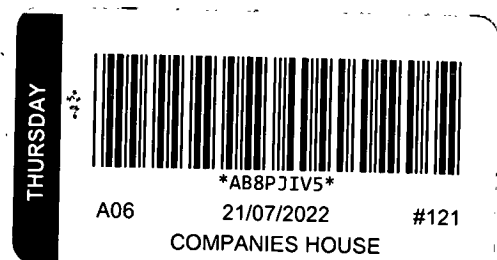


BBC Studios Productions Limited

Registered number 09463829

Annual Report and Financial Statements

For the year ended 31 March 2022



## Officers and advisors

### Directors

Lorraine Burgess (appointed 1 April 2022)

Francis Ralph Lee

Martyn Freeman (appointed 25 April 2022)

Thomas Fussell (resigned 1 April 2022)

### Company Secretary

Anthony Corriette

### Registered office

1 Television Centre

101 Wood Lane

London

W12 7FA

### Auditor

National Audit Office

157 - 197 Buckingham Palace Road

London

SW1W 9SP

BBC Studios Productions Limited

Registered number 09463829

31 March 2022

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## Strategic Report

The Directors present their annual report and audited financial statements for BBC Studios Productions Limited (the 'Company') for the year ended 31 March 2022. The Company's financial statements have been prepared in accordance with FRS 101: Reduced Disclosure Framework for all periods presented and these can be seen on pages 16 to 32.

### Principal activities

The principal activity of the Company is to develop and produce programme content for the British Broadcasting Corporation (BBC), playing a vital role in delivering quality output and creating valuable intellectual property, as well as competing in the open market for commissions across a broad range of genres.

### Business review

The aim of the Company is to inspire global audiences with world-class content that informs, educates and entertains; strengthening the BBC, its partners and the wider industry creatively and financially.

The Company is the BBC's primary supplier of content, making around 1,400 hours of high quality programming in a typical year, developed and produced across the UK. Its titles include award-winning series like *Strictly Come Dancing* and *Inside No.9*, as well as long running series like *EastEnders*, *Doctors* and *Casualty*. The programme genre range spans Factual, Factual Entertainment & Events, Entertainment & Music and Scripted.

The Company has achieved its highest performance ever with an EBITDA of £39m (2020/21: £9m) and has a good pipeline of commissions for delivery in future years. The Company believes that 'EBITDA' is the non-statutory measure of financial performance that best provides guidance to help understand the performance of the Company on a comparable basis year on year. The intention of this is to illustrate an underlying profitability that can be benchmarked relatively easily and gives a reasonable base from which to link through to cash flow measures.

The production business has recovered well following on from 2020, which was heavily impacted by Covid-19 pandemic. We have seen growth in deliveries, with higher reported production revenue than in any prior year for the Company, with our returning series returning back to previous levels of delivery, as well as securing new returning commissions, such as *Morning Live* for BBC which is on its 3rd run, and *Trying* for Apple.

This year the Company secured 92 new commissions for the BBC and 32 new commissions for third parties in the UK, including *Good Omens* series 2 for Amazon, *Trying* series 3 a comedy for Apple and a strong pipeline for future delivery.

New titles launching in the year from the Company included *Green Planet* for BBC One, *Universe* for BBC and *Canterville Ghost* for BYUTV.

The Company secured 55 awards over the course of the year and has received 288 nominations. *Strictly Come Dancing*, *Time*, *The Surgeon's Cut* and *Inside No.9* were BBC Studios Productions' most awarded programmes. *EastEnders*, *Smother*, *Casualty* and *Doctors* were amongst the most nominated.

The Company's contribution to on-screen success will continue in the year ahead. New creative deliveries will include *Prehistoric Planet* for Apple and *Good Omens* series 2 for Amazon, alongside audience favourites *Strictly Come Dancing*, *EastEnders*, *Casualty* and *Top Gear*.

## Strategic Report (continued)

### Business review (continued)

#### Risk and uncertainties

The BBC Studios Productions Limited Board considers its key risks and uncertainties to be as follows:

Risk	Strategic impacts	Mitigation
Protecting the brand, reputation and standards.		
Risk that the Company fails to successfully represent the values of the BBC across all its content and services.	Reputational damage to the brand and the credibility of the global business.	Alignment to the BBC Code of Conduct; it sets out the commitments for staff to follow, including: respecting each other, doing the right thing, acting with integrity and living up to the highest legal and ethical standards. The Code is supported by a speak up culture and a programme of training.
Risk that global audiences and customers lose confidence in the Company and its editorial standards.	Potential loss of customer confidence and revenue.	
Risk that a third party does not share or fails to meet BBC values and standards.		
Risk of not achieving improved diversity across the workforce and within our content or that we fail to demonstrate industry leadership in meeting our green ambitions.		Control measures to ensure third parties are appropriate partners, share the Company's values and meet legal and regulatory obligations.  Commitment to driving greater inclusion across all activities and with third parties and producers.  Approved Green strategy. Production activity is comparable to industry leaders.
Looking after people		
Risk that the Company fails to protect the health, safety and wellbeing of its people and contributors which may result in a person being harmed or suffering adverse health effects.	Potential for injury, financial penalties and criminal charges.  Reputational risk if the Company fails to protect its staff and all others in its care.	Policies, processes, plans and governance structures in place to manage the safety of the Company's activities.  Overriding priority has been to protect the health and wellbeing of individuals, with extensive support available for those facing work challenges and focussed on maintaining wellbeing in a stressful and uncertain climate.
Regulatory fines and/or contractual penalties		
Failure of a key supplier could impact the Company's infrastructure and delivery of the Company's content and services.	Customer dissatisfaction and loss of revenue.  Regulatory fines.	Critical third parties closely managed through contracted SLAs with escalation protocols in place.

