

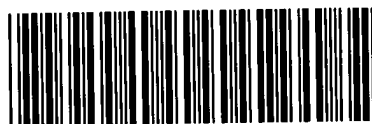
## **UK Programme Distribution Limited**

Registered number 03323782

### **Annual Report and Financial Statements**

For the Year ended 31 March 2020

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## Strategic Report

The Directors present their annual report of UK Programme Distribution Limited (the "Company") for the year ended 31 March 2020.

### Principal activity and business review

The Company's principal activity is licensing of television programmes to UKTV Media Limited and this remains unchanged following the transaction on 4 June 2019 which resulted in UKTV Media Limited becoming a fully owned subsidiary of the BBC Studios Distribution Limited consolidated group.

The Directors expect that these activities will continue for the foreseeable future. The Company's key performance indicators during the year were gross turnover before commission and operating profit and these are reviewed by operational managers.

On 11 June 2019, the A, B and D shares in the Company, transferred to BBC Studios Distribution Limited at cost of £75. From that date onwards, BBC Studios Distribution Limited became the Company's immediate 100% parent.

	2020 £'000	2019 £'000	Change %
Gross turnover before commission	47,290	51,072	-7.4%
Operating profit	2,365	2,556	-7.5%

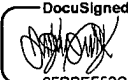
The Company remains in a positive net asset position with net assets and net current assets of £2.1m (2019: £1.9m).

### Principal risks and uncertainties

The Company's principal risk arises from market transformation: the risk from disruptive change affecting markets, partners and suppliers faster than anticipated or in unpredicted ways. This will be mitigated by securing long term TV licensing arrangements in line with channels ambitions and consolidation in the digital space.

Current year trade has continued to be profit making and cash positive. Due to the long term nature of the TV licensing agreements that the company has in place, the Company should be in a position to mitigate the wider market fluctuations caused by coronavirus.

By order of the Board

DocuSigned by:  
  
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Anthony Corriette  
 Company Secretary  
 16 September 2020

**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, unless otherwise stated were as follows:

Marcus Arthur	
Tom Fussell	
Suzanne Burrows	(appointed 8 July 2019)
Jean-Briac Perrette	(resigned 11 June 2019)
Bruce Campbell	(resigned 11 June 2019)
Stephen Davies	(resigned 2 July 2019)

The Company Secretary is Anthony Corriette.

### **Political and charitable Donations**

The Company did not make any political or charitable donations during the year (2019: £nil).

### **Dividends**

Dividends of £1.8m were declared by the company during the year (2019: £2.0m).

### **Future developments**

The Company will continue to licence television programmes via long term arrangements to secure future revenue streams.

### **Going concern**

As set out on page 12, 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.

### **Directors' interest and indemnities**

The Directors had no interest in the share capital of UK Programme Distribution Limited between 1 April 2019 or 31 March 2020. 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. Directors' and Officers' liability insurance cover was in place throughout the financial year.

## **Directors' Report (continued)**

### **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 Comptroller and Auditor General served as independent auditor for the years ended 31 March 2020 and 31 March 2019. The Comptroller and Auditor General 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.

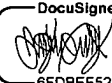
### **Section 172 statement**

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.

The way in which the Directors have had regard for these matters is detailed within the Strategic Report.

By order of the Board,

DocuSigned by:  
  
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Anthony Corriette  
Company Secretary  
16 September 2020

### **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 UK Programme Distribution Limited**

### **Opinion on financial statements**

I have audited the financial statements of UK Programme Distribution Limited for the year ended 31 March 2020 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 2020 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 certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of UK Programme Distribution Limited in accordance with the ethical requirements that are relevant to my audit and 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**

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the UK Programme Distribution Limited's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the UK Programme Distribution Limited have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the UK Programme Distribution Limited's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **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 the company's ability to continue as a going concern, disclosing, if applicable, matters relating 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).

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of UK Programme Distribution Limited's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- conclude on the appropriateness of the UK Programme Distribution Limited's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the UK Programme Distribution Limited ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause UK Programme Distribution Limited to cease to continue as a going concern.

