

2 Entertain Video Limited
Registered number: 01924997
Annual Report and Financial Statements
For the Year ended 31 March 2021

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Strategic Report

The Directors present their annual report and audited financial statements of 2 Entertain Video Limited (the "Company") for the year ended 31 March 2021.

Principal activity and business review

The principal activity of the Company is distributing, publishing and marketing of pre-recorded DVDs.

The Company generated turnover of £24.3m in the year ended 31 March 2021 (2020: £25.9m). An operating profit of £5.2m was recorded during the year (2020: £10.0m).

The Company is in a net asset position with net assets of £10.6m (2020: £15.7m).

Principal risks and uncertainties

The 'physical-format' video DVD market is expected to continue to decline over the next few years, principally because it is a mature market that is experiencing retail price deflation, compounded by the increased importance of digital distribution and subscription services.

The Company derives a portion of its sales from various global markets. It is therefore exposed to fluctuations in foreign currencies - particularly US Dollars and Euros - through the assets and liabilities recorded in these currencies.

Despite the challenging environment, there remains a market for 'physical-format' products and by continuing its consistent delivery of the best, most popular and commercially appealing UK-produced pre-packaged video content, the Company will continue to maximise its overall profitability through targeted releases to deliver maximum return from its access to high quality content, and streamline its cost base to protect margins.

The Company continues to be profitable despite a declining headline revenue movement in line with the drop in demand for physical format DVD's and compact discs. The margin has been protected by a streamlined cost base that is now largely variable.

Strategic Report (continued)

Section 172 statement

Section 172 of the Companies Act 2006 requires the Directors to act in the way they consider would most likely promote the success of the Company as a whole but having regard to a range of factors set out in section 172(1)(a)-(f) in the Companies Act 2006. In discharging their duties under section 172, the Directors have had a regard for these factors taking them into consideration when decisions are made. This includes:

- likely consequences of any decisions in the long-term;
- interests of the Company's employees;
- need to foster the Company's business relationships with suppliers, customers and others;
- impact of the Company's operations on the community and environment;
- desirability of the Company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the Company.

As result of the governance structure embedded within the Company and the wider Group, the matters that it is responsible for considering under Section 172 have been considered to an appropriate extent by the Group in relation to this Company. The Directors have also considered relevant matters where appropriate.

To the extent necessary for an understanding of the development, performance and position of the entity, a further explanation of how the Company and the wider Group has considered the matters set out in the Act is contained within the annual report of the BBC Group or BBC Commercial Holdings, which does not form part of this report.

By order of the Board,

DocuSigned by:



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Anthony Corriette

Company Secretary

15 October 2021

Registered Office:

1 Television Centre
101 Wood Lane
London
W12 7FA

Directors' Report

Directors

The Directors who served during the year and up to the date of this report were, unless otherwise stated, as follows:

Thomas Fussell

Stephen Davies

The Company Secretary is Anthony Corriette.

Political and charitable donations

The Company did not make any political or charitable donations during the year (2020: £nil).

Dividends

Dividends of £9.0m (2020: £20.0m) were proposed and paid during the year and no further dividends have been proposed by the Directors post year end.

Future developments

The Company will continue to invest in core BBC in-house, leading independent and talent commissions in order to remain the leading UK-owned publisher of DVDs, whilst developing its international markets in order to offer the "Best of British Entertainment" to a wide audience.

Overseas operations

The Company derives a significant portion of its sales from the USA and therefore is exposed to the fluctuations in the US Dollar through the assets and liabilities recorded in this currency. The Company also derives income from other territories where sales are made through licensing partners.

Going concern

As set out on page 14, the Directors have a reasonable expectation that the business has adequate resources to continue in operational existence for a period of no less than 12 months from the date that these accounts were signed and accordingly the going concern basis continues to be adopted in the preparation of the accounts.

Directors' Report (continued)

Directors' interest and indemnities

The Directors had no interest in the share capital of the Company between 1 April 2020 and 31 March 2021. No rights to subscribe for shares in or debentures of the Company were granted to the Directors or their immediate families, or exercised by them, during the financial year. The Directors are covered by Directors' and officers' liability insurance in place throughout the financial year as appropriate under the BBC group scheme.

Statement as to disclosure of information to auditors

Each of the persons who is a Director at the date of approval of this annual report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

The National Audit Office served as independent auditor for the years ended 31 March 2021 and 31 March 2020. The Comptroller and Auditor General, of the National Audit Office, has expressed his willingness to continue in office and a resolution to reappoint him will be proposed at the board meeting where this report is approved.

