

Registered number: 1420028

BBC Worldwide Limited

**Report and Financial Statements for
the year ended 31 March 2002**



BBC Worldwide Limited

Contents

	Page
Financial Review	1-3
BBC's Fair Trading Commitment	4
Directors' report	5-6
Corporate Governance	7-9
Statement of directors' responsibilities	10
Report of the Independent Auditors	11
Consolidated profit and loss account	12
Consolidated balance sheet	13
Company balance sheet	14
Consolidated statement of total recognised gains and losses	15
Reconciliation of movements in equity shareholders' funds	15
Consolidated cash flow statement	16
Notes to the financial statements	17-37

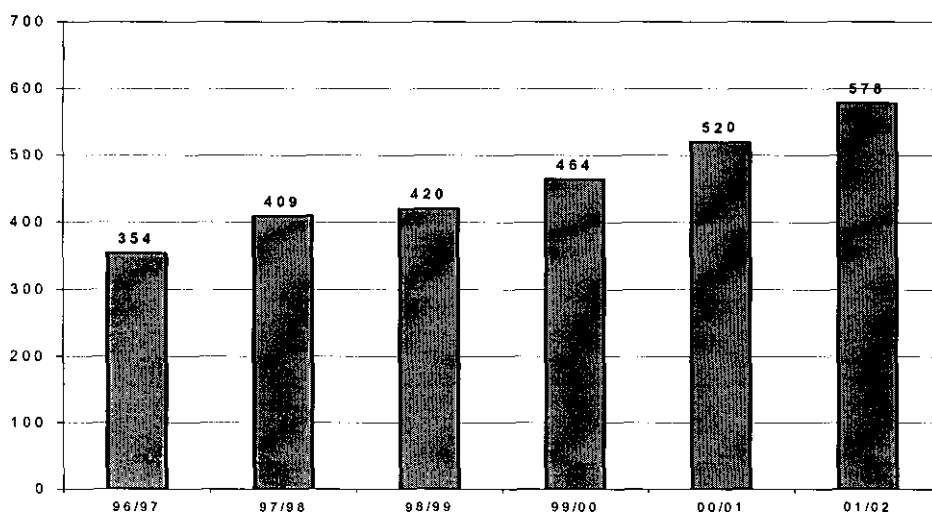
Financial Review

Turnover increased 12% to £660 million (including share of joint ventures), or 11% to £578 million excluding joint ventures. BBC cash flow increased to £106 million (2001: £96 million), and investment in BBC programmes was £81 million (2001: £76 million).

Profit before interest and taxation has increased to £25.7 million (2001: £24.7 million, restated) after including an exceptional gain of £9.0 million (2001: £17.1 million) on the partial disposal of beeb Ventures Limited as part of the linked arrangement with a third party, signed in 2000, which has provided funding of beeb.com's start-up losses. BBC Worldwide has announced its intention to terminate the beeb Ventures business and a £1.3 million exceptional fixed asset write down has been charged as a consequence. The operating results of beeb.com are presented as a discontinued operation in the profit and loss account. In addition, the disposal of rights and trademarks relating to certain non-core brands yielded an exceptional profit of £7.3 million.

Prior year comparatives have been restated to reflect the adoption of FRS17: Retirement Benefits in the year, the effect of which is to increase operating profit by £1.5 million in both 2001 and 2002.

BBC Worldwide sales history (excluding joint ventures) (Sales £m)



Trading results

Total operating profit increased by 65 % to £10.7 million, from £6.5 million (restated) in 2001 (see note 2).

Publishing and new media is shown excluding the results of beeb.com, which is now presented as a discontinued operation. Sales were up 10% to £332 million. However, operating profit declined from £15.3 million (restated) in 2001 to £10.4 million in 2002, with a decline in the profitability of our brand driven business, due to the cyclical nature of this activity, partly offset by a strong performance across the consumer publishing businesses, particularly in the UK. The magazines business experienced shortfalls in advertising revenues in some titles, which were offset by the full year effect of last years launches to leave sales flat, year on year. Tight cost control resulted in unchanged profitability year on year.

Programme distribution saw a 15% increase in sales to £172 million in a highly competitive market, as well as achieving a 42 % increase in operating profit to £23.7 million, partly as a result of the success of the format sales business.

Entertainment channels activity, which includes BBC Prime and BBC America, showed an 11% growth in sales to £46 million, whilst operating profit was unchanged at £1.6 million.

News channels, which comprises BBC World, was heavily impacted by the decline in advertising revenue, especially post September 11th. Sales were static year on year and operating losses increased from £13.2 million in 2001 to £15.3 million in 2002.

Joint venture results

In line with FRS 9: Associates and Joint Ventures, BBC Worldwide has shown its share of joint venture turnover on the face of the profit and loss account, increasing turnover by £82 million (2001: £68 million) to £660 million (2001: £587 million). Gross assets and liabilities are included in the balance sheet.

The structure of the arrangements with Flextech and Discovery is such that BBC Worldwide has no liability to fund the losses of the ventures and its effective financial obligation is therefore adjusted to zero (2001: £nil).

Taxation and earnings

The tax charge of £6.6 million (28%) compares to £4.3 million (20% restated) in 2001. UK corporation tax is provided at 30% (2001: 30%). The main factor contributing to the reduction in the effective rate of tax to 28% are the accounting gain on the disposal of beeb Ventures Limited shares, which does not give rise to a significant tax liability. A more detailed analysis is presented in note 8b.

BBC Worldwide does not propose a dividend, retaining its reserves to fund further expansion.

Cash flow

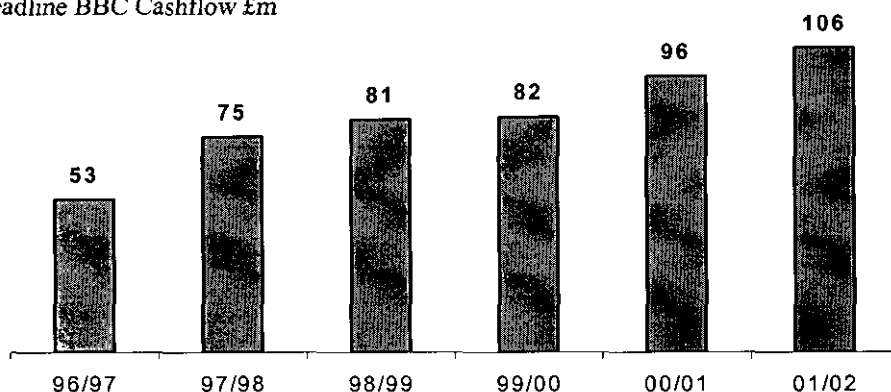
BBC Worldwide ended the year with net debt of £nil, compared to net debt of £4 million at 31 March 2001.

Cash flow available to the BBC increased by £10 million to £106 million for the year, analysed as follows:

	2002 £m	2001 £m
Investment in BBC programmes	81	76
Cash co-production	5	2
Payment to BBC Rights Archive	7	7
Interest paid to BBC	2	2
Cash generated/(consumed), net of asset purchases	23	3
Sustainable BBC cash flow	118	90
Purchase of subsidiaries/ businesses	(10)	(1)
External funding	10	-
Exceptional items	(3)	7
Working capital	(9)	-
Headline BBC cash flow	106	96

BBC Cashflow

Headline BBC Cashflow £m



Debt structure and treasury policy

The loan debt due to the BBC was £0.6 million at 31 March 2002 (2001: £nil). BBC Worldwide raised £10.3 million of external debt during the year to March 2002 (2001: £nil) in order to finance the acquisition of Chivers Communications plc. In addition, £1.9 million of unsecured loan notes were issued as deferred consideration for the acquisition of Cover to Cover Limited and associated royalty payments. A more detailed analysis is presented in notes 19 and 25.

44% of our revenues are generated outside the UK and have therefore been affected by fluctuations in exchange rates. It is the policy of BBC Worldwide to take a risk-averse approach to the management of foreign exchange, including the hedging of risk by entering into forward exchange contracts.

Programme investments

BBC Worldwide and its joint venture partners invested £81 million in BBC programmes in 2002 an increase of £5 million over last year. Amortisation at £86 million was £12 million higher than the previous year.

Capital expenditure

Capital expenditure on tangible fixed assets was £6 million in the year, consistent with the prior year.

Acquisitions and disposals

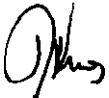
During the year BBC Worldwide acquired 100% of the share capital of Chivers Communications plc, a company operating in the spoken word audio market, for a consideration of £9.1 million. The transaction is explained in more detail in note 10.

The group made a further partial disposal of shares in beeb Ventures Limited for £9.0 million; this transaction is explained in detail in note 5. In addition, the group disposed of rights and trademarks relating to certain non-core brands, which gave rise to an exceptional profit of £7.3 million, after disposing of investments with a net book value of £1.9 million.

Joint ventures

BBC Worldwide entered into a new joint venture arrangement with Flextech during the year in respect of the UK Food channel, which was launched in November 2001.

Following from the joint venture agreement in Canada signed last year with Alliance Atlantis, BBC Canada and BBC Kids were launched in September and November 2001 respectively. In addition, Animal Planet Canada, a joint venture with Discovery and Netstar, was launched in September 2001.



David King
Finance Director
BBC Worldwide Limited

BBC's Fair Trading Commitment

BBC commercial activities and Fair Trading

In performing its commercial role, BBC Worldwide is fully subject to domestic and European Competition Law in the same way as any other British company. The Competition Act 1998 significantly strengthens the powers of the regulatory authorities to enforce fair trading.

