

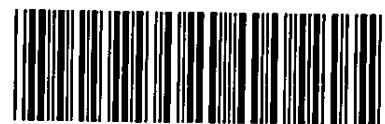
BBC Free To View (Satellite) Limited

**Directors' report and financial
statements**

Registered number 06250237

31 March 2008

MONDAY



LBO2W6UI

LD3

26/01/2009

74

COMPANIES HOUSE

Contents

Directors' report	1
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	2
Independent auditors' report to the members of BBC Free To View (Satellite) Limited	3
Profit and Loss Account	5
Balance Sheet	6
Notes	7

Directors' report

The directors present their report and financial statements for the 11-month period ended 31 March 2008.

Date of incorporation

The Company was incorporated on 16 May 2007.

Principal activities

The principle activity of the company is providing, procuring and managing satellite broadcasting.

Dividends

The directors do not recommend the payment of a dividend.

Directors

The directors who held office during the period were as follows:

Tim Davie	(appointed 5 June 2007)
Richard Waghorn	(appointed 5 June 2007)
Edward Lumb	(resigned 5 June 2007)
Simon Haynes	(resigned 5 June 2007)

No director had any interest in the share capital of the Company at any time during the 11-month period. No rights to subscribe for shares in, or debentures of, the Company or any other group company were granted to any of the directors or their immediate families, or exercised by them, during the financial period.

Employees

The Company had no employees other than directors during the financial period.

Political and charitable contributions

The Company made no political or charitable donations during the period.

Disclosure of information to auditors

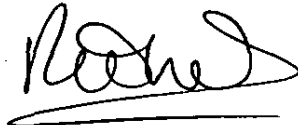
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make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

Auditors

KPMG LLP were appointed auditors to the Company during the period.

The report was approved by order of the board on 14th January 2009 and signed on its behalf.

Richard Waghorn
Director



Room 2220 White City
201 Wood Lane
London
W12 7TQ

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Independent auditors' report to the members of BBC Free To View (Satellite) Limited

We have audited the financial statements of BBC Free To View (Satellite) Limited for the 11-month period ended 31 March 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of BBC Free To View (Satellite) Limited (*continued*)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its result for the 11-month period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985;
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

22 January 2009

Profit and Loss Account
for the 11-month period ended 31 March 2008

	Notes	11-month period ended 31 March 2008 £
Turnover		-
Cost of sales		-
		<hr/>
Gross profit		-
Administrative expenses		-
		<hr/>
Operating profit	2	-
Interest receivable and similar income	4	3,414,469
Interest payable and similar charges	5	(3,414,469)
		<hr/>
Result on ordinary activities before taxation		-
Tax on result on ordinary activities	6	-
		<hr/>
Result for the financial period		-
		<hr/>

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

All results are derived from continuing activities.

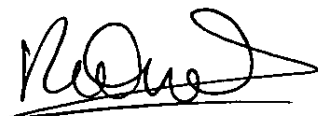
There are no gains or losses other than those shown above and therefore no separate statement of recognised gains and losses is presented.

The notes on pages 7 – 11 form part of these financial statements.

Balance Sheet
at 31 March 2008

	<i>Notes</i>	31 March 2008
		£
Fixed Assets		
Investments in joint ventures	7	50
Current assets		
Debtors	8	1
Creditors: amounts falling due within one year	9	(50)
		<hr/>
Net current liabilities		(49)
		<hr/>
Net assets		1
		<hr/>
Capital and reserves		
Called up share capital	10	1
		<hr/>
Shareholders' funds		1
		<hr/>

These financial statements were approved by the board of directors on 14th January 2009 and were signed on its behalf by:



Richard Waghorn
Director

Notes

(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

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

Under Financial Reporting Standard 1 (revised 1996) *Cash Flow Statements*, the company is exempt from the requirement to prepare a cash flow statement on the grounds that the parent undertaking includes the company in its own published consolidated financial statements.

As 100% of the company's voting rights are controlled within the group headed by the BBC, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 *Related Party Transactions* and has therefore not disclosed related party transactions or balances with entities which form part of the group. The consolidated financial statements of the BBC, within which this company is included, can be obtained from the address given in note 14.

Turnover

The Company does not engage in business that gives rise to any turnover.

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 Financial Reporting Standard 19.

Investments

Investments are recorded at cost less provision for any impairment in value.

Notes (continued)

2 Operating profit

An amount of £5,000 was allocated to BBC Free to View (Satellite) Limited for the audit fee. This was borne by the parent company and not recharged.

3 Employees and remuneration

The Company did not employ staff at any time during the period nor make any payments in respect of wages and salaries.

None of the directors received any remuneration from the Company in the period.

4 Interest receivable and similar income

	11-month period ended 31 March 2008 £
Interest receivable and similar income	3,414,469

The Company's contributions to Freesat (UK) Ltd are funded by loans from its parent company, the BBC. Loans payable to the parent company have been written off during the period.

5 Interest payable and similar charges

	11-month period ended 31 March 2008 £
Interest receivable and similar income	3,414,469

The Company's contributions to Freesat (UK) Ltd are funded by loans from its parent company, the BBC. Loans receivable from Freesat (UK) Ltd have been written off during the period.

6 Taxation

The charge for the period based on a rate of corporation tax of 30% is comprised of:

	11-month period ended 31 March 2008 £
Current tax on income for the period	-
Tax on result on ordinary activities	-

7 Investments in joint ventures

	31 March 2008 £
<i>Cost</i>	
At 16 May 2007	-
Additions in the period	50
At 31 March 2008	50

The Company's investment in joint ventures comprises:

<u>Name</u>	<u>Nature of entity</u>	<u>Partner</u>
Freesat (UK) Limited	Joint Venture	ITV Broadcasting Limited

The joint venture was formed on 16 May 2007. The Company holds 50% of the shares in Freesat UK Limited, and the other 50% is held by ITV Broadcasting Limited.

8 Debtors

	31 March 2008 £
Amounts owed by parent undertaking	1

9 Creditors: amounts falling due within one year

	31 March 2008
	£
Amounts owed to joint venture	50
	<u>50</u>

The Company's contributions to the joint venture are funded by loans from its parent company, the BBC. The total value of loan receipts and interest accrued during the year amounts to £3,414,469 and has been written off.

10 Called up share capital

	31 March 2008
	£
<i>Authorised</i>	
Ordinary shares of £1 each	1,000
	<u>1,000</u>
<i>Allotted and called up</i>	
Ordinary shares of £1 each	1
	<u>1</u>

One ordinary share was issued on the 16th May 2007 for the value of £1.

11 Reconciliation of Movements in Shareholders' Funds

	2008
	£
Result for the financial period	-
Issue of Share Capital	1
	<u>1</u>
Net addition to shareholders' funds	1
Shareholders' funds at 16 May 2007	-
	<u>1</u>
Shareholders' funds at 31 March 2008	1
	<u>1</u>

12 Commitments

The company had no commitments at 31 March 2008

13 Contingent liability

The company had no contingent liabilities at 31 March 2008

14 Ultimate parent company and parent undertaking of larger group of which the company is a member

The Company is a subsidiary undertaking of the BBC which is the ultimate parent company incorporated in United Kingdom by Royal Charter.

The largest and the only group in which the results of the Company are consolidated is that headed by the BBC. Copies of the financial statements of the BBC may be obtained from the BBC Trust Unit, Room 211, 35 Marylebone High Street, London, W1U 4AA.