

BBC WST Limited

Annual Report 2010/11

Registered number: 2746733

Charity number: 1121665

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ANNUAL REPORT 2010/11

CONTEXT

The BBC WST Limited ("BBC WST") (company number 2746733) is a subsidiary company of the BBC World Service Trust, the BBC's international charity. The BBC WST is a company limited by shares of which the sole member is the BBC World Service Trust. BBC WST was awarded charitable status on 22 November 2007.

We use media and communications to reduce poverty and promote human rights, thereby enabling people to build better lives for themselves. We believe that independent and vibrant media are critical to the development of free and just societies.

The BBC WST is focusing on health, humanitarian and governance and human rights as the substantive themes in India, though we have also started developing livelihoods work and exploring how we can use the media to communicate information about Climate change

Modern India has emerged as one of the world's great economic powers, but as with many other of the world's leading economic nations, the gap between rich and poor is growing and prosperity is enjoyed by the minority. In a country of more than one billion people, over 300 million live on less than \$1 a day (34.3%) and over 500 million live on less than \$2 a day. In a culture where open discussion of sexual health has been unacceptable, rates of HIV continue to be a concern. BBC WST is building the capacity of the government of India to deliver effective HIV prevention communication nationally. Other health and stigma related work included a set of adverts to encourage people to give blood, and to tackle attitudes to sexually transmitted diseases. Rates of sex selection abortion are on the rise, as the sex ratio shows that the number of females being born is decreasing in some districts as compared to males. To help address this we have been exploring gender inequality in a radio drama.

Linked to our work on human rights we delivered a project to tackle bonded labour. Despite being abolished in 1976, bonded labour still exists in India. We produce a radio programme designed to promote labour welfare and prevent bonded labour in Uttar Pradesh and Bihar.

BOARD OF TRUSTEES' REPORT

The trustees present their trustees' report and financial statements for the year ended 31 March 2011

Objectives and activities for the public benefit

The objects of the BBC WST are:

- the education and training of journalists and all others engaged in the broadcast media in the principles and practice of journalism, programme production, broadcasting and related media skills, including ethics and codes of conduct, technical presentation and writing skills, interviewing techniques, news conferences, relevant law and newsroom roles and responsibilities, so as to promote high standards of balance, fairness, integrity and professionalism, and,
- informing the public in the arts and sciences, including health, law, social policy, public administration, history, politics, economics, environmental protection, languages and in the availability of education, and in particular through the production and broadcasting and other dissemination of educational programming on film, radio and television, and the publication of other educational material for the benefit of the public

The BBC WST carries out these objects by:

- Building partnerships with educational institutions within India with a view to providing training to local journalists raising public awareness on social affairs, by producing public service announcements on health issues, discussion programmes on governance issues and a drama series addressing gender inequality

We have established that we will achieve the greatest impact and public benefit by focusing on specific thematic areas, prioritising Health, Governance and Humanitarian

Across all thematic areas, we aim to be inclusive and seek to be aware of gender and diversity and to design and implement our strategies and projects accordingly to reach beneficiaries. We are committed to exploring this area further within our knowledge sharing activities

Across all thematic areas, we aim to enable debate and conversation and to strengthen media and communications. All this work has public benefit in the way it contributes to improved governance in addition to the targeted work within the governance theme

We seek to design our projects around four activity sets, which are research, media development, production and outreach (wherever possible designing projects that incorporate all four of these)

The beneficiaries of our work are the audiences who hear or watch our radio, television or online programmes, and journalists and others who are recipients of training and mentoring, and their audiences. In most cases people receive our services without charge. Occasionally we charge for a service to set it up in a way that will be sustainable beyond the life of the project.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the BBC WST's aims and objectives and in planning future activities. The BBC WST is committed to strengthening the media in developing countries and using media and communications to reduce poverty and promote human rights globally.

Review of 2010/11 objectives

WHAT WE ACHIEVED

1) Deliver our mission to enable people to have access to life-changing information

Aim: To deliver our mission to provide information to people to help them survive, shape their lives and thrive

Delivery: We have worked with local partners to design and deliver projects within our main thematic areas. Across our training, infrastructure support and programme-making we have been improving systems to ensure the highest editorial standards. All our projects are delivered to budget and on time, with no compliance issues.

HOW WE DID IT

2) Reach and scope

Aim: To clarify the geographic focus of our work and review all three thematic strategies. We will ensure that a strong pipeline of projects is in place for future years.

Delivery: We reviewed our Health, Governance and Humanitarian strategies. We also drafted a new paper to define our approach to gender. New guidelines have been approved and shared to define the scope and reach of our work in terms of size, scale, location and theme. Editorial quality and value for money continues to be key.

