 December 1997 were as follows:

Anthony del Tufo  
Sarah Tingay

### ***Directors' interests***

No director had any interest in the shares of the company.

Anthony del Tufo is a director of the company's immediate parent company, Pearson Television Limited. His interests in the shares of group companies and the ultimate parent company are shown in the accounts of Pearson Television Limited.

The interests of the other director in the shares and loan stocks of Pearson plc, the ultimate parent company, are as follows:

	At date of appointment	SAYE/ granted	Lapsed/ exercised	At 31 December 1997
<b>Sarah Tingay</b>				
Senior Executive Options on 25p ordinary shares	16,600	11,300	-	27,900

*Directors' report (continued)*

*Directors' and officers' insurance*

During the period to 31 December 1997 the company provided liability insurance for its directors and officers.

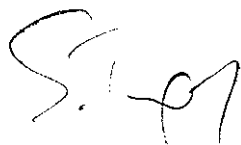
*Results and Dividends*

The Company's loss for the year was £1,000 (1996: £591,000 profit). The directors do not recommend the payment of a dividend (1996: Nil). The retained loss will be transferred to reserves.

*Auditors*

In accordance with section 386 of the Companies Act 1985 the company has elected to dispense with the obligation to appoint auditors annually.

By order of the Board



Sarah Tingay  
Secretary  
4 June 1998

# THAMES TELEVISION HOLDINGS LIMITED

## *Report of the auditors' to the members of Thames Television Holdings Limited*

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

### *Respective responsibilities of directors and auditors*

As described on page 2 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 the company's affairs as at 31 December 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Price Waterhouse*

Price Waterhouse  
Chartered Accountants  
London  
4 June 1998

# THAMES TELEVISION HOLDINGS LIMITED

## **Profit and loss account for the year ended 31 December 1997**

	<i>Note</i>	Year ended 31 Dec 97 £'000	22 Dec 95 to 31 Dec 96 £'000
Investment income	2	1	603
Other expenses		(2)	(12)
		-----	-----
<b>(Loss)/profit on ordinary activities before taxation</b>	3	(1)	591
Tax on profit on ordinary activities		-	-
		-----	-----
<b>(Loss)/profit on ordinary activities after taxation</b>		(1)	591
Dividends		-	-
		-----	-----
<b>Retained (loss)/profit for the year</b>		(1)	591
		=====	=====

There are no recognised gains and losses in the year other than the loss for the year and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 7 to 9 form an integral part of these financial statements.

# THAMES TELEVISION HOLDINGS LIMITED

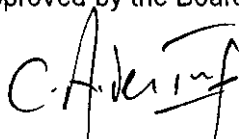
## Balance sheet at 31 December 1997

	Note	<u>1997</u>		<u>1996</u>	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Investment in subsidiary undertaking	5		21,809		21,809
<b>Current assets</b>					
Cash at bank and in hand		146		305	
		-----		-----	
		146		305	
<b>Creditors: amounts falling due within one year</b>	6	(21,348)		(21,506)	
		-----		-----	
<b>Net current assets</b>			(21,202)		(21,201)
			-----		-----
<b>Net assets</b>			607		608
			=====		=====
<b>Capital and reserves</b>					
Called-up share capital	7		-		-
Share premium account	8		17		17
Profit and loss account	8		590		591
			-----		-----
<b>Equity shareholders' funds</b>	9		607		608
			=====		=====

The notes on pages 7 to 9 form an integral part of these financial statements.

The accounts were approved by the Board of Directors on 4 June 1998 and signed on its behalf by:

Anthony del Tufo  
Director



# THAMES TELEVISION HOLDINGS LIMITED

## *Notes to the accounts for the period ended 31 December 1997*

### **1) Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### ***Basis of Accounting***

The financial statements are prepared in accordance with the historical cost convention.

The directors believe that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the Going Concern Basis in preparing the accounts.

#### ***Investments in subsidiary undertakings***

Investments in subsidiary undertakings are stated at cost in the company balance sheet.