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.



### Other Information

Directors are responsible for the 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. My opinion on the financial statements does not cover the other information and 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, 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.

### Opinion on other matters prescribed by the Companies Act 2006

In my opinion:

- in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, I have not identified any material misstatements in the Strategic Report or the Directors' Report; and
- 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.



17/09/2020

**Sarah Bryant (Senior Statutory Auditor)**

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

**UK Programme Distribution Limited**  
**Registered number 03323782**

**Annual Report and Financial Statements**  
**For the Year ended 31 March 2020**

## **Income Statement**

**For the year ended 31 March 2020**

	Note	2020 £'000	2019 £'000
Gross Revenue		47,290	51,072
Commission payable		(44,925)	(48,516)
<b>Revenue</b>		<b>2,365</b>	<b>2,556</b>
<b>Operating profit and profit on ordinary activities before taxation</b>		<b>2,365</b>	<b>2,556</b>
Taxation	4	(447)	(486)
<b>Profit for the year</b>		<b>1,918</b>	<b>2,070</b>

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

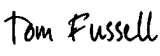
There are no recognised gains or losses other than those shown above and therefore no separate statement of comprehensive income is presented.

**UK Programme Distribution Limited****Registered number 03323782****Annual Report and Financial Statements****For the Year ended 31 March 2020****Balance Sheet**

<b>As at 31 March</b>		<b>2020</b>	<b>2019</b>
	<b>Note</b>	<b>£'000</b>	<b>£'000</b>
<b>Current assets</b>			
Debtors	5	24,340	24,630
Cash at bank and in hand		1,149	712
		<b>25,489</b>	25,342
<b>Creditors: amounts falling due within one year</b>	6	<b>(23,423)</b>	(23,394)
<b>Net current assets</b>		<b>2,066</b>	1,948
<b>Net assets</b>		<b>2,066</b>	1,948
<b>Capital and reserves</b>			
Called up share capital	7	1	1
Retained Earnings		2,065	1,947
<b>Total shareholders' funds</b>		<b>2,066</b>	1,948

The notes on pages 12 to 16 form part of these financial statements.

The financial statements of UK Programme Distribution Limited, registered number 03323782 were approved and authorised for issue by the Board of Directors on 16 September 2020 and were signed on its behalf by:

DocuSigned by:  
  
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**Tom Fussell**  
**Director**

**UK Programme Distribution Limited****Registered number 03323782****Annual Report and Financial Statements****For the Year ended 31 March 2020****Statement of Changes in Equity****For the year ended 31 March 2020**

	<b>Called up share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Total equity £'000</b>
<b>Balance at 1 April 2018</b>	<b>1</b>	<b>1,877</b>	<b>1,878</b>
<b>Total comprehensive income for the year</b>			
Profit for the year	-	2,070	2,070
Total comprehensive income for the year	-	2,070	2,070
<b>Transactions with owners, recorded directly in equity</b>			
Dividends	-	(2,000)	(2,000)
Total distributions to owners	-	(2,000)	(2,000)
<b>Balance at 31 March 2019</b>	<b>1</b>	<b>1,947</b>	<b>1,948</b>
<b>Total comprehensive income for the year</b>			
Profit for the year	-	1,918	1,918
Total comprehensive income for the year	-	1,918	1,918
<b>Transactions with owners, recorded directly in equity</b>			
Dividends	-	(1,800)	(1,800)
Total distributions to owners	-	(1,800)	(1,800)
<b>Balance at 31 March 2020</b>	<b>1</b>	<b>2,065</b>	<b>2,066</b>

## 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

UK Programme Distribution Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 2. 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 under the historical 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.

#### 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 sufficient financial resources together with popular and commercially appealing television programmes. 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 the foreseeable future, and accordingly the going concern basis continues to be adopted in the preparation of the accounts.