By order of the Board,

DocuSigned by:



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Anthony Corriette
Company Secretary
15 October 2021

Registered Office:

1 Television Centre
101 Wood Lane
London
W12 7FA

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic report, Directors' report and the financial statements in accordance with applicable laws and regulations.

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

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these 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 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 auditor's report to the members of the 2 Entertain Video Limited

Opinion on financial statements

I have audited the financial statements of 2 Entertain Video Limited for the year ended 31 March 2021 which comprise the income statement, the balance sheet, statement of changes in equity and the related notes, including the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), as applied in accordance with the provisions of the Companies Act 2006.

In my opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of the profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the Companies Act 2006.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I am independent of 2 Entertain Video Limited in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that 2 Entertain Video Limited's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on 2 Entertain Video Limited's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises information included in the annual report but does not include the financial statements and my auditor's report thereon. The directors are responsible for the other information. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Independent auditor's report to the members of the 2 Entertain Video Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

In my opinion:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and those reports have been prepared in accordance with applicable legal requirements.

Matters on which I report by exception

I have nothing to report in respect of the following matters where the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept by the company, or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- I have not received all of the information and explanations I require for my audit.

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for:

- the preparation of the financial statements and for being satisfied that they give a true and fair view.
- such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
- assessing 2 Entertain Video Limited's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (ISAs) (UK).

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

Independent auditor's report to the members of the 2 Entertain Video Limited (continued)

My procedures included the following:

- Inquiring of management, the BBC's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the 2 Entertain Video Limited's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including 2 Entertain Video Limited's controls relating to the Companies Act 2006, regulation established by the Office of Communications (Ofcom) and applicable taxation, health and safety and employment regulation and legislation;
- discussing among the engagement team and involving relevant specialists, including tax specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: judgements relating to revenue recognition, and management override of controls including bias in management's estimation in significant sales returns provisions and the year-end creditors relating to talent royalties. These were identified as significant risks to the audit and detailed audit procedures were performed; and
- obtaining an understanding of 2 Entertain Video Limited's framework of authority as well as other legal and regulatory frameworks that 2 Entertain Video Limited operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of 2 Entertain Video Limited. The key laws and regulations I considered in this context included the Companies Act 2006 and applicable taxation, health and safety, employment and Ofcom regulation and legislation.

In addition to the above, my procedures to respond to identified risks included the following:


- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- assessing the design and implementation of controls related to the significant risks identified above.

Independent auditor's report to the members of the 2 Entertain Video Limited (continued)

I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my report.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

DocuSigned by:

20 October 2021
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Greg Wilson (Senior Statutory Auditor)

20 October 2021

For and on behalf of the
Comptroller and Auditor General (Statutory Auditor)
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Income Statement**For the year ended 31 March 2021**

	Note	2021 £'000	2020 £'000
Revenue	2	24,256	25,881
Cost of sales		(6,904)	(12,692)
Gross Profit		17,352	13,189
Distribution costs		(3,200)	(3,232)
Net foreign exchange (losses)/ gains		(8,008)	2,995
Administrative expenses		(902)	(2,955)
Operating profit on ordinary activities before taxation	4	5,242	9,997
Taxation	6	(1,389)	(1,802)
Profit for the year		3,853	8,195

The profits for the current year and the prior year were from continuing operations.

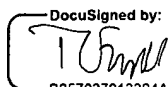
There are no recognised gains or losses other than those shown above and therefore no separate statement of comprehensive income is presented.

Balance Sheet

As at 31 March	Note	2021 £'000	2020 £'000
Current assets			
Stocks	7	2,751	3,299
Debtors	8	48,249	51,001
		51,000	54,300
Current liabilities			
Creditors: amounts falling due within one year	9	(40,415)	(38,568)
Net current assets		10,585	15,732
Net assets		10,585	15,732
Capital and reserves			
Called up share capital	10	-	-
Retained earnings		10,585	15,732
Total equity shareholders' funds		10,585	15,732

The notes on pages 14 to 20 form part of these financial statements.

The financial statements of 2 Entertainment Video Limited, registered number 01924997, were approved by the Board of Directors, authorised for issue and were signed on its behalf by:

DocuSigned by:

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Thomas Fussell
Director
 14 October 2021

Statement of Changes in Equity

For the year ended 31 March 2021

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2019		27,537	27,537
Total comprehensive income for the year			
Profit for the year	-	8,195	8,195
Total comprehensive income for the year	-	8,195	8,195
Transactions with owners, recorded directly in equity			
Dividends	-	(20,000)	(20,000)
Total distributions to owners	-	(20,000)	(20,000)
Balance at 31 March 2020	-	15,732	15,732
Total comprehensive income for the year			
Profit for the year	-	3,853	3,853
Total comprehensive income for the year	-	3,853	3,853
Transactions with owners, recorded directly in equity			
Dividends	-	(9,000)	(9,000)
Total distributions to owners	-	(9,000)	(9,000)
Balance at 31 March 2021	-	10,585	10,585

Notes to the financial statements

1 Principal accounting policies

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 preparation

2 Entertain Video Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 3. The nature of the Company's operations and its principal activities are set out in the Strategic report on page 2.

