Financial Statements
BBC Grafton House Productions Limited

For the Year Ended 31 March 2016

Registered number: 08539875

Company Information

Directors	G Ronald C Villar P Ranyard
Company secretary	N Whiting
Registered number	08539875
Registered office	BC2 A5 Broadcast Centre Media Village London W12 7TP
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Grant Thornton House Melton Street Euston Square London NW1 2EP

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Strategic Report
For the Year Ended 31 March 2016

Introduction

The Directors present their strategic report of BBC Grafton House Productions Limited (the "Company") for the year to 31 March 2016.

Principal activities

The principal activities of the Company is the production of television programmes.

Business review and financial key performance indicators

The Company considers its key performance indicators to be Turnover and Profit after Taxes.

Turnover for the year was £42,000,809. Turnover relates to the sale of the various drama television series to the parent company, the British Broadcasting Corporation, from whom the programmes were commissioned. The Company achieved an after tax profit of £829,451 for the year ended 31 March 2016.

Principal risks and uncertainties

The Company's principal risks and uncertainties are consistent with those of the British Broadcasting Corporation group, full details of which are given on pages 74 and 75 of the British Broadcasting Corporation consolidated financial statements which are available from www.bbc.co.uk.

This report was approved by the board and signed on its behalf.

C Villar

C Villar
Director

Date: 15/12/16

Directors' Report
For the Year Ended 31 March 2016

The directors present their report and the financial statements for the year ended 31 March 2016.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

Results and dividends

The profit for the year, after taxation, amounted to £829,451 (2015 - £292,129).

The directors do not recommend the payment of a dividend.

Directors

The directors who served during the year were:

G Ronald
C Villar
P Ranyard

Future developments

The Company will continue to produce high end television dramas.

Directors' Report

For the Year Ended 31 March 2016

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

C Villar

C Villar
Director

Date: 15/12/16

Independent Auditor's Report to the Members of BBC Grafton House Productions Limited

We have audited the financial statements of BBC Grafton House Productions Limited for the year ended 31 March 2016, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' responsibilities statement on, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2016 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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements.

Grant Thornton

Independent Auditor's Report to the Members of BBC Grafton House Productions Limited (continued)

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.

Steven Leith (Senior statutory auditor)

for and on behalf of
Grant Thornton UK LLP

Chartered Accountants
Statutory Auditor

London
Date: 16|12|16

Statement of Comprehensive Income
For the Year Ended 31 March 2016

	Note	2016 £	2015 £
Turnover	4	**42,000,809**	26,525,016
Cost of sales		**(50,265,499)**	(31,423,359)
Gross loss		**(8,264,690)**	(4,898,343)
Administrative expenses		**(137,500)**	(118,000)
Operating loss	5	**(8,402,190)**	(5,016,343)
Tax on loss	7	**9,231,641**	5,308,472
Profit for the year		**829,451**	292,129
Other comprehensive income:			
Total comprehensive income for the year		**829,451**	292,129

BBC Grafton House Productions Limited
Registered number:08539875

Statement of Financial Position

As at 31 March 2016

	Note	£	2016 £	£	2015 £
Current assets					
Debtors: amounts falling due within one year	8	**9,923,951**		5,986,405	
Cash at bank and in hand	9	**8,386,329**		1,779,552	
		18,310,280		7,765,957	
Creditors: amounts falling due within one year	10	**(17,157,173)**		(7,442,301)	
Net current assets			**1,153,107**		323,656
Total assets less current liabilities			**1,153,107**		323,656
Net assets excluding pension asset			**1,153,107**		323,656
Net assets			**1,153,107**		323,656
Capital and reserves					
Called up share capital	11		**2**		2
Profit and loss account	12		**1,153,105**		323,654
			1,153,107		323,656

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

C Villar

C Villar
Director

Date: 15/12/16

The notes on pages 10 to 16 form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 31 March 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2015	2	323,654	323,656
Comprehensive income for the year			
Profit for the year	-	829,451	829,451
Total comprehensive income for the year	-	829,451	829,451
At 31 March 2016	2	1,153,105	1,153,107