In addition to these statutory provisions, and unlike its competitors, the BBC is subject to further requirements to trade fairly, arising from its Royal Charter and accompanying Agreement. These requirements, to which BBC Worldwide is also subject, are published as the BBC's Fair Trading Commitment.

This Fair Trading Commitment requires BBC Worldwide to:

- engage in commercial activities which are consistent with, and support the BBC's role as a public service broadcaster;
- pay fair charges for any goods or services received from other parts of the BBC;
- charge prices which are a fair reflection of both costs incurred and market practice.

Annual Statement on the BBC's compliance with the Fair Trading Commitment

The Governors consider that the policies contained in the BBC's Fair Trading Commitment are consistent with the requirements of the Royal Charter and the accompanying Agreement. Through the Fair Trading Compliance Committee, they have gained reasonable assurance that the framework of controls and procedures designed to ensure that these policies are applied throughout the BBC has been operating effectively throughout the year.

The BBC has appointed external Fair Trading auditors, PriceWaterhouseCoopers, who have also issued an opinion which concludes that nothing has come to their attention that indicates that the BBC has not complied with the requirements of its Fair Trading Commitment during year ended 31 March 2002.

Directors' Report

The directors present their report and the audited consolidated financial statements of BBC Worldwide Limited (BBC Worldwide) for the year ended 31 March 2002. Details of the principal activities and the development of the business during the year, and likely further developments, are given in the Financial Review on pages 1 to 3.

Results and dividend

The consolidated profit after taxation and minority interests for the year was £16.0 million (2001 restated: £18.4 million). The directors do not recommend the payment of a dividend (2001: £ nil).

The company has adopted the full provisions of FRS 17 'Retirement Benefits' in the year. The principal effect of implementation on these accounts is in respect of the restatement of the 2001 accounts to reduce the pension provision by £3.4m. The effect of the change is to increase operating profit and retained profit by £1.5m for the year ended 31 March 2001. The impact of FRS 17 on the 2002 results has a similar effect.

Significant acquisitions and disposals

Details of acquisitions and disposals are included in the Financial Review and on pages 23, 25 & 26 in the notes to the accounts.

Directors

The directors who served during the year were:

S F Cooper	
P Cross	
A R Gavin	
A L Kaza	(Resigned 28-09-2001)
D J King	
J P Mayhew	(Resigned 31-07-2001)
R V McCall	
M J Phillips	
P S Phippen	
G A Richards	
J E Taylor	(Ceased as a director 13-12-2001) ¹
P R Teague	(Resigned 06-01-2002)
D A Vine	
M C Young	

Directors' interests

No director had any interest in the share capital of the company at 1 April 2001 or 31 March 2002. No rights to subscribe for shares in or debentures of the company or any other group company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

Payment to creditors

Operating companies are responsible for agreeing the terms and conditions under which business transactions with their suppliers are conducted. It is group policy that payments to suppliers are made in accordance with these terms, provided that the supplier is also complying with all relevant terms and conditions. The group seeks to comply with the CBI prompt payment code for trade creditors. Company trade creditors at 31 March 2002 were equivalent to 32 days (2001: 32 days) of purchases during the year ended on that date. Based on the consolidated financial statements creditor days outstanding were 32 days (2001: 32 days). Residual creditors and the associated costs have been excluded for the purposes of this calculation, as they relate to payments to artists and contributors rather than trade creditors (note 19).

Employee Participation

The BBC Forum promotes two way communication and debate between managers and staff. Under this initiative an elected individual puts forward the views of BBC Worldwide staff to senior BBC management, as part of the BBC Forum, on a regular basis and receives direct feedback on issues which affect the future of both the employees and the company.

Within BBC Worldwide, the 'For a Better World' initiative aims to improve participation and communications involving all staff, and champions learning and growth.

Management hold regular meetings with the recognised trade unions, the Broadcasting Entertainment Cinematography and Theatre Trade Union (BECTU) and the National Union of Journalists (NUJ).

¹ Mr Taylor ceased to be a Director on 13th December 2001 following the termination of his employment.

Diversity

BBC Worldwide is committed to developing a diverse workforce with opportunities for all, irrespective of race, colour, creed, ethnic or national origin, gender, marital status, sexuality, disability or age.

Ethnic and gender targets have been set with the aim of ensuring that the BBC Worldwide workforce reflects the UK's population. These targets have been achieved, with just over ten percent of staff, and six percent of senior management, from minority ethnic groups. Fifty percent of BBC Worldwide's senior management are female.

Development and training

Staff in all areas have opportunities to develop their skills. BBC Worldwide organises comprehensive in-house and external training programmes covering job-specific skill enhancement, IT software tuition and management development courses. BBC Worldwide holds "Investors in People" accreditation.

Disabled people

People with disabilities are fully and fairly considered for vacancies arising within BBC Worldwide and are given equal opportunities in relation to training, career development and promotion. If an employee becomes disabled whilst in the employment of BBC Worldwide and as a result is unable to perform their existing jobs, every effort would be made to offer suitable alternative employment and re-training.

BBC Worldwide's policies and practices are in line with the Code of Practice on Age Discrimination in Employment.

Donations

The group does not make political donations. Charitable donations of £8,513 were made during the year, including £3,000 paid to the Diana, Princess of Wales Memorial Fund (2001: £19,000).

The environment

BBC Worldwide does not operate in industries where there is potential for serious industrial pollution. The board recognises its responsibility to safeguard natural resources and takes steps to control and minimise any damage the business may cause to the environment. The board is working to ensure that all paper used in products is sourced from well-managed forests, along the guidelines laid down by the Forest Stewardship Council and is the first publisher to have a magazine using paper entirely sourced in accordance with FSC guidelines.

Going concern

After making enquiries, the directors have a reasonable expectation that the business has adequate resources to continue in operational existence for the foreseeable future, and accordingly the going concern basis continues to be adopted in the preparation of the accounts.

Auditors

Our auditors KPMG have indicated to the directors that their business is to transfer to a limited liability partnership, KPMG LLP. Accordingly, in accordance with Section 384 of the Companies Act 1985, a resolution is to be proposed at the annual general meeting for the appointment of KPMG LLP as auditors of the company.

By order of the board

J A Holder
Company Secretary

11 September 2002



Registered Office
Woodlands
80, Wood Lane
London W12 0TT

Corporate Governance

BBC Worldwide's commitment

The BBC has an obligation under its Charter to demonstrate high standards of corporate governance.

The Combined Code, issued by the London Stock Exchange in June 1998, sets out principles of good corporate governance. Both the BBC and BBC Worldwide voluntarily comply with the Combined Code to the extent it is considered applicable. The requirements of the Combined Code are applied to BBC Worldwide with the following exceptions:

- **those requirements relating to shareholders**
as a wholly owned subsidiary of the BBC, BBC Worldwide is not accountable to external shareholders but to the BBC. The BBC, in turn, is accountable to the public, rather than to shareholders, through the stewardship of the governors.
- **those requirements relating to non-executive directors, Chairman, remuneration and audit and committees**
the directors consider that BBC Worldwide should comply with the Combined Code in a manner which is common practice for a subsidiary whose parent is complying with the Code. Hence the directors do not consider it appropriate for BBC Worldwide to have non-executive directors, a Chairman separate from the Chief Executive, or remuneration and audit committees separate from those established by the BBC. The appointment of directors is discussed on page 9.
- **those requirements relating to remuneration disclosures**
as is usual for subsidiaries for which group accounts are published, these accounts provide information on the aggregate of director remuneration, but the individual remuneration details of the directors of BBC Worldwide are not presented. The BBC Group annual report provides details of individual remuneration of the BBC's Board of Governors and Executive Committee, including those of Rupert Gavin, Chief Executive of BBC Worldwide.

Board structure

Details of the Board of Directors are shown on page 5. As explained above, BBC Worldwide does not have any non-executive directors. However, the BBC Worldwide Board is represented on the BBC's Executive Committee and is accountable to the BBC governors who constitute the members of the Corporation and act as trustees for the public interest.

The governors are drawn from a variety of occupations and backgrounds and are independent of BBC executive management. A register of interests for the governors is maintained and may be inspected by written application to the Secretary of the BBC. The Queen in Council now appoints the governors for periods of four years.

The Board of Directors meets on a monthly basis. Other members of management attend as required.

A formal schedule of matters is referred to the Board for decisions. This includes:

- approval of the annual accounts
- approval of the budget
- approval of company strategy
- the establishment of new joint ventures and trading companies

Directors are given appropriate documentation in advance of each Board meeting. Directors have access to the advice and services of the Company Secretary who is responsible for ensuring that board procedures are followed, and may obtain independent professional advice at the expense of the company if required. BBC Worldwide has provided directors with appropriate training and will provide further training should this be considered necessary.

The Board of Governors delegates some matters relevant to BBC Worldwide to sub-committees. The main responsibilities of these sub-committees are explained elsewhere in the annual report as follows:

Governors' Fair Trading Compliance Committee	(page 4)
Governors' Audit Committee	(page 9)
Governors' Commercial Committee	(page 9)
Governors' Remuneration Committee	(page 9)

Accountability and internal control

Financial reporting and going concern

The respective responsibilities of the directors and the external auditors are set out on page 10 and 11.

A detailed review of the financial position of BBC Worldwide is included in the Financial Review by the Finance Director on pages 1 to 3.

The going concern basis has been adopted in the preparation of the financial statements, as the directors believe that BBC Worldwide has adequate resources to continue its operations for the foreseeable future and budgets and forecasts have been prepared in the light of available facilities.

Internal control

The Board of Directors has overall responsibility for maintaining an adequate system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable, but not absolute, assurance against material misstatement or loss.