#### 1c Revenue

Revenue, which excludes VAT and is derived in the United Kingdom, represents licence fee commissions earned as agent from the distribution of programmes on behalf of BBC Studios Distribution Limited. Turnover is recognised on an accruals basis and, once a contract has been signed, licence fees are recognised on the later of the start of the licence period or on delivery of the associated programme.

## Notes to the financial statements (continued)

### 1d 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.

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. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which temporary differences reverse based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### 1e 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.

## 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:

	2020	2019
	£'000	£'000
Fees for the audit of the Company	3	3

There were no non-audit services provided during the year.

## 3 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 (2019: £nil).

## 4 Taxation

### 4a Analysis of charge for the year

The charge for the year, based on a rate of corporation tax of 19% comprises:

	2020	2019
	£'000	£'000
<b>Current tax:</b>		
Current tax charge on the profit for the year	447	486
<b>Tax on profits on ordinary activities</b>	<b>447</b>	<b>486</b>

## Notes to the financial statements (continued)

### 4b Factors affecting the tax charge

	2020	2019
	£'000	£'000
Profit on ordinary activities before tax	2,365	2,556
Profit on ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	449	486
Effects of:		
Prior Year Adjustments	(2)	
<b>Total tax charge</b>	<b>447</b>	<b>486</b>

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

### 4c Analysis of deferred tax balance

In accordance with IAS 12 Income Taxes, the Company provides for all deferred tax liabilities in full less available deferred tax assets. There are no deferred tax liabilities to recognise in the year ended 31 March 2020 (2019: £nil).

## 5 Debtors

	2020	2019
	£'000	£'000
Amounts falling due within one year:		
Accrued income	24,340	24,630
	<b>24,340</b>	<b>24,630</b>

## 6 Creditors: amounts falling due within one year

	2020	2019
	£'000	£'000
Amounts owed to parent undertakings	22,976	22,908
Corporation tax	447	486
	<b>23,423</b>	<b>23,394</b>

The amounts owed to parent undertaking are current and do not attract interest.

## Notes to the financial statements (continued)

### 7 Called up share capital

	2020	2019
	£	£
Authorised, allocated, called up and fully paid		
- Ordinary shares: 950 shares of £1 each	950	950
- A Shares 25 shares of £1 each	25	25
- B Shares 25 shares of £1 each	25	25
- D Shares 25 shares of £1 each	25	25
	<b>1,025</b>	<b>1,025</b>

All share capital is equity share capital.

The A shares, B shares and D shares are separate classes of ordinary shares and do not confer any entitlement to distributions.

### 8 Dividends

The dividends paid in 2020 and 2019 were £1.8m (£1,895 per share) and £2.0m (£2,105 per share) respectively.

### 9 Related party transactions

The related party transactions of the Company in the period have been presented in accordance with IAS 24: Related Party Disclosures. Related parties of UK Programme Distribution Limited include its shareholders and companies under common control. The value of transactions conducted with related parties is measured annually and disclosed below:

The Company had transactions with BBC Studios Distribution Limited, the Company's 100% parent company as at 31 March 2020, of £44,925k (2019: £48,516k). The amount owed to BBC Studios Distribution Limited at the year-end was £22,976k (2019: £22,908k) (note 6).

The Company had transactions with UKTV Media Limited, a company wholly owned by BBC Studios Distribution Limited as at 31 March 2020, of £47,290k (2019: £51,072k). Accrued income within debtors at the year-end were £24,340k (2019: £24,630k) (note 5).

There are no other related party transactions that require disclosure.

### 10 Immediate and ultimate parent undertaking

The Company's immediate 100% parent as at 31 March 2020 is BBC Studios Distribution Limited, and the ultimate parent undertaking and controlling party is the British Broadcasting Corporation (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 Studios Limited incorporated in the United Kingdom. The consolidated accounts of BBC may be obtained online at [www.bbc.co.uk/annualreport](http://www.bbc.co.uk/annualreport).



## **Notes to the financial statements (continued)**

### **11 Events after the balance sheet date**

There were no events subsequent to the balance sheet date which require disclosure within the financial statements.