## Strategic Report (continued)

## Risk and uncertainties (continued)

Risk	Strategic impacts	Mitigation
<p><b>Market competition in Production</b></p> <p>Intense market competition for creative talent, driven by the shift of power from traditional broadcasters to large global players. These companies can influence pricing of content and are increasingly demanding a greater share of commercial rights. They also increasingly commission and create their own original content.</p> <p>BBC tendering recommencing, may lead to further loss of valuable business.</p>	<p>Inability to deliver a commercially successful creative pipeline and win commissions.</p> <p>Decline in revenues and margins.</p> <p>Inability to grow valuable IP.</p>	<p>The Company continues to attract talent into key creative roles and is constantly reviewing what makes it an attractive proposition. Creative talent continues to develop and deliver successful content and formats.</p> <p>The Company closely manages its top customer portfolio across all lines of business to surface demand and inform the pipeline direction.</p> <p>Work underway to prepare for tendering and are to ensure Company is aligned to the BBC's commissioning objectives.</p>
<p><b>Protecting content and assets</b></p> <p>Risk that information security controls are compromised, leading to disruption of systems and services and the loss of sensitive / critical information and key content.</p> <p>Risk of loss, due to illegal piracy of content and services or due to fraud, bribery and theft.</p>	<p>Reduced editorial or commercial value of content, services and assets.</p> <p>Reputational damage and loss of confidence in company's ability as a credible global producer.</p>	<p>Frameworks in place to ensure robust controls to minimise the risk of disruption and loss. Third parties must also meet the Company's expectations.</p> <p>Working closely with other content providers, platforms and customers to act against illegal use of brand and participates in outreach and engagement projects to combat piracy.</p>
<p><b>Regulatory and compliance breaches</b></p> <p>Risk of non-compliance with increasing number of UK and international laws and regulations; many of which have an extra-territorial reach.</p>	<p>Civil or criminal challenge. Fines or penalties.</p> <p>Potential restrictions on business activities.</p>	<p>Frameworks exist to manage compliance risks internationally across the Company with regular updates to Senior Committees. Incident reporting process and corrective action taken.</p>

## Strategic Report (continued)

Promoting the success of the Company and Section 172 Statement of the Companies Act 2006 ('the Act')

The Directors are aware of their duty under Section 172 of the Act to act in a way which they consider, in good faith, would be most likely to promote the success of the Company, in doing so, to have regard (amongst other matters) to the factors detailed in section 172(1) of the Act. As a result of the governance structure embedded within the Company and the wider Group, the matters that it is responsible for considering under the Act have been considered to an appropriate extent by the Group in relation to this Company. The Directors have also considered relevant matters where appropriate. The BBC Studios Executive Committee is responsible for providing leadership to the Company – including setting its creative strategy and delivering commercial outcomes. This is achieved whilst promoting and protecting the BBC brand and reputation worldwide, according to the commercial criteria as set out in the Charter and Agreement.

As the UK's biggest producer of content, the Directors have a responsibility towards people and the planet. Consideration was given to steps to improve diversity and inclusion across the Company's content and teams, as well as to the plans for keeping production teams safe while making the programmes audiences love. The Company is the world leader in educating audiences on sustainability through its content. Consideration was given to the impact on the environment when making programmes - including targets around travel reduction, Albert certification, and net zero ambitions.

To the extent necessary for an understanding of the development, performance and position of the entity, a further explanation of how the Company and the wider Group has considered the matters set out in the Act is set out in the annual report of BBC Commercial Ltd, which does not form part of this report.

By order of the Board

DocuSigned by:  
  
6FDBEF52C39649E...  
Anthony Corriette  
Company Secretary  
Date: 23 June 2022

Registered address  
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:

- Lorraine Burgess (appointed 1 April 2022)
- Francis Ralph Lee
- Martyn Freeman (appointed 25 April 2022)
- Thomas Fussell (resigned 1 April 2022)

### Results and dividends

The Company made a profit after tax of £24m during the year (2021: £3m). No dividends were declared by the Company during the year (2021: nil).

### Financial instruments

The Company's financial risk management operations are carried out by a BBC Group Treasury function, within parameters defined formally by the policies and procedures manual agreed by the BBC Board. Full details are given in the consolidated financial statements of BBC Commercial Ltd, which is the group into which the Company is consolidated.

