

Company registration number: 1787605

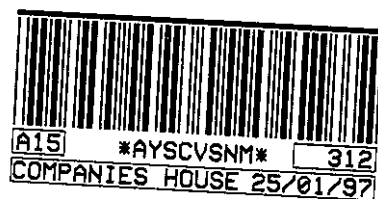
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**BROADCAST DEVELOPMENTS LIMITED**

Financial Statements

31st March 1996

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Chartered Accountants

L O N D O N

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## **BROADCAST DEVELOPMENTS LIMITED**

Financial Statements

31st March 1996

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## **BROADCAST DEVELOPMENTS LIMITED**

### **Report of the Directors**

The Directors present their report and the audited financial statements for the year ended 31st March 1996.

#### **RESULTS AND DIVIDENDS**

The profit on ordinary activities after taxation amounts to £2,632.

The Directors do not recommend the payment of a dividend.

#### **PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The principal activity of the Company during the year under review was the manufacture, hire and sale of broadcasting equipment.

The Company trades under the name "BDL Autoscript". The Company exceeded the turnover level of 1995 with export sales remaining buoyant. Trading conditions have remained encouraging in the current year.

The development of a "Windows" based prompting software package, which has added many more languages to the range on offer, including Chinese and Japanese, has helped to expand sales in new markets. In addition the development of a new range of on-camera prompters, all with full EC electrical safety compliance, has helped to maintain BDL Autoscript's high profile in the broadcast television market place.

#### **RESEARCH AND DEVELOPMENT**

The Company is continuing to develop its products for use around the world, by providing additional foreign languages and is now able to offer a "Windows" software interface.

#### **DIRECTORS AND THEIR INTERESTS**

The Directors who held office during the year and their interests in the share capital of the Company at 31st March 1996 and 31st March 1995 were as follows:

		1996 No.	1995 No.
C.C. Lambert (Chairman)	Ordinary Shares	882	882
J. Babington	Ordinary Shares	52	52
G.A. Dickinson	Ordinary Shares	65	65

**BROADCAST DEVELOPMENTS LIMITED****Report of the Directors**

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**AUDITORS**

A resolution to re-appoint Cooper Lancaster Brewers as auditors for the ensuing year will be proposed at the Annual General Meeting.

By Order of the Board

A handwritten signature in black ink, appearing to read 'J. Babington', written over the printed name.

**J. Babington**

Secretary

21st January 1997

## **BROADCAST DEVELOPMENTS LIMITED**

### **Statement of Directors' Responsibilities**

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Company law requires the Directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the Company and profit or loss of that year. In preparing those financial statements, the Directors are required to :

- select suitable accounting policies and 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.

## **REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF BROADCAST DEVELOPMENTS LIMITED**

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We have audited the financial statements on pages 5 to 14.

### **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 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.

### **Fundamental Uncertainty**


In forming our opinion, we have considered whether the going concern basis of accounting can be applied to these financial statements. The company is dependant for finance using overdraft and factoring facilities from its bank. The overdraft facilities, in common with all such facilities, are repayable on demand. These financial statements do not include any adjustments that would result from a withdrawal of financial support by the bank. Our opinion is not qualified in this respect.

### **Opinion**

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company as at 31st March 1996 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

London

21st January 1997

  
**Cooper Lancaster Brewers**  
Chartered Accountants  
Registered Auditors

# **BROADCAST DEVELOPMENTS LIMITED**

Profit and Loss Account for the Year Ended 31st March 1996

Notes	1996 £	1995 £
2 <b>TURNOVER - continuing operations</b>	<b>1, 441, 428</b>	<b>1, 385, 614</b>
Cost of sales	( 981, 640)	( 939, 993)
<b>GROSS PROFIT</b>	<b>459, 788</b>	<b>445, 621</b>
Administrative expenses	( 426, 868)	( 409, 139)
3 <b>OPERATING PROFIT - continuing operations</b>	<b>32, 920</b>	<b>36, 482</b>
6 Interest receivable and similar income	667	347
	<b>33, 587</b>	<b>36, 829</b>
7 Interest payable and similar charges	( 31, 659)	( 30, 063)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>1, 928</b>	<b>6, 766</b>
8 Taxation on profit on ordinary activities	704	( 2, 660)
20 <b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	<b>2, 632</b>	<b>4, 106</b>

## **Statement of Total Recognised Gains and Losses**

The profit on ordinary activities, after taxation, as stated above recognises all gains and losses for the year, as defined by the Financial Reporting Standard No. 3.