The Board of Directors considers there is an ongoing process for identifying, evaluating and managing significant risks faced by Worldwide. The process has been in place for the year ended 31 March 2002 and up to the date of approval of this report and accounts. It accords with the guidance set out in the ICAEW's guidance for director's *Internal control: Guidance for directors on the Combined Code* (the Turnbull guidance).

The Board exercises control through an organisational structure with clearly defined levels of responsibility, authority and appropriate reporting procedures. The key control procedures are described under the following headings:

- **risk management**
The Board has responsibility for the identification and management of risks facing the business. Management update their assessment of their exposure to risk, and the extent to which these risks are controlled, every four months. Management assessments are verified by visits from Internal Audit, which reports on this matter to the Audit Committee, which considers risk management across the BBC group as a whole.
- **monitoring of controls**
The BBC's Internal Audit function undertakes regular testing of control systems and compliance with core business processes under a plan agreed by the BBC's Audit Committee. This programme of testing, which is updated every three months, is based on a continuing assessment of key risks and issues. The results of testing are reported to the BBC's Audit Committee, which monitors the operation of BBC Worldwide's controls through the year.
- **operating unit controls**
Key controls over major business risks include performance review and exception reporting.

The BBC must approve all transactions over a certain upper threshold and the BBC Worldwide Investment Committee must approve those over a certain lower threshold.

BBC Worldwide operates its own treasury procedures within the overall policies set by the BBC's Group Treasury department. Major transactions are processed through Group Treasury. Each operating unit maintains additional financial controls and procedures appropriate to its own business environment and carries out local treasury activities, in both cases conforming to overall standards and guidelines.

- **computer systems**
BBC Worldwide has established controls and procedures over the security of data held on computer systems. Arrangements are in place for computer processing to continue and data to be retained in the event of failure of BBC Worldwide's own data processing facility.
- **financial reporting**
BBC Worldwide has a comprehensive budgeting system with an annual budget approved by the Board of Directors. Monthly financial information, including balance sheets, cash flow statements, trading results and indebtedness are reported against the corresponding figures for the budget and previous year, with corrective action taken by the directors as appropriate.

Audit Committee

Matters relating to BBC Worldwide are also considered by the BBC's Audit Committee, which comprises three of the BBC's Governors.

The Audit Committee meets four times a year, and is charged with reviewing the effectiveness of internal control, approving and monitoring the Internal Audit work plan, considering issues arising from Internal Audit's work, reviewing management's response to internal control issues, approving the external audit fee, considering the external audit strategy and plans, reviewing the external auditors' reports and reviewing the annual accounts. Both internal and external auditors are given the opportunity to meet privately with the Audit Committee without any member of management present.

Governors' Commercial Committee

This committee oversees the performance and effectiveness of the BBC's commercial subsidiaries. The governors aim to ensure that the BBC maximises the opportunities to earn additional income for reinvestment into public services, but without using licence fee income to support commercial operations and without putting the licence fee at risk.

Events of the year – alleged fraud

During the year an allegation of fraud has been made against an agency sourcing the supply of goods to BBC Worldwide Limited. This supplier is based in Hong Kong, where criminal charges have been brought against directors of the agency and against a former employee of BBC Worldwide Limited who is also charged with conspiracy in the alleged fraud. The potential loss to BBC Worldwide Limited is less than £1 million, and action is being taken to recover the losses pending the allegation being proven.

Statement of compliance with the Combined Code of Best Practice

BBC Worldwide has complied throughout the year ended 31 March 2002 with the specific provisions in section 1 of the Combined Code with the exception of those provisions relating to non-executive directors and shareholder requirements which, as discussed earlier, are not applicable to BBC Worldwide's structure.

Remuneration policy

During 2001 the Governors approved the establishment of a sub-committee to act as a remuneration committee. This committee has responsibility for setting executive remuneration policy, including the remuneration package for Worldwide's Chief Executive.

The Chief Executive appoints and determines the remuneration packages for the rest of the BBC Worldwide Board of Directors, taking account of the remuneration policies set out by the governors. The Chief Executive measures the performance of the directors before determining their annual remuneration and bonus awards. The BBC's Director of Human Resources provides technical support to the Chief Executive in this respect.

The Chief Executive aims to ensure that the packages offered to directors:

- enable BBC Worldwide to attract, retain and motivate high-calibre executives
- are positioned at the median against a comparator group (which includes other media organisations and major listed companies) in terms of total cash (basic salary plus annual bonus payment and long term incentive plan, if any)
- remunerate individuals fairly for individual responsibility and contribution, while providing an element of performance-related pay, reflecting the underlying performance of BBC Worldwide
- take into account salary policy within the rest of the BBC and the relationship that should exist between the remuneration of directors and that of other employees.

In determining appropriate levels, the Chief Executive has access to internal expertise in the remuneration area, annual surveys conducted by external consulting firms and published remuneration information on comparable companies.

Directors' remuneration disclosure is shown in note 4e on page 22.

Statement of directors' responsibilities for the preparation of the financial statements

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and group and of the profit or loss for that period.

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 and to disclose and explain any material departures in the financial statements
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for maintaining adequate 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Report of the Independent Auditors to the members of BBC Worldwide Limited

We have audited the financial statements on pages 12 to 37.

Respective responsibilities of the directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 10, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practises Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the group is not disclosed.

We read the other information accompanying the financial statements, including the corporate governance statement, and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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 group'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 and the group as at 31 March 2002 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG

Chartered Accountants
Registered Auditors
London

11 September 2002

Consolidated profit and loss account

		2002	2001
			Restated
For the year ended 31 March	Note	£m	£m
Turnover (including share of joint ventures)		659.8	587.2
Less: share of joint ventures	15	(81.6)	(67.6)
Continuing operations		575.8	517.5
Discontinued operations		2.4	2.1
Group turnover	2	578.2	519.6
Cost of sales		(385.8)	(345.4)
Gross profit		192.4	174.2
Distribution costs		(147.0)	(135.7)
Administrative expenses		(36.1)	(32.9)
Group operating profit		9.3	5.6
Share of operating profit in joint ventures	15	0.3	0.6
Share of operating profit in associates	16	1.1	0.3
Continuing operations		20.4	20.4
Discontinued operations		(9.7)	(13.9)
Total operating profit		10.7	6.5
Profit on disposal of business and shares in subsidiary	5	9.0	18.2
Loss on termination of operations	5	(1.3)	-
Profit on disposal of investments in programmes	6	7.3	-
Profit before interest and taxation	2	25.7	24.7
Interest receivable		1.7	1.2
Interest payable	7	(3.7)	(4.0)
Profit on ordinary activities before taxation	3	23.7	21.9
Tax on profit on ordinary activities	8	(6.6)	(4.3)
Profit on ordinary activities after taxation		17.1	17.6
Equity minority interests		(1.1)	0.8
Retained profit for the financial year	22	16.0	18.4

Within continuing operations, turnover of £10.3 million and operating profit of £1.1 million relates to acquisitions made during the year ended 31 March 2002.

The discontinued operations comprise beeb.com, BBC Worldwide's Internet shopping guide business. The operating losses of £9.7 million are offset by a gain of £9.0 million on the partial disposal of beeb Ventures Limited as explained in note 5.

The profit and loss account for 2001 has been restated for the adoption of FRS 17 (see note 32).

There is no difference in the profit for the financial period as reported compared to a historical cost basis in either the current or previous year.

Consolidated balance sheet

		2002	2001
			Restated
As at 31 March	Note	£m	£m
Fixed Assets			
Intangible fixed assets	9	7.8	0.5
Tangible fixed assets	11	12.5	12.9
Investment in programmes for future sale	13	111.8	117.2
Investments			
Investments in joint ventures:	15		
Share of gross assets		47.9	56.7
Share of gross liabilities		(130.3)	(144.5)
Adjustment to reflect effective obligation		82.5	88.2
		0.1	0.4
Interests in associated undertakings	16	0.9	0.6
		133.1	131.6
Current assets			
Stocks	17	21.9	17.3
Current debtors	18	149.5	149.6
Long-term debtors	18	7.7	8.4
Total debtors		157.2	158.0
Cash at bank and in hand		32.0	15.0
		211.1	190.3
Creditors: amounts falling due within one year	19	(201.2)	(206.7)
Net current assets/(liabilities)		9.9	(16.4)
Total assets less current liabilities		143.0	115.2
Creditors: amounts falling due after more than one year	19	(30.0)	(19.1)
Provisions for liabilities and charges	20	-	(0.7)
Net assets		113.0	95.4
Capital and reserves			
Called up share capital	21	0.2	0.2
Profit and loss account	22	112.2	95.7
Equity shareholders' funds		112.4	95.9
Equity minority interests		0.6	(0.5)
		113.0	95.4

The balance sheet for 2001 has been restated for the adoption of FRS 17 (see note 32).

The financial statements were approved by the Board of Directors on 11 September 2002 and were signed on its behalf by:



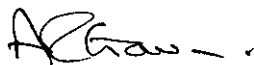
A R Gavin
Director

Company balance sheet

		2002	2001
			Restated
As at 31 March	Note	£m	£m
Fixed Assets			
Intangible fixed assets	9	0.2	0.2
Tangible fixed assets	12	9.9	10.3
Investment in programmes for future sale	13	97.9	96.3
Investments in subsidiary undertakings	14	28.9	18.5
Investment in associated undertakings	16	0.2	0.2
		137.1	125.5
Current assets			
Stocks	17	14.6	13.2
Debtors	18	167.2	157.7
Cash at bank and in hand		5.8	2.0
		187.6	172.9
Creditors: amounts falling due within one year	19	(215.8)	(214.5)
Net current liabilities		(28.2)	(41.6)
Total assets less current liabilities		108.9	83.9
Creditors: amounts falling due after more than one year	19	(26.5)	(15.6)
Provisions for liabilities and charges	20	(1.8)	(0.9)
Net assets		80.6	67.4
Capital and reserves			
Called up share capital	21	0.2	0.2
Profit and loss account	22	80.4	67.2
Equity shareholders' funds		80.6	67.4

The balance sheet for 2001 has been restated for the adoption of FRS 17 (see note 32).

