

BBC Property Development Limited
Director's report and financial statements

Registered Number: 04243136

Year ended 31 March 2012

TUESDAY



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COMPANIES HOUSE

Director's report

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Director's report

The director presents his annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 31 March 2012

Principal activity

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

Results and dividends

The retained profit for the year was £5,140,000 (2011 £nil) The director does not recommend payment of a dividend (2011 £nil)

Business review

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

Director

The director who served during the period and to the date of signature of this report was as follows

Chris Kane

Political and Charitable donations

During the year the Company did not make any charitable or political donations (2011 £nil)

Director's interests

The director had any interest in the share capital of the Company at 31 March 2012 or at any time during the period No rights to subscribe for shares in or debentures of the Company or any other Company within the British Broadcasting Corporation group (the "Group") were granted to the director or his immediate families, or exercised by them, during the financial period

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)

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 him to ensure that the financial statements comply with the Companies Act 2006 He has general responsibility for taking such steps as is reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities

Directors' report continued

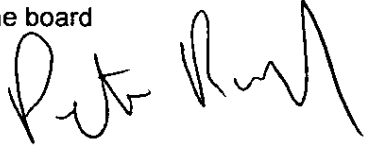
Disclosure of information to auditor

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 auditor is unaware, and 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 auditor is aware of that information

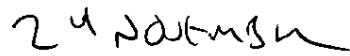
Appointment of auditor

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

By order of the board



Peter Ranyard



2012

Secretary

Room 2230, White City
Media Village
201 Wood Lane
London
W12 7TS

Independent auditor's report to the members of BBC Property Development Limited

KPMG LLP
15 Canada Square
London
E14 5GL

We have audited the financial statements of BBC Property Development Limited for the year ended 31 March 2012 set out on pages 4 to 9. 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 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 1, 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 web-site 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 2012 and of its profit 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 directors' 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
15 Canada Square
London
E14 5GL

30 November 2012

Profit and loss account
For the year ended 31 March 2012

	Note	2012 £	2011 £
Interest receivable and similar income		5,140,000	–
Profit on ordinary activities before taxation		5,140,000	–
Tax (charge)/credit on loss on ordinary activities	5	–	–
Profit for the year		5,140,000	–

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

There is no difference between the results as disclosed above and the results on a historical cost basis

The notes on pages 7 to 9 form part of the financial statements

Balance sheet
As at 31 March 2012

	Note	2012 £	2011 £
Fixed assets			
Investment in joint venture	6	10	10
Available for sale investment	7	100,320,000	76,860,000
		100,320,010	76,860,010
Current assets			
Debtors		51	51
		51	51
Current liabilities			
Creditors	9	(10)	(10)
Net current assets		41	41
Net assets		100,320,051	76,860,051
Capital and reserves			
Called-up share capital	10	51	51
Profit and loss account	11	5,140,000	–
Other reserves	11	95,180,000	76,860,000
Shareholders' funds		100,320,051	76,860,051

The notes on pages 7 to 9 form part of the financial statements

These financial statements were approved by the sole director on 21/11 2012 and were signed on its behalf by

Chris Kane
Director

Chris Kane

Statement of total recognised gains and losses

	2012 £	2011 £
Result for the financial year	5,140,000	—
Fair value gain on available for sale asset	18,320,000	76,860,000
Total recognised gains and losses relating to the financial year	23,460,000	76,860,000

Reconciliation of movements in shareholders' funds

For the year ended 31 March 2012

	2012 £	2011 £
Result for the financial year	5,140,000	—
Other recognised gains and losses	18,320,000	76,860,000
Net increase in shareholders' funds	23,460,000	76,860,000
Opening shareholders' funds	76,860,000	—
Closing shareholders' funds	100,320,000	76,860,000

Notes

(Forming part of the financial statements)

1 Accounting policies

The principle accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom.

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.

These financial statements present information about the company as an individual undertaking and not about its group. The Company is exempt under section 400 of the Companies Act 2006, to prepare group 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 director or make any pension contributions to the BBC Pension Scheme during this or the preceding period

Service Contracts

The director is 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 auditor's remuneration was met by the British Broadcasting Corporation in 2012 and not recharged. The audit fee relating to the company was as follows

	2012 £	2011 £
Fees for the audit of the company	1,000	1,000

5 Taxation

The charge/(credit) for the year, based on a rate of corporation tax of 26% (2011 28%), comprises

Factors affecting the tax charge for the year:

The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	5,140,000	—
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 28%)	1,336,400	—
Non-taxable income - capital repayment	(1,336,400)	—
Current tax charge/(credit) for the year	—	—

6 Investment in joint venture

	2012 £	2011 £
Investment in Daunus Limited	10	10

7 Available for sale investment

	2012 £	2011 £
Available for sale investment	100,320,000	76,860,000

Notes (continued)

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 realisation of the BBC's 10% interest are now more certain, a gain of £23,460,000 (2011: £76,860,000) has been recognised. The estimated growth rate used was 5.0% (2011: 2.5%) and the rate used to discount the future cash flows was 3.2% (2011: 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).

8 Debtors

	2012 £	2011 £
Called up share capital not paid	51	51

9 Creditors

	2012 £	2011 £
Amounts owed to joint venture	10	10

10 Called up share capital

	2012 £	2011 £
<i>Allotted, called up and fully paid</i>		
1 ordinary share of £1	51	51

11 Reserves

	Other reserve £	Profit and loss account £
At 1 April 2011	76,860,000	–
Result for year	18,320,000	5,140,000
As at March 2012	95,180,000	5,140,000

12 Related party transactions

Under Financial Reporting Standard 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.

Notes (continued)

13 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.