BBC World News Limited

Directors' report and financial statements for

the year ended 31 March 2011

Registered number 4514407

Contents

Directors' report

The directors present their report and the audited consolidated financial statements of BBC World News Limited ('BBC World News', 'the Company' or 'the Group') for the year ended 31 March 2011.

Results and dividend

The consolidated profit after taxation for the year was £6.0m *(2010: £1.7m profit).*
The directors do not recommend the payment of a dividend *(2010: £nil).*

Principal activities

The principal activities of the Group are the commissioning and worldwide distribution of the channel BBC World News and related airtime sales.

Business review

2011 saw a significant recovery in advertising revenue following the recession in the prior year, with gross revenue up c30%. Distribution revenue also continued to show strong growth, with revenue up c7%. Both advertising (predominantly received in US dollars) and distribution benefited from weakness in sterling during the year. Combined with the full year impact of significant cost savings identified in the prior year, the business was able to deliver an underlying profit before FRS26 gains for the year. The business also continued to invest in both editorial quality, with particular focus on Asia output, and in adapting to new technology, with development of HD output for the US market.

The channel is available 24 hours a day in 179.6 million homes *(2010: 174.7 million).*

Funding

The Company continued to draw funding from BBC Commercial Holdings Limited at variable interest rates between 2.78% and 4.46% during the year, reflecting commercial rates *(2010: between 2.77% and 2.82% during the year).*

Risks and uncertainties

The key risks and uncertainties facing BBC World News are as follows:

- Strength of ongoing recovery from the global recession and consequent impact upon growth in global advertising.
- Foreign currency movements. As noted above, as an international business, movements in valuation of sterling against other currencies in which BBC World News invoices can impact significantly on sterling revenues when foreign currency amounts are translated. To mitigate this, currency hedges are in place for 2012 financial year covering c80% of expected US dollar cash flows. In addition, the adoption of FRS26 in the prior year means that the business is exposed to volatility in movements on fair valuation of currency hedges.
- Adapting successfully to any impact on customer base of technologies such as HD, Video on Demand and connected TV, whilst managing core cost base.

To mitigate the above we continue to broaden the geographical and market sector of our customer base, and to invest in both the quality of our channel and in new technologies.

Awards

BBC World News won 3 awards this year:

- AIB Awards – HardTalk presenter, Stephen Sackur was named "International TV Personality of the Year"
- Hot Bird TV Awards – Won "Best News Channel"
- World Travel Awards – Won "World's Leading TV Channel for Travellers".

Directors' report *(continued)*

Financial instruments

Details of financial instruments can be found in note 11.

Going concern

The Directors have drawn up the accounts on a going concern basis, despite the Group's net current liabilities and net liabilities position. The Directors consider this to be appropriate as the Company is expected to be profit making in the next financial year, and as they have received assurance from BBC Commercial Holdings Limited, the Company's parent company, that it will provide to the Company a specified level of financial support in accordance with its business plan requirements during the next 12 months. The Directors of the Company consider this level of funding should enable it to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these accounts. At the date of approval of these financial statements, the Directors have no reason to believe that the performance of the Company and its business progress will not be materially in accordance with plan.

Directors' interests

No director had any interest in the share capital of the Company.

No rights to subscribe for shares in or debentures of the Company or any other group company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

Directors

The directors serving during the year, and up to the date of this report, were:

Dominic Coles
Jim Egan
Peter Horrocks
Colin Lawrence
James Montgomery
Sanjay Nazerali
Richard Porter
Liliane Landor (appointed on 7 June 2010)
Craig Oliver (appointed on 7 June 2010, resigned on 2 February 2011)
Sian Kevill (resigned on 1 April 2010)
Simone Pennie (resigned on 3 May 2011)

Payment to creditors

It is the Company's policy to comply with the Better Payment Practice Code in relation to the payment of suppliers, provided that the supplier is complying with the relevant terms and conditions of its contract. The Company's number of creditor days outstanding in respect of trade creditors at 31 March 2011 was 32 days *(2010: 23 days)*.

Equal opportunities

The Company is committed to equal opportunities for all irrespective of race, colour, creed, ethnic or national origin, gender, marital status, sexuality, disability or age.
Recruitment, training and promotion procedures are based on the requirements of the job. Ethnic and gender targets have been set with the aim of ensuring that the Company's workforce reflects the UK population as far as possible and are supported by a number of equal opportunities initiatives.

Directors' report *(continued)*

Development and training

Staff in all areas have opportunities to develop their skills. The BBC organises comprehensive in-house and external training programmes covering job-specific skill enhancement, IT software tuition and management development courses.

Health and safety

Responsibility for health and safety across the Company is vested at board level.

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.

Statement as to disclosure of information to auditors

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

Peter Horrocks
Director

26 May 2011

Registered Office
Media Centre
201 Wood Lane
London W12 7TQ

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The directors are responsible for preparing 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 they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its 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 group and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of BBC World News Limited

We have audited the financial statements of BBC World News Limited for the year ended 31 March 2011 set out on pages 6 to 29. 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 directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 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 group's and of the parent company's affairs as at 31 March 2011 and of the group's 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 Directors' 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Paul Korolkiewicz (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

8 June 2011

Consolidated profit and loss account

for the year ended 31 March 2011

	Note	2011 £000	2010 £000
Turnover	2	**72,214**	62,900
Cost of sales		**(59,582)**	(56,600)
Gross profit		**12,632**	6,300
Administrative expenses		**(3,239)**	(2,719)
Operating profit		**9,393**	3,581
Interest receivable and similar income	5	**49**	305
Interest payable and similar charges	5	**(1,094)**	(1,020)
Profit on ordinary activities before taxation	3	**8,348**	2,866
Tax on profit on ordinary activities	6	**(2,316)**	(1,132)
Profit on ordinary activities after taxation		**6,032**	1,734
Retained profit for the year	13	**6,032**	1,734

The notes on pages 10 to 29 form part of these financial statements.

