

BBC Ventures Group Limited

(Registered number 04463546)

**Director's report and company
financial statements**

Year ended 31 March 2009



Officers and advisers

Director

J Smith

Company Secretary

P Ranyard

Registered office

Room 2230
White City
Media Village
201 Wood Lane
London
W12 7TS

Auditors

KPMG LLP
8 Salisbury Square
London
EC4Y 8BB

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Director's report

The director presents his report and the audited financial statements for the year ended 31 March 2009.

Principal activities

BBC Ventures Group Limited ("the Company") is the holding company for BBC Studios and Post Production Limited and BBC Worldwide Limited.

Business review

The profit after taxation for the year was £57.5million (2008: £50.8million). Dividends of £68.8million were declared during the year (2008: £55.6million). The company's financial performance was affected by the recognition of an impairment of £11.1million on the company's investment in BBC Studios and Post Production.

Risk	Mitigation
Risk to the company's commercial remit as a result of the different regulatory, parliamentary and Trust reviews	- Management are fully engaged in the various reviews underway

Director

The director who served during the year, and up to the date of this report, was John Smith.

Going concern

Although the Company is not immune from the effects of the current economic environment, the director believes the business is well placed to manage the risks effectively, and has adequate resources to continue in operation for the foreseeable future. As a result the going concern basis has been adopted in the preparation of the financial statements.

Charitable and political donations

The Company does not make political donations. During the year it made no charitable donations (2008: £nil).

The environment

The Company does not operate in industries where, in the director's opinion, there is potential for serious industrial pollution. However, it recognises its responsibility to be aware of, and take steps to control and minimise, any damage its business might cause to the environment.

Corporate governance

As a wholly owned subsidiary of the BBC, the Company fully supports the recommendations of the Combined Code. Disclosure of how the BBC complies with the requirements of the Combined Code is given in its annual report and consolidated accounts, which may be obtained from the BBC Trust Unit, Room 211, 35 Marylebone High Street, London W1U 4AA.

Auditors

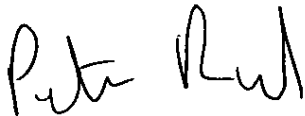
In accordance with Section 384 of the Companies Act 1985, a resolution is to be proposed at the forthcoming annual general meeting for the re-appointment of KPMG LLP as auditors of the Company.

Director's report continued

Statement as to disclosure of information to auditors

The director who held office at the date of approval of this director's report confirms that, so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware; and he has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board



P Ranyard
Company Secretary

Date: 16th July 2009

Registered Address
Room 2230
White City
Media Village
201 Wood Lane
London
W12 7TS

Statement of director's responsibilities

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Principles).

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 director is required to:

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

The director is 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 group and to prevent and detect fraud and other irregularities.

Independent auditors' report to the member of BBC Ventures Group Limited

We have audited the financial statements of BBC Ventures Group Limited for the year ended 31 March 2009 which comprise the Profit and Loss Account, the Balance Sheet, Reconciliation of movements in shareholder's funds 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 member, 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the director and auditors

The director's 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 Director's Responsibilities on page 3.

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 Director's Report is consistent with the financial statements. We also 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 director's remuneration and other transactions is not disclosed.

We read the Director's 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.

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 2009 and of the Company's profit 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 Director's Report is consistent with the financial statements.



KPMG LLP

Chartered Accountants and Registered Auditor
8 Salisbury Square, London EC4Y 8BB

Date: 20 July 2009

Company profit and loss account for the year ended 31 March 2009

	Note	2009 £'000	2008 £'000
Gross profit		-	-
Administrative expenses		(370)	-
Loss on ordinary activities before interest and taxation	1	(370)	-
Exceptional impairment of fixed asset investments		(11,100)	-
Income from shares in group undertakings		68,367	49,778
Other interest receivable and similar income	3	884	1,438
Profit on ordinary activities before taxation		57,781	51,216
Tax on profit on ordinary activities	4	(248)	(432)
Profit on ordinary activities after taxation	10	57,533	50,784

The above results are derived from continuing operations.

