Registered number 06481488

VOD Member (BBCW B) Limited

Directors' Report and Financial Statements
for the year ended 28 February 2011

Contents

Directors' Report

The Directors present their report and the audited financial statements of VOD Member (BBCW B) Limited (the "Company") for the year ended 28 February 2011

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

VOD Member (BBCW B) Limited was incorporated on 23 January 2008

The Company's principal activity to date has been holding an investment in its joint venture, UK VOD LLP UK VOD LLP was a joint venture to develop a new UK on-demand service known to the industry as Kangaroo On 4 February 2009, the Competition Commission reported that it believed the proposed UK VOD LLP venture would create a lessening of competition in the emerging video on demand industry in the UK, and blocked the joint venture from continuing As a result, a provision against this investment to reflect its recoverable amount was made The results for the year and the prior year are presented as discontinued

The Company's investment in UK VOD LLP was funded by way of a loan from the Company's immediate parent undertaking, BBC Worldwide Limited In February 2009, the obligation to repay this funding loan was settled by way of a capital contribution to the Company by BBC Worldwide Limited

On 4 August 2009 UKVOD LLP sold the platform that was developed to Arquiva for a consideration of £6m The net proceeds were split evenly between the six shareholders including VOD Member (BBCW B) Limited and VOD Member (BBCW A) Limited In the prior year the Company recorded a related impairment against its investment in UKVOD LLP following this final distribution received

The Company is exempt, by virtue of its size, from the requirement to prepare an enhanced business review

RESULTS AND DIVIDENDS

The loss after taxation for the year was £10,495 (2010 £50,097 profit) The Directors do not recommend the payment of a dividend (2010 £nil)

DIRECTORS

The Directors who served during the year were as follows

Claude London
David Moody
Richard Parsons (resigned 26 January 2011)

Jane Earl resigned as Company Secretary on 18 October 2010 and Anthony Corriette was subsequently appointed

DONATIONS

The Company did not make any political or charitable donations during the year (2010 £nil)

GOING CONCERN

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

Directors' Report (continued)

DIRECTORS' INTERESTS AND INDEMNITIES

No Director had any interest in the share capital of VOD Member (BBCW B) Limited at 1 March 2010 or 28 February 2011 No rights to subscribe for shares in or debentures of the Company were granted to any of the Directors or their immediate families, or exercised by them, during the financial year Directors' and Officers' insurance cover was in place throughout the financial year as appropriate

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

AUDITORS

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

By order of the Board

Anthony Corriette
Company Secretary
22 November 2011

Registered Office
Media Centre
201 Wood Lane
London W12 7TQ

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year Under that law, the Directors 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 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 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 VOD Member (BBCW B) Limited

We have audited the financial statements of VOD Member (BBCW B) Limited for the year ended 28 February 2011 set out on pages 7 to 12 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 Directors' Responsibilities Statement set out on page 5, the Directors 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, 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 (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 28 February 2011 and of its loss 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 matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' 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 Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

P Korolkiewicz (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London, E14 5GL
22 November 2011

Profit and loss account

For the year ended 28 February

	Note	2011 £	2010 £
Administrative expenses		**(10,495)**	-
Income from fixed asset investments	5	-	1,000,097
Total operating (loss)/ profit and operating (loss)/ profit on ordinary activities before taxation	2	**(10,495)**	1,000,097
Amounts written off on investments	6	-	(950,000)
(Loss)/ profit on ordinary activities before taxation		**(10,495)**	50,097
Tax on (loss)/ profit on ordinary activities	4	-	-
(Loss)/ profit for the financial year		**(10,495)**	50,097

The loss for the current year is based on discontinued operations

There is no difference in the loss for the financial period as reported compared to a historical cost basis in the current period

There were no recognised gains and losses other than those recognised in the profit and loss account Accordingly, no separate statement of total recognised gains and losses has been presented

Balance sheet

As at 28 February

	Note	2011 £	2010 £
Fixed assets			
Investments in joint ventures	6	-	-
Current assets			
Debtors	7	**39,702**	50,197
		39,702	50,197
Net current assets		**39,702**	50,197
Net assets		**39,702**	50,197
Capital and reserves			
Called up share capital	8	**100**	100
Profit and loss account	9	**39,602**	(3,420,629)
Capital contribution reserve	9	-	3,470,726
Total equity shareholders' funds	9	**39,702**	50,197

The notes on pages 9 to 12 form part of these financial statements

The financial statements were approved by the Board of Directors on 22 November 2011 and were signed on its behalf by

David Moody
Director

Notes to the financial statements

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom 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 accounting

The financial statements are presented under the historical cost accounting convention

1b Cash flow statement

The Company is exempt from the requirement of Financial Reporting Standard 1 (revised) to prepare a cash flow statement on the grounds that its ultimate parent undertaking owns over 90% of the issued share capital of the Company and includes the Company in its own published consolidated financial statements

1c Taxation

The charge for taxation is based on the profit or loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes Except where otherwise required by accounting standards full provision without discounting is made for all timing 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

