
BBC VENTURES GROUP LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

Registered Number: 04463546

Year Ended 31 March 2015



Contents

Strategic Report	2
Director's Report	3
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Statement of director's responsibilities in respect of the Director's Report and the financial statements	4
Independent auditor's report to the members of BBC Ventures Group Limited	5
Profit and loss account	7
Balance sheet	8
Reconciliation of movement in shareholder's funds	9
Notes to the financial statements	10

Strategic Report

The director presents his report and the audited financial statements for the year ended 31 March 2015.

Principal activities

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

The company receives dividend income from its subsidiary companies.

The director expects the company to continue with these activities for the foreseeable future.

Objectives, strategy and underlying performance

BBC Worldwide exists to support the BBC public service mission and to maximise income to the Group on its behalf. This was primarily through investment in BBC commissioned content and dividends. Returns from BBC Worldwide support an ongoing commitment to manage financial performance sustainably and protect the interest of licence fee payers.

BBC Worldwide's mission is to grow the BBC brand around the world by increasing its global presence and future profitability resulting in sustainable and rising returns to the BBC. Notable achievements against the strategy this year included three new genre channels BBC First, BBC Earth and BBC Brit all of which offer international audiences premium drama, factual and factual entertainment programmes.

BBC Studios and Post Production Limited (S&PP) provides equipment, facilities and services for use in television production and digital media handling. The year ended 31 March 2015 has seen significant stabilisation and a positive turnaround in the financial performance of the company following its relocation from Television Centre into new facilities in Elstree Studios and South Ruislip during the prior year.

S&PP has seen a significant improvement in their operating loss of £0.6million (before specific items and impairment of fixed assets) compared with the £3.0million loss reported in the previous year. This was achieved through sales growth and rigorous cost management.

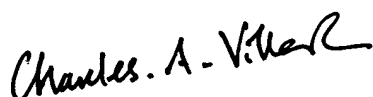
Principal risks and uncertainties

The principal risks and uncertainties are those relating to the underlying performance of the subsidiary companies.

Financial performance

The retained profit for the year was £111.4million (2014: £88.4million). Dividends of £111.3million were declared during the year (2014: £66.8million).

By order of the board



Charlie Villar
Director

Room BC2 A5
Broadcast Centre
201 Wood Lane
London
W12 7TP

8 September 2015

Director's Report

Directors

The director who served during the year and at the date of this report is:

Charlie Villar

Insurance indemnities

The Group maintains liability insurance for its Director which is renewed on annual basis.

Disclosure of information to auditors

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

Auditors

Following a recent external audit tender process, the Executive Audit Committee of the BBC has decided that for the 31 March 2015 year end the audit of the BBC (including its subsidiaries) will be performed by Ernst & Young LLP. As such, KPMG LLP resigned as auditors of the Company.

By order of the board



Charlie Villar
Director

Room BC2 A5
Broadcast Centre
201 Wood Lane
London
W12 7TP

8 September 2015

Statement of director's responsibilities in respect of the Director's Report and the financial statements

The director is responsible for preparing the Director's Report, Strategic 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 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 director must not approve the financial statements unless he 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 has responsibility for taking such steps as are reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to members of BBC Ventures Group Limited

We have audited the financial statements of BBC Ventures Group Limited for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Balance Sheet and the Reconciliation of Movements in Shareholders' Funds and the related notes I to II. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Director's Responsibilities Statement (set out on page 4), the director is 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 and express an opinion on 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and Director's Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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.



Michael Rudberg (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Ernst & Young LLP
London
SE1 2AF

9 September 2015

Profit and loss account for the year ended 31 March 2015

	Note	2015 £'000	2014 £'000
Income from shares in group undertakings		111,339	88,259
Interest receivable and similar income	3	63	92
Profit on ordinary activities before taxation		111,402	88,351
Taxation on profit on ordinary activities	5	6	4
Retained profit for the year	10	111,408	88,355

All the above amounts are derived from continuing activities.

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

The notes on pages 10 to 13 form part of the financial statements.