The financial statements were approved by the Board of Directors on 11 September 2002 and were signed on its behalf by:



A R Gavin
Director

Consolidated statement of total recognised gains and losses

	2002	2001 Restated
For the year ended 31 March	£m	£m
Profit for the financial year	16.0	18.4
Exchange translations effect on:		
Profit for the financial year	0.2	0.1
Foreign currency net assets	0.3	2.3
Total recognised gains and losses relating to the year	16.5	20.8
Prior year adjustment *	3.4	-
Total recognised gains and losses since the last financial statements	19.9	20.8

*The 2001 figures have been restated for the adoption of FRS 17 (see note 32)

Reconciliation of movements in equity shareholders' funds

	2002	2001 Restated
For the year ended 31 March	£m	£m
Total recognised gains and losses for the year	16.5	20.8
Net increase in equity shareholders' funds	16.5	20.8
Equity shareholders' funds at start of year as previously stated	92.5	73.2
Prior year adjustment	3.4	1.9
Equity shareholders' funds at start of year as restated	95.9	75.1
Equity shareholders' funds at end of year	112.4	95.9

Consolidated cash flow statement

For the year ended 31 March	Note	2002 £m	2001 £m
Net cash inflow from operating activities	23	99.1	92.8
Dividends from joint ventures and associates		0.9	-
Return on investments and servicing of finance			
Interest received		1.5	1.2
Interest paid		(3.4)	(3.5)
Net cash outflow from return on investments and servicing of finance		(1.9)	(2.3)
Taxation			
Taxation paid		(7.9)	(4.1)
Capital expenditure and financial investments			
Purchase of tangible fixed assets		(6.5)	(6.2)
Investment in programmes for future sale		(83.2)	(76.8)
Disposal of investment in programmes		6.0	-
Proceeds from the sale of investments		0.6	0.5
Decrease in loan to associated undertakings		-	0.1
Net cash outflow for capital expenditure and financial investments		(83.1)	(82.4)
Acquisitions and disposals			
Purchase of subsidiary undertakings	10	(10.0)	(0.4)
Purchase of business		-	(0.2)
Disposal of interest in subsidiary undertaking	5	9.0	17.1
Disposal of business		-	1.6
Investment in associated undertaking		-	(0.1)
Net cash (outflow)/inflow from acquisitions and disposals		(1.0)	18.0
Cash inflow before financing		6.1	22.0
Financing			
Increase/(decrease) in BBC loan		0.6	(21.6)
Increase in external funding		10.3	-
		10.9	(21.6)
Increase in cash in the year	24	17.0	0.4

Notes to the financial statements

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the group's principal accounting policies, which have been applied consistently throughout the year and with the preceding year, except where stated, is set out below.

1a Basis of accounting

The financial statements are presented under the historical cost accounting convention.

The group has adopted the following accounting standards:

- FRS 17: Retirement Benefits. The group has fully adopted this Standard. FRS 17 requires a different accounting policy for the recognition of pension costs in the financial statements than its predecessor, SSAP 24. Accordingly, the 2001 financial statements have been restated onto a comparable basis. Note 32 provide more details of the effect of this change in accounting policy.
- FRS 18: Accounting Policies. The Group complies with this Standard which gives guidance relating to the selection, application and disclosure of accounting policies in the financial statements. The adoption of FRS 18 has had no material impact on the results of the Group.
- FRS 19: Deferred Taxation. The Group has fully adopted the Standard, which requires full rather than partial provision for deferred tax liabilities. Additional disclosure is provided in note 8.

1b Basis of consolidation

The results of subsidiary companies are consolidated into the financial statements of BBC Worldwide Limited. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

An associated undertaking is one in which the group has a long-term interest, usually between 20% and 50% of the equity voting rights, and over which it exercises significant influence. A joint venture is an undertaking in which the group has a long-term interest and over which it exercises joint control. The group's share of the profits less losses of associates and joint ventures is included in the consolidated profit and loss account and its interest in their net assets, is included in the consolidated balance sheet, using the equity method.

The results of the joint ventures and associates within the Flextech and Discovery agreements have been included using information from accounts drawn up to 31 December 2001 (notes 15 and 16).

As permitted by Section 230 of the Companies Act 1985, no profit and loss account has been presented in respect of the holding company. However, for further clarification, the holding company's turnover for the year was £449.3 million (2001: £438.9 million) and the company's profit after taxation for the year dealt with in the financial statements of BBC Worldwide Limited was £13.2 million (2001 restated: £18.8 million). The holding company's results form part of the consolidated financial statements.

1c Turnover

Group turnover, which excludes value added tax and trade discounts, represents licence fees from the distribution of joint productions, agency income and commission from the distribution of programmes on behalf of the BBC and from other producers and publication of magazines, books, videos, DVDs, CDs and tapes, character merchandising, transmission and other facilities.

1d Foreign currency translation

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transactions. Assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at 31 March or at forward rates where related hedging contracts are in place. Surpluses and deficits arising from the translation of assets and liabilities at these rates of exchange, together with exchange differences arising from trading, are included in the consolidated profit and loss account.

The profit and loss accounts and cash flows of overseas subsidiaries are translated into sterling at the average rates for the year. Exchange differences arising from the retranslation of the opening net assets of overseas subsidiaries and any related long-term foreign currency borrowings are taken directly to the profit and loss reserve, together with the differences arising when the profit and loss accounts are translated at average rates compared with rates ruling at the year end. Other exchange differences are taken to the profit and loss account.

1e Goodwill

Purchased goodwill (representing the excess of the fair value of the purchase consideration, plus any related costs of acquisition, over the fair value attributable to the separable net assets acquired) arising on the acquisition of a business or subsidiary before 1 April 1998, when FRS 10: Goodwill and Intangible Assets was adopted, was written off to reserves in the year of acquisition. On disposal, goodwill previously written off to reserves is transferred to the profit and loss account for the year as part of the profit or loss on disposal.

Purchased positive goodwill arising on the acquisition of a business or subsidiary since 1 April 1998 is capitalised and amortised over its estimated useful life, not exceeding 20 years. On the subsequent disposal or termination of a business acquired since 1 April 1998, the profit or loss on disposal is calculated after charging the unamortised amount of any related goodwill.

1f Tangible fixed assets

Expenditure on fixed assets is capitalised together with incremental internal direct costs incurred on capital projects.

Depreciation is calculated so as to write off the cost less estimated residual value of fixed assets on a straight-line basis over their expected useful lives. Depreciation commences from the date an asset is brought into service.

The useful lives for depreciation purposes for the principal categories of assets are:

Short leasehold buildings	Unexpired lease term
Freehold property	50 years
Plant and machinery	3 to 5 years
Fixtures and fittings	3 to 5 years

1g Operating leases

Operating lease rentals are written off on a straight-line basis over the term of the lease.

1h Research and development

Research and development expenditure is written off as incurred.

1i Investment in programmes for future sale

Investment in programmes for future sale is stated at cost, after writing off the costs of programmes that are considered irrecoverable, less accumulated amortisation. Amortisation of investment in programmes for future sale is charged to the profit and loss account over the estimated average marketable life of the programme genre which is estimated to be between two and ten years. Programmes that are fully written off are deducted from the cost and accumulated amortisation of investment in programmes for future sale.

1j Stocks

Stocks comprising videos, DVDs, books and paper stock and work in progress are stated at the lower of cost and net realisable value.

1k Pension costs

The group operates both defined benefit and defined contribution schemes for the benefit of employees.

Defined benefit scheme

The defined benefit scheme provides benefits based on final pensionable pay. The pension assets of the BBC Main Scheme, to which the majority of employees belong, are held separately from those of the BBC Group.

The group, following the provisions of FRS 17, accounts for the scheme as if it were a defined contribution scheme. This is because it is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reliable basis. The expenditure charge for the group therefore represents the contributions payable in the year. These contributions benefit from the surplus in the scheme and are lower than the regular costs.

Defined contribution scheme

BBC Worldwide Limited participates in a group personal pension scheme that is a defined contribution scheme. Contributions to the scheme are charged to the profit and loss account when payable.

1l Taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Except where otherwise required by accounting standards full provision without discounting is made for all timing differences that have arisen but not reversed at the balance sheet date. Deferred tax assets are recognised to the extent that, on the basis of all available evidence, it is more likely than not that they will be recovered.

2 Segmental Analysis

2a Turnover analysed by type of business

	2002 £m	2001 £m
Publishing and new media	331.7	300.2
Programme distribution	172.3	150.0
Entertainment channels	46.3	41.7
News channels	25.5	25.6
Continuing operations	575.8	517.5
Discontinued operations	2.4	2.1
Group turnover	578.2	519.6
Share of joint ventures	81.6	67.6
Turnover	659.8	587.2

2b Turnover analysed by geographical destination

(all group turnover originates from within the UK)

	2002 £m	2001 £m
United Kingdom	323.2	299.3
Americas	108.8	84.3
Rest of World	143.8	133.9
Continuing operations	575.8	517.5
Discontinued operations	2.4	2.1
Group turnover	578.2	519.6

Programme distribution sales include licensing for standard television and cable sales. Co-production contributions to the BBC are administered by BBC Worldwide but not included in turnover.