The above results are derived from continuing operations.

There is no difference in the profit for the current or prior year as reported compared to a historical cost basis.

Consolidated balance sheet

at 31 March 2011

	Note	2011 £000	2010 £000
Fixed assets			
Tangible assets	7	**104**	143
Current assets			
Debtors:			
Debtors due within one year	9	**15,914**	19,371
Debtors due after more than one year	9	**375**	1,396
Total debtors		**16,289**	20,767
Cash at bank and in hand		**3,057**	2,527
		19,346	23,294
Creditors: amounts falling due within one year	10	**(27,261)**	(29,668)
Net current liabilities		**(7,915)**	(6,374)
Total assets less current liabilities		**(7,811)**	(6,231)
Creditors: amounts falling due after more than one year	10	**(29,030)**	(36,573)
Net liabilities		**(36,841)**	(42,804)
Capital and reserves			
Called up share capital	12	**22,421**	22,421
Profit and loss account	13	**(59,262)**	(65,225)
Equity shareholders' deficit		**(36,841)**	(42,804)

The notes on pages 10 to 29 form part of these financial statements.

These financial statements were approved by the Board of Directors on 26 May 2011 and were signed on its behalf by:

P J C Horrocks

Peter Horrocks

Director

Company balance sheet
at 31 March 2011

	Note	2011 £000	2010 £000
Fixed assets			
Tangible assets	7	-	7
Investments in subsidiary undertakings	8	**4,335**	4,335
		4,335	4,342
Current assets			
Debtors:			
Debtors due within one year	9	**7,509**	11,211
Debtors due after more than one year	9	**224**	1,222
Total debtors		**7,733**	12,433
Cash at bank and in hand		**314**	605
		8,047	13,068
Creditors: amounts falling due within one year	10	**(27,134)**	(59,755)
Net current liabilities		**(19,087)**	(46,717)
Total assets less current liabilities		**(14,752)**	(42,375)
Creditors: amounts falling due after more than one year	10	**(29,030)**	(36,573)
Net liabilities		**(43,782)**	(78,948)
Capital and reserves			
Called up share capital	12	**22,421**	22,421
Profit and loss account	13	**(66,203)**	(101,369)
Equity shareholders' deficit		**(43,782)**	(78,948)

The notes on pages 10 to 29 form part of these financial statements.

These financial statements were approved by the Board of Directors on 26 May 2011 and were signed on its behalf by:

Peter Horrocks

Director

Company registration no. 4514407

Consolidated statement of total recognised gains and losses

	2011	2010
	£000	£000
Profit for the financial year	**6,032**	1,734
(Loss)/profit on foreign currency translation	**(69)**	760
Total recognised gains relating to the financial year	**5,963**	2,494

Reconciliation of movements in equity shareholders' funds

	Group	Group	**Company**	Company
	2011	2010	**2011**	2010
	£000	£000	**£000**	£000
Total recognised gains and (losses) relating to the financial year	**5,963**	2,494	**35,166**	(3,837)
Net increase / (decrease) in equity shareholders' funds	**5,963**	2,494	**35,166**	(3,837)
Equity shareholders' deficit at beginning of year	**(42,804)**	(45,298)	**(78,948)**	(75,111)
Equity shareholders' deficit at end of year	**(36,841)**	(42,804)	**(43,782)**	(78,948)

Notes to the financial statements

1 Principal accounting policies

The Group's principal accounting policies set out below have been applied consistently throughout the current and preceding years.

1a Basis of preparation

These financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom.

The financial statements are presented under the historical cost accounting convention except for certain derivative financial instruments which have been measured at fair value.

1b Going concern

The Directors have drawn up the accounts on a going concern basis, despite the Company's net current liabilities and net liabilities position. The Directors consider this to be appropriate as the company is expected to be profit making in the next financial year, and as they have received assurance from BBC Commercial Holdings Limited, the Company's parent company, that it will provide to the Company a specified level of financial support in accordance with its business plan requirements during the next 12 months. The Directors of the Company consider this level of funding should enable it to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these accounts. At the date of approval of these financial statements, the Directors have no reason to believe that the performance of the Company and its business progress will not be materially in accordance with plan.

As at 31 March 2011, the main source of debt funding was an unsecured loan with BBC Commercial Holdings Limited expiring in April 2012. Further information in respect of this facility is included in note 11e.

Whilst the Directors of the Company acknowledge there can be no certainty in relation to these matters, they believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

1c Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 March. Unless otherwise stated, the acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

As permitted by Section 408 of the Companies Act 2006, no profit and loss account has been presented in respect of the holding company. The Company's profit after taxation for the year dealt with in the financial statements of BBC World News Limited was £35.2m *(2010: loss of £3.8m)*. The Company's results form part of the consolidated financial statements.

1d Cash flow Statement

Under Financial Reporting Standard 1 (revised), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that its ultimate parent undertaking includes the Company in its own published consolidated financial statements.

1e Turnover

Group turnover, which excludes value added tax and trade discounts, represents the fair value of amounts received or receivable in respect of distribution and advertising income, net of advertising agency commission. Turnover is recognised on an accruals basis to match the provision of the related goods and services. Turnover arising from barter transactions is only recognised to the extent that had the exchange of services not taken place, it is considered that the sale would have taken place for cash proceeds.