### Directors' interests and indemnities

No Director had any interest in the share capital of the Company throughout the financial year. 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' liability insurance cover was in place throughout the financial year.

### Employee participation

The Company has a dedicated plan to put people first, improve culture and develop talent. A package of wellbeing measures across mental and physical health is in place to help teams and individuals thrive, and regular staff surveys guide this work. The Company's digital learning platform enables employees to access training individually and virtually, and initiatives to improve leadership, career journeys and simplify processes across the Company were introduced, as well as a dedicated plan to improve diversity & inclusion.

### Diversity

Recruiting and developing a diverse workforce that is representative of contemporary British society is central to the modern BBC and to the Company as a subsidiary of the BBC. Creating a diverse workforce is part of the BBC's Diversity Strategy. Progress against the BBC Group's Diversity and Inclusion targets can be found in the BBC Group Annual Report and Accounts.

This has been developed into a workable framework and mechanisms for systematic action planning and reporting across four key areas:

- corporate strategy and business planning - ensuring equality and diversity are part of all strategic decision-making and business planning;
- audiences – understanding and responding to our diverse audiences, through research, audience engagement and outreach initiatives;
- output - creatively reflecting the diversity of our audiences across all our platforms, and in the development of new services and technology; and
- workforce - a workforce that reflects the diversity of modern Britain and an inclusive work environment.

### Training and development

Staff in all areas have opportunities to develop their skills. The Company organises comprehensive in-house and external training programmes, covering job-specific skill enhancement and management development.

BBC Studios Productions Limited

Registered number 09463829

31 March 2022



## Directors' Report (continued)

### Health and safety

The Company ensures that appropriate training is provided to staff in relation to health and safety, which includes specific training in response to hazards in a production environment. This is reinforced further by appropriate policies and procedures being in place.

### Disabled persons

Disabled persons are fully and fairly considered for vacancies arising within the Company and are given equal opportunities in relation to training, career development and promotion. Existing employees who become disabled are retained in employment wherever possible, after the provision of any necessary rehabilitation or training.

### The environment

The Company does not operate in industries where 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. 100% of productions in the year achieved Albert foot-printing. Streamlined Energy and Carbon Reporting for the Company can be found within the consolidated accounts of BBC Commercial Ltd, the Group into which the Company is consolidated.

### Corporate governance

The 2018 UK Corporate Governance Code, issued by the Financial Reporting Council and setting out principles of good corporate governance is not applicable to BBC Studios Productions Limited as a private limited company but the BBC Group voluntarily complies where appropriate. Disclosure of how the BBC complies may be obtained from [www.bbc.co.uk/annualreport](http://www.bbc.co.uk/annualreport).

### Political and charitable contributions

The Company made no political donations or contributions to charity during the year (2021: £nil).

### Future developments

See the Strategic Report for detail on the future developments of the Company.

### Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Directors have reviewed trading projections, which are expected to remain at pre-Covid-19 levels with a number of significant production titles scheduled for delivery during 2022/23. This takes into account measures to ensure ongoing compliance with Government and BBC Group Covid-19 filming guidance. Thus the Directors continue to adopt the going concern basis in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements.

### Post balance sheet events

As discussed in note 17, there were no events subsequent to the balance sheet date which require disclosure within the financial statements.

### Auditors

In accordance with the BBC Royal Charter, the Comptroller and Auditor General served as independent external auditor for the year ended 31 March 2022 and 31 March 2021. The National Audit Office have expressed their willingness to continue in office.

BBC Studios Productions Limited

Registered number 09463829

31 March 2022

## Directors' Report (continued)

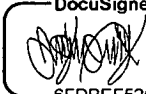
Statement as to disclosure of information to Auditors

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 Auditors are 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 Auditors are aware of that information.

By order of the Board

DocuSigned by:



6FDBEF52C39649E...  
Anthony Corriette  
Company Secretary  
Date: 23 June 2022

Registered address  
1 Television Centre  
101 Wood Lane  
London  
W12 7FA

## Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards (UK Generally Accepted Accounting Practice, comprising FRS 101 "Reduced Disclosure Framework" and applicable law).

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 for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- state whether applicable UK Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements.

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. The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Independent Auditor's Report to the members of BBC Studios Productions Limited

### Opinion on financial statements

I have audited the financial statements of BBC Studios Productions Limited ('the Company') for the year ended 31 March 2022 which comprise the Company's:

- Balance Sheet as at 31 March 2022;
- Income Statement and Statement of Changes in Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and its profit for the year then ended; and
- 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 requirements of the Companies Act 2006.

### Basis for opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 *Audit of Financial Statements of Public Sector Entities in the United Kingdom*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I have also elected to apply the ethical standards relevant to listed entities. I am independent of the Company in accordance with the ethical requirements that are relevant to my audit of 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

In auditing the financial statements, I have concluded that the Company's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

My evaluation of the director's assessment of the entity's ability to continue to adopt the going concern basis of accounting included review of managements forecasts and sensitivities, together with consideration of the borrowing facilities available.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other Information

The other information comprises information included in the Strategic Report and Directors' Report but does not include the financial statements and my auditor's report thereon. The directors are responsible for the other information.