The notes on pages 7 to 14 form part of these financial statements.

# BROADCAST DEVELOPMENTS LIMITED

Balance Sheet as at 31st March 1996

Notes	1996 £	1995 £
<b>FIXED ASSETS</b>		
9 Intangible assets	46,855	42,250
10 Tangible assets	93,582	94,490
11 Investments	5	5
	<b>140,442</b>	<b>136,745</b>
<b>CURRENT ASSETS</b>		
12 Stocks	172,103	117,738
13 Debtors	309,621	268,555
Cash at bank and in hand	879	32,299
	<b>482,603</b>	<b>418,592</b>
14 <b>CREDITORS: Amounts falling due within one year</b>	<b>(554,340)</b>	<b>(486,396)</b>
<b>NET CURRENT LIABILITIES</b>	<b>(71,737)</b>	<b>(67,804)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>68,705</b>	<b>68,941</b>
15 <b>CREDITORS: Amounts falling due after more than one year</b>	<b>(53,500)</b>	<b>(56,368)</b>
	<b>15,205</b>	<b>12,573</b>
<b>CAPITAL AND RESERVES</b>		
<b>Equity Interests:</b>		
18 Called up share capital	1,221	1,221
19 Share premium account	43,979	43,979
20 Profit and loss account	(29,995)	(32,627)
21 <b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>15,205</b>	<b>12,573</b>

The financial statements were approved by the board of directors on 21st January 1997, and were signed on its behalf by:-

C.C. Lambert  Director

J. Babington  Director

The notes on pages 7 to 14 form part of these financial statements.



## BROADCAST DEVELOPMENTS LIMITED

### Notes to the Financial Statements for the Year Ended 31st March 1996

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#### 1 ACCOUNTING POLICIES

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

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

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

##### **Going Concern**

These accounts have been produced on a going concern basis on the understanding of continuing financial support from the company's bankers and shareholder directors.

##### **Cashflow**

The financial statements do not include a cash flow statement because the Company, as a small reporting entity, is exempt from the requirements to prepare such a statement under Financial Reporting Standard 1 "Cash Flow Statements".

##### **Development Costs**

Expenditure on specific development projects is capitalised as an intangible fixed asset. All other expenditure on research and development is written off against profits in the year in which it is incurred. Amortization of capitalised development expenditure commences with commercial production of the product and is charged at the rate of 25% per annum on the straight line method. Fully amortized projects are written off.

##### **Depreciation**

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less residual value, of each asset over its expected useful life as follows:

Plant & Machinery	25 % per annum
Motor Vehicles	33 % per annum
Fixtures & Fittings	15 % per annum

##### **Stocks and Work in Progress**

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost includes amounts incurred in bringing each product to its present location and condition. In the case of work in progress, cost comprises the cost of direct materials and labour plus appropriate overhead costs.

##### **Deferred Taxation**

Deferred taxation is provided using the liability method for all timing differences between the results as shown by the financial statements and those computed for taxation purposes, other than those differences which are expected to continue into the foreseeable future.

## BROADCAST DEVELOPMENTS LIMITED

Notes to the Financial Statements for the Year Ended 31st March 1996

### Foreign Currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date, except for those assets and liabilities which are covered by forward exchange contracts.

All exchange gains and losses in the normal course of business are taken to the profit and loss account.

### Leasing and Hire Purchase Commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease terms or their useful economic lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the terms of the lease.

### Group Financial Statements

In accordance with the exemption provided by section 248 of the Companies Act 1985 the Company has not prepared group financial statements.

## 2 TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties. The turnover is attributable to the only activity of the Company.