Notes *(continued)*

1 Principal accounting policies *(continued)*

1f Foreign currency translation

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at 31 March or at forward rates where related hedging contracts are in place. Surpluses and deficits arising from the translation of assets and liabilities at these rates of exchange, together with exchange differences arising from trading, are included in the consolidated profit and loss account. The profit and loss accounts of overseas subsidiaries are translated into sterling at the average rates for the year. Exchange differences arising from the retranslation of the opening net assets of overseas subsidiaries and any related long-term foreign currency borrowings are taken directly to the profit and loss reserve, together with the differences arising when the profit and loss accounts are translated at average rates compared with rates ruling at the year end. Other exchange differences are taken to the profit and loss account.

1g Tangible fixed assets

Expenditure on fixed assets is capitalised together with incremental internal direct costs incurred on capital projects. Depreciation is calculated so as to write off the cost less estimated residual value of fixed assets on a straight-line basis over their expected useful lives. Depreciation commences from the date an asset is brought into service. The useful lives for depreciation purposes for the principal categories of assets are:

Fixtures, fittings and equipment	3 to 5 years

1h Investments

Investments in subsidiaries are stated at cost, less provision for diminution in value.

1i Operating leases

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

1j Pension costs

The Group participates in both defined benefit and defined contribution schemes for the benefit of employees.

Defined benefit scheme

The defined benefit scheme provides salary related benefits. The pension assets of the BBC Main Scheme, to which the majority of employees belong, are held separately from those of the BBC Group.

The Group, following the provisions of FRS 17, accounts for the scheme as if it were a defined contribution scheme. This is because it is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reliable basis. The expenditure charge for the Group therefore represents the contributions payable in the year. These contributions benefit from the surplus in the scheme and are lower than the regular costs.

The Group's Indian subsidiary operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Group. Pension scheme assets are measured using market values. For quoted securities the current bid price is taken as market value. Pension scheme liabilities are measured using a projected unit method and discounted at the current market yields on Government securities having maturity periods approximating to the terms of related obligations. The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. Actuarial gains and losses are recognised immediately in the profit and loss account. The Group recognises all actuarial gains and losses in the period in which they are valued.

Notes *(continued)*

1 Principal accounting policies *(continued)*

1j Pension costs *(continued)*

The liability was calculated by a qualified independent actuary to determine the net defined obligations. The liability at 31 March 2011 was £26,000 *(2010: £33,000)*. The Directors consider this to be an immaterial amount and therefore have not given the disclosures required by FRS 17, "Retirement Benefits".

Defined contribution scheme

BBC World News Limited participates in a group personal pension scheme that is a defined contribution scheme. Contributions to the scheme are charged to the profit and loss account when payable.

1k Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Except where otherwise required by accounting standards full provision without discounting is made for all timing differences that have arisen but not reversed at the balance sheet date. Deferred tax assets are recognised to the extent that, on the basis of all available evidence, it is more likely than not that they will be recovered.

Prior to the balance sheet date, the UK Government announced a phased reduction in the main UK corporation tax rate from 28% to 24%, with the first 1% reduction taking effect from 1 April 2011 (and substantively enacted on 20 July 2010). On 23 March 2011, the UK Government announced an additional 1% reduction in the main UK corporation tax rate to 26% taking effect from 1 April 2011 (and substantively enacted on 29 March 2011). A further three reductions of 1% will follow annually, reducing the corporation tax rate to 23% from 1 April 2014. The impact of the future rate reductions will be accounted for to the extent that they are enacted at the balance sheet date; however it is estimated that this will not have a material effect on the Company.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled, based on the rates that have been enacted or substantively enacted at the balance sheet date.

1l Financial instruments

Financial assets and liabilities are recognised initially at fair value less any directly attributable transaction costs, except in the case of those designated at fair value through profit or loss, where transaction costs are not included in the cost of the asset but immediately recognised in profit or loss on initial recognition. Fair value is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financial assets and liabilities are recognised on balance sheet when the Group becomes party to the contractual provisions of the instrument. Financial assets are derecognised from the balance sheet when the Group'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 Group's balance sheet when the obligation specified in the contract is discharged, cancelled or expires. At each balance sheet date, the Group assesses whether there is any objective evidence that any financial asset is impaired.

The Group determines the classification of its financial assets and financial liabilities at initial recognition. They are classified in the following categories:

Notes *(continued)*

1 Principal accounting policies *(continued)*

1l Financial instruments *(continued)*

Financial assets

1. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets that are classified as held-for-trading or financial assets that the company designates as at fair value through profit or loss on initial recognition. Derivative financial instruments are always classified as held-for-trading financial assets at fair value through profit or loss. The Group has not chosen to designate any other financial assets in this category.

2. Receivables

Receivables, including trade receivables are financial assets with fixed or determinable cash flows that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are initially recognised at fair value and subsequently recorded at amortised cost. The carrying amount of loans and receivables is reduced through the use of a provision for impairment when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and original invoice amount. The amount of the provision is recognised in the profit and loss account along with any subsequent reversals.

3. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, bank accounts, deposits receivable on demand, other short-term highly liquid investments with maturities of three months or less at inception and bank overdrafts where a legal right of set-off exists.

Financial liabilities

1. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are financial liabilities that are classified as held-for-trading or financial liabilities that the company designates as at fair value through profit or loss on initial recognition. These are stated at fair value, with any gains or losses arising on remeasurement recognized in the profit and loss account.