2c Profit before interest and taxation analysed by type of business and profit on disposals

	Operating profit	Profit on disposals (note 5 & 6)	Total
	2002 £m	2002 £m	2002 £m
Publishing and new media	10.4	7.3	17.7
Programme distribution	23.7	-	23.7
Entertainment channels	1.6	-	1.6
News channels	(15.3)	-	(15.3)
Continuing operations	20.4	7.3	27.7
Discontinued operations	(9.7)	7.7	(2.0)
	10.7	15.0	25.7

	Operating profit	Profit on disposal (note 5 & 6)	Total
	2001 Restated £m	2001 £m	2001 Restated £m
Publishing and new media	15.3	1.1	16.4
Programme distribution	16.7	-	16.7
Entertainment channels	1.6	-	1.6
News channels	(13.2)	-	(13.2)
Continuing operations	20.4	1.1	21.5
Discontinued operations	(13.9)	17.1	3.2
	6.5	18.2	24.7

2d Profit before interest and taxation analysed by geographical location

	Operating profit	Profit on disposal (note 5 & 6)	Total
	2002	2002	2002
	£m	£m	£m
United Kingdom	6.9	7.3	14.2
Americas	0.7	-	0.7
Rest of World	12.8	-	12.8
Continuing operations	20.4	7.3	27.7
Discontinued operations	(9.7)	7.7	(2.0)
	10.7	15.0	25.7

	Operating profit	Profit on disposal (note 5 & 6)	Total
	2001	2001	2001
	Restated £m	£m	Restated £m
United Kingdom	13.5	1.1	14.6
Americas	4.1	-	4.1
Rest of World	2.8	-	2.8
Continuing operations	20.4	1.1	21.5
Discontinued operations	(13.9)	17.1	3.2
	6.5	18.2	24.7

Entertainment channels include joint venture channel development costs.

The discontinued operations comprise beeb.com, BBC Worldwide's Internet shopping guide business, previously included within the publishing and new media and United Kingdom business segments. The operating losses of £9.7 million are offset by a gain of £9.0 million on the partial disposal of beeb Ventures Limited as explained in note 5.

BBC World is included in Rest of World, which is where it is predominantly distributed.

2e Net assets analysed by geographical location

	Total 2002	Total 2001 Restated
	£m	£m
United Kingdom	71.5	56.3
Americas	40.9	38.0
Continuing operations	112.4	94.3
Discontinued operations	0.6	1.1
	113.0	95.4

All net assets are owned, either in the UK and made available for regional offices or through the US subsidiary, BBC Worldwide Americas Inc.

3 Profit on ordinary activities before taxation**3a Profit on ordinary activities before taxation is stated after charging:**

	2002	2001
	£m	Restated £m
Operating lease rentals		
- plant and machinery	8.1	7.7
- land and buildings	2.1	2.0
- satellite costs	8.4	7.6
Depreciation - owned assets	7.5	5.1
Amortisation of investment in programmes for future sale	86.4	74.8
Amortisation of goodwill	0.3	-
Auditors' remuneration		
- company audit fee	0.1	0.1
- subsidiaries audit fees	0.2	0.1
- consultancy and advisory fees	0.2	0.2
Research and development expenditure	2.4	2.6

3b Group operating profit analysed between continuing and discontinued operations:

	Continuing operations	Discontinued operations	Total 2002	Continuing operations Restated	Discontinued operations	Total 2001 Restated
	£m	£m	£m	£m	£m	£m
Group turnover	575.8	2.4	578.2	517.5	2.1	519.6
Cost of Sales	(385.6)	(0.2)	(385.8)	(344.5)	(0.9)	(345.4)
Gross Profit	190.2	2.2	192.4	173.0	1.2	174.2
Distribution costs	(135.8)	(11.2)	(147.0)	(121.1)	(14.6)	(135.7)
Administrative expenses	(35.4)	(0.7)	(36.1)	(32.4)	(0.5)	(32.9)
Group operating profit	19.0	(9.7)	9.3	19.5	(13.9)	5.6

4 Employees and remuneration**4a Persons employed**

The average number of persons employed (full-time equivalent) in the year was:

	2002	2001
	Average	Average
Publishing and new media	1,548	1,407
Programme distribution	341	281
Entertainment channels	104	90
News channels	96	100
Continuing operations	2,089	1,878
Discontinuing operations	81	80
	2,170	1,958

Within the averages above, 149 (2001: 124) part-time employees have been included at their full-time equivalent of 92 (2001: 80). In addition to the above, the group employed an average full-time equivalent of 82 (2001: 88) persons on a casual basis. Their payroll costs are included in note 4b.

4b Staff costs

	2002	2001
	£m	Restated £m
Salaries and wages	82.1	74.7
Social security costs	6.6	6.1
Other pension costs	2.4	2.5
	91.1	83.3

In addition to the above, redundancy costs of £1.1 million (2001: £0.4 million) were incurred in the year. The above numbers for 2001 have been restated for the adoption of FRS 17 (see note 32).

4c BBC Group Pension Scheme

Many BBC Worldwide employees are members of the BBC Group Pension Scheme, which provides salary related pension benefits on a defined benefit basis from assets held in separate, trustee-administered, funds.

The group, following the provisions within FRS 17, accounts for the scheme as if it were a defined contribution scheme. This is because it is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reliable basis.

The pension cost charged for this scheme represents contributions payable by the group to the scheme and the costs amounted to £2.1m in the year (2001: £1.4m).

The scheme is subject to independent valuation by a professionally qualified actuary at least every three years, on the basis of which the actuary certifies the rate of employer's contributions. These, together with the specified contributions payable by employees and proceeds from the scheme's assets, are expected to be sufficient to fund the benefits payable under the scheme. The most recent full actuarial valuation of the scheme was prepared as at 1 April 1999 by Watson Wyatt, consulting actuaries, using the projected unit method.

At 1 April 1999, the market value of the assets of the scheme was £6,294 million and the actuarial value of the assets was sufficient to cover 114% of the benefits due to members, after allowing for expected future increases in earnings.

An updated interim valuation as at 31 March 2002 shows that the scheme continues to remain in surplus and there are no expectations of any change in contribution rates for the foreseeable future.

Additional disclosure about the scheme is provided in the BBC Annual Report and Accounts that can be obtained by writing to The Secretary, BBC Broadcasting House, Portland Place, London, W1A 1AA.

4d BBC Worldwide Limited group personal pension scheme and other schemes

The group also operates its own defined contribution pension schemes, including those operated in the USA. The assets of these schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group to the funds and the costs amounted to £0.3 million in the year (2001: £1.1 million).

4e Directors' remuneration

The remuneration of the directors during the year was as follows:

	2002	2001
	£'000	£'000
Emoluments	1,932	2,294
Bonus	255	419
Compensation for loss of office	245	-
	2,432	2,713

The number of directors to whom retirement benefits accrue under the following schemes is as follows:

	2002	2001
	No of directors	No of directors
Defined benefit schemes	9	13
Money purchase schemes	7	9

The company contributed £153,000 to money purchase schemes for its directors during the year (2001: £131,000)

The remuneration of the highest paid director included:

	2002	2001
	£'000	£'000
Emoluments	289	358
Bonus	50	48
Contributions to money purchase retirement schemes	35	-
	374	406

The highest paid director had accrued pension benefits of £6,000 per annum as at 31 March 2002 under the company's defined benefit scheme (2001: £11,000). The highest paid director in 2002 was A R Gavin, in 2001 it was P S Phippen.

5 Profit on disposal of business and shares in subsidiary

	2002	2001
	£m	£m
beeb Ventures Ltd	9.0	17.1
BBC For Business	-	1.1
	9.0	18.2

During 2002 the group made the final partial disposal of shares in beeb Ventures Ltd, the subsidiary owning its Internet retail site beeb.com and Internet service provider beeb.net. The transaction gave rise to income totalling £9.0 million in the year and resulted in an increase in the minority interest to 13.5%. Profits on these partial disposals of beeb Ventures Limited were part of the linked arrangement with a third party, entered into in 2000, under which profits on a partial disposal were structured to offset start up operating losses of this company. There is no material impact on the tax charge for the year from this disposal.

On 22 April 2002, BBC Worldwide announced its intention to terminate the beeb Ventures business and exit the Internet shopping guide business, consequently, the results have been presented in the profit and loss account as a discontinued operation. Certain beeb Ventures websites, together with beeb.net will be integrated into BBC Worldwide's core operations.

As a result of the decision to terminate the business, a review of the carrying value of beeb Ventures fixed assets at 31 March 2002 has taken place and gave rise to a write down of £1.3 million being charged to the profit and loss account.

6 Profit on disposal of investments in programmes

During 2002 the group disposed of its remaining rights and trademarks to certain non-core brands. These fixed asset disposals gave rise to net profits totalling £7.3million.