My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, 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.

## Independent Auditor's Report to the members of BBC Studios Productions Limited (continued)

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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, based on the work undertaken in the course of the audit:

- the Strategic Report and the Directors' Report been prepared in accordance with applicable legal requirements; and
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which I report by exception

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

I have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept, 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.

### 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 in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as directors determine are necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error.
- assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the entity or to cease operations, or has 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).

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes my opinion. 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.

## Independent Auditor's Report to the members of BBC Studios Productions Limited (continued)

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, we considered the following:

- the nature of the sector, control environment and operational performance including the design of the Company's accounting policies, and key performance indicators.
- inquiring of management, the BBC Group Head of Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Company's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Company's controls relating to the Company's compliance with the Companies Act 2006,
- discussing among the engagement team and involving relevant internal specialists, including IT and Taxation specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Company for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, programme accounting, posting of unusual journals, complex transactions, and bias in management estimates including impairment reviews. In common with all audits under ISAs (UK), I am also required to perform specific procedures to respond to the risk of management override of controls.

I also obtained an understanding of the Company's framework of authority as well as other legal and regulatory frameworks in which the Company operates, focusing on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Company. The key laws and regulations I considered in this context included Companies Act 2006 and Tax Legislation.

### Audit response to identified risk

As a result of performing the above, the procedures I implemented to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- enquiring of management, the BBC Group Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- reading and reviewing minutes of meetings of those charged with governance and the Board and internal audit reports;

## Independent Auditor's Report to the members of BBC Studios Productions Limited (continued)

- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- other audit procedures responsive to the risk of fraud, non-compliance with laws and regulation included the review of Board Minutes, meeting with in-house legal counsel, testing of payroll transactions and review and recalculation of Corporation Tax balances.

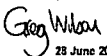
I also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my report.

### Other auditor's responsibilities

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.

DocuSigned by:

  
28 June 2022

37201B1421E8452...

Greg Wilson

Senior Statutory Auditor

Date: 28 June 2022

For and on behalf of the  
Comptroller and Auditor General (Statutory Auditor)  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

# Income Statement

for the year ended 31 March 2022

	Note	2022 £m	2021 £m
Revenue		423	271
Cost of sales		(346)	(219)
Gross profit		77	52
Administrative expenses		(45)	(49)
Operating profit	2	32	3
Operating profit reconciled as:			
EBITDA		39	9
Production tax credits		(1)	-
Depreciation and amortisation		(6)	(6)
Net financing income	5	(4)	1
Profit before taxation		28	4
Taxation	6	(4)	(1)
Profit for the year		24	3

All amounts above are derived from continuing activities.

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

The notes on pages 19 to 32 form part of the financial statements.



Balance Sheet  
as at 31 March 2022

	Note	2022 £m	2021 £m
Non-current assets			
Property, plant and equipment	7	38	17
		38	17
Current assets			
Inventory	9	77	78
Trade and other receivables	10	190	158
		267	236
Current liabilities			
Trade and other payables	11	(72)	(56)
Lease Obligations	8	(7)	(4)
Contract liabilities	1	(71)	(60)
Provisions	12	(1)	(1)
Current tax liabilities	6d	(4)	(1)
		(155)	(122)
Non-current liabilities			
Lease Obligations	8	(27)	(11)
Contract liabilities	1	(11)	(32)
		(38)	(43)
Net assets		112	88
Capital and reserves			
Retained earnings		112	88
Shareholders' Funds		112	88

The financial statements of BBC Studios Productions Limited, registered number 09463829 were approved by the Directors authorised for issue and signed on their behalf by:

DocuSigned by:

*Lorraine Burgess*

267FC5EB1D0A454...  
Lorraine Burgess

Director

Date: 23 June 2022

Statement of Changes in Equity  
for the year ended 31 March 2022

	Note	Share capital £m	Retained earnings £m	Total £m
At 31 March 2020		-	85	85
Dividends declared and paid in year	15	-	-	-
Profit for the year		-	3	3
At 31 March 2021		-	88	88
Dividends declared and paid in year	15	-	-	-
Profit for the year		-	24	24
At 31 March 2022	14	-	112	112

## Notes to the Financial Statements for the year ended 31 March 2022

### Statement of compliance with FRS 101

The financial statements of the Company have been prepared in accordance with the Companies Act 2006 and Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101).

The Company's financial statements are presented in Sterling, the functional currency of the Company, and all values are rounded to the nearest £1 million except where otherwise indicated.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts. The Company's immediate parent and controlling party is BBC Studios Limited and the results of the Company are consolidated within BBC Commercial Limited. The group accounts of the BBC and BBC Commercial Limited are available to the public and can be obtained as set out in note 18.

### Accounting policies

This section explains the Company's main accounting policies, which have been applied consistently throughout the year except where stated.