2. Other financial liabilities (measured at amortised cost)

The Group's significant other financial liabilities include interest bearing loans, and trade and other payables. Interest bearing loans are recognised initially at fair value, less transaction costs. Such borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Trade and other payables are non-derivative financial liabilities which are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Trade and other payables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial.

Derivative financial instruments

Derivatives are held by the company to economically hedge variability in cash flow attributable to a particular risk associated with highly probable forecast transactions e.g. sale receipts. The Group does not enter into speculative

Notes *(continued)*

1 Principal accounting policies *(continued)*

1l Financial instruments *(continued)*

derivative contracts and substantially manages its exposure to fluctuations in foreign currency exchange rates using foreign currency derivatives (forwards and currency options).

Derivative financial instruments are held at fair value from the date that a derivative contract is traded. Changes in the fair value of a derivative from trade date to maturity are recognised in each financial period in the profit and loss account. The fair value of foreign currency options is the estimated amount that the Group would receive or pay to terminate the derivative at the balance sheet date, taking into account current interest rates, exchange rates and the current creditworthiness of the various counterparties. The fair value of foreign currency forward contract rates is determined by using forward exchange market rates at the balance sheet date.

Derivatives are classified as a financial asset or liability depending on whether their fair value is positive or negative at the measurement date. Derivatives are presented as non-current assets or liabilities if the date of maturity of the instrument is more than twelve months after the balance sheet date. Other derivatives are presented as current assets or current liabilities.

Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not carried at fair value. Embedded derivatives are carried on balance sheet at fair value from the inception of the host contract. Unrealised changes in fair value are recognised as gains/losses within the profit and loss account during the period in which they arise.

2 Segmental analysis

2a Turnover analysed by type of business

All Group turnover relates to the commercial exploitation of global news through the BBC World News television channel and through mobile devices, where the turnover and results originate from within the UK. Turnover analysed by geographical market destination is set out in note 2b.

2b Turnover analysed by geographical destination

	2011	2010
	£000	£000
Americas	**15,437**	14,400
Asia and Australasia	**22,360**	19,625
Europe	**20,913**	17,770
India, Africa and Middle East	**11,148**	8,226
Global	**2,356**	2,879
	72,214	62,900

Global revenue includes bbcworld.com and travel sector (hotels, ships and airlines) revenue which is not directly attributable to a region.

Barter transactions undertaken during the year have not been included within turnover (note 1e).

Notes *(continued)*

3 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting):

	2011 **£000**	2010 £000
Operating lease rentals		
- Satellite and transmission costs	**9,044**	9,932
- Land and buildings	**199**	202
Depreciation – owned assets	**98**	191
Auditors' remuneration		
- Audit of these financial statements	**15**	15
- Audit of financial statements of subsidiaries	**50**	50
Loss on sale of fixed assets	**-**	2
Decrease in provision for bad debts	**(307)**	(754)
Fair value (gains)/losses on embedded derivatives	**(252)**	220
Fair value gains on forward foreign currency contracts	**(4,159)**	(10,083)

Amounts receivable by the Company's auditor in respect of services to the Company and its subsidiaries, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, the British Broadcasting Corporation (BBC).

4 Employees and remuneration

4a Persons employed

The average number of persons employed (full time equivalent) during the year was:

	2011 **Average**	2010 Average
Sales	**7**	6
Editorial	**19**	24
Marketing, Communications & Audiences	**24**	27
Business Support	**38**	35
	88	92

Notes *(continued)*

4 Employees and remuneration *(continued)*

4b Staff costs

	2011 £000	2010 £000
Salaries and wages	**4,734**	4,905
Social security costs	**404**	344
Other pension costs	**497**	692
	5,635	5,941

4c BBC Group Pension Scheme

Many BBC World News employees are members of the BBC's pension schemes, the BBC Pension Scheme (a defined benefit scheme) and the Group Personal Pension Scheme (a defined contribution scheme).

The BBC Pension Scheme provides pensionable salary related pension benefits on a defined benefit basis from assets held in separate, trustee-administered funds.

The pension scheme trustees manage the plan in the short, medium and long term. They make funding decisions based on valuations which take a longer-term view of the assets required to fund the scheme's liabilities.

The scheme is subject to independent valuation by a professionally qualified actuary at least every three years, on the basis of which the actuary certifies the rate of employer's contributions. The 2010 actuarial valuation showed a funding shortfall of £1,131m.

As a result of the 2010 actuarial valuation by Towers Watson, it has been agreed between the BBC and the pension scheme trustees that:

- additional contributions totalling £905m will be paid by the BBC over the next 11 years. The first contribution of £110m was paid on 28 March 2011.
- employer contributions would decrease from 17.85 to 15.2% on 1 April 2011 and then to 14.2% from 1 January 2012. Employee contributions for Old and New Benefit members rose from 6.75% to 7.5% from 1 April 2010. Employee contributions for the Career Average Benefit 2006 members are set at 4% and for the Career Average Benefit 2011 members are set at 6%.

A salary sacrifice arrangement was introduced on 1 June 2008 for Old and New Benefits members and the 1 November 2006 for Career Average Benefit members. The contributions paid via the salary sacrifice arrangement have been treated as employer contributions.

Notes *(continued)*

4 Employees and remuneration *(continued)*

4c BBC Group Pension Scheme *(continued)*

An interim valuation was performed as at 1 April 2011 which indicated a deficit on the scheme of £920.5m *(1 April 2010: £1,131m)*. The next formal actuarial valuation is expected to be performed as at 1 April 2013.