7 Interest payable

	2002	2001
	£m	£m
BBC loan (note 19)	1.7	2.3
Other loans	2.0	1.7
	3.7	4.0

8 Taxation**8a Analysis of charges for the year**

	2002	2001
	£m	£m
Current tax:		
UK corporation tax	(0.5)	0.2
Adjustments in respect of prior years	-	(2.2)
	(0.5)	(2.0)
Foreign tax	6.8	6.3
Share of joint venture undertakings' tax	0.1	0.2
Share of associated undertakings' tax	0.2	0.1
Total current tax	6.6	4.6
Deferred tax:		
US asset written off	1.5	-
Origination and reversal of timing differences	1.3	1.8
Adjustments in respect of prior years	(2.8)	(2.1)
Total deferred tax	-	(0.3)
Charge for the year	6.6	4.3

8b Factors affecting the tax charge

	2002	2001
	£m	Restated £m
Surplus before tax	23.7	21.9
Surplus before tax multiplied by standard rate of corporation tax in the UK of 30% (2001: 30%)	7.1	6.6
Effects of:		
Non taxable income	(4.1)	(4.5)
Disallowable expenditure	1.6	1.0
Non taxable profit on sale of shares	-	(1.5)
Tax losses not group relieved	1.4	3.4
Tax differential on overseas earnings	3.5	2.1
Adjustments to tax charge in respect of prior periods	-	(2.2)
Capital allowances in excess of depreciation	(2.4)	(0.9)
Other	(0.4)	0.3
Minority interests	(0.1)	0.3
Current tax charge for the year (8a)	6.6	4.6

8c Analysis of deferred tax balance

In accordance with FRS 19: Deferred Taxation, the group provides for all deferred tax liabilities in full. The deferred tax provision is analysed as follows:

	2002 £m	2001 £m
Accelerated capital allowances	1.8	(0.2)
Pension accruals	-	1.0
US timing differences	(4.8)	(2.5)
Adjustment to opening balance	-	0.1
US asset written off	3.0	1.6
	-	-
Provision at start of year	-	0.5
Exchange adjustment	-	(0.2)
Deferred tax credit (note 8a)	-	(0.3)
Provision at end of year (note 20)	-	-

8d Factors that may affect future tax charges

The group anticipates a reduced tax charge when group losses become available for surrender. The amount of losses available to the group is £nil. (2001: £ nil).

9 Intangible fixed assets

Goodwill

	Group £m	Company £m
Cost		
At 1 April 2001	0.5	0.2
Additions	7.6	-
Disposals	-	-
At 31 March 2002	8.1	0.2
Amortisation		
At 1 April 2001	-	-
Charge for the year	0.3	-
At 31 March 2002	0.3	-
Net book value:		
At 31 March 2002	7.8	0.2
At 31 March 2001	0.5	0.2

Goodwill has arisen on the acquisition of Chivers Communications plc (£6.8 million) and Cover to Cover Limited (£0.8 million) as set out in note 10. Goodwill has been capitalised and is amortised on a straight-line basis over 20 years subject to reviews for impairment, reflecting the directors' opinion of its useful economic life in each case.

10 Purchase of Subsidiaries

On 2 July 2001 the group acquired 100 % of the share capital of Chivers Communications plc for £9.1 million and the company was subsequently re-registered as a limited company. In addition, further deferred consideration, in the form of unsecured loan notes, of £0.8m has been provided in respect of the acquisition of Cover to Cover Limited following the conclusion of the completion audit. Goodwill arose in respect of both transactions as follows:

	Book and fair value £m
Tangible fixed assets	0.6
Current Assets	1.7
	2.3
Goodwill	7.6
Total consideration	9.9
Satisfied by:	
Cash consideration	9.1
Deferred consideration	0.8
Total consideration	9.9
The net outflow of cash in respect of the purchase of subsidiary undertakings is as follows:	
Cash consideration	9.1
Overdraft balance of subsidiary undertakings purchased	0.9
	10.0

Chivers Communications contributed turnover of £10.3 million and operating profit of £1.1 million to the results for the year ended 31 March 2002. The company made a loss after taxation of £0.4 million from the beginning of the financial year, 1 February 2001, to the date of acquisition. In its previous financial year the loss after taxation was £0.4 million.

The directors believe there was no difference between the book value, as recorded in the accounting records of Chivers Communications plc immediately prior to the acquisition, and the fair value of the assets acquired.

11 Tangible fixed assets

Group	Freehold buildings £m	Short leasehold buildings £m	Plant & machinery £m	Fixtures & fittings £m	Total £m
Cost					
At 1 April 2001	-	1.1	28.1	15.5	44.7
Reclassification	-	-	0.7	(0.7)	-
Additions	-	-	5.5	1.0	6.5
Acquisitions	0.2	0.2	0.1	0.1	0.6
At 31 March 2002	0.2	1.3	34.4	15.9	51.8
Depreciation					
At 1 April 2001	-	0.4	18.3	13.1	31.8
Reclassification	-	-	0.5	(0.5)	-
Charge for the year	-	0.2	5.7	1.6	7.5
At 31 March 2002	-	0.6	24.5	14.2	39.3
Net book value:					
At 31 March 2002	0.2	0.7	9.9	1.7	12.5
At 31 March 2001	-	0.7	9.8	2.4	12.9

12 Tangible fixed assets

Company

	Plant & machinery £m	Fixtures & fittings £m	Total £m
Cost			
At 1 April 2001	24.8	13.5	38.3
Additions	4.2	0.6	4.8
At 31 March 2002	29.0	14.1	43.1
Depreciation			
At 1 April 2001	16.1	11.9	28.0
Charge for the year	4.0	1.2	5.2
At 31 March 2002	20.1	13.1	33.2
Net book value:			
At 31 March 2002	8.9	1.0	9.9
At 31 March 2001	8.7	1.6	10.3

13 Investment in programmes for future sale

	Group £m	Company £m
Cost		
At 1 April 2001	289.2	171.0
Exchange adjustment	1.3	-
Additions	83.2	76.0
Disposals	(3.1)	(3.1)
Financing benefit	(0.6)	(0.6)
Less cost of programmes fully amortised	(46.2)	(46.2)
At 31 March 2002	323.8	197.1
Amortisation		
At 1 April 2001	172.0	74.7
Exchange adjustment	1.0	-
Charge for the year	86.4	71.9
Disposals	(1.2)	(1.2)
Elimination in respect of programmes fully amortised	(46.2)	(46.2)
At 31 March 2002	212.0	99.2
Net book value:		
At 31 March 2002	111.8	97.9
At 31 March 2001	117.2	96.3

The exchange adjustment arises on the re-translation of the opening programme investments held by the US subsidiary. Included in the group and company net book value is £4.2 million relating to investments held under a licence agreement (2001: £3.7 million).

The financing benefit relates to monies received for tax credits on investments in sale and leaseback programmes.

14 Investments in subsidiary undertakings

Shares in subsidiary undertakings

	Company £m
Cost	
At 1 April 2001	24.0
Exchange adjustment	0.1
Additions	10.3
At 31 March 2002	34.4
Provisions	
At 1 April 2001 and at 31 March 2002	(5.5)
Net book value:	
At 31 March 2002	28.9
At 31 March 2001	18.5

The principal operating subsidiaries of the company as at 31 March 2002 are shown in note 30.

15 Interests in Joint Ventures

	Interests in joint venture undertakings (Group) £m	Investment in joint venture undertakings (Company) £m
Cost		
At 1 April 2001 and at 31 March 2002	-	-
Share of post acquisition reserves		
At 1 April 2001	0.4	-
Share of profit/(loss) after taxation	4.7	-
Dividends	(0.5)	-
Adjustment to reflect effective obligation	(4.5)	-
At 31 March 2002	0.1	-
Net book value:		
At 31 March 2002	0.1	-
At 31 March 2001	0.4	-

BBC Worldwide has major partnership deals with Flextech, the content division of Telewest Communications plc, for the production and marketing of subscription channels in the UK, and with Discovery Communications Inc (Discovery) for the incorporation and operation of new channels around the world and provision of new co-production funding for programmes. These alliances operate under a number of statutory entities listed below:

Name of entity	Nature of entity	Partner	Date entered
UK Channel Management Limited	Joint Venture	Flextech	April 1997
UK Gold Holdings Limited	Joint Venture	Flextech	April 1997
JV Programmes LLC	Joint Venture	Discovery	March 1998
UKTV New Ventures Limited	Joint Venture	Flextech	October 2001

In addition to the arrangements with Flextech and Discovery, BBC Haymarket Exhibitions Limited is included in the joint venture total and is accounted for separately from the Flextech and Discovery joint ventures. The group share of its turnover was £6.4 million (2001: £6.4 million) and of operating profit was £0.3 million (2001: £0.6 million).

The following disclosures are based on results for the year ended 31 December 2001. These additional disclosures given below are in accordance with FRS 9. The amounts disclosed represent BBC Worldwide's equity share of the assets and liabilities of the entities.

2002

	UK Gold Holdings Ltd # £m	UK Channel Mgmt Ltd # £m	Other joint ventures # £m	Total joint ventures £m
BBC Worldwide share of:				
Turnover	34.8	28.4	18.4	81.6
Profit/(loss) before tax	13.2	(3.0)	(1.9)	8.3
Taxation	(3.4)	-	(0.2)	(3.6)
Profit/(loss) after tax*	9.8	(3.0)	(2.1)	4.7
Fixed assets	-	0.1	-	0.1
Current assets	14.2	14.0	19.6	47.8
Gross assets	14.2	14.1	19.6	47.9
Liabilities less than one year*	(9.4)	(7.1)	(11.6)	(28.1)
Liabilities more than one year*	(46.0)	(44.6)	(11.6)	(102.2)
Gross liabilities	(55.4)	(51.7)	(23.2)	(130.3)
Adjustment to reflect effective obligation*	41.2	37.6	3.7	82.5
Net Book Value	-	-	0.1	0.1

2001

	UK Gold Holdings Ltd # £m	UK Channel Mgmt Ltd # £m	Other joint ventures # £m	Total joint ventures £m
BBC Worldwide share of :				
Turnover	31.7	20.6	15.3	67.6
Profit/(loss) before tax	7.2	(8.8)	0.6	(1.0)
Taxation	(2.4)	-	(0.2)	(2.6)
Profit/(loss) after tax*	4.8	(8.8)	0.4	(3.6)
Fixed assets	-	0.1	-	0.1
Current assets	27.7	13.2	15.7	56.6
Gross assets	27.7	13.3	15.7	56.7
Liabilities less than one year*	(9.5)	(7.7)	(5.2)	(22.4)
Liabilities more than one year*	(71.5)	(40.1)	(10.5)	(122.1)
Gross liabilities	(81.0)	(47.8)	(15.7)	(144.5)
Adjustment to reflect effective obligation*	53.3	34.5	0.4	88.2
Net Book Value	-	-	0.4	0.4

*Under the terms of the agreements with Flextech and Discovery, the group has no obligation to fund losses incurred by the entities or to make good their net liabilities. As a result, the group does not share in losses of the relevant entities and accordingly no share of losses is included in the financial statements for the year ended 31 March 2002 (2001: £nil). The group is entitled to its share of any profits or net assets once the ventures cumulative profits exceed cumulative losses since incorporation.