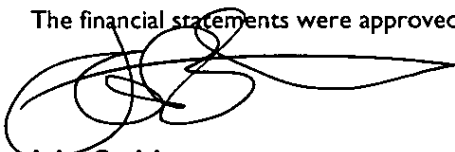
There is no difference between the results as disclosed above and the results on an historical cost basis.

Other than the results for the year, there were no recognised gains and losses during the year.

**Company balance sheet
 as at 31 March 2009**

	Note	2009 £'000	2008 £'000
Fixed assets			
Investments	6	157,200	168,300
Current assets			
Debtors due within one year	7	23,904	24,175
		23,904	24,175
Creditors – amounts falling due within one year	8	(1,561)	(1,689)
Net current assets		22,343	22,486
Total assets less current liabilities		179,543	190,786
Net assets		179,543	190,786
Capital and reserves			
Called up share capital	9	168,300	168,300
Profit and loss account	10	11,243	22,486
Equity shareholder's funds	10	179,543	190,786

The financial statements were approved by John Smith, sole Director of the Company, on 16TH July 2009.


John Smith
 Director

**Reconciliation of movements in shareholder's funds
 for the year ended 31 March 2009**

	2009 £'000	2008 £'000
Total profit for the year	57,533	50,784
Dividends paid in the year	(68,776)	(55,600)
Net decrease in equity shareholder's funds	(11,243)	(4,816)
Opening equity shareholder's funds	190,786	195,602
Closing equity shareholder's funds	179,543	190,786

Statement of accounting policies

This section explains the Company's principal accounting policies which have been applied and are set out below.

Basis of accounting

The financial statements are presented in accordance with UK GAAP under the historical cost accounting convention, and in accordance with the Companies Act 1985 and applicable accounting standards in the UK.

Basis of preparation

The Company is a wholly owned subsidiary of BBC Commercial Holdings Limited, which in turn is a wholly owned subsidiary of the British Broadcasting Corporation, whose accounts are publicly available. It has therefore taken advantage of the exemption available under Section 228 of the Companies Act 1985 not to prepare consolidated accounts and of the exemption available under FRS 1 not to prepare a cash flow statement. The results disclosed are therefore those of the Company only.

Dividend income

Dividends are recognised in the year in which they are declared, once any eligibility events have occurred.

Investments

Investments are recorded on the balance sheet at cost less provision for any impairment in value.

Taxation

Deferred tax is computed under the liability method. Full provision, without discounting, is made in respect of timing differences between certain items in the financial statements and their treatment for taxation purposes at the balance sheet date, except as otherwise required by FRS19 'Deferred tax'. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Dividends on shares presented within shareholder's funds

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.

Notes to the accounts

1 Loss on ordinary activities before interest and taxation

Auditors' remuneration

The audit fee of £2,000 (2008: £5,000) has been borne by another group company.

Amounts receivable by the Company's auditors in respect of services to the Company and its subsidiaries, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, the British Broadcasting Corporation.

2 Staff and director's remuneration

The company did not have any employees in the period ending 31 March 2009 (2008: nil).

The director did not receive remuneration in respect of his duties as a director of the Company and was remunerated separately within the BBC Group in relation to professional duties other than as a director of this Company.

3 Other interest receivable and similar income

	2009 £'000	2008 £'000
Interest receivable on loan to parent undertaking	884	1,438

4 Taxation

4a Analysis of charge for the year

The charge for the year based on a rate of corporation tax of 28% (2008: 30%) comprised:

	2009 £'000	2008 £'000
	Note	
Current tax		
UK corporation tax	4b	248
		432

4b Factors affecting the tax charge

The effective rate of tax is different from the standard rate as a result of the following:

	2009 £'000	2008 £'000
	Note	
Profit on ordinary activities before taxation	57,781	51,216
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2008 30%)	16,179	15,365
Effects of:		
Other disallowable expenditure	104	-
Investment Impairments	3,108	-
Non taxable dividend income	(19,143)	(14,933)
Current tax charge for the year	4a	248
		432

4c Factors that may affect future tax charges

The statutory rate of UK corporation tax reduced to 28% with effect from 1 April 2008.