	Projected 2011-12	**2010-11**	2009-10	2008-09	2007-08
Contribution rates	%	**%**	%	%	%
Employer	14.2/15.2	**17.85**	18.6	18.8 / 19.35	18.8
Employee (Old and New Benefits)	7.5	**7.5**	6.75	6.0	6.0
Employee (Career Average Benefits 2006)*	4.0	**4.0**	4.0	4.0	4.0
Employee (Career Average Benefits 2011)**	6.0	**0.0**	0.0	0.0	0.0

**The Career Average Benefit 2006 scheme started on 1 November 2006*

***The Career Average Benefit 2011 scheme started on 1 April 2011*

BBC World News, following the provisions within FRS 17, accounts for the scheme as if it were a defined contribution scheme. This is because it is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The pension cost for this scheme therefore represents contributions payable by the Group to the scheme and the costs amounted to £497,000 in the year *(2010: £621,000)*. In addition, at 31 March 2011, no contributions had been prepaid *(2010: £nil)*.

The actuarial valuation was updated for FRS 17 purposes to 31 March 2011 by Towers Watson, consulting actuaries. This valuation identified a deficit of £920.5 million in the scheme at 31 March 2011 *(2010: £1,640.9 million)*. Additional disclosure about the scheme and its financial position under IAS 19, which as a result of options taken by the BBC Group is equivalent to FRS 17, is provided in the BBC Annual Report and Accounts that can be obtained from www.bbc.co.uk/annualreport.

Notes *(continued)*

4 Employees and remuneration *(continued)*

4d Directors' remuneration

	2011 **£000**	2010 £000
Directors' emoluments	**506**	908
Amounts receivable under long term incentive schemes	**-**	19
Compensation for loss of office	**195**	355
	701	1,282
Pension supplement	**-**	119
Amounts paid to third parties in respect of directors' services	**229**	295
	930	1,696

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director for the year ended 31 March 2011 was £143,215 *(2010: £247,732)*, and compensation for loss of office £195,000 *(2010: £355,250)*. No pension supplement was paid during 2011 *(2010: £119,476)*. The highest paid director is a member of a defined benefit scheme, under which the pension accrued at the year end was £35,197 *(2010: £47,924)*.

Amounts paid to third parties are in respect of the services of Peter Horrocks, Jim Egan, Sanjay Nazerali as directors of both BBC World News Limited and BBC World Distribution Limited and Craig Oliver as director of BBC World News Limited. Payments comprise emoluments of £179,938 *(2010: £241,370)* associated pension costs of £29,069 *(2010: £30,149)* and associated social security costs of £19,730 *(2010: £23,768)*.

	2011 Number of Directors	2010 Number of Directors
At the end of the year, retirement benefits were accruing to the following number of directors under:		
Defined benefit schemes	**3**	5

5 Interest

5a Interest receivable and similar income

	2011 **£000**	2010 £000
Other interest receivable	**49**	305

5b Interest payable and similar charges

	2011 **£000**	2010 £000
Interest payable on loan from parent undertaking	**(990)**	(998)
Other interest payable	**(104)**	(22)
Total interest payable	**(1,094)**	(1,020)

Notes *(continued)*

6 Taxation

6a Analysis of tax charge for the year

	2011 £000	2010 £000
Current tax:		
UK corporation tax	**1,271**	1,307
Group relief receivable	**(305)**	(3,140)
Less: double tax relief	**(1,271)**	(1,307)
	(305)	(3,140)
Foreign tax	**1,356**	1,360
Total current tax	**1,051**	(1,780)
Deferred tax:		
Origination and reversal of timing differences	**1,279**	2,943
Tax rate reduction	**(8)**	-
Adjustments in respect of prior year	**(6)**	(31)
Total deferred tax (note 6d)	**1,265**	2,912
Total charge for the year	**2,316**	1,132

There are no unrecognised deferred tax assets or unprovided deferred tax liabilities at 31 March 2011 or 31 March 2010.

6b Factors affecting the tax charge

	2011 £000	2010 £000
Profit before tax	**8,348**	2,866
Profit before tax multiplied by the standard rate of corporation tax in the UK of 28% *(2010: 28%)*	**2,338**	802
Effects of:		
Other timing differences	**(1,281)**	(2,943)
Disallowed expenditure/(income)	**3**	(6)
Tax rate differential on overseas earnings	**(10)**	358
Depreciation in excess of capital allowances	**1**	9
Current tax charge for the year	**1,051**	1,780

6c Factors affecting the tax future charge

The rate of taxation is expected to follow the standard rate of UK corporation tax in future periods after taking into account expenditure not deductible for taxation and any non-taxable income. The statutory rate of UK Corporation tax will reduce to 26% with effect from 1 April 2011.

Notes *(continued)*

6 Taxation *(continued)*

6d Deferred tax analysis

In accordance with FRS 19 Deferred Tax, the Group provides for all deferred tax liabilities in full less available deferred tax assets.

	2011 £000	2010 £000
Deferred tax provision:		
Provision at start of the year	(1,212)	(3,940)
Deferred tax charge (note 6a)	1,265	2,912
Foreign exchange adjustment	(22)	(184)
Provision at end of the year	31	(1,212)
Deferred tax liability/(asset):		
Accelerated capital allowances	(12)	(1,764)
Other timing differences	43	552
	31	(1,212)

7 Tangible fixed assets

Fixtures, fittings & equipment

	Group £000	Company £000
Cost		
At beginning of the year	1,637	617
Additions	66	-
Disposals	(20)	-
Foreign exchange	(22)	-
At end of the year	1,661	617
Depreciation		
At beginning of the year	(1,494)	(610)
Charge for the year	(98)	(7)
Disposals	20	-
Foreign exchange	15	-
At end of the year	(1,557)	(617)
Net book value		
At 31 March 2011	104	-
At 31 March 2010	143	7

8 Investments in subsidiary undertakings

	Company 2011 £000	Company 2010 £000
Cost and net book value		
At end of the year	4,335	4,335

The principal operating subsidiary of the Company as at 31 March 2011 is BBC World Distribution Limited. A full listing of subsidiary undertakings is set out in note 17.

