

BBC Grafton House Productions Limited

Registered number 08539875

Annual Report and Financial Statements

For the year ended 31 March 2019



Officers and advisors

Directors

Roger Leatham

Sonia Magris

Ralph Lee (appointed 29 November 2018)

Nicholas Betts (resigned 26 November 2018)

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

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Strategic Report

The Directors present their annual report for BBC Grafton House Productions Limited (the 'Company') for the year ended 31 March 2019.

Principal Activities

The Company is a wholly owned subsidiary of BBC Studios Productions Limited. The principal activity of the Company is the production of television programmes.

Business review and financial key performance indicators

The Company is one of BBC Studios' biggest producers of high-end Drama content, delivering close to 40 hours of high quality programming in 2018/19.

The business continues to perform extremely well in terms of producing and delivering premium content. The Company made acclaimed dramas for the BBC such as MotherFatherSon.

The Company performed well in its fifth year of operation with an EBITDA of £2.2 million (2018: £0.1m) largely as a result of increased business and on-going cost management.

Principal risks and uncertainties

The Company considers its key risks and uncertainties to be as follows:

- a change in the UK tax policy could lead to changes to the high-end television tax relief policy. A reduction in the benefits the Company is able to obtain from this policy would result in the going concern position of the Company needing to be reviewed.
- risks in relation to contestability; there is a risk that shows the company make will be competitively tendered by its commissioners. As a result there is a risk that the right to make the show would transfer to another production entity.
- market conditions and increased competition could lead to a shortage in talent and production staff to meet requirements at peak times.

By order of the Board



Anthony Cornette
Company Secretary

18 June 2019

Registered address

1 Television Centre
101 Wood Lane
London
W12 7FA

BBC Grafton House Productions Limited
Registered number 08539875
31 March 2019

Directors' Report

Directors

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

- Roger Leatham
- Sonia Magris
- Ralph Lee (appointed 29 November 2018)
- Nicholas Betts (resigned 26 November 2018)

Results and dividends

The Company made a profit of £5.0 million during the year (2018: £1.5m). Dividends of £5 million were declared by the Company during the year (2018: £nil).

Financial instruments

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

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.

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.

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 Grafton House Production 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.

Political and charitable contributions

The Company made no political donations or contributions to charity during the period (2018: £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. Thus they 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

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

Directors' Report (continued)

Auditors

The Comptroller and Auditor General was appointed as the statutory auditors of the Company from 1 April 2018 and has expressed their willingness to continue in office. Grant Thornton UK LLP served as external auditors for the year ended 31 March 2018.

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



Anthony Corriette
Company Secretary

18 June 2019

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 Grafton House Productions Limited

Opinion on financial statements

I have audited the financial statements of BBC Grafton House Productions Limited for the year ended 31 March 2019 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and the related notes, including the significant accounting policies. 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), as applied in accordance with the provisions of the Companies Act 2006.

In my opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of the profit for the year then ended;
- 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 Companies Act 2006.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of BBC Grafton House Productions Limited in accordance with the ethical requirements that are relevant to my audit and 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

I am required to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on BBC Grafton House Productions Limited's ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern. I have nothing to report in these respects.

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 and for being satisfied that they give a true and fair view.
- such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
- assessing the company's ability to continue as a going concern, disclosing, if applicable, matters relating to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the company or to cease operations, or have 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).

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

Auditor's responsibilities for the audit of the financial statements (continued)

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. 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.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of BBC Grafton House Productions Limited's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Other Information

Directors are responsible for the other information. The other information comprises information included in the annual report, but does not include the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and 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. 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:

- in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, I have not identified any material misstatements in the Strategic Report or the Directors' Report; and
- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and those reports have been prepared in accordance with applicable legal requirements.

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

Matters on which I report by exception

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

- adequate accounting records have not been kept by the company, 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.



Lewis Knights (Senior Statutory Auditor)

18 June 2019

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 2019

	Note	2019 £'000	2018 £'000
Revenue	1	56,980	37,723
Cost of sales		(65,546)	(44,422)
Gross loss		(8,566)	(6,699)
Administrative expenses		(131)	(98)
Operating loss	2	(8,697)	(6,797)
Operating profit reconciled as:			
EBITDA		2,180	87
Production tax credits		(10,877)	(6,884)
Taxation	4	13,652	8,281
Profit for the year		4,955	1,484

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.