An analysis of turnover by geographical market is given below:

	1996 £	1995 £
United Kingdom	812,694	898,907
Europe	419,731	251,094
United States of America	35,929	34,758
Rest of the World	173,074	200,855
	<b>1,441,428</b>	<b>1,385,614</b>

## 3 OPERATING PROFIT

This is stated after charging/(crediting):

Amortisation	25,418	24,715
Depreciation of tangible fixed assets	21,822	26,231
Profit on disposal of fixed assets	(323)	(654)
Auditors' remuneration	9,300	8,900
Net exchange loss	747	107

# **BROADCAST DEVELOPMENTS LIMITED**

Notes to the Financial Statements for the Year Ended 31st March 1996

	1996 £	1995 £
<b>4 STAFF COSTS</b>		
Wages and salaries	535,636	506,763
Social security costs	13,174	11,752
	<b>548,810</b>	<b>518,515</b>
The average monthly number of persons employed by the Company during the year was as follows:		
Administration	6	5
Operating and Manufacturing	20	21
Number :	<b>26</b>	<b>26</b>
<b>5 DIRECTORS' REMUNERATION</b>		
Directors' emoluments (including pensions)	<b>79,789</b>	<b>76,343</b>
The emoluments, excluding pension contributions, of the individual Directors was as follows:		
Chairman	<b>32,288</b>	<b>31,500</b>
The other Directors' emoluments fell within the following range:		
£20,001 - £25,000	1	2
£25,001 - £30,000	1	-
<b>6 INTEREST RECEIVABLE AND SIMILAR INCOME</b>		
Bank interest	<b>667</b>	<b>347</b>
<b>7 INTEREST PAYABLE AND SIMILAR CHARGES</b>		
On bank loans, overdrafts and other loans	5,142	5,863
Finance charges payable under finance leases and hire purchase contracts	1,704	925
Other interest	24,813	23,275
	<b>31,659</b>	<b>30,063</b>

# BROADCAST DEVELOPMENTS LIMITED

Notes to the Financial Statements for the Year Ended 31st March 1996

	1996 £	1995 £
<b>8 TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>		
The (credit)/charge based on the results for the year:		
U.K. Corporation tax at 25%	( 704)	2, 660
<b>9 INTANGIBLE FIXED ASSETS</b>		
	<b>Research and Development Projects £</b>	
<b>Cost:</b>		
1st April 1995	103, 061	
Acquired during the year	30, 023	
Disposals	( 22, 781)	
31st March 1996	<b>110, 303</b>	
<b>Amortisation:</b>		
1st April 1995	60, 811	
Provided during the year	25, 418	
Disposals	( 22, 781)	
31st March 1996	<b>63, 448</b>	
<b>Net book value:</b>		
31st March 1996	<b>46, 855</b>	
1st April 1995	<b>42, 250</b>	

# BROADCAST DEVELOPMENTS LIMITED

Notes to the Financial Statements for the Year Ended 31st March 1996

## 10 TANGIBLE FIXED ASSETS

	Hire Equipment £	Fixtures & Office Equipment £	Motor Vehicles £	Total £
<b>Cost:</b>				
1st April 1995	249,358	41,540	16,939	307,837
Additions	10,989	9,233	1,200	21,422
Disposals	-	(625)	(607)	(1,232)
31st March 1996	<b>260,347</b>	<b>50,148</b>	<b>17,532</b>	<b>328,027</b>
<b>Depreciation:</b>				
1st April 1995	179,083	22,767	11,497	213,347
Charge for the year	16,545	3,264	2,013	21,822
Disposals	-	(187)	(537)	(724)
31st March 1996	<b>195,628</b>	<b>25,844</b>	<b>12,973</b>	<b>234,445</b>
<b>Net book value:</b>				
31st March 1996	<b>64,719</b>	<b>24,304</b>	<b>4,559</b>	<b>93,582</b>
1st April 1995	70,275	18,773	5,442	94,490

The net book value of assets acquired under hire purchase agreements at 31st March 1996 amounted to £9,411 (1995:£12,750). The depreciation charge during the year relating to these assets held at 31st March 1996 was £3,339 (1995:£1,595).

	1996 £	1995 £
<b>11 FIXED ASSET INVESTMENTS</b>		
<b>Shares in subsidiary undertakings:</b>		
<b>Cost:</b>		
31st March 1996	<b>5</b>	<b>5</b>

## Investments in Subsidiary Undertakings

The company owns the whole of the allotted ordinary share capital (being the total shares in issue) of Prompting Centre Limited and Autoscript Limited, both companies being registered in England and Wales. Both companies are dormant, not having traded since incorporation.