#The figures are based on unaudited financial statements.

16 Interests in associated undertakings

	Interests in associated undertakings	Net loans to associated undertakings	Total (Group)	Investment in associated undertakings (Company)
	£m	£m	£m	£m
Cost				
At 1 April 2001 and at 31 March 2002	0.2	1.3	1.5	0.2
Share of post acquisition reserves				
At 1 April 2001	(0.9)	-	(0.9)	-
Share of loss after taxation	(28.2)	-	(28.2)	-
Dividends	(0.6)	-	(0.6)	-
Adjustment to reflect effective obligation	29.1	-	29.1	-
At 31 March 2002	(0.6)	-	(0.6)	-
Net book value:				
At 31 March 2002	(0.4)	1.3	0.9	0.2
At 31 March 2001	(0.7)	1.3	0.6	0.2

BBC Worldwide has major partnership deals with Discovery for the incorporation and operation of new channels around the world and provision of new co-production funding for programmes. These alliances operate under a number of statutory entities listed below:

Name of entity	Nature of entity	Partner	Date entered
Animal Planet (Latin America) LLC	Associate	Discovery	March 1998
People & Arts (Latin America) LLC	Associate	Discovery	March 1998
JV Network LLC	Associate	Discovery	March 1998
Animal Planet LLC	Associate	Discovery	March 1998
Animal Planet (Asia) LLC	Associate	Discovery	May 1998
The Animal Planet Europe Partnership	Associate	Discovery	May 1999
Animal Planet Japan LLP	Associate	Discovery	December 2000
Animal Planet Japan KK	Associate	Discovery	December 2000
Animal Planet Canada Company ULC	Associate	Discovery	September 2001

In addition to the arrangements with Discovery, BBC Worldwide has other associated undertakings that are listed in note 31. The results include the group share of the operating profit of UK TV Pty Limited of £0.1 million (2001: £0.1 million) and Frontline Limited of £1.0 million (2001: £0.2 million). Both are accounted for separately from the Discovery entities. The group's share of the remaining associates in note 31, including Jasper Broadcasting Inc and Jasper Junior Broadcasting Inc, operated in partnership with Alliance Atlantis, was £nil (2001: £nil).

The following additional disclosures are based on results for the year ended 31 December 2001 for the Discovery companies, and for the period ended 31 March 2002 for the Alliance Atlantis companies, UK TV Pty Limited and Frontline Limited. These additional disclosures given below are in accordance with FRS 9. The amounts disclosed represent BBC Worldwide's equity share of the assets and liabilities of the entities.

Total Associates

	2002 £m	2001 £m
BBC Worldwide share of:		
Turnover	39.1	32.5
Loss before tax	(27.4)	(28.9)
Taxation	(0.8)	(0.5)
Loss after tax*	(28.2)	(29.4)
Fixed assets	57.0	47.5
Current assets	23.5	28.6
Gross assets	80.5	76.1
Liabilities less than one year*	(21.9)	(16.5)
Liabilities more than one year*	(104.9)	(87.7)
Gross liabilities	(126.8)	(104.2)
Adjustment to reflect effective obligation	47.2	28.7
Net Book Value	0.9	0.6

*Under the terms of the agreements with Discovery and Alliance Atlantis, the group has no obligation to fund losses incurred by the entities or to make good their net liabilities. As a result, the group does not share in losses of the relevant entities and accordingly no share of losses is included in the financial statements for the year ended 31 March 2002 (2001: £nil). The group is entitled to its share of any profits or net assets once the ventures cumulative profits exceed cumulative losses since incorporation, with the exception of JV Network LLC. JV Network LLC was formed for the purpose of providing debt funding from Discovery to the other Discovery joint ventures and BBC Worldwide is not entitled to any profits arising within this entity.

17 Stocks

	Group 2002 £m	Group 2001 £m	Company 2002 £m	Company 2001 £m
Raw materials and consumables	1.8	1.9	1.8	1.9
Work in progress	4.7	4.5	0.7	1.2
Finished goods and goods for resale	15.4	10.9	12.1	10.1
	21.9	17.3	14.6	13.2

18 Debtors

	Group 2002 £m	Group 2001 £m	Company 2002 £m	Company 2001 £m
Amounts falling due within one year:				
Trade debtors	109.0	125.8	80.4	95.0
Amounts owed by subsidiary undertakings	-	-	60.9	43.6
Amounts owed by associates and joint ventures	8.9	5.6	5.6	4.8
Amounts owed by fellow subsidiary undertakings	3.7	3.7	3.2	3.2
Other debtors	20.2	7.3	12.7	5.7
Corporation tax	0.9	-	0.2	0.2
Prepayments and accrued income	6.8	7.2	4.2	5.2
	149.5	149.6	167.2	157.7
Amounts falling due after more than one year:				
Deferred launch support asset	7.7	8.4	-	-

Deferred launch support costs comprise prepaid costs for use of channel broadcasting platforms.

19 Creditors

	Group 2002 £m	Group 2001 £m	Company 2002 £m	Company 2001 £m
Amounts falling due within one year:				
Trade creditors	31.2	44.2	25.0	36.7
Residual creditors	56.5	53.3	45.3	45.0
Amounts owed to the BBC	29.9	26.2	29.9	26.2
Amounts owed to subsidiary undertakings	-	-	53.8	41.0
Amounts owed to fellow subsidiary undertakings	2.6	2.4	2.6	2.4
Amounts owed to associates and joint ventures	1.7	1.9	1.7	1.9
Other creditors including other taxes and social security	16.4	10.1	10.7	8.6
Unsecured loan notes	1.9	-	-	-
Corporation tax	-	0.6	-	-
Accruals and deferred income	61.0	68.0	46.8	52.7
	201.2	206.7	215.8	214.5
Amounts falling due after more than one year:				
Loan owed to the BBC	0.6	-	0.6	-
Other funding	29.4	19.1	25.9	15.6
	30.0	19.1	26.5	15.6

Residual creditors comprise royalty payments owing to contributors to television programmes, videos, and other media.

Unsecured loan notes were issued as deferred consideration for the acquisition of Cover to Cover Limited and associated royalty payments. The loan notes are repayable on demand or in full within 10 years. Interest is charged at 0.5% above bank base rates.

BBC Worldwide Limited has an unsecured loan facility of £125 million with the BBC that is repayable on 1 April 2003. This facility will be renegotiated prior to 1 April 2003 with a view to extending the facility for further periods as long as BBC Worldwide Limited remains within its covenants and substantially delivers the financial performance anticipated in its approved budgets. Interest on these facilities is charged at 0.6% over bank base rates and appropriate covenants exist to protect the BBC from financial risk. At 31 March 2002, BBC Worldwide Limited's drawn-down element of the facility was £0.6 million (2001: £nil).

The other funding includes a US dollar loan from Discovery of \$5 million that is repayable in the following stages: \$3 million due 31 March 2004; \$2 million due 31 March 2005. The remainder of the funding consists of multi currency revolving facilities repayable in full by March 2005. Interest is payable at LIBOR plus 1.0% for the \$5 million loan and LIBOR plus 0.3% for the multi currency facilities.

20 Provisions for liabilities and charges

	Group			Company		
	Pension	Deferred Tax	Total	Pension	Deferred Tax	Total
	£m	£m	£m	£m	£m	£m
At 1 April 2001 as previously stated	4.1	-	4.1	3.4	0.9	4.3
Prior year adjustment*	(3.4)	-	(3.4)	(3.4)	-	(3.4)
At 1 April 2001 as restated	0.7	-	0.7	-	0.9	0.9
Transferred to creditors	(0.7)	-	(0.7)	-	-	-
Provided during the year	-	1.3	1.3	-	3.7	3.7
Utilised during the year	-	(2.8)	(2.8)	-	(2.8)	(2.8)
US asset written off	-	1.5	1.5	-	-	-
At 31 March 2002	-	-	-	-	1.8	1.8

* The opening balances at 1 April 2001 have been restated for the adoption of FRS 17 (see note 32).

21 Called up share capital

	2002	2001
	£m	£m
Authorised 1,000,000 Ordinary shares of £1 each	1.0	1.0
Issued, allotted, called up and fully paid 250,000 Ordinary shares of £1 each	0.2	0.2

22 Profit and loss account

	Group	Company
	£m	£m
At 1 April 2001 as previously stated	92.3	63.8
Prior year adjustment*	3.4	3.4
At 1 April 2001 as restated	95.7	67.2
Retained profit for the year	16.0	13.2
Exchange adjustment	0.5	-
At 31 March 2002	112.2	80.4

At 31 March 2002, the cumulative goodwill written off to reserves on acquisitions prior to 1 April 1998 amounted to £21.0 million.

*The opening balances at 1 April 2001 have been restated for the adoption of FRS 17 (see note 32).