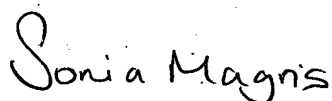
The notes on pages 14 to 21 form part of the financial statements.

Balance Sheet

as at 31 March 2019

	Note	2019 £'000	2018 £'000
Current assets			
Inventory	5	12,525	-
Trade and other receivables	6	15,784	16,350
Cash and cash equivalents		2,619	2,801
		30,928	19,151
Current liabilities			
Trade payables and accruals	7	(8,413)	(11,400)
Contract liabilities	1	(14,065)	-
		(22,478)	(11,400)
Net Assets		8,450	7,751
Capital and reserves			
Share capital	8	-	-
Retained earnings	9	8,450	7,751
Shareholders' Funds		8,450	7,751

The financial statements of BBC Grafton House Productions Limited, registered number 08539875 were approved by the Directors and authorised for issue on 18 June 2019 and were signed on their behalf by:



Sonia Magris
Director

18 June 2019

Statement of Changes in Equity

for the year ended 31 March 2019

	Note	Share capital £'000	Retained earnings £'000	Total £'000
At 31 March 2017		-	6,267	6,267
Profit for the year		-	1,484	1,484
At 31 March 2018 as previously stated		-	7,751	7,751
First time adoption of IFRS 15* (see accounting policies)	1	-	744	744
At 31 March 2018 restated		-	8,495	8,495
Profit for the year		-	4,955	4,955
Dividends declared and paid in year	10	-	(5,000)	(5,000)
At 31 March 2019	9	-	8,450	8,450

*The Company has applied IFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated.

Notes to the Financial Statements

for the year ended 31 March 2019

Statement of compliance with FRS 101

The financial statements of the Company have been 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 expressed in pounds sterling to the nearest £1,000 unless otherwise stated.

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 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 under FRS101:

- 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 for a period of no less than 12 months from the date of signing these financial statements. Although the Company is loss making before tax, it will continue to utilise UK high-end television tax relief to ensure that it generates a profit for the year. 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 2019

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.

The Company's main sources of revenue is commissioning income. Revenue 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.

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.

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.

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 any financial asset is impaired.

Trade and other receivables

These 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, based on the simplified approach using the lifetime expected credit losses, has not been recognised as this is not material.

Notes to the Financial Statements (continued)

for the year ended 31 March 2019

Accounting policies (continued)

Lease payments

All leases are classified as operating leases. The lease expense arising from operating leases is charged to the income statement on a straight line basis over the term of the lease. Any incentives to enter into operating leases are recognised as a reduction of the lease expense and recorded on a straight line basis over the lease term.

Inventories

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 2019 and comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the assets to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturity of less than three months.

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.

Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting assumptions, and requires management to exercise its judgement and to make estimates in the process of applying the Company's accounting policies.

The complexity of individual contractual terms may require the Company to make judgements in assessing when the criteria for recognising revenue have been satisfied, particularly whether the Company has sufficiently fulfilled its obligations under the contract to allow revenue to be recognised.

Notes to the Financial Statements (continued)

for the year ended 31 March 2019

Accounting policies (continued)

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:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers (including Clarifications to IFRS 15 Revenue from Contracts with Customers)
- Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)
- Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)
- Transfers of Investment Property (Amendments to IAS 40)
- Annual Improvements to IFRS 2014-2016 Cycle (Amendments to IFRS 1)
- Annual Improvements to IFRS 2014-2016 Cycle (Amendments to IAS 28)
- IFRIC 22 Foreign Currency Transactions and Advance Consideration

They have been applied since 1 April 2018 and have not had a significant impact on the results or financial position of the Company with the exception of IFRS 15.

Changes in Accounting policies

Except for the changes below, the Company has consistently applied the accounting policies to all periods in these consolidated financial statements.

The Company has adopted IFRS 15 *Revenue from Contracts with Customers* with a date of initial application of 1 April 2018. As a result, the Company has changed its accounting policy for revenue recognition as detailed below.