#### Basis of accounting

The financial statements have been prepared under the historical cost accounting convention, and in accordance with the Companies Act 2006.

#### Basis of preparation

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, for all periods presented.

As permitted by FRS 101, the Company has taken advantage of the following disclosure exemptions:

- IFRS 7 Financial instruments
- IFRS 13 Fair value measurement
- IAS 1 Presentation of financial statements
- IAS 7 Statement of cash flows
- IAS 8 Accounting policies, changes in accounting estimates and errors
- IAS 24 Related party disclosures
- IAS 36 Impairment of assets

#### Going concern

The Board remains satisfied with the Company's funding and liquidity position. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate with the levels of its existing facilities that are provided by BBC Commercial Limited, for a period of no less than 12 months from the date of signing these financial statements. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

## Notes to the Financial Statements (continued) for the year ended 31 March 2022

### Accounting policies (continued)

#### Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Revenue recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. The complexity of individual contractual terms may require the Company to make judgements in assessing when the triggers for revenue recognition have been met, particularly whether the Company has sufficiently fulfilled its obligations under the contract to allow revenue to be recognised.

Revenue is recognised either when the performance obligation in the contract has been performed ('point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer.

The Company's main sources of revenue and its policies for recognition of such revenue are summarised as follows:

- Primary commissioning income is recognised on delivery of the related programme or on a stage of completion basis, depending on the nature of the contract with the customer. Revenue is recognised either when the performance obligation in the contract has been performed ('point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer. The payment terms are over the term of the contract.
- Secondary rights revenue earned by the Company is recognised on receipt or on an accruals basis where sufficient reliable information is available.

#### Inventory

Work in progress relates to the costs of programmes in the course of production which were not delivered to the programme commissioner by 31 March 2022 and comprises of direct materials and, where applicable, direct labour costs and those overheads, such as indirect property and staff costs, that have been incurred in bringing the assets to their present location and condition. Inventory is valued at the lower of cost and net realisable value (NRV). NRV represents the estimated selling price less all estimated costs of completion. Revenue and cost of sales are recognised in line with meeting contractual obligations in accordance with IFRS 15.

#### Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profits for the year.

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date. Deferred tax assets and liabilities are offset, only if a legally enforceable right exists to offset current tax assets against current tax liabilities, the deferred taxes relate to the same taxation authority and that authority permits the Company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

## Notes to the Financial Statements (continued) for the year ended 31 March 2022

### Accounting policies (continued)

#### Financial instruments

Financial assets and liabilities (primarily cash and cash equivalents, trade receivables and trade payables) are recognised on the balance sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets are derecognised from the balance sheet when the Company's contractual rights to the cash flows expire or there has been a substantial transfer of the risks and rewards of the financial asset. Financial liabilities are derecognised from the Company's balance sheet when the obligation specified in the contract is discharged, cancelled or expires. At each balance sheet date, the Company assesses whether there is any objective evidence that

*Trade and other receivables*

Trade and other debtors are recognised at fair value plus directly attributable transaction costs less an allowance for estimated impairment. The allowance is based on objective evidence that the Company will not be able to recover all amounts due, through a review of all accounts and prior experience collecting outstanding balances. Changes in the carrying amount of the allowance are recognised in the profit and loss account.

A provision for impairment of trade and other receivables is recognised based on the simplified approach using the lifetime expected credit losses. During this process the probability of non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade and other receivables and contract assets.

#### Lease payments

Under IFRS 16, at inception of a contract the Company assesses whether a contract contains a lease; defined as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether:

- the contract involves the fair use of an identified asset - either specified explicitly or implicitly - and should be (or represent substantially all the capacity of) a physical asset. If the supplier has substantive substitution rights, the Company has the right to obtain substantially all the economic benefits from the use of the asset throughout
- the Company has the right to direct the use of the asset, which is when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relevant stand alone prices.

#### *As a lessee*

The Company recognises a right of use asset and a lease liability upon lease commencement. The right of use asset is initially measured at cost, being the initial amount of the lease liability adjusted for any lease payments made before the commencement date, plus any initial direct costs and an estimate of restoration costs, less incentives

The right of use asset is subsequently depreciated using a straight line method from the commencement date over the shorter of the lease term and its useful life (on the same basis as owned assets). The right of use asset is periodically reduced by impairment losses and adjustments for certain measurements of the lease liability.

## Notes to the Financial Statements (continued)

### for the year ended 31 March 2022

#### Accounting policies (continued)

The lease liability is initially measured at the present value of unpaid lease payments at commencement, discounted using the Company's incremental borrowing rate (unless the interest rate implicit in the lease can be readily determined).

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments
- variable payments dependent on an index or rate, measured using the index or rate at the commencement date
- amounts expected to be payable under a residual value guarantee, and
- the exercise price under a purchase option or lease payments in an optional renewal period that the Company is reasonable certain to exercise, and early termination penalties of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in index or rate, change in estimate of the amount expected to be payable under a residual rate guarantee, or a change in the assessment of an option being exercised.