3) Research, knowledge sharing and policy

Aim: To use our new structure to enable clearer working relations between research and programme staff so that all projects use research effectively at a formative stage and so that we can measure the impact of our projects. We will more actively engage in debates on media and communications around health issues and within other themes as well as continuing the governance work. We will build new policy partnerships (especially around health issues).

Delivery: A shift in strategy, linked to a change in Director in R&L, saw us deciding not to pursue 'stand-alone' research but rather focus on integrating all research to provide support to BBC WST projects directly. Research reports for India included an impact evaluation for the Bihar bonded labour project. As our policy reputation in health and new media deepened we secured a major new maternal and child health project in Bihar. In addition to multiple research reports, this year the BBC World Service Trust published its first academic book, in partnership with the Open University and Sage publications, to provide an historical review of its work on drama and development, which features our work in India.

4) Working with others

***Aim** To continue to strengthen relations with other parts of the BBC and with the development sector*

Delivery: Collaboration with the BBC continued, reflected by links to broadcast project outputs through language services, through coverage of a wide range of our work in BBC media, and through the continued involvement of talented BBC staff who come to work with us through short-term attachments and longer-term deployment. Our partnerships with other NGOs and development players proliferate, while we continue to make engagement with both donors and the national government a central spine of project delivery.

5) Striving for quality

***Aim** To focus more on quality than on growth*

Delivery: The restructuring process has helped establish new ways of working. Programme reviews have been regularly undertaken, and this year we held a creativity and production workshop for global staff in London to help review and strengthen thinking and practice within our broadcast outputs, two colleagues from the India office played a central part. The R&L team continues to ensure that our projects and outputs are monitored and measured at every stage of delivery, while externally a range of consultants have undertaken reviews of our work on behalf of donors.

6) Keeping costs down and improving project costs recovery

***Aim** To manage costs, particularly those that are not directly project related. On at least a quarterly basis India team colleagues will be supplied with clear financial information from London about both the organisation's and individual team's performance*

Delivery: Tightened financial procedures and regularly monitored budgets and reforecasts have ensured that we operated within budget across the year. The 'Finance Forward' project to improve systems and communication has helped strengthen links and understanding between HQ and country staff. In addition London staff visited the office in Delhi to review processes and share information.

7) Business Development

***Aim** To provide leadership in identifying and collaborating on proposals to maximise project development time. The India office has submitted proposals under the health theme (tobacco control and maternal and child health). These have been aligned with the India Country Plan*

Delivery In the tough external financial climate our business development targets have been especially challenging to meet. Despite the challenges we gained some significant new projects in India and have a number of promising bids in the pipeline. The India country plan was updated.

8) Communications

***Aim** To prepare for a rebrand to take place in 2011/12, launching a new name and logo and revamping the website. To increase the India content available on the global website as well as updating India project specific websites.*

Delivery: The branding process continued across the year with staff, trustees, external stakeholders and BBC colleagues consulted at every stage. We are now on (a revised) target to rebrand in January 2012. Colleagues from the India office made presentations as part of a festival and conference called WOW, held by the Southbank Centre in London to mark the centenary of International Women's Day. The website relaunch will now coincide with the rebrand and is set for January 2012. A new multimedia library was implemented across the year to improve storage and retrieval of all our outputs.

9) Information systems

***Aim** Further improvements in financial management information, in India. We will build capacity to develop systems and change processes.*

Delivery. The new management accounts format and monthly reporting processes have been implemented successfully. The Finance team have developed robust and broadly understood new systems and processes that have made our reporting and forecasting budgetary processes much more effective. Financial processes in the India office have also been a focus and the new systems have improved transparency and accountability.

10) Support and develop staff

***Aim:** We will build on our more accountable structure to continue to develop a culture of clear decision making combined with open communication and will focus on performance development and performance management this year.*

Delivery. Feedback from staff reflects satisfaction at a more open style and a more secure and motivated workforce. Quality reviews have been undertaken of appraisals and these indicate that performance development has been discussed and realistic objectives set for the year. This year we held a Creativity and Production workshop in London. This brought colleagues from India and around the world to London. Work has continued on strengthening local staff terms and conditions.

Our achievements in the financial year 2010/11

The India office continues to diversify its donor base as well as the thematic areas in which it works. It has a broad range of donors from multilaterals, bilaterals and private foundations and currently works across three thematic areas.

Health

A major new five-year health project branded 'Ananya' is now underway in Bihar. The project is designed to promote the uptake of priority health behaviours by combining behaviour change tools and innovative new solutions, informed by behaviour change theory and practical field experiences. Outputs include radio show, mobile service for pregnant families, advertising campaigns with health messaging, mobile drama for men, and working directly with frontline health workers and self-help groups. An office has been set up in Patna (Bihar) with a dedicated team, headed by a Project Director who reports directly to the Country Director. Funded by the Bill and Melinda Gates Foundation.