Balance sheet at 31 March 2015

	Note	2015 £'000	2014 £'000
Fixed assets			
Investments	6	155,009	155,009
Current assets			
Debtors (due after more than one year)	7	18,402	18,320
Current liabilities			
Creditors – amounts falling due within one year	8	(23)	(10)
Net current assets		18,379	18,310
Total assets less current liabilities		173,388	173,319
Net Assets		173,388	173,319
Capital and reserves			
Called up share capital	9	1,300	1,300
Profit and loss account	10	172,088	172,019
Shareholders' Funds		173,388	173,319

These financial statements were approved by the Director of the Company on 8 September 2015:

Charles A. Villar

Charlie Villar
Director

BBC Ventures Group Limited

Registered number: 04463546

31 March 2015

Reconciliation of movement in shareholder's funds for the year ended 31 March 2015

	2015	2014
	£'000	£'000
Profit for the year	111,408	88,355
Dividends declared in the year	(111,339)	(66,759)
Net increase/(decrease) in shareholder's funds	69	21,596
Opening shareholder's funds	173,319	151,723
Closing shareholder's funds	173,388	173,319

Notes to the financial statements

I Accounting policies

The following accounting policies have been consistently applied in dealing with items which are considered material in relation to the company's financial statements.

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 2006 and applicable accounting standards in the UK.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As the Company is a wholly owned subsidiary of BBC, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances which form part of the group. The consolidated financial statements of BBC, within which the Company is included, can be obtained from the address on note 11.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

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.

Financial instruments

The Company has adopted FRS 26 (ISA 39) 'Financial Instruments: Measurement' and FRS 29 (IFRS 7) 'Financial Instruments: Disclosure'. 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

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Notes to the financial statements (continued)

1 Accounting policies (continued)

Dividends on shares presented within shareholder's funds

Dividends are only recognised as a liability at that date to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2 Profit on ordinary activities before interest and taxation

The audit fee relating to the Company, which was borne by the parent undertaking, was £2,000 (2014: £2,000).

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, 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 parent, BBC Commercial Holdings Limited.

3 Other interest receivable and similar income

	2015 £'000	2014 £'000
Interest receivable on loan to parent undertaking	63	92

4 Employees and directors remuneration

The Company did not have any employees during the year.

The directors received no emoluments from the Company during the year (2014: £nil).

Notes to the financial statements (continued)

5 Taxation

Analysis of charge for the year

	2015 £'000	2014 £'000
Current tax		
UK Corporation Tax – current tax credit for the year	(6)	(4)

Factors affecting the tax charge for the current period

The current tax credit for the period is lower (2014: lower) than the standard rate of corporation tax in the UK 21% (2014: 23%). The differences are explained below:

	2015 £'000	2014 £'000
Profit on ordinary activities before tax	111,402	88,351
Profit on ordinary activities at the standard rate of corporation tax in the UK of 21% (2014: 23%)	23,394	20,321
Non-taxable dividend income	(23,381)	(20,300)
Prior year adjustments	(19)	(17)
Current tax credit for the year	(6)	(4)

The UK government previously announced a phased reduction in the main rate of corporation tax in the UK. On 1 April 2014, the rate reduced to 21%. The corporation tax rate further reduced to 20% from 1 April 2015. On 8 July 2015, the Chancellor announced in his budget speech his intention to reduce the UK corporation tax rate from 20% to 19% effective 1 April 2017 and from 19% to 18% effective from 1 April 2020. These changes were not substantively enacted at the balance sheet date and are not expected to have a significant impact on the company's tax balances.

6 Investments in Subsidiaries

	2015 £'000	2014 £'000
Cost		
At 1 April 2013 and 31 March 2015	172,809	172,809
Amortisation and Impairment		
At 1 April 2013 and 31 March 2015	(17,800)	(17,800)
Net Book Value	155,009	155,009

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 financial statements (continued)

7 Debtors

	2015 £'000	2014 £'000
Corporation Tax	19	–
Amounts owed by parent undertaking	18,383	18,320
	18,402	18,320

Debtors are amounts due after more than one year, and relate to an interest-bearing loan with no planned repayment date. Interest on the loan is charged at the Bank of England base rate.

8 Creditors

	2015 £'000	2014 £'000
Amounts due to parent undertaking	(23)	–
Corporation Tax	–	(10)
	(23)	(10)

9 Share capital

	2015 £'000	2014 £'000
Allotted, called up and fully paid: 1,300,003 ordinary share of £1 each	1,300	1,300

10 Reserves

	Share capital £'000	Profit and loss account £'000	Total shareholders fund £'000
As at 1 April 2014	1,300	172,019	173,319
Retained profit for the year	–	111,408	111,408
Dividends declared for the year	–	(111,339)	(111,339)
As at 31 March 2015	1,300	172,088	173,388

11 Ultimate holding and controlling party

The Company's immediate parent undertaking is BBC Commercial Holdings Limited. The Company's ultimate parent undertaking 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 the results of the Company are consolidated is headed by BBC Commercial Holdings Limited. Copies of the financial statements of the BBC can be obtained from the BBC Trust Unit, 180 Great Portland Street, London, W1W 5QZ.