23 Reconciliation of operating profit to the net cash inflow from operating activities

	2002	2001
	£m	Restated £m
Operating profit	10.7	6.5
Share of operating profit in joint ventures	(0.3)	(0.6)
Share of operating profit in associates	(1.1)	(0.3)
Depreciation and amortisation	94.2	79.9
Increase in stocks	(2.4)	(4.5)
Decrease/(increase) in debtors	7.5	(33.3)
(Decrease)/increase in creditors	(9.5)	45.1
Net cash inflow from operating activities	99.1	92.8

24 Reconciliation of net cash flow to movement in net debt

	2002	2001
	£m	£m
Increase in cash in the year	17.0	0.4
Net cash flow (from)/to BBC	(0.6)	21.6
Net cash inflow from other funding	(10.3)	-
Change in net debt resulting from cash flows	6.1	22.0
Issue of unsecured loan notes	(1.9)	-
Exchange adjustment	-	(0.2)
Change in net debt	4.2	21.8
Net debt at the beginning of the year	(4.1)	(25.9)
Net cash/(debt) at the end of the year	0.1	(4.1)

25 Analysis of net debt

	1 April 2001 £m	Cash flows £m	Non cash movement £m	31 March 2002 £m
Cash at bank and in hand	15.0	17.0	-	32.0
Debt falling due within one year:				
Unsecured loan notes	-	-	(1.9)	(1.9)
Debt due after more than one year:				
BBC Loan	-	(0.6)	-	(0.6)
External loans	(19.1)	(10.3)	-	(29.4)
Net cash/(debt)	(4.1)	6.1	(1.9)	0.1

26 Commitments

Contracts placed for future capital expenditure not provided:

	Group 2002 £m	Group 2001 £m	Company 2002 £m	Company 2001 £m
Programme investments	38.9	66.8	30.7	61.0
Fixed assets	0.2	0.4	0.2	0.4
	39.1	67.2	30.9	61.4

27 Operating leases

Future minimum rental payments under non-cancellable group operating leases, payable in the next year, are as follows for the group:

	Land & buildings 2002 £m	Land & buildings 2001 £m	Plant & machinery 2002 £m	Plant & machinery 2001 £m
Expiring:				
Within one year	0.5	0.1	4.2	3.8
Between two and five years	0.5	0.9	5.3	5.2
After more than five years	1.2	1.2	2.5	3.2
	2.2	2.2	12.0	12.2

28 Contingent liabilities

In common with many businesses involving publishing interests, the group is the subject of litigation for contract and copyright disputes. The group is strenuously contesting these proceedings and the directors do not consider that these actions will result in a material effect on the financial condition of the group.

29 Related party transactions

The related party transactions of the group have been presented in accordance with FRS 8: Related Party Disclosures. Related parties of BBC Worldwide comprise its subsidiary, associated and joint venture companies, its parent undertakings and fellow subsidiaries and members of key management of the company and its parent undertakings.

The group has taken advantage of the exemption set out in FRS 8 and has not disclosed transactions between group entities where more than 90% of those entities voting rights are controlled within the group.

The value of transactions conducted with related parties is measured annually and disclosed below:

Name of related party	Income	Expenditure	Net debtors/(creditors) balance
	£m	£m	£m
Frontline Limited	-	(6.3)	(0.4)
UK Channel Management Limited	13.6	-	1.8
UK Gold Holdings Limited	13.3	-	1.0
UKTV New Ventures Ltd	0.4	-	0.2
UK TV Pty Ltd	0.8	-	0.1
Jasper Broadcasting Inc	0.9	-	0.9
Jasper Junior Broadcasting Inc	0.3	-	0.3
Animal Planet (Latin America) LLC	1.2	-	0.4
People and Arts (Latin America) LLC	1.5	-	-
Animal Planet (Asia) LLC	0.9	-	(1.3)
JV Programmes LLC	24.2	-	2.9
The Animal Planet Europe Partnership	1.3	-	0.7
Animal Planet Japan LLP	0.3	-	0.5
Animal Planet Canada Company ULC	0.1	-	0.1
Broadcasting Dataservices Limited	-	(0.8)	-

Terms of trade were negotiated on an arm's length basis.

Name of related party	How related	Nature of transactions
Frontline Limited	Associate	Management fees for the distribution of magazines
UK Gold Holdings Limited/UK Channel Management Limited/UKTV New Ventures Ltd	Joint Ventures	Sale of programmes
UK TV Pty Ltd	Associate	Sale of programmes
Jasper Broadcasting Inc/Jasper Junior Broadcasting Inc	Associates	Sale of programmes
Animal Planet (Latin America) LLC	Associate	Sale of programmes
People and Arts (Latin America) LLC	Associate	Sale of programmes
Animal Planet (Asia) LLC	Associate	Sale of programmes
JV Programmes LLC	Joint Venture	Sale of programmes
The Animal Planet Europe Partnership	Associate	Sale of programmes
Animal Planet Japan LLP	Associate	Sale of programmes
Animal Planet Canada Company ULC	Associate	Sale of programmes
BBC Haymarket Exhibitions Limited	Joint Venture	Dividends & Management fees
Broadcasting Dataservices Limited	Subsidiary	Broadcasting listings information

30 Parent undertaking and controlling party

The company's immediate and ultimate parent undertaking and controlling party is the British Broadcasting Corporation that is incorporated in the United Kingdom by Royal Charter. The largest and the only group in which the results of the company are consolidated is that headed by the BBC. The consolidated accounts of BBC may be obtained by writing to The Secretary, BBC Broadcasting House, Portland Place, London, W1A 1AA.

31 Interest in subsidiary, associated and joint venture undertakings

The principal operating undertakings are listed below. They operate mainly in the countries of incorporation or registration. The investments are in equity share capital and they are all 100% directly owned by BBC Worldwide Limited unless stated otherwise. A full list of the group companies will be included in the company's next annual return, to be lodged with the Registrar of companies.

Subsidiary undertakings

	Note:	Country of incorporation or registration if outside of the UK
Publishing		
BBC Magazines Inc.	(a)	USA
Galleon Limited	(b)	
Broadcasting Dataservices Limited (75%)		
Cover to Cover Cassettes Limited		
Chivers Communications Limited		
Chivers Press Limited	(c)	
Programme distribution		
BBC Worldwide Americas Inc.		USA
BBC Worldwide Music Limited		
UK Programme Distribution Limited (95%)		
BBC Worldwide France Sarl		France
BBC Worldwide Germany GmbH		Germany
BBC Worldwide Japan KK		Japan
BBC Worldwide (India) Private Limited	(d)	India
BBC Worldwide (Singapore) Private Limited	(d)	Singapore
BBC Worldwide Canada Ltd		Canada
Channels		
New Video Channel America LLC	(a)	USA
European Channel Broadcasting Limited		
European Channel Management Limited		
Online		
beeb Ventures Limited (86.5%)		
Investment Companies		
Worldwide Americas Investments Inc.	(a)	USA
BBC Worldwide Investments Limited		
BBC World Service Television Limited		
Worldwide Channel Investments Limited		
Worldwide Channel Investments (Europe) Limited	(d)	
Worldwide Channel Investments (Australia) Pty Limited	(d)	Australia
Worldwide Channel Investments (Ontario) Limited	(d)	Canada

Associated undertakings

	Note:	Country of incorporation or registration if outside of the UK
Publishing		
Frontline Limited (23%)		
Programme Distribution		
The Sales Consortium Limited (25%)		
Tele Alliance Limited (25%)		
Channels		
UK TV Pty Limited (20%)	(d)	Australia
Animal Planet (Latin America) LLC (50%)	(e)	USA
People and Arts (Latin America) LLC (50%)	(e)	USA
Animal Planet LLC (20%)	(d)	USA
JV Network LLC (50%)	(e)	USA
Animal Planet (Asia) LLC (50%)	(d)	USA
Animal Planet Japan LLP (50%)	(d)	USA
Animal Planet Japan KK (33%)	(e)	Japan
The Animal Planet Europe Partnership (50%)	(f)	
Animal Planet Canada Company ULC (23%)	(g)	Canada
Jasper Broadcasting Inc (20%)	(g)	Canada
Jasper Junior Broadcasting Inc (20%)	(g)	Canada

Joint ventures

	Note:	Country of incorporation or registration if outside of the UK
Publishing		
BBC Haymarket Exhibitions Limited (50%)	(b)	
Channels		
JV Programmes LLC (50%)	(e)	USA
UK Channel Management Limited (50%)		
UK Gold Holdings Limited (50%)		
UKTV New Ventures Limited (50%)		

Note:

- (a) owned through BBC Worldwide Americas Inc.
- (b) owned through BBC Worldwide Investments Limited
- (c) owned through Chivers Communications Limited
- (d) owned through Worldwide Channel Investments Limited
- (e) owned through Worldwide Americas Investments Inc.
- (f) owned through Worldwide Channel Investments (Europe) Limited
- (g) owned through Worldwide Channel Investments (Ontario) Limited

32 Restatement of comparatives

The group has adopted FRS 17 'Retirement benefits' in this year's financial statements. As disclosed in the accounting policies, contributions are made to the BBC's defined benefit Group Pension Scheme. As the BBC Worldwide Limited group is unable to identify its share of the assets and liabilities in the scheme on a consistent and reliable basis, it has taken advantage of the multi employer exemption included within FRS 17 and has accounted for the scheme as if it were a defined contribution scheme. Further details of the BBC Group Pension Scheme can be found in note 4c. As a result, the comparatives for 2001 have been restated as follows:

The pension charge, which is included within administrative expenses, was reduced by £1.5m.

The pensions provision was reduced by £3.4m of which £1.5m related to amounts added during 2001 under the old SSAP 24 policy.

Shareholders funds were increased by £3.4m of which £1.5m related to 2001 activities.

The impact of adopting FRS 17 on the 2002 results has a similar effect.