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

The financial statements have been prepared in accordance with the Companies Act and under the historic cost basis.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available in relation to business combinations, share-based payments, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions. Where required, equivalent disclosures of the exemption adopted are given in the Group accounts of BBC Commercial Holdings Limited.

The results and financial position of the company are expressed in pounds sterling to the nearest £1,000, which is the functional currency of the Company, and the presentation currency for these financial statements.

1b Going concern

The Company's business activities, together with the factors likely to affect its future development, its financial position and, financial risk management objectives are described in the Strategic report on page 2. The Company has diversified its portfolio and has sufficient financial resources in place to cover future fluctuation. As a consequence, the Directors believe that the Company is well-placed to manage its business risks.

After making enquiries, the Directors have a reasonable expectation that the business has adequate resources to continue in operational existence for a period of no less than 12 months from the date that these accounts were signed and accordingly the going concern basis continues to be adopted in the preparation of the accounts.

Notes to the financial statements (continued)

1c Revenue

Revenue recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. The complexity of individual contractual terms may require the company to make judgements in assessing when the triggers for revenue recognition have been met, particularly whether the company has sufficiently fulfilled its obligations under the contract to allow revenue to be recognised.

Revenue is recognised either when the performance obligation in the contract has been performed ('point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer. A performance obligation must meet one of the three criteria in IFRS15 to meet 'over time' recognition. The default category, if none of these criteria are met is 'point in time' recognition.

Company revenue represents wholesale sales to retailers, sub-licensing royalties and other income earned during the period.

The basis upon which revenue is recognised is as follows:

Wholesale sales to retailers are recognised at point in time on delivery of the product and are recorded at the fair value of consideration receivable, net of discounts and after deduction of the sales value of actual and estimated returned goods and estimated markdowns by the retailer. Estimated markdowns and returns are based on historic markdown and returns rates.

Licence royalties are recognised as revenue at point in time when the physical sale has been realised. Licence royalties received in advance are included within deferred income until the following criteria are met:

- (i) the licence agreement has been executed by all parties;
- (ii) the licence term has commenced; and
- (iii) the collection of licence royalties is reasonably assured.

All income, including sales commission, is recognised on an accruals basis to match the provision of the related goods or services.

Revenue excludes value added tax and trade discounts and is recognised at the fair value of consideration receivable.

1d Foreign currency translation

Transactions in foreign currencies are translated into sterling at an average exchange rate, with the month end exchange rate used as an appropriate proxy. Balances held at year-end in foreign currencies are translated at the balance sheet date.

1e Stocks

Stocks comprising DVDs, finished goods and other stock and work in progress are stated at the lower of cost and net realisable value. An obsolescence provision is raised against stock believed to have no further sales within a reasonable timeframe. This is estimated based on historic sales data.

Notes to the financial statements (continued)

1f Advance royalties

Advance royalties are stated at cost less amounts recouped against royalties payable on sales and provision for any anticipated recoupable amounts.

1g Taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Except where otherwise required by accounting standards full provision without discounting is made for all temporary differences that have arisen but not reversed at the balance sheet date.

1h Dividends on shares presented within shareholders' funds

When a dividend is declared, it is recognised through the equity shareholders' funds in the same period. Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

1i Use of estimates and judgements

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting assumptions, and requires management to exercise its judgement and to make estimates in the process of applying the company's accounting policies. The timing of revenue recognition requires judgement, as does the amount to be recognised. In making these judgements, the Company considers whether the significant risks and rewards of the goods and services have been transferred to the customer.

2 Segmental Analysis

Revenue represents amounts derived from DVD publishing in the following geographical areas, by destination:

	2021 £'000	2020 £'000
United Kingdom	13,703	13,935
United States of America and Canada	8,836	9,789
Rest of the World	1,717	2,157
	24,256	25,881

Of the total revenue figure above £22,795k (2020: £23,703k) is derived from the sale of goods and £1,461k (2020: £2,178k) is derived from royalties.