Notes *(continued)*

9 Debtors

	Group 2011 £000	Group 2010 £000	**Company 2011 £000**	Company 2010 £000
Debtors due within one year:				
Trade debtors	**6,956**	7,477	**3,501**	4,360
Other debtors	**1,593**	1,514	**892**	626
Prepayments and accrued income	**5,843**	8,039	**1,605**	3,884
Deferred tax assets (note 6d)	**11**	1,049	**-**	1,049
Derivative financial assets (note 11d)	**1,511**	1,292	**1,511**	1,292
	15,914	19,371	**7,509**	11,211

Debtors due after more than one year:				
Deferred tax assets (note 6d)	**151**	715	**-**	541
Derivative financial assets (note 11d)	**224**	681	**224**	681
	375	1,396	**224**	1,222

The deferred tax asset comprises timing differences between accounting and taxation profit arising and from derivative financial instruments (note 6).

10 Creditors

	Group 2011 £000	Group 2010 £000	**Company 2011 £000**	Company 2010 £000
Amounts falling due within one year:				
Trade creditors	**1,327**	1,662	**1,114**	904
Residual creditors	**782**	770	**782**	770
Amounts owed to the BBC	**9,315**	8,751	**9,315**	8,746
Amounts owed to fellow subsidiary undertakings	**6,797**	4,487	**6,145**	4,335
Amounts owed to subsidiary undertakings	**-**	-	**3,654**	33,784
Other creditors including other taxes and social security	**1,004**	1,244	**547**	637
Overseas tax	**349**	428	**-**	-
Accruals and deferred income	**6,678**	8,218	**4,568**	6,471
Deferred tax liabilities (note 6c)	**194**	361	**194**	361
Derivative financial liabilities (note 11d)	**815**	3,747	**815**	3,747
	27,261	26,668	**27,134**	59,755
Amounts falling due over one year:				
Deferred tax liabilities (note 6c)	**-**	191	**-**	191
Derivative financial liabilities (note 11d)	**99**	1,816	**99**	1,816
Amounts owed to parent undertaking	**28,931**	34,566	**28,931**	34,566
	29,030	36,573	**29,030**	36,573

The deferred tax liability comprises timing differences between accounting and taxation profit arising and from derivative financial instruments (note 6).

Residual creditors comprise royalty payments owing to contributors for Channel content.

Amounts owed to the parent undertaking carry a variable interest rate between 2.78% and 4.46% *(2010: 2.77% to 2.82%).*

Notes *(continued)*

11 Financial instruments

11a Financial risk management

BBC World News' financial risk management operations are managed by BBC Group Treasury, within parameters defined formally in the policy agreed by BBC World News Board. All treasury activities are routinely reported and are subject to review by management.

BBC Group Treasury uses financial instruments to raise finance and manage financial risk arising from BBC World News' operations in accordance with its objectives which are:

- to ensure its business is funded in the most efficient manner and remains compliant with borrowing ceilings
- to protect the value of its assets, liabilities and cash flows from the effects of adverse interest rates and foreign exchange fluctuations
- to maximise the return on surplus funds, whilst ensuring sufficient cash is retained to meet foreseeable liquidity requirements

BBC World News' financial instruments, other than those used for treasury risk management purposes, principally comprise cash and liquid resources, a debt facility provided by its parent, and various items such as trade receivables and payables that arise directly from its operations. BBC World News finances its operations from these financial instruments. BBC World News does not undertake speculative treasury transactions.

The main risks arising from the use of financial instruments are market risk, credit risk and liquidity risk.

Market risk

Market risk comprises currency risk, interest rate risk and other price risks.

Currency risk

Foreign exchange transaction risk arises from recognised assets and liabilities and forecast future commercial transactions that are denominated in a currency that is not the entity's functional currency. Foreign exchange translation risk arises from the retranslation of overseas subsidiaries' Profit and Loss Accounts and Balance Sheets into sterling. BBC World News is a global organisation with virtually all revenue generated outside the UK. The most significant currency exposure by total value of transactions is USD, followed by Yen. Due to movements in exchange rates over time, the amount the Group expects to receive or pay when it enters into a transaction may differ from the amount that it actually receives or pays when it settles the transaction. A small proportion of related operating expenses will also be denominated in these foreign currencies providing some level of offset to these revenue exposures.

The Group takes a risk averse approach to the management of foreign currency trading and has implemented a clear hedging policy to minimise volatility in the financial results. A substantial proportion of foreign currency trading is hedged. Forward currency contracts allow the Group to settle transactions at known exchange rates, thereby reducing further any uncertainty.

The overall cost of these contracts to be recognised in relation to contracts denominated in foreign currencies is therefore fixed, however where these contracts span financial years, the fair value of the forward currency contracts results in timing gains/losses in each financial year. The gains/losses seen are therefore a result of market conditions as opposed to variances in contract value.

Notes *(continued)*

11 Financial instruments *(continued)*

11a Financial risk management *(continued)*

The following table shows the profit or loss and equity impact of a 10% adverse movement in currency rates on the group's financial instruments:

Financial instruments	**2011**	2010
	£000	£000
Forward foreign currency contracts	**(3,444)**	(4,475)
Foreign currency options	**(365)**	(393)
Total	**(3,809)**	(4,868)

This is based on difference in valuation between year end rate for all forward foreign currency contracts and a 10% adverse movement in this rate on valuation of currency pairs. It does not try to estimate forward rates at date of contract settlement. Currency option contracts have fixed worst case so value quoted is maximum sensitivity.

