

**BBC Property Development
Limited**

**Director's report and financial
statements**

**Registered number 4243136
31 March 2011**

WEDNESDAY



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COMPANIES HOUSE

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Director's report

The director presents his report and the audited financial statements for the year ended 31 March 2011

Principal activity

The principal activity of BBC Property Development Limited (the "Company") during the period was the holding of investments in joint ventures to redevelop the Broadcasting House site

Results and dividends

The Company did not receive any income nor incur any expenditure and consequently did not make a profit or loss in this or the prior period (2010 nil) The director does not recommend payment of a dividend (2010 nil)

Business review

The Company is exempt by virtue of its size from the requirement to prepare an enhanced business review

Directors

The directors who served during the period and to the date of signature of this report were as follows

Chris Kane
Gavin Andrew Lewis (Resigned 8th July 2011)

Political and Charitable donations

During the year the Company did not make any charitable or political donations (2010 nil)

Disclosure of information to auditors

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

Auditors

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board


Peter Ranyard
Secretary
23rd September 2011

Room 2230
White City
London
W12 7TS

Statement of Directors' 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 director 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 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 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. 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
15 Canada Square
London
E14 5GL

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BBC PROPERTY DEVELOPMENT LIMITED

We have audited the financial statements of BBC Property Development Limited for the year ended 31 March 2011 set out on pages 4 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditors' 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

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 (APB'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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 2011 and of its result for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

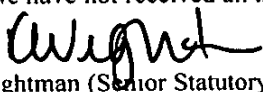
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's 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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.


K Wightman (Senior Statutory Auditor),
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

18 October 2011

Profit and Loss account
for the year ended 31 March 2011

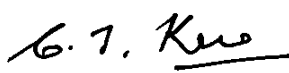
During the year, and in the prior year, the Company did not trade and received no income or expenditure. Consequently, during those years, the Company made neither a profit nor a loss.

Balance sheet

as at 31 March 2011

	Note	2011 £	2010 £
Fixed assets			
Investment in joint venture	5	10	10
Available for sale investment	6	76,860,000	-
		76,860,010	10
Current assets			
Debtors	7	51	51
		51	51
Creditors: amounts falling due within one year	8	(10)	(10)
Net current assets		41	41
Net assets		76,860,051	51
Capital and reserves			
Called up share capital	9	51	51
Profit and loss account	10	-	-
Other reserves	10	76,860,000	-
Equity shareholders' funds		76,860,051	51

These financial statements were approved by the board of directors on 23 September 2011 and were signed on its behalf by


Chris Kane
Director

Statement of total recognised gains and losses
for the year ended 31 March 2011

	<i>Note</i>	2011 £	2010 £
Result for the financial year		-	-
Fair value gain on available for sale asset	6	<u>76,860,000</u>	<u>-</u>
Total recognised gains and losses relating to the year		<u>76,860,000</u>	<u>-</u>

Reconciliation of movements in shareholder's funds

for the year ended 31 March 2011

	2011 £	2010 £
Result for the financial year	-	-
Other recognised gains or losses	76,860,000	-
Net addition to shareholder's funds	76,860,000	-
Opening shareholder's funds	51	51
Closing shareholder's funds	76,860,051	51

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 Company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost accounting rules

Under Financial Reporting Standard 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

The director has taken advantage of the exemption from the requirement to prepare group financial statements under section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group

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

There is no charge for taxation based on nil profit or loss for the year

Investments

Investments are recorded at cost less provisions for any impairment in value

Impairment of financial assets

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated

Investments in equity securities

Investments in equity securities held by the company are classified as being available for sale and are stated at fair value, with any resultant gain or loss being recognised in the statement of total recognised gains and losses, except for impairment losses. When these investments are derecognised the cumulative gain or loss previously recognised in the statement of statement of total recognised gains and losses is recognised in the profit and loss statement

Other reserves

Other reserves relate to fair value gains on available for sale investments

Notes (continued)

2 Remuneration of directors

Remuneration

The Company did not make any payments in respect of salary and bonuses and did not provide any benefits to its directors or make any pension contributions to the BBC Pension Scheme during this or the preceding period

Service Contracts

All directors are employed under service contracts with the British Broadcasting Corporation

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

Administrative services are provided by the British Broadcasting Corporation

4 Operating results

The auditors' remuneration was met by the British Broadcasting Corporation in 2011 and not recharged
 The audit fee relating to the company was as follows

	2011 £	2010 £
Fees for the audit of the company	1,000	1,000

5 Investment in joint venture

	2011 £	2010 £
Cost	10	10

Notes (continued)

6 Available for sale investment

	2011 £	2010 £
Available for sale investment	76,860,000	-
	<u>76,860,000</u>	<u>-</u>

Daunus Limited is the entity that is redeveloping Broadcasting House. The BBC holds a 10% share of the issued share capital of that company which it classes as an available for sale investment, due to mature in 2033. Following the completion of phase two of the development and the handover of Broadcasting House for technical fit out, the value of that investment has been re-assessed which is capped at £90million plus RPI. As the cash flows underlying the ultimate realization of the BBC's 10% interest are now more certain, a gain of £76.9m (2010: nil) has been recognized. The estimated growth rate used was 2.5% and the rate used to discount the future cash flows was 4.15%.

The available for sale investment has been classified as a Level 3 financial instrument as its fair value is derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

7 Debtors

	2011 £	2010 £
Called up share capital not paid	51	51
	<u>51</u>	<u>51</u>

8 Creditors: amounts falling due within one year

	2011 £	2010 £
Amounts owed to joint ventures	10	10
	<u>10</u>	<u>10</u>

Notes (continued)

9 Called up share capital

	2011 £	2010 £
<i>Allotted and called up</i>		
51 ordinary shares of £1 each	51	51

6 Reserves

	Other reserve £	Profit and loss account £
At 1 April 2010	-	-
Result for year	-	-
Fair value gain on available for sale asset	76,860,000	-
At 31 March 2011	76,860,000	-

11 Related party transactions

Under FRS 8, the Company is exempt from the requirement to disclose related party transactions with the BBC on the grounds that it is a wholly owned subsidiary undertaking of the British Broadcasting Corporation, whose financial statements are publicly available, and with other group entities, where more than 90% of these entities' voting rights are controlled within the Group

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 British Broadcasting Corporation may be obtained from www.bbc.co.uk/annualreport