Notes to the accounts (continued)

5 Dividends

	2009 £'000	2008 £'000
Dividends payable on ordinary equity shares		
Dividends were paid and proposed as follows:		
June 2008 of nil p per share (June 2007: 7.37p per share)	-	12,400
July 2008 of 17.23p per share (July 2007: 12.83p per share)	29,000	21,600
March 2009 of 23.63p per share (March 2008: 12.83p per share)	39,776	21,600
Total dividends	68,776	55,600

6 Investments

6a Movements in year

	2009 £'000
Cost	
At 1 April 2008	168,300
At 31 March 2009	168,300
Impairment provision	
At 1 April 2008	-
Recognised in the year	(11,100)
At 31 March 2009	(11,100)
Net book amount	
At 31 March 2009	157,200
At 31 March 2008	168,300

An impairment provision was recognised during the year to ensure that the company's fixed asset investments are not stated at more than their recoverable amounts; it relates to the company's investment in BBC Studios and Post Production*. On 1 April 2008 BBC Studios and Post Production sold its Outside Broadcasts business. Subsequently a substantial programme of change within BBC Studios and Post Production Limited is in progress in order to improve profitability and sustainability through reduced fixed costs. After recognising a provision of £18.9million for this restructuring programme in its own financial statements and an impairment of its fixed assets of £6.4million, BBC Studios and Post Production had net assets of £39.9million, which is presently regarded as its recoverable amount.

* BBC Resources Limited changed its name to BBC Studios and Post Production Limited on 1 April 2009.

6b Subsidiary undertakings

The Company owns 100% of the issued share capital of the following companies which are incorporated in England and Wales:

	Activity
BBC Worldwide Limited	Acquisition, development, exploitation and licence and sale of media and publishing intellectual property
BBC Studios and Post Production Limited	Provision of equipment, facilities and services for use primarily in programme making and broadcasting

Notes to the accounts (continued)

7 Debtors

	2009 £'000	2008 £'000
Receivable within one year		
Amounts owed by subsidiary undertakings	12	614
Other debtors	-	172
Amounts owed by parent undertaking	23,892	23,389
Total debtors	23,904	24,175

8 Creditors

	2009 £'000	2008 £'000
Amounts owed to ultimate parent undertaking	1,474	1,474
Corporation tax	87	215
Total	1,561	1,689

9 Share capital

	2009 £'000	2008 £'000
Authorised		
168,300,003 Ordinary shares of £1 each	168,300	168,300
Allotted, called up and full paid		
168,300,003 Ordinary share capital	168,300	168,300

10 Reserves

The movements in reserves during the year were as follows:

	Share capital £'000	Profit and loss account £'000	Total £'000
Opening balances	168,300	22,486	190,786
Profit for financial year	-	57,533	57,533
Dividends	-	(68,776)	(68,776)
At 31 March 2009	168,300	11,243	179,543

11 Related party transactions

The Company has taken advantage of the exemptions available under FRS 8 and does not disclose related party transactions with the BBC and any of its subsidiaries on the grounds that it is a wholly owned subsidiary undertaking of the BBC, whose financial statements are publicly available.

12 Ultimate holding and controlling party

The Company's immediate parent undertaking is BBC Commercial Holdings Limited. The Company's 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 the results of the Company are consolidated is headed by BBC Commercial Holdings Limited. Copies of the financial statements of the BBC may be obtained from the BBC Trust Unit, Room 211, 35 Marylebone High Street, London, W1U 4AA.