When the lease liability is remeasured, a corresponding entry is made to the carrying amount of the right of use of asset or, if reduced to zero, recorded in the income statement.

Right of use assets that do not meet the definition of investment property are presented in "property, plant and equipment" and lease liabilities are presented in borrowings in the balance sheet.

#### Property, plant and equipment

##### *Owned assets*

Items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

##### *Depreciation*

Depreciation is provided to write off the cost of each item of property, plant and equipment, less its estimated residual value, on a straight line basis over its estimated useful life. The major categories of property, plant and equipment are depreciated as follows:

- Plant and machinery:
  - Production equipment - 3 to 10 years
  - Other – 3 to 10 years
- Furniture and fittings – 3 to 10 years

##### *Subsequent costs*

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

##### *Impairment*

An asset's carrying amount is written down immediately to its recoverable amount if it is greater than its estimated recoverable amount.

## Notes to the Financial Statements (continued)

for the year ended 31 March 2022

### Accounting policies (continued)

#### Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation arising from past events, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions, other than deferred tax, that are payable over a number of years are discounted to net present value at the balance sheet date using a discount rate appropriate to the particular provision concerned.

#### Retirement benefit plans

Employees of the Company participate in defined benefit schemes operated by the Company's ultimate parent, the British Broadcasting Corporation (BBC). The defined benefit schemes provide benefits based on pensionable pay. The assets of the BBC's main pension scheme, the BBC Pension Scheme, to which the majority of employees belong, are held separately from those of the BBC Group.

The BBC Pension Scheme is a group-wide scheme and there is no contractual agreement or stated policy for charging the net defined benefit cost to scheme participants. The contribution rates are set by the pension scheme trustees based on valuations which take a longer-term view of the assets required to fund the scheme's liabilities. Valuations of the scheme are performed by consulting actuaries, with formal valuations undertaken at least every three years. Accordingly, the Company accounts for contributions payable to the scheme as if the schemes were defined contribution schemes, as is required by IAS 19 Employee Benefits.

The amounts charged as expenditure for the defined contribution plans represent the contributions payable by the Company for the accounting period.

#### Termination benefits

Termination benefits are a component of restructuring provisions and are payable when employment is terminated before the normal retirement date. They are recognised as an expense when the Company is demonstrably committed to termination, being when there is a detailed formal plan to terminate employment without possibility of withdrawal.

#### Other employee benefits

Other short and long term employee benefits, including holiday pay and long service leave, are recognised as an expense over the period in which they accrue.

#### Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

## Notes to the Financial Statements (continued)

for the year ended 31 March 2022

Use of estimates and judgements continued

### *Leases*

Judgement is required when assessing whether a contract contains a lease, the timing of recognition under IFRS 16 *Leases* for assets under construction and the appropriate discount rates, etc to be applied where this is not implicit within the contract.

### *Revenue recognition*

The timing of revenue recognition requires judgement, as does the amount to be recognised. This may involve estimating the fair value of consideration before it is received. In making these judgements, the Group considers the revenue recognition criteria set out in IFRS 15 *Revenue from contracts with customers* and, in particular, whether the Group had transferred the significant risks and rewards of the goods/services to the customer.

### *Accruals*

Accruals include work in progress accruals, which arise in instances where a performance obligation has been satisfied but all associated expenditure has not yet been incurred. The basis of the calculation of such accruals is based upon forecast expenditure required to fulfil the contract.

### *Dividends on shares presented within equity*

Dividends are recognised through equity in the period in which they are declared. 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.

### *Adoption of new and revised accounting standards*

The following new and revised standards and Interpretations have been adopted for the first time, as they became effective for this financial year:

- Covid-19 Related Rent Concessions (Amendment to IFRS 16)
- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

They have been applied since 1 April 2021 and have not had a significant impact on the results or financial position of the Group.

### *New standards and interpretations not yet adopted*

At the date of authorisation of these financial statements, the following standards and interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the EU).

- Reference to the Conceptual Framework (Amendments to IFRS 3 Business Combinations)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements 2018 – 2020
- Classification of Liabilities as Current and Disclosure of Accounting Policies (Amendments to IAS 1)
- Definition of Accounting Estimate (Amendments to IAS 8)
- Deferred Tax related to assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Insurance Contracts (Amendments to IFRS 17)

The directors do not expect that the adoption of the standards and interpretations above would have a material impact on the financial statements of the Group in future periods.



## Notes to the Financial Statements (continued)

for the year ended 31 March 2022

## 1 Revenue

## Contract balances

Contract liabilities (deferred income) primarily relate to the consideration received from customers in advance of transferring a good or service. The following table provides analysis on significant changes to contract liabilities during the year:

	2022	2021
	£m	£m
At 1 April 2021	(91)	(42)
Decrease due to revenue recognised in the period	55	8
Increase due to cash received in advance and not recognised as revenue during the year	(46)	(59)
At 1 April 2022	(82)	(92)
Presented within:		
Current	(71)	(60)
Non-current	(11)	(32)
At 1 April 2022	(82)	(92)

## Contract costs

There were no capitalised commission fees or any other contract costs in the current year or prior year.