### **2) Segmental information**

The company's principal activities fall within one class of business. The loss before taxation is in respect of UK based business.

### **3) Profit/loss on ordinary activities before taxation**

The loss on ordinary activities before taxation is stated after taking into account the following items:

	<u>1997</u> £'000	<u>1996</u> £'000
Auditors remuneration:		
Audit fees	nil	nil

Audit fees are paid by a fellow subsidiary undertaking, Pearson Television Services Limited.

### **4) Directors emoluments**

Directors received no remuneration in respect of their directorships of Thames Television Holdings Limited.

### **5) Investment in subsidiary undertaking**

	<u>1997</u> £'000	<u>1996</u> £'000
Investment in SelectTV Limited	21,809	21,809
	=====	=====

SelectTV Limited is wholly owned and incorporated in England and Wales.

In the opinion of the directors the value of the interest in the subsidiary undertaking is not less than the amount at which it is stated in the balance sheet.



# THAMES TELEVISION HOLDINGS LIMITED

## Notes to the accounts for the period ended 31 December 1997 (continued)

### 6) Creditors: amounts falling due within one year

	<u>1997</u> £'000	<u>1996</u> £'000
Amounts owed to parent undertaking	21,221	21,221
Other creditors - dissenting shareholders	125	285
Other Creditors	2	-
	<u>21,348</u>	<u>21,506</u>
	=====	=====

### 7) Share capital

	<u>1997</u> £	<u>1996</u> £
Ordinary shares of £1 each		
Authorised	100	100
Issued and fully paid	100	100

### 8) Reserves

	<i>Share Premium</i> £'000	<i>Profit and Loss Account</i> £'000
Opening balance 1 January 1997	17	591
Loss for the financial year	-	(1)
	<u>17</u>	<u>590</u>
<b>At 31 December 1997</b>	<b>=====</b>	<b>=====</b>

### 9) Reconciliation of movements in shareholders' funds

	<u>1997</u> £'000	<u>1996</u> £'000
Premium on issue of 100 shares	-	17
Retained profit for the financial year	(1)	591
	<u>(1)</u>	<u>608</u>
Addition to shareholders' funds		
Opening shareholders' funds	608	-
	<u>607</u>	<u>608</u>
<b>Closing shareholders' funds</b>	<b>=====</b>	<b>=====</b>

***Notes to the accounts  
for the period ended 31 December 1997 (continued)***

**10) *Contingent liabilities***

Bank guarantees

The company participates in an arrangement with Midland Bank PLC whereby the accounts of Pearson plc and 46 of its subsidiaries, "the guarantors", are combined, with cleared debit and credit balances being offset for interest calculation purposes. In order to comply with banking regulations, each guarantor to this arrangement has provided a multilateral guarantee in respect of the overdraft obligations (but no other debts due to the bank) of each of the other participants. The net balance under this arrangement at 31 December 1997 was £374,045.

The maximum amount of this guarantee is limited to a net overdraft of £35,000,000.

At 31 December 1997 this was the company's potential liability.

**11) *Cash Flow Statement***

A cash flow statement has not been prepared as the company is a wholly owned subsidiary of a company which publishes consolidated financial statements including a consolidated cash flow statement.

**12) *Related Party Transactions***

The company is a wholly owned subsidiary within Pearson plc and utilises the exemption contained in FRS 8 Related Party Disclosures not to disclose any transactions with entities that are part of the Pearson group. The address at which the Pearson plc consolidated financial statements are publicly available is shown in note 14.

**13) *Group Accounts***

The company has taken advantage of the exemption within S.228 of the Companies Act 1985 not to produce Group accounts.

**14) *Ultimate parent company***

The company is a wholly owned subsidiary of Pearson Television Limited, a company registered in England and Wales. The ultimate parent company is Pearson plc, a company also registered in England and Wales. Pearson plc is the only group for which accounts are prepared and of which the company is a member.

Copies of the consolidated financial statements of Pearson plc may be obtained from:

Pearson plc  
3 Burlington Gardens  
London  
W1X 1LE