## 12 STOCKS

Raw materials and consumables	105,830	53,837
Work in progress	35,000	17,500
Finished goods and goods for resale	31,273	46,401
	<b>172,103</b>	<b>117,738</b>

# BROADCAST DEVELOPMENTS LIMITED

Notes to the Financial Statements for the Year Ended 31st March 1996

	1996 £	1995 £
<b>13 DEBTORS</b>		
<b>Amounts falling due within one year:</b>		
Trade debtors	233,511	221,142
Other debtors	8,053	22,748
Prepayments and accrued income	62,955	24,665
	<b>304,519</b>	<b>268,555</b>
<b>Due after one year:</b>		
Other debtors	5,102	-
	<b>309,621</b>	<b>268,555</b>

## 14 CREDITORS: Amounts falling due within one year

Bank loans and overdrafts	73,630	66,948
Trade creditors	237,206	206,256
Amounts owed to group undertakings	5	5
Corporation tax	-	7,199
Other taxes and social security	17,826	35,952
Obligations under finance leases and hire purchase contracts (see note 16)	2,867	5,443
Other creditors	170,139	121,609
Director's loan	1,882	-
Accruals and deferred income	50,785	42,984
	<b>554,340</b>	<b>486,396</b>

The bank overdraft is secured by fixed and floating charges on all the company's assets.

Included in other creditors is £168,826 (1995:£120,236) in respect of factored debts due to Alex Lawrie Factors Limited.

## 15 CREDITORS: Amounts falling due after more than one year

Obligations under finance leases and hire purchase contracts (see note 16)	-	2,868
Directors Loan	53,500	53,500
	<b>53,500</b>	<b>56,368</b>

The loans of £53,500 are deferred from repayment for a year from the balance sheet date and have no fixed repayment terms following that date. The loans bear interest at rates varying between 10% and 12.5%.

# **BROADCAST DEVELOPMENTS LIMITED**

Notes to the Financial Statements for the Year Ended 31st March 1996

	1996 £	1995 £
<b>16 OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS</b>		
Amounts payable within 1 year	2,867	5,443
Amounts payable between 2 to 5 years	-	2,867
	<u>2,867</u>	<u>8,310</u>
Finance leases and hire purchase contracts are analysed as follows:		
Current obligations	2,867	5,443
Non-current obligations	-	2,867
	<u>2,867</u>	<u>8,310</u>
<b>17 DEFERRED TAXATION</b>		
The liability to deferred taxation is as follows:		
<b>Amount provided</b>		
Accelerated capital allowances	-	-
	<u>-</u>	<u>-</u>
<b>Full potential liability</b>		
Accelerated capital allowances	4,642	4,039
	<u>4,642</u>	<u>4,039</u>
<b>18 SHARE CAPITAL</b>		
<b>Equity Interests:</b>		
<b>Authorised</b>		
10,000 Ordinary Shares of £1 each	10,000	10,000
	<u>10,000</u>	<u>10,000</u>
<b>Allotted, called up and fully paid</b>		
1,221 Ordinary Shares of £1 each	1,221	1,221
	<u>1,221</u>	<u>1,221</u>
<b>19 SHARE PREMIUM ACCOUNT</b>		
At 31st March 1996	43,979	43,979
	<u>43,979</u>	<u>43,979</u>

# **BROADCAST DEVELOPMENTS LIMITED**

## Notes to the Financial Statements for the Year Ended 31st March 1996

	1996 £	1995 £
<b>20 PROFIT AND LOSS ACCOUNT</b>		
At 1st April 1995	(32,627)	(36,733)
Retained profit for the financial year	2,632	4,106
At 31st March 1996	<u>(29,995)</u>	<u>(32,627)</u>
<b>21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</b>		
Profit for the financial year	2,632	4,106
Opening shareholders' funds	12,573	8,467
Closing shareholders' funds	<u>15,205</u>	<u>12,573</u>
<b>22 COMMITMENTS UNDER OPERATING LEASES</b>		
At 31st March 1996 the Company had annual commitments under non-cancellable operating leases as set out below:		
<b>Plant and Machinery</b>		
Operating leases which expire:		
Within 1 year	1,905	-
Within 2 to 5 years	7,008	11,052
	<u>8,913</u>	<u>11,052</u>