Applying the practical expedient in paragraph 94 of IFRS 15 Revenue from Contracts with Customers, the Company recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the assets that the Company otherwise would have recognised is one year or less.

## 2 Operating profit

Operating profit is stated after charging;

	Note	£000's	£000's
Staff costs	4	93,155	84,206
Write down of inventory recognised as an expense		1,048	7,157
Depreciation of owned assets	7a	679	661
Depreciation of leased assets	7b	5,747	3,588
Expenses relating to short term leases		8,399	5,457
Expenses relating to leases of low value assets, excluding short term leases		314	274
Audit fees payable to the National Audit Office		264	259
Amortisation of intangible fixed assets		7	9

Operating costs directly related to programme expenditure are capitalised within work in progress. Amounts held in work in progress are released to cost of sales on the income statement in line with the revenue recognition policy.

## 3 Profit on ordinary activities before interest and tax

The Company made an operating profit of £32 million (2021: 3m) and a profit after tax of £24m (2021: 3m) for the year ending 31 March 2022.

## Notes to the Financial Statements (continued)

for the year ended 31 March 2022

## 4 Staff numbers and costs

## 4a Persons employed

The average monthly number of persons (including Directors) employed by the Company during the year was 1,251 (2021: 1,131). Within the averages, 127 (2021: 121) part-time employees have been included at their full-time equivalent of 91 (2021: 86). The Company also employed an average full-time equivalent of 549 (2021: 365) persons on a casual basis.

4b Staff costs (including Directors)	2022	2021
	£m	£m
Salaries and wages	70	64
Social security costs	11	9
Pension costs	9	8
Restructuring costs	3	3
<b>Total staff costs</b>	<b>93</b>	<b>84</b>

## 4c Directors' remuneration

One Director (2021: 1) is remunerated by the Company, and accordingly they are the highest paid Director. Their remuneration is as follows:

	2022	2021
	£'000	£'000
Aggregate emoluments	372	358
Pension contributions	33	32
<b>Total Directors' remuneration</b>	<b>406</b>	<b>390</b>

Amounts exclude any charges borne by the Company and recharged to other companies.

The defined benefit pension included in the above reflects 42.3% employer contribution in 2021/22. Post-employment benefits are accruing for one (2021: one) Director under a defined benefit scheme.

## 5 Net financing income

	2022	2021
	£m	£m
Interest (paid)/received on loans	(4)	1
<b>Total financing income</b>	<b>(4)</b>	<b>1</b>

## Notes to the Financial Statements (continued)

for the year ended 31 March 2022

## 6 Taxation

## 6a Analysis of charges for the period

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

	2022 £000	2021 £000
Current tax:		
UK corporation tax	4,597	846
	4,597	846
Adjustments in respect of previous years	153	(64)
Total current tax	4,750	782
Deferred tax		
Origination and reversal of temporary differences	17	(10)
Tax rate reduction	(28)	-
Adjustment in respect of prior years	(313)	38
Total deferred tax	(324)	28
Total tax charge for the year	4,426	810

## 6b Factors affecting the tax charge

	2022 £000	2021 £000
Profit on ordinary activities before tax	28,063	3,806
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19%	5,332	715
Effects of:		
Other disallowable expenditure	19	8
Investment write-offs	-	300
HETC	(740)	(187)
Prior Year Adjustments		
Current Tax	153	(64)
Deferred tax	(313)	38
Temporary differences:		
Depreciation in excess of capital allowances	(15)	10
Other temporary differences	1	-
Origination and reversal of temporary differences	17	(10)
Tax rate reduction	(28)	-
Total tax charge for the year	4,426	810

## Factors affecting future tax expense

The UK corporation tax rate continues to be 19%

The Chancellor announced on 3 March 2021 that the current corporation tax rate of 19% would increase to 25%, with effect from 1 April 2023. This was substantively enacted on 24 May 2021 and therefore the deferred tax liabilities arising have been recognised using a rate of 25%.

There are many future changes to worldwide taxation systems as a result of the potential adoption by the UK and individual territories of measures relating to the OECD Base Erosion and Profit Shifting Actions. The company continues to actively monitor any developments and evaluate their potential impact. The company does not expect the future tax rate to be materially impacted by these changes to the international tax landscape.

Notes to the Financial Statements (continued)  
for the year ended 31 March 2022

6c Deferred tax analysis

In accordance with IAS 12, Income Tax, the company provides for all deferred tax liabilities in full at and deferred tax assets where they are expected to be realised in the foreseeable future at a rate of 25% (2021: 19%)

	2022	2021
	£000	£000
Deferred tax provision		
Provision at start of year	(88)	(116)
Deferred tax (credit)/charge	(324)	28
Provision at end of year	(412)	(88)
	2022	2021
	£000	£000
Deferred tax asset		
Decelerated capital allowances	(400)	(81)
Other temporary differences	(12)	(7)
	(412)	(88)

6d Current tax liabilities

The current tax liability totalling £4m (2021: £1m) relates to corporation tax due to HMRC.