Interest rate risk

The Group's main exposure to interest rate fluctuations arises only via its parent company's external interest-bearing liabilities. BBC Group uses interest rate hedging to generate the desired interest profile and to manage BBC Group's exposure to interest rate fluctuations.

Other price risk

Other price risk is any price change other than those arising from changes in currency or interest rates. BBC Group invests surplus cash in money market funds and money market deposits, therefore it is not subject to other price risks, such as market price risk.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, derivative financial instruments, and trade or other receivables.

Cash and cash equivalents and derivative financial instruments are held only with banks of A+ rating or better. BBC Group limits its exposure to credit risk by only investing in liquid securities with counterparties that have a minimum credit rating of A-, with a higher minimum rating up to AA- required depending upon duration and amount.

The Group's credit risk management policy in relation to trade debtors involves regularly assessing the financial reliability of customers, taking into account financial position, past experience and other factors. Despite the existence of some key customers in major geographies, there is no concentration of credit risk with respect to trade debtors as the Group has a large number of customers, geographically dispersed. Standard credit terms, where given, are for payment 30 days from date of invoice. The Group provides for all debt outstanding for more than 90 days. The carrying amount of financial assets included in the financial statements represents the Group's maximum exposure to credit risk in relation to these assets.

The Group's other classes of financial assets do not contain impaired assets and are not past due.

Trade and other debtors: The majority of the Group's financial assets are trade debtors, £6,956,000 *(2010: £7,477,000)*. There is a year end provision of £934,000 *(2010: £1,241,000)* against trade debtors which are considered impaired. The table below analyses the movement in this provision during the year:

Notes *(continued)*

11 Financial instruments *(continued)*

11a Financial risk management *(continued)*

Provision against trade debtors which are considered impaired	**2011**	2010
	£000	£000
At beginning of year	**1,241**	2,363
Utilised during year	**(335)**	(378)
Charge/(credit) to the profit and loss for the year	**(26)**	(744)
Amounts released unused	**54**	-
At end of year	**934**	1,241

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. BBC World News is subject to ceilings imposed on its borrowings by BBC Commercial Holdings Limited, which in turn is subject to limits set by BBC Group, which in turn is subject to limits set by the Secretary of State in accordance with the Agreement between the BBC and DCMS. At 31 March 2011, the gross debt ceiling imposed by BBC Group on BBC World News was £52m *(2010: £52m)*. This limit is subject to change going forward.

In order to comply with this ceiling, BBC World News manages its liquidity through a number of measures, including regular cash flow reporting, forecasting, hedging against foreign exchange fluctuations and proactively managing working capital.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period to contractual maturity at the balance sheet date.

2011 – Liquidity risk analysis	Amounts due in less than 1 year £000	Amounts due in 2 to 3 years £000	**Total £'000**
Financial liabilities at fair value through profit and loss account:			
Derivative financial instruments and embedded derivatives	815	99	**914**
Financial liabilities measured at amortised cost:			
Loans owed to immediate parent undertaking	-	28,931	**28,931**
Trade creditors	1,327	-	**1,327**
Residual creditors	782	-	**782**
Intercompany creditors	16,112	-	**16,112**
Other creditors including tax payable	8,225	-	**8,225**

Notes *(continued)*

11 Financial instruments *(continued)*

11a Financial risk management *(continued)*

2010 – Liquidity risk analysis

	Amounts due in less than 1 year £000	Amounts due in 2 to 3 years £000	**Total £'000**
Financial liabilities at fair value through profit and loss account:			
Derivative financial instruments and embedded derivatives	3,747	1,816	**5,563**
Financial liabilities measured at amortised cost:			
Loans owed to immediate parent undertaking	-	34,566	**34,566**
Trade creditors	1,662	-	**1,662**
Residual creditors	770	-	**770**
Intercompany creditors	13,238	-	**13,238**
Other creditors including tax payable	10,251	191	**10,442**

At 31 March 2011, the Group also has financial assets in respect of derivative financial instruments and embedded derivatives of £1,735,000 *(2010: £1,973,000).*

11b Capital management

The Group is ultimately targeted with delivering long term value to its shareholder, BBC Commercial Holdings Limited, through cash returned in the form of dividends as a share of the Group's profits once the loan to its shareholder is repaid. Accordingly it is appropriate that the targets set for the Group and the incentives placed on the management team are aligned with these goals. Currently annual targets for the management team are based on achieving budget targets.

The Group's policy in making investment decisions is governed by the overall BBC Trust principles and commercial efficiency of the investment. The commercial efficiency of an investment is determined on a case-by-case basis, with respect to financial metrics such as net present value, internal rate of return, payback period and profit margin.

11c Fair value of financial instruments

The fair values of standalone derivatives are determined using market prices and exchange rates at the balance sheet date in active markets which determines their classification as Level 1. The fair value of embedded derivatives that are not traded in an active market are determined using valuation model techniques. All significant inputs into the valuation techniques are based on observable market data justifying classification as Level 2. These are recorded in the profit and loss account (see Note 3). The remaining financial instruments are carried at cost or amortised cost in accordance with FRS 26 (IAS 39) 'Financial Instruments: Measurement', which approximates to fair value.

