

BBC FREE TO VIEW (SATELLITE) LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

Registered Number: 06250237

Year Ended 31 March 2015

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Director's Report

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

Principal activities

BBC Free To View (Satellite) Limited ('the Company') is a holding company for the BBC's 50% share of Freesat (UK) Limited, whose principle activity is providing, procuring and managing satellite broadcasting. The director expects the company to continue with these activities for the foreseeable future.

Results and dividends

The Company made a profit of £296,693 (2014: £260,333) during the year. The director does not recommend the payment of a dividend (2014: £nil).

Strategic report

The Company is exempt by virtue of its size from the requirement to prepare a strategic report.

Directors

The director who held office during the year and at the date of this report, was:

Balraj Samra

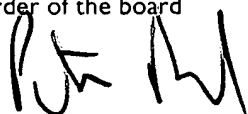
Disclosure of information to auditors

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

Auditors

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

By order of the board



Peter Ranyard

Company Secretary

2 DECEMBER 2015

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

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

The director is responsible for preparing the Director's Report 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).

Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

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

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. The director has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to members of BBC Free To View (Satellite) Limited

We have audited the financial statements of BBC Free To View (Satellite) Limited for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the 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.

Ernst & Young LLP

Michael Rudberg (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
1 More London Place

London

SEI 2AF

9 / 12 / 2015

Profit and loss account for the year ended 31 March 2015

	Note	2015 £	2014 £
Operating profit	2	-	-
Interest receivable and similar income	4	375,561	337,664
Profit on ordinary activities before taxation		375,561	337,664
Taxation on profit on ordinary activities	5	(78,868)	(77,331)
Profit for the financial year		296,693	260,333

All the above amounts are derived from continuing activities.

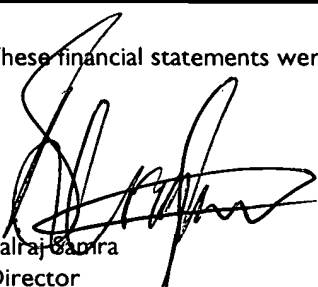
There are no recognised gains or losses other than those shown above and therefore no separate statement of recognised gains and losses is presented.

The notes on pages 8 to 11 form part of the financial statements.

Balance sheet at 31 March 2015

	Note	2015 £	2014 £
Fixed Assets			
Investment in joint ventures	6	50	50
Current assets			
Debtors: amounts falling due within one year	7	27,621,002	25,245,441
Creditors: amounts falling due after more than one year	8	(26,243,679)	(24,164,811)
Net current assets		1,377,323	1,080,630
Net Assets		1,377,373	1,080,680
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account	10	1,377,372	1,080,679
Shareholders' funds		1,377,373	1,080,680

These financial statements were approved by the director on 2 December 2015:



Balraj Samra
Director

BBC Free To View (Satellite) Limited
Registered number: 06250237
31 March 2015

Notes to the financial statements

1 Accounting policies

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

Basis of preparation

The financial statements are presented in accordance with UK GAAP under the historical cost accounting convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the UK.

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

As the company is a wholly owned subsidiary of BBC, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of BBC, within which the company is included, can be obtained from the address in note 12.

Going Concern

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

Taxation

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

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

Investments

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

2 Operating profit

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

3 Employees and directors remuneration

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

The director did not receive any remuneration from the Company in the period (2014: £nil).

Notes to the financial statements (continued)

4 Interest Receivable and similar income

	2015 £	2014 £
Interest receivable and similar income	375,561	337,664

The Company's contributions to Freesat (UK) Ltd are funded by loans from its parent company, the BBC.

5 Taxation on ordinary activities

	2015 £	2014 £
UK Corporation Tax – current tax credit for the year	78,868	77,331

Factors affecting the tax charge for the current period

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

	2015 £	2014 £
Profit on ordinary activities before tax	375,561	337,664
Profit on ordinary activities at the standard rate of corporation tax in the UK of 21% (2014: 23%)	78,868	77,663
Prior year adjustments	-	(332)
Current tax credit for the year	78,868	77,331

The UK government previously announced a phased reduction in the main rate of corporation tax in the UK. On 1 April 2014, the rate reduced to 21%. The corporation tax rate further reduced to 20% from 1 April 2015. On 8 July 2015, the Chancellor announced in his budget speech his intention to reduce the UK corporation tax rate from 20% to 19% effective 1 April 2017 and from 19% to 18% effective from 1 April 2020. These changes were not substantively enacted at the balance sheet date and are not expected to have a significant impact on the company's tax balances. Deferred tax has been calculated applying the tax rates that have been enacted at the balance sheet date with no material effect on the BBC group.

6 Investment in joint ventures

	2015 £	2014 £
Cost:		
At 1 April and 31 March	50	50

The Company's investment in joint ventures accounts for 50% share in the capital of the following company incorporated in England and Wales:

Name	Principle Activity	Partners
Freesat (UK) Limited	Managing satellite broadcasting	ITV Broadcasting Limited

Notes to the financial statements (continued)

7 Debtors

	2015 £	2014 £
Receivable within one year		
Amounts owed by joint venture	27,621,002	25,245,441

The Company's contributions to the joint venture are subject to an interest rate of 1.5%.

8 Creditors: amounts falling due within one year

	2015 £	2014 £
Amount due to joint venture	50	50
Amounts owed to parent undertaking	26,164,804	24,087,141
Corporation tax	78,825	77,620
Total creditors	26,243,679	24,164,811

The Company's contributions to the joint venture are funded by loans from its parent company, the BBC. The loan from the parent company is only repayable to the extent that monies have been received from the joint venture. The loan from the parent company is interest free.

9 Share capital

	2015 £	2014 £
Allotted, called up and fully paid:		
1 ordinary share of £1	1	1

10 Reconciliation of movements in shareholder's funds

	2015 £	2014 £
As at 1 April 2014	1,080,680	820,347
Retained profit for the year	296,693	260,333
As at 31 March 2015	1,377,373	1,080,680

11 Related party transactions

The Company charged Freesat (UK) Ltd interest of £375,561 (2014: £337,664) during the year it also advanced Freesat (UK) Ltd a further £2,077,663 (2014: £3,800,000). The loan contributions are made for the provision of satellite broadcasting. At the end of the year, the Company was owed £27,621,002 (2014: £25,245,441) by Freesat (UK) Ltd. At the end of the year the Company owed Freesat (UK) Ltd £50 (2014: £50).

Notes to the financial statements (continued)

12 Ultimate holding and controlling party

The Company's ultimate parent undertaking and controlling party is the British Broadcasting Corporation which is incorporated in the 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 British Broadcasting Corporation. Copies of the financial statements of the BBC can be obtained from the BBC Trust Unit, 180 Great Portland Street, London, W1W 5QZ.