The Company has applied IFRS 15 using the **cumulative effect method** - i.e. by recognising the cumulative effect of applying IFRS 15 as an adjustment to the opening balance of equity at 1 April 2018. Therefore, the comparative information has not been restated and continues to be reported under IAS 18 and IAS 11.

The adoption of IFRS 15 has resulted in higher reportable income (£9.8m), offset by higher cost of sales (£9.9m) compared to balances without the adoption of IFRS 15. The IFRS 15 impact on the balance sheet has resulted in a higher inventory balance (£12.5m), lower accrued income (£1.8m) and additional contract liabilities (£9.4m). The adoption of IFRS 15 has also resulted in a material reclassification between deferred income and contract liabilities, as detailed in note 1. No other line items would have been materially affected had IFRS 15 not been adopted for the

Notes to the Financial Statements (continued)

for the year ended 31 March 2019

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:

	Contract Liabilities £'000
At 1 April 2018	-
Balance transferred from deferred income following adoption of IFRS 15	(21,735)
Decrease due to revenue recognised in the period	21,735
Increase due to cash received in advance and not recognised as revenue during the year	(14,065)
At 1 April 2019	(14,065)
Presented within:	
Current	(14,065)
Non-current	-
At 1 April 2019	(14,065)

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 Loss

The Company made an operating loss of £8.7m (2018: £6.8m) for the period to 31 March 2019.

The audit fee allocated to BBC Grafton House Productions Limited was £70k (2018: £55k). This was borne by the parent entity and recharged to the Company.

Non-audit fees paid to the Company's auditor were £nil (2018: £43k)

Lease rental costs of £5.6 million were incurred during the year (2018: £2.7m).

3 Employees and Directors' 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 emoluments from the Company during the year (2018: £nil).

Notes to the Financial Statements (continued)

for the year ended 31 March 2019

4 Taxation

	2019 £'000	2018 £'000
Corporation tax		
Tax credit receivable	(10,887)	(6,884)
Adjustments in respect of prior periods	10	-
Group taxation relief	(2,775)	(1,397)
Taxation on loss on ordinary activities	(13,652)	(8,281)

The corporation tax credit receivable relates to UK high-end television tax relief.

5 Inventory

	2019 £'000	2018 £'000
Work in progress	12,525	-
Total inventory	12,525	-

6 Trade and other receivables

	2019 £'000	2018 £'000
Amounts due within one year:		
Tax credit receivable	10,887	6,884
Intercompany receivables	3,446	7,409
Other receivables	1,096	545
Prepayments	355	41
Trade receivables	-	1,471
Total debtors	15,784	16,350

7 Trade and other payables

	2019 £'000	2018 £'000
Amounts due within one year:		
Intercompany payables	6,428	9,869
Accruals and deferred income	1,394	1,022
Other payables	58	180
Trade payables	533	329
Total creditors	8,413	11,400

Notes to the Financial Statements (continued)

for the year ended 31 March 2019

8 Share capital

	2019	2018
	£	£
Allotted, called up and fully paid:		
2 Ordinary Shares of £1 each	2	2
Total share capital	2	2

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

9 Reserves

Retained earnings represents the combination of results from operations in the current and previous years; in addition to the cumulative impact of the adoption of IFRS 15. Share capital represents the total value of shares issued to the company's parent company.

10 Dividends

	2019	2018
	£'000	£'000
Dividends payable on ordinary equity shares		
Dividends were paid/proposed as follows:		
November 2018 of 250,000,000p per share	5,000	-
Total dividends	5,000	-

11 Ultimate controlling party

The Company's immediate parent undertaking is BBC Studios Productions Limited, a company registered in England and Wales. The parent was renamed on 1 October 2018 from BBC Studios Limited.

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 results of the Company are consolidated within BBC Studios Ltd, BBC Commercial Holdings Limited and the British Broadcasting Corporation. Copies of the financial statements of the BBC can be obtained from www.bbc.co.uk/annualreport.

12 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 2019

13 Operating leases

The total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2019	2018
	£'000	£'000
Within one year	3,616	1,997
In two to five years	-	-
After five years	-	-
Total operating lease commitments	3,616	1,997

14 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.