Notes *(continued)*

11 Financial instruments *(continued)*

11c Fair value of financial instruments *(continued)*

The table below presents the fair value of the Group's financial instruments at 31 March 2011 and 2010:

2011	**Fair value hierarchy level**	**Assets £000**	**Liabilities £000**
Greater than one year			
Forward foreign currency contracts and currency options	1	222	(87)
Embedded derivatives	2	2	(12)
		224	(99)
Less than one year			
Forward foreign currency contracts and currency options	1	1,511	(806)
Embedded derivatives	2	-	(9)
		1,511	(815)

2010		Assets £000	Liabilities £000
Greater than one year			
Forward foreign currency contracts and currency options	1	681	(1,682)
Embedded derivatives	2	-	(134)
		681	(1,816)
Less than one year			
Forward foreign currency contracts and currency options	1	1,292	(3,612)
Embedded derivatives	2	-	(135)
		1,292	(3,747)

Forward foreign currency options

The notional principal amounts of the outstanding forward foreign exchange contracts (that mature in the period through to 31 March 2013 in order to fix the forecast cashflows through this period mainly in US dollars) at 31 March 2011 were £56,342,000 *(2010: £80,118,000).*

Embedded derivatives

In accordance with FRS26, the Group has reviewed contracts for embedded derivatives that are required to be separately accounted for if they do not meet certain requirements set out in the standard. Any such embedded derivatives have been recognised at fair value.

Changes in the fair value of both these financial instruments are accounted for directly in the profit and loss account, and have resulted in a credit to the profit and loss account for 2011 of £4,411,000 *(2010: credit of £9,863,000).*

Notes *(continued)*

11 Financial Instruments *(continued)*

11e Interest bearing loans and borrowings

The only interest bearing unsecured loan or borrowing is the loan owed to the Company's immediate parent undertaking, which stands at £28.9m *(2010: £34.6m)*. The total loan facility is £52m *(2010: £52m)*. Interest is payable on any loan balance at a rate which reflects the cost of funds to the immediate parent undertaking including a margin of 0.275% (rising to 0.325% once the immediate parent undertaking has utilised over £175 million of debt under its £350m revolving credit facility) and after taking into account any interest rate hedging arrangements in place. This facility expires on 30 April 2012. It is anticipated that this loan will be renegotiated and extended during middle of 2011. No matters have been drawn to the Directors' attention to suggest that renewal may not be forthcoming on acceptable terms.

The Group's business plan targets ongoing profitability, enabling loan to be paid down over time.

12 Called up share capital

	2011 **£000**	2010 £000
Allotted, called up and fully paid		
22,421,211 Ordinary shares of £1 each	**22,421**	22,421

13 Profit and loss account

	Group **£000**	**Company** **£000**
At beginning of the year	**(65,225)**	**(101,369)**
Retained profit for the year	**6,032**	**35,166**
Loss on foreign currency translation	**(69)**	**-**
At end of the year	**(59,262)**	**(66,203)**

14 Commitments

There were no capital commitments at the end of the financial year, for which no provision had been made. Annual commitments under non-cancellable operating leases are as follows:

	2011 **Land and Buildings** **£000**	**Other** **£000**	2010 Land and Buildings £000	Other £000
Group				
Operating leases which expire:				
Within one year	**41**	**1,073**	49	2,052
In the second to fifth years inclusive	**184**	**6,967**	51	3,821
	225	**8,040**	100	5,873

Notes *(continued)*

14 Commitments *(continued)*

	2011 Land and Buildings £000	**Other £000**	2010 Land and Buildings £000	Other £000
Company				
Operating leases which expire:				
Within one year	-	**93**	-	1,124
In the second to fifth years inclusive	-	**6,179**	-	3,760
	-	**6,272**	-	4,884

Other operating leases relate to satellite and transmission contracts.

At 31 March 2011, total amounts payable in the future relating to non-cancellable operating leases were £0.3m relating to land and buildings, and £13.3m relating to other lease costs, which relate to satellite and transmission contracts *(2010: £0.1m for land and buildings and £7.5m for other lease costs).*

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15 Related party transactions

In accordance with FRS 8, transactions or balances between group entities that have been eliminated on consolidation are not reported.

The Company is a 100% owned subsidiary of BBC Commercial Holdings Limited and the British Broadcasting Corporation (BBC). As a result, the Group has taken advantage of the exemption set out in FRS 8 and has not disclosed transactions between the Group and the BBC or its subsidiaries.

The directors confirm that there are no further related party transactions which require disclosure in these financial statements.

16 Parent undertaking and controlling party

The Company's immediate parent undertaking is BBC Commercial Holdings Limited and its ultimate parent undertaking and controlling party is the British Broadcasting Corporation 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. The immediate parent company, which heads the smallest group in which the accounts of the Company are consolidated, is BBC Commercial Holdings Limited. The consolidated accounts of the BBC may be obtained from The Secretary, BBC, Media Centre, Media Village, 201 Wood Lane, London, W12 7TQ.

Notes *(continued)*

17 Interest in subsidiary undertakings

The Company's subsidiaries are listed below. They operate mainly in the countries of incorporation or registration. The investments are in equity share capital and they are all directly owned by BBC World News Limited, unless otherwise stated:

Subsidiary undertakings

	% share ownership	Nature of Business	Country of incorporation or registration
BBC World Distribution Limited	100%	Distributor	UK
BBC World Japan Limited*	100%	Distributor	Japan
BBC World (Singapore) Private Limited	100%	Wholesaler	Singapore
BBC World (Australia) Pty Limited	100%	Agent	Australia
BBC World (India) Private Limited	100%	Agent/ Distributor	India

*Investment directly held by BBC World Distribution Limited