Notes to the financial statements (continued)

3 Revenue

Contract balances

Contract liabilities (deferred income) primarily relate to the consideration received from customers in advance of transferring a good or service.

The following table provides analysis on significant changes to contract liabilities, which are presented within Accruals and deferred income in note 9 and within creditors on the balance sheet.

	Contract liabilities
	£'000
At 1 April 2019	1,791
Decrease due to revenue recognised in the period	(1,791)
Increase due to cash received in advance and not recognised as revenue during the year	2,145
At 31 March 2020	2,145
Decrease due to revenue recognised in the period	(2,145)
Increase due to cash received in advance and not recognised as revenue during the year	1,232
At 31 March 2021	1,232
Presented within:	
Current	1,232
Non-current	-

The Company has no contract assets as at 31 March 2021.

4 Operating profit on ordinary activities before taxation

4a Operating profit on ordinary activities before taxation is stated after (charging)/crediting the following:

	2021	2020
	£'000	£'000
Net foreign exchange (losses)/gains	(8,008)	2,995

4b Auditor's remuneration

Auditor's remuneration was borne by BBC Studios Distribution Limited in the current and prior year. The audit fee relating to the Company was as follows:

	2021	2020
	£'000	£'000
Fees for the audit of the Company	26	52

The National Audit Office (NAO) served as independent external auditors for the Company for the years ended 31 March 2021 and 31 March 2020. The NAO did not receive fees for any other services.

Notes to the financial statements-(continued)**5 Staff Costs**

The Company had no employees during the current or preceding year. No Director of the Company received any remuneration for qualifying services to the Company during the year (2020: £nil).

6 Taxation**6a Analysis of charge for the year**

The charge for the year, based on a rate of corporation tax of 19% (2020: 19%), comprised:

	2021	2020
	£'000	£'000
Current tax:		
Current tax charge on the profit for the year	996	1,899
Double Tax Relief	-	(62)
	996	1,837
Adjustments in respect of prior years	393	(97)
Foreign tax	-	62
Tax on profits on ordinary activities	1,389	1,802

6b Factors affecting the tax charge

The current tax charge for the period is higher than to (2020: equal to) the standard rate of corporation tax in the UK of 19% (2020: 19%). The charge is explained below.

	2021	2020
	£'000	£'000
Profit on ordinary activities before tax	5,242	9,997
Profit on ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 19% (2020 19%)	996	1,899
Current Tax	393	(97)
Total tax charge	1,389	1,802

The Company has no unprovided deferred tax liabilities or unrecognised deferred tax assets.

Notes to the financial statements (continued)**7 Stocks**

	2021	2020
	£'000	£'000
Work in Progress	-	16
Finished Goods	2,751	3,283
	2,751	3,299

Stocks, comprising DVDs and work in progress, are stated at the lower of cost (determined on a standard or average cost basis) and net realisable value.

The cost of inventories recognised as a gain/(expense) includes £1.2m (2020: £1.66m) in respect of write-backs/(write-downs) of inventory to net realisable value.

8 Debtors

	2021	2020
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	1,904	3,185
Advance royalties (prepaid)	1,114	2,658
Amounts owed by immediate parent undertaking	44,964	44,462
Prepayments and accrued income	258	426
Taxation	9	270
	48,249	51,001

9 Creditors: amounts falling due within one year

	2021	2020
	£'000	£'000
Amounts falling due within one year:		
Trade creditors	877	6,965
Contributor costs and royalties payable	9,186	8,473
Amounts owed to fellow subsidiary undertakings	28,257	15,739
Accruals and deferred income	1,422	2,684
Taxation	673	3,197
	40,415	37,058

The amounts owed to group undertakings are current and do not attract interest.

Notes to the financial statements (continued)**10 Called up share capital**

	2021	2020
	£	£
Authorised, allocated, called up and fully paid		
- Ordinary shares: 100 shares of £1 each	100	100
	100	100

All share capital is equity share capital.

11 Dividends

The dividends proposed and paid in 2021 and 2020 were £9.0m and £20.0m respectively.

12 Related party transactions

The Company is a wholly owned subsidiary of the British Broadcasting Corporation ('BBC') and has taken exemption under FRS 101 from the requirements of IAS 24 Related Party Disclosures as the Company is a wholly owned entity which forms part of the BBC group.

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

13 Immediate and ultimate parent undertaking

The Company's immediate parent is 2 Entertain Limited and the Company's ultimate parent undertaking and controlling party is the BBC which 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 Commercial Holdings Limited incorporated in the United Kingdom. The consolidated accounts of BBC may be obtained online at www.bbc.co.uk/annualreport.