

Registered number 1916861

Motion Gallery Limited

**Directors' Report and Financial Statements for
the year ended 31 March 2008**

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Directors' Report

The Directors present their report and the audited financial statements of Motion Gallery Limited for the year ended 31 March 2008.

PRINCIPAL ACTIVITY

The Company did not trade during the year to 31 March 2008 or in the prior year.

The Company is exempt, by virtue of its size, from the requirement to prepare an enhanced business review.

RESULTS AND DIVIDENDS

No profit or loss was recorded in the year (2007: £nil).

The Directors do not recommend the payment of a dividend (2007: £nil).

DIRECTORS

The Directors who served during the year were as follows:

MC Young (resigned 1 May 2007)
PS Phippen
DC Moody (appointed 1 May 2007)

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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

KPMG LLP have expressed their willingness to continue in office as auditors.

By order of the Board,



James Stevenson
Company Secretary

28 January 2009

Registered Office:
Media Centre
201 Wood Lane
London
W12 7TQ

Statement of Directors' responsibilities in respect of the Directors' report and financial statements

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its 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 Company and to prevent and detect fraud and other irregularities.

Independent Auditors' Report to the members of Motion Gallery Limited

We have audited the financial statements of Motion Gallery Limited for the year ended 31 March 2008 which comprise the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition, we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information. We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

Independent Auditors' Report to the members of Motion Gallery Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2008 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP

KPMG LLP
Chartered Accountants and Registered Auditor
8 Salisbury Square
London
EC4Y 8BB

Date: *29.1.09*

Balance sheet

As at 31 March 2008	Note	2008 £	2007 £
Creditors: amounts falling due within one year	4	(486,552)	(486,552)
Net liabilities		(486,552)	(486,552)
Capital and reserves			
Called up share capital	5	2	2
Profit and loss account		(486,554)	(486,554)
Total deficit in equity shareholders' funds		(486,552)	(486,552)

There have been no movements in the profit and loss account for the financial year or the preceding financial year and there have been no other recognised gains or losses (2007: £nil).

The financial statements were approved by the Board of Directors on 28 JAN 2009 and were signed on its behalf by:



Director

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 Company's principal accounting policies is set out below. These accounting policies have been applied consistently throughout the current and preceding years to items considered material to the financial statements.

1a Basis of accounting

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

1b Cash flow statement

The Company is exempt from the requirement of Financial Reporting Standard No 1 (Revised) to prepare a cash flow statement on the grounds of its size as a small company.

2 Auditor's remuneration

Auditor's remuneration was borne by the parent company in the current and prior year. The audit fee relating to the Company was as follows:

	2008 £	2007 £
Fees for the audit of the Company	<u>2,000</u>	<u>2,000</u>

Fees paid to the Company's auditors, KPMG LLP, and its associates for services other than the statutory audit of the Company are not disclosed in these financial statements. This is on the basis that such non-audit fees are disclosed in the consolidated accounts of the Company's ultimate parent, the BBC.

3 Employees and remuneration

The Company had no employees during the year or the preceding year. No Director of the Company received any remuneration for services to the Company during the year (2007: £nil).

4 Creditors: amounts falling due within one year

	2008 £	2007 £
Loan owed to intermediate parent undertaking	<u>486,552</u>	<u>486,552</u>

5 Called up share capital

	2008 £	2007 £
<i>Authorised</i>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
<i>Issued, allotted, called up and fully paid</i>		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

6 Profit and loss account

During the financial year and the preceding financial year the Company did not trade and received no income and incurred no expenditure. Consequently during these years the Company made neither a profit nor a loss.

7 Related party transactions

The Company is a wholly owned subsidiary of the British Broadcasting Corporation (BBC) and has taken exemption under FRS 8 from disclosing transactions and balances with entities which form part of that group.

There are no other transactions with related parties which require disclosure.

8 Parent undertaking and controlling party

The Company's immediate parent is Woodlands Publishing Limited, which is in turn 100% owned by BBC Worldwide Limited and the ultimate parent undertaking and controlling party is the BBC that is incorporated in the United Kingdom by Royal Charter. The largest group in which the results of the Company are consolidated is that headed by the BBC. The smallest group in which they are consolidated is that headed by BBC Worldwide Limited incorporated in the United Kingdom. The consolidated accounts of these groups are available to the public and may be obtained by writing to The Director of Governance, BBC Governance Unit, 35 Marylebone High Street, London, W1U 4AA.