

BBC Ventures Group Limited

(Registered number 04463546)

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

Year ended 31 March 2011



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
15 Canada Square
London
E14 5GL

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Director's report

The Director presents his report and the audited financial statements for the year ended 31 March 2011

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 £83.5million (2010: £25.5million). Dividends of £83.4million were declared during the year (2010: £32.1million).

Company Risks

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.

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, 180 Great Portland Street, London W1W 5QZ.

Auditors

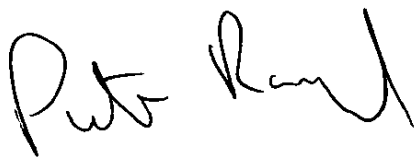
Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

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.

11 July 2011

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 Practice)

Under Company law the Director must not approve the financial statements unless the Director is 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 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 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 Director is 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. The Director is responsible 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 member of BBC Ventures Group Limited

We have audited the financial statements of BBC Ventures Group Limited for the year ended 31 March 2011 which comprise the Profit and Loss Account, 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 Chapter 3 of Part 16 of the Companies Act 2006. 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 auditors' 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 Director's and auditors

As explained more fully in the Director's Responsibilities Statement set out on page 3, the Director's are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31st March 2011 and of its profit for the year then ended
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

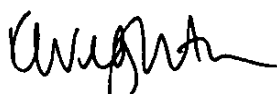
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



K Wightman (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

11 July 2011

Company profit and loss account for the year ended 31 March 2011

	Note	2011 £'000	2010 £'000
Gross profit		-	-
Administrative expenses		-	-
Loss on ordinary activities before interest and taxation	1		-
Exceptional impairment of fixed asset investments	6	-	(6,700)
Income from shares in group undertakings		83,442	32,117
Other interest receivable and similar income	3	112	114
Profit on ordinary activities before taxation		83,554	25,531
Tax on profit on ordinary activities	4	(31)	(32)
Profit on ordinary activities after taxation	10	83,523	25,499

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 2011
Registered number 04463546

	Note	2011 £'000	2010 £'000
Fixed assets			
Investments	6	150,500	150,500
Current assets			
Debtors due within one year	7	22,510	22,425
		22,510	22,425
Creditors – amounts falling due within one year	8	(4)	-
Net current assets		22,506	22,425
Total assets less current liabilities		173,006	172,925
Net assets		173,006	172,925
Capital and reserves			
Called up share capital	9	1,300	168,300
Profit and loss account	10	171,706	4,625
Equity shareholder's funds	10	173,006	172,925

The financial statements were approved by John Smith, sole Director of the Company, on 11 July 2011


John Smith
Director

Reconciliation of movements in shareholder's funds for the year ended 31 March 2011

	2011 £'000	2010 £'000
Profit for the year	83,523	25,499
Dividends paid in the year	(83,442)	(32,117)
Net increase/(decrease) in equity shareholder's funds	81	(6,618)
Opening equity shareholder's funds	172,925	179,543
Closing equity shareholder's funds	173,006	172,925

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 Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Director's Report. The Director believes that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook and have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the Director continues to adopt the going concern basis of accounting in preparing the annual financial statements.

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 400 of the Companies Act 2006 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.

Adoption of new accounting standards

At 1 April 2009, the Company has adopted FRS 26 (IAS 39) 'Financial Instruments: Measurement' and FRS 29 (IFRS 7) 'Financial Instruments: Disclosure'. FRS 26 establishes the accounting and reporting standards for the recognition and measurement of the company's financial assets and liabilities and requires recognition of derivative financial assets and liabilities (including certain derivatives embedded in other contracts) in the balance sheet at fair value with gain or loss on re-measurement to fair value recognised immediately in the profit and loss. The standard did not have a significant impact in the financial statements. FRS 29 required more comprehensive disclosures about the company's financial instruments in the financial statements. The Company has taken advantage of the exemption in FRS 29 as the disclosure requirements have been adopted on the Group basis.

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 (2010 £2,000) 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 2011 (2010 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

	2011 £'000	2010 £'000
Interest receivable on loan to parent undertaking	112	114

4 Taxation

4a Analysis of charge for the year

The charge for the year based on a rate of corporation tax of 28% (2010 28%) comprised

	2011 £'000	2010 £'000
Current tax		
UK corporation tax	31	32

4b Factors affecting the tax charge

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

	2011 £'000	2010 £'000
Profit on ordinary activities before taxation	83,554	25,531
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2010 28%)	23,395	7,149
Effects of:		
Other disallowable expenditure	-	-
Investment Impairments	-	1,876
Non taxable dividend income	(23,364)	(8,993)
Current tax charge for the year	31	32

Notes to the accounts *(continued)*

5 Dividends

	2011 £'000	2010 £'000
Dividends payable on ordinary equity shares		
Dividends were paid and proposed as follows		
July 2010 of 24 66 p per share (July 2009 nil p per share)	41,500	-
October 2010 of 0 26 p per share (October 2009 nil p per share)	442	-
March 2011 of 24 66 p per share (March 2010 19 08 p per share)	41,500	32,117
Total dividends	83,442	32,117

6 Investments in Subsidiaries

6a Movements in year

	2011 £'000
Cost	
At 1 April 2010 and 31 March 2011	168,300
Impairment provision	
At 1 April 2010 and 31 March 2011	(17,800)
Net book amount	
At 1 April 2010 and 31 March 2011	150,500

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

	2011 £'000	2010 £'000
Receivable within one year		
Amounts owed by parent undertaking	22,510	22,415
Corporation tax	-	10
Total debtors	22,510	22,425

8 Creditors

	2011 £'000	2010 £'000
Corporation tax	(4)	-
Total	(4)	-

9 Share capital

	2011 £'000	2010 £'000
Allotted, called up and full paid		
1,300,003 Ordinary shares of £1 each	1,300	168,300

Share capital was reduced from 168,300,002 shares to 1,300,002 shares on the 31st March 2011 as part of a capital reduction programme

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	4,625	172,925
Capital reduction programme	(167,000)	167,000	-
Profit for financial year	-	83,523	83,523
Dividends	-	(83,442)	(83,442)
At 31 March 2011	1,300	171,706	173,006

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

Notes to the accounts (continued)

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, 180 Great Portland Street, London W1W 5QZ.