Notes to the Financial Statements (continued)  
for the year ended 31 March 2022

7 Property, plant and equipment

7a Owned assets

	Plant and machinery £m	Assets under construction £m	Total £m
Cost			
At 1 April 2020	4	1	5
Transfers	1	(1)	-
Disposals	-	-	-
At 31 March 2021	5	-	5
Additions	-	4	4
Transfers	1	(1)	-
At 31 March 2022	6	3	9
Depreciation			
At 1 April 2020	1	-	1
Charge for the year	1	-	1
At 31 March 2021	2	-	2
Charge for the year	1	-	1
At 31 March 2022	3	-	3
Net book value			
At 31 March 2022	3	3	6
At 31 March 2021	3	-	3

7b Right of use assets

	Land and Buildings £m	Plant and machinery £m	Total £m
At 1 April 2020	1	1	2
Additions	-	14	14
Disposals	1	-	1
Less: Charge for the year	(1)	(2)	(3)
At 31 March 2021	1	13	14
Additions	23	-	23
Disposals	-	-	-
Less: Charge for the year	(3)	(2)	(5)
At 31 March 2022	21	11	32

## Notes to the Financial Statements (continued)

for the year ended 31 March 2022

## 8 Lease obligations

	2022	2021
	£m	£m
Lease obligations due within one year	7	4
Lease obligations due after more than one year	27	11
Total borrowings due after more than one year	34	15

The aging of obligations under leases is as follows:

	2022	2021
	£m	£m
Within one year	7	4
Between one and five years	19	9
Over five years	8	2
Total obligations under leases	34	15

## 9 Inventory

	2022	2021
	£m	£m
Work in progress	77	78
Total inventory	77	78

The work in progress balance comprises the cost of programmes in the course of production that were not delivered to the commissioner by 31 March 2022. Amounts held in work in progress are released to the income statement in line with the revenue recognition policy. During 2021/22, £346m (2021: £219m) was released to the income statement from work in progress, along with an associated revenue of £423m (2021: £246m).

## 10 Trade and other receivables

	2022	2021
	£m	£m
Amounts due within one year:		
Intercompany receivables	178	151
Trade receivables	4	4
Tax Asset	1	-
VAT	3	2
Other receivables	4	2
Total receivables	190	158

## 11 Trade and other payables

	2022	2021
	£m	£m
Amounts due within one year:		
Intercompany payables	11	12
Trade payables	4	3
Accruals and deferred income	47	35
Other payables	7	3
Taxation and social security	3	3
Total payables	72	56

Notes to the Financial Statements (continued)  
for the year ended 31 March 2022

## 12 Provisions

	At 1 April 2021 £m	Charge for the year £m	Utilised during the year £m	Released during the year £m	At 31 March 2022 £m
Amounts due within one year:					
Provision for restructuring costs	1	1	(2)	-	-
Other provisions	-	1	-	-	1
Total: included in current liabilities	1	2	(2)	-	1

Restructuring provisions are determined by the probable costs relating to reorganisations, relocations and redundancies in the Company

## 13 Share capital

	2022 £'000	2021 £'000
Allotted, called up and fully paid:		
50,000 Ordinary shares of £1 each	50	50
Total share capital	50	50

The Company has one class of ordinary shares which carry no right to fixed income.

## 14 Reserves

The retained earnings reserve reflects the combination of results from operations in the current and previous years. Share capital represents the total value of shares issued to the company's parent company.

## 15 Dividends

No dividends were declared in the current year or previous year.

## 16 Ultimate controlling party

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 Company's immediate parent and controlling party is BBC Studios Limited, a company registered in England and Wales. The results of the Company are consolidated within BBC Commercial Limited and the British Broadcasting Corporation. Copies of the financial statements of the BBC can be obtained from [www.bbc.co.uk/annualreport](http://www.bbc.co.uk/annualreport).

## 17 Post-balance sheet events

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

## Notes to the Financial Statements (continued)

for the year ended 31 March 2022

## 18 Subsidiary undertakings

The Company owns 100% of the issued share capital of the following companies recognised at cost, which are incorporated in Great Britain and registered in England and Wales:

	Investment value £	Holding of ordinary shares %
Directly owned subsidiaries		
BBC Grafton House Productions Limited	2	100
BBC Comedy Productions Limited	2	100
BBC Natural History and Factual Productions Limited	2	100
Nice and Accurate Productions Limited	1	100
Mortimer Productions Limited	1	100
BBC Natural History Giant Screen Limited	1	100
BBC Studios Productions (Clifton) Limited	1	100

Registered address of subsidiaries: 1 Television Centre, 101 Wood Lane, London, United Kingdom, W12 7FA.

## 19 Related party transactions

The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly owned subsidiaries. There were no other material transactions with related parties during the current or prior year. Transactions with related parties are made on an arm's length basis.

## 20 Cash and cash equivalents

During the year, only cash was held by the Company.