

**BBC Free to View (Satellite) Limited**

Registered number 06250237

**Annual Report and Financial Statements**

for the year ended 31 March 2019



## **Contents**

- 2 Director's Report**
- 4 Statement of Director's Responsibilities**
- 5 Income Statement**
- 6 Balance Sheet**
- 7 Statement of Changes in Equity**
- 8 Notes to the Financial Statements**

## **Director's Report**

### **Principal activities**

BBC Free to View (Satellite) Limited ('the Company') is a holding company for the BBC's 50% share of Freesat (UK) Limited.

### **Director**

The Director who held office during the year and at the date of this report, unless otherwise stated, was:

Balraj Samra

The Company Secretary is Peter Ranyard.

### **Results and dividends**

The Company made a profit of £423,567 (2018: £367,789) during the year. The Director does not recommend the payment of a dividend (2018: £nil).

### **Financial instruments**

The Company's financial risk management operations are managed by a BBC Group Treasury function, within parameters defined formally within the policies and procedures manual agreed by the BBC Board.

### **Directors interest 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 as appropriate.

### **Corporate Governance**

The 2016 UK Corporate Governance Code, issued by the Financial Reporting Council and setting out principles of good corporate governance is not applicable to BBC Free to View (Satellite) 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 did not make any political donations or donations to charity during the period (2018: £nil).

### **Going concern**

The Director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus he continues 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**

There have been no significant events affecting the Company since the year end.

### **Small companies provision statement**

These accounts have been prepared and delivered in accordance with the small companies regime under the Companies Act 2006. The Company is exempt by virtue of its size from the requirement to prepare a strategic report.

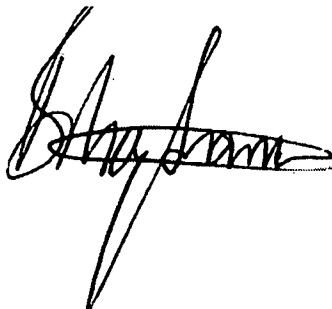
BBC Free to View (Satellite) Limited

Registered number: 06250237

31 March 2019

**Director's Report (continued)**

By order of the Board.

A handwritten signature in black ink, appearing to read 'Balraj Samra', with a long horizontal stroke extending to the right.

**Balraj Samra**  
Director  
4 September 2019

Broadcast Centre  
Media Village  
201 Wood Lane  
London  
W12 7TP

## **Statement of Director's Responsibilities**

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 Director to prepare financial statements for each financial year. Under that law he has elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

**Income Statement**  
for the year ended 31 March 2019

	Note	2019 £	2018 £
<b>Operating profit</b>		-	-
Interest receivable and similar income	5	522,922	454,061
Other operating income		101	-
<b>Profit on ordinary activities before taxation</b>		<b>523,023</b>	454,061
Taxation on profit on ordinary activities	6	(99,355)	(86,272)
<b>Profit for the financial year</b>		<b>423,668</b>	367,789

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 8 to 11 form part of the financial statements.

**Balance Sheet**  
as at 31 March 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Investment in joint venture	7	50	50
<b>Current assets</b>			
Debtors due within one year	8	35,281,362	34,530,440
<b>Total assets</b>		<b>35,281,412</b>	<b>34,530,490</b>
<b>Creditors: amounts falling due within one year</b>			
Trade and other payables	9	(32,441,008)	(32,113,755)
<b>Net current assets</b>		<b>2,840,354</b>	<b>2,416,685</b>
<b>Net Assets</b>		<b>2,840,404</b>	<b>2,416,735</b>
<b>Capital and reserves</b>			
Called up share capital	10	1	1
Retained earnings		2,840,403	2,416,734
<b>Shareholders' funds</b>		<b>2,840,404</b>	<b>2,416,735</b>

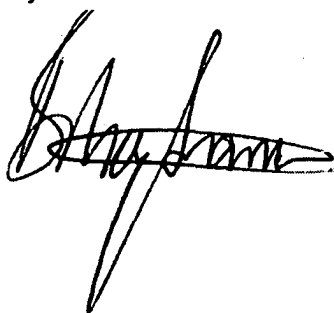
The report and financial statements have been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

For the year ended 31 March 2019 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

**Director's responsibilities:**

- The member has not required the Company to obtain an audit of its accounts for the period in question in accordance with section 476.
- The Director acknowledges his responsibilities for complying with the requirement of the Act with respect to accounting records and the preparation of accounts.