Statement of Changes in Equity
For the Year Ended 31 March 2015

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2014	2	31,525	31,527
Comprehensive income for the year			
Profit for the year	-	292,129	292,129
Total comprehensive income for the year	-	292,129	292,129
At 31 March 2015	2	323,654	323,656

The notes on pages 10 to 16 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 March 2016

1. General information

BBC Grafton House Productions Limited is a private limited company registered in England. The principal activity of the company is the production of high end television programmes.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

2.3 Going concern

The directors confirm that they are satisfied that the company has adequate resources to continue in business for a period of 12 months. This has been determined by their view of the company's activities for at least 12 months from the signing of the balance sheet and for this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

Notes to the Financial Statements
For the Year Ended 31 March 2016

2. Accounting policies (continued)

2.4 Turnover

Turnover represents the value of services provided under production contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where a production contract has only been partially completed at the balance sheet date, turnover represents the value of the service provided to date based on a proportion of the total contract value. Where payments are received in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year.

Profit is recognised on production contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The Company classifies all of its financial assets as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Income statement. On confirmation that the trade receivable will not be

Notes to the Financial Statements

For the Year Ended 31 March 2016

2. Accounting policies (continued)

2.7 Financial instruments (continued)

collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of financial position.

2.8 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.9 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income statement except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Income statement within 'other operating income'.

Notes to the Financial Statements
For the Year Ended 31 March 2016

2. Accounting policies (continued)

2.10 Taxation

Tax is recognised in the Income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

There are no material judgments or estimates in the preparation of these financial statements.

4. Turnover

An analysis of turnover by class of business is as follows:

	2016	2015
	£	£
Production revenue	**42,000,809**	26,525,016
	42,000,809	26,525,016

Analysis of turnover by country of destination:

	2016	2015
	£	£
United Kingdom	**42,000,809**	26,525,016
	42,000,809	26,525,016

5. Operating loss

During the year, no director received any emoluments (2015 - £NIL).

Notes to the Financial Statements
For the Year Ended 31 March 2016

6. Auditors' remuneration

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

	2016 £	2015 £
Fees for the audit of the company	**69,000**	59,000
Fees for tax compliance services	**61,250**	48,500
Other fees payable	**7,250**	10,500
	137,500	118,000

7. Taxation

	2016 £	2015 £
Corporation tax		
Corporation tax reclaimed	**(9,231,641)**	(5,308,472)
	(9,231,641)	(5,308,472)
Taxation on loss on ordinary activities	**(9,231,641)**	(5,308,472)

Factors affecting tax charge for the year

The corporation tax credit for the year ended 31 March 2016 relates to a UK High End Television tax credit.

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

Notes to the Financial Statements
For the Year Ended 31 March 2016

8. Debtors

	2016 £	2015 £
Trade debtors	**18,978**	4,556
Other debtors	**673,332**	673,377
Tax recoverable	**9,231,641**	5,308,472
	9,923,951	5,986,405

9. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	**8,386,329**	1,779,552
	8,386,329	1,779,552

10. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	**445,941**	172,731
Amounts owed to group undertakings	**10,683,978**	6,340,644
Other creditors	**27,731**	47,182
Accruals and deferred income	**5,999,523**	881,744
	17,157,173	7,442,301

11. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	**2**	2

Notes to the Financial Statements
For the Year Ended 31 March 2016

12. Reserves

Profit and loss account

Includes all current and prior period retained profit and losses.

13. Immediate parent and ultimate controlling party

The Company's immediate parent undertaking is BBC Commercial Holdings Limited, a company registered in England and Wales.

The Company's immediate controlling party is the British Broadcasting Corporation (BBC) which is incorporated in the United Kingdom by Royal Charter. The largest Group in which the results of the Company are consolidated is that headed by the BBC. Copies of the financial statements of the BBC can be obtained from www.bbc.co.uk/annualreport.

14. First time adoption of FRS 101

The policies applied under the entity's previous accounting framework are not materially different to FRS 101 and have not impacted on equity or profit or loss.