1f Fixed asset investments

Fixed assets investments are recorded at cost less provision for impairment Dividends from fixed asset investments are recognised in the profit and loss account when received

1e Impairment of fixed assets

The Company reviews the carrying amounts of its fixed assets in accordance with FRS 11 Impairment of Fixed Assets and Goodwill whenever events or changes in circumstances indicate that the carrying amount may not be recoverable

An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount For the purposes of assessing impairment, assets are grouped at the lowest levels producing largely independent income streams (income-generating units)

When an impairment test is performed, the recoverable amount is assessed by reference to the higher of the net present value of expected future cash flows (value in use) of the relevant income generating unit and the fair value less cost to sell (net realisable value) In assessing value in use, the estimated future cash flows expected to arise from the income-generating unit are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the asset

Notes to the financial statements (continued)

2 (Loss)/ profit on ordinary activities before taxation

2a 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

	2011 £	2010 £
Fees for the audit of the Company	**3,000**	3,000

Fees paid to the Company's auditors, KPMG LLP, and its associates for services other than the statutory audit of the Company are not disclosed in these financial statements This is on the basis that such non-audit fees are disclosed in the consolidated accounts of the Company's ultimate parent, the BBC

3 Employees and Directors' remuneration

The Company had no employees during the year or the preceding year No Director of the Company received any remuneration for services to the Company during the year (2010 £nil)

4 Taxation

4a Analysis of charges for the year

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

	2011 £	2010 £
Current tax:		
UK group relief receivable	-	-
Total current tax (note 4b)	-	-
Tax on (loss)/ profit on ordinary activities	-	-

4b Factors affecting the tax charge

The current tax charge for the year differs from the standard rate of corporation tax in the UK of 28% (2010 28%) The differences are explained as follows

	2011 £	2010 £
(Loss)/profit on ordinary activities before tax	**(10,495)**	50,097
Current tax at 28% (2010 28%)	**(2,939)**	14,027
Effects of		
Utilisation of losses	-	(14,027)
Disallowed expenditure	**2,939**	-
Current tax credit for the year (note 4a)	-	-

There are no unprovided deferred tax liabilities or unrecognised deferred tax assets

Notes to the financial statements (continued)

4c Factors that may affect future tax charges

The rate of taxation is expected to follow the standard rate of UK corporation tax in future periods after taking into account expenditure not deductible for taxation and any non-taxable income The statutory rate of UK corporation tax is reduced to 26% with effect from 1 April 2011

5 Amounts written off on investments

In the prior financial year UK VOD LLP sold the platform that was developed to Arqiva for a consideration of £6m The net proceeds were split evenly between the six shareholders including VOD Member (BBCW B) Limited and VOD Member (BBCW A) Limited The Company recorded a related impairment against its investment in UK VOD LLP following this final distribution received

6 Investment in joint ventures

	£
Cost at 1 March 2010 and 28 February 2011	**4,420,746**
Provision for impairment at 1 March 2010 and 28 February 2011	**(4,420,746)**
At 1 March 2010 and 28 February 2011	**-**

The Company's investment in UK VOD LLP was fully written down in the prior financial year

7 Debtors

	2011 **£**	2010 £
Amounts falling due within one year		
Amounts owed by associates and joint ventures (note 10)	**-**	17,685
Amounts owed by BBC Worldwide Limited	**39,702**	32,512
	39,702	50,197

8 Called up share capital

Company	**2011** **£**	2010 £
Authorised		
100 Ordinary shares of £1 each	**100**	100
Issued, allotted, called up and fully paid		
100 Ordinary share of £1 each	**100**	100

Notes to the financial statements (continued)

9 Reserves and reconciliation of movement in equity shareholders' funds

	Share capital	Profit and loss account	Capital Contribution	Total equity shareholders' funds
	£	£	£	£
At 1 March 2010	100	(3,420,629)	3,470,726	50,197
Loss for the year	-	(10,495)	-	(10,495)
Transfer between reserves	-	3,470,726	(3,470,726)	-
At 28 February 2011	**100**	**39,602**	**-**	**39,702**

10 Related party transactions

The Company is a wholly owned subsidiary of BBC Worldwide Limited and has taken exemption under FRS 8 from disclosing transactions and balances with wholly owned entities which form part of the group headed by the British Broadcasting Corporation

The value of transactions conducted with other related parties is measured annually and disclosed below

Year ended 28 February 2011 **Name of related party**	**How related**	**Income/ (expenditure)**	**Dividend income**	**Net debtors/ (creditors) balance**
		£	£	£
UK VOD LLP	Joint venture	-	-	-
Total		-	-	-

Year ended 28 February 2010 **Name of related party**	**How related**	**Income/ (expenditure)**	**Dividend income**	**Net debtors/ (creditors) balance**
		£	£	£
UK VOD LLP	Joint venture	-	1,000,097	17,685
Total		-	**1,000,097**	**17,685**

11 Parent undertaking and controlling party

The Company's immediate parent is BBC Worldwide 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 Worldwide Limited incorporated in the United Kingdom The consolidated accounts of BBC may be obtained online at www bbc co uk/annualreport