The financial statements of BBC Free to View (Satellite) Limited, registered number 06250237, were approved and authorised for issue by the Board of Directors on 4 September 2019, and signed on their behalf by:



**Balraj Samra**  
Director

**Statement of Changes in Equity**  
for the year ended 31 March 2019

	Share capital £	Retained earnings £	Total £
<b>At 1 April 2017</b>	<b>1</b>	<b>2,048,945</b>	<b>2,048,946</b>
Profit for the year	-	367,789	367,789
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>367,789</b>	<b>367,789</b>
<b>At 31 March 2018</b>	<b>1</b>	<b>2,416,734</b>	<b>2,416,735</b>
Profit for the year	-	423,668	423,668
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>423,668</b>	<b>423,668</b>
<b>At 31 March 2019</b>	<b>1</b>	<b>2,840,403</b>	<b>2,840,404</b>



**Notes to the Financial Statements**  
for the year ended 31 March 2019

**1 Authorisation of financial statements and statement of compliance with FRS 101**

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

The Company's financial statements are presented in Sterling and all values are rounded to the nearest pound except where otherwise indicated.

**2 Accounting policies**

This section explains the Company's main accounting policies, which have been applied consistently throughout the year and in the preceding year.

**Basis of accounting**

The financial statements have been prepared under the historical cost 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 under

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

**Going concern**

Although the Company is not immune from the effects of the current economic environment, the Director believes the business is well placed to manage the risks effectively, and has adequate resources to continue in operation for the foreseeable future. As a result the going concern basis has been adopted in the preparation of the financial statements.

**Notes to the Financial Statements (continued)**  
for the year ended 31 March 2019

**2 Accounting policies (continued)**

**Financial instruments**

Financial assets and liabilities 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 any financial asset is impaired.

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**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.

**3 Judgements and key sources of estimation uncertainty**

**Impairment of investments in joint ventures**

Determining whether the Company's investments in joint ventures have been impaired required estimations of the investments' value in use. The value in use calculations require the entity to estimate the future cash flows expected to arise from the investments and suitable discount rates in order to calculate present value. The carrying amount of investments in joint ventures at the balance sheet date was £50 with no impairment loss recognised in 2018 or 2019.

**4 Employees and Director's remuneration**

The Company did not have any employees during the year (2018: nil) nor did it make any payments in respect of wages and salaries (2018: nil).

The Directors received no remuneration from the Company during the year (2018: nil).

**5 Interest Receivable and similar income**

	2019 £	2018 £
Interest Receivable and similar income	522,921	454,061

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

**Notes to the Financial Statements (continued)**  
for the year ended 31 March 2019

**6 Taxation on ordinary activities**

**6a Analysis of charges/(credit) for the period**

The charge for the year, based on a rate of corporation tax of 19% (2018: 19%), comprises:

	2019 £	2018 £
<b>Current tax</b>		
UK Corporation tax - current tax charge for the year	(99,355)	(86,272)
<b>Total charge for the year</b>	<b>(99,355)</b>	<b>(86,272)</b>

Corporation tax is calculated at 19% (2018: 19%) of the estimated assessable UK profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

**6b Reconciliation of the total tax charge**

The effective rate of tax for the year ended 31 March 2018 was the same as the standard rate of tax in the UK of 19% (2018: 19%) as a result of the following:

	2019 £	2018 £
<b>Profit on ordinary activities before tax</b>	<b>522,921</b>	<b>454,061</b>
Tax on profit on ordinary activities at standard UK corporation tax rate of 19% (2018: 19%)	(99,355)	(86,272)
<b>Total tax charge for the year</b>	<b>(99,355)</b>	<b>(86,272)</b>

There were no amounts relating to tax recognised in other comprehensive income.

**7 Investments in joint ventures**

	2019 £	2018 £
Cost at 1 April	50	50
Impairment	-	-
<b>Cost at 31 March</b>	<b>50</b>	<b>50</b>

The Company's investment in joint ventures accounts for a 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)**  
for the year ended 31 March 2019

**8 Debtors due within one year**

	2019	2018
	£	£
<b>Receivable within one year</b>		
Amounts owed by joint venture	35,281,362	34,530,440

**9 Creditors: amounts falling due within one year**

	2019	2018
	£	£
Amount due to joint venture	-	50
Amounts owed to parent undertaking	32,341,653	32,027,476
Corporation tax	99,355	86,229
<b>Total creditors</b>	<b>32,441,008</b>	<b>32,113,755</b>

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 is interest free.

**10 Share capital**

	2019	2018
	£	£
Allotted, called up and fully paid:		
1 ordinary share of £1 each	1	1

**11 Ultimate controlling party**

The Company's ultimate parent undertaking is the British Broadcasting Corporation which is incorporated in the United Kingdom by Royal Charter. The largest and 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 may be obtained from [www.bbc.co.uk/annualreport](http://www.bbc.co.uk/annualreport).