The original public service campaign funded by the Bill & Melinda Gates Foundation to make condoms more socially acceptable in the high HIV incidence states of Andhra Pradesh, Karnataka, Maharashtra and Tamil Nadu came to a close. The project was able to continue in a separate but linked project thanks to a new grant funded by the Public Health Foundation of India. Other TV and radio campaign materials aired across the year have focused on sexually transmitted infections and blood donation.

BBC WST has continued its radio drama *Life Gulmohar Style* to address gender inequality in India, with a focus on sexual and reproductive health. Broadcast on All India Radio, and other FM rebroadcasters, the thrice-weekly 156-part drama launched in October 2010 and marked the first of its kind on FM in India. Funded by the Packard Foundation, the MacArthur Foundation and UNFPA.

A project entitled 'Tobacco Free Kids' aims to support tobacco control through the effective use of media in India. This has involved journalism training with needs assessments and training undertaken across a range of locations. The aim is to increase the quantity and accuracy of reporting, and to encourage media practitioners to report on social affairs, including tobacco related issues. 111 journalists were trained on feature journalism with focus on tobacco related issues as well as 62 NGOs on media handling skills. Funded by the Campaign for Tobacco Free Kids.

Livelihoods

'Reach and response: Building the capacity of communities to combat bonded labour' is a project in Bihar and Uttar Pradesh. The project aimed to reach people across the two states through *Major Kisko Bola*, a 36-episode radio programme that combined factual information about labour welfare, human rights and prevention of bonded labour with entertainment. Funded by US State Department.

Research and Learning

Broadcasting Social Change – Drama, Development and Cross-Cultural Translation. Book contract with SAGE India based on Research and Learning and external examinations of the BBC WST's work on drama for development. The book is now published.

Looking ahead: Our aims for 2011/12

We are now into the third and final year of our 'How we work' organisational strategy (2009-12). The strategy is designed to consolidate the position of BBC WST and to equip it for the next phase of its development. The plan set out below addresses the strategic areas identified in the paper and is congruent with the 2011/12 budget. During 2011/12, we will agree on strategic priorities for the next three to five years starting in April 2012.

1) DELIVER OUR PROGRAMME

This overarching objective encompasses all that we do and supports our mission to transform lives positively through media.

2) REACH AND SCOPE

We will grow the overall size of our programme portfolio in line with budget and forward plans. We will produce a country plan and strategy. We will better define the parameters of our work on livelihoods/education and climate change.

3) RESEARCH, KNOWLEDGE SHARING AND POLICY

We will ensure that the R&L team is professionally managed internationally and resourced to deliver and reflect the way that we work. We will ensure that R&L is funded appropriately within projects to enable wider learning for the country, region and organisation. We will deliver the final year of the DfID funded policy programme – focussed mainly on governance with some humanitarian and health focus – and the main part of the SIDA funded programme. We will expand our external engagement in the area of health communication and bring the learning back into the organisation. We will collate, develop and articulate our approaches and methodologies and make the materials available to all staff. We will continue our regular knowledge sharing sessions and find ways to engage more overseas staff more often.

4) WORKING WITH OTHERS

We will continue to work collaboratively with in-country research agencies and local experts to help deliver the evidence base for our research questions. We will continue to engage wherever possible with colleagues across the BBC and will actively look out for opportunities that can take forward development objectives while also helping to mitigate the consequences of the comprehensive spending review in the BBC World Service and BBC Monitoring. We will start work on developing a partnership policy to articulate, in particular, who we work with and how we work with them in the countries where we deliver projects.

5) STRIVING FOR QUALITY

In designing and delivering our projects, we will seek to produce innovative, creative and appropriate outputs that deliver real impact. We will identify key moments within the project cycle where staff will learn from progress made and impact achieved and apply that to strategic development of other

projects. We will seek to learn from failures as well as successes and be honest in assessing and reflecting upon our impact.

6) SUPPORTING AND DEVELOPING STAFF

We will improve staff development with particular focus on induction and support for creativity across the organisation. We will improve policies and procedures to provide staff with greater clarity and access to key information. We will engage with BBC Global News Division to get clarity on terms and conditions for staff.

7) KEEPING COSTS DOWN AND IMPROVING PROJECT COST RECOVERY

We will continue to achieve the 'close to full' level of cost recovery from projects and further reduce ineligible costs. We will improve our project planning and project budget preparation particularly around the staffing required to deliver research within projects. We will engage all staff in ensuring good stewardship of funds and value for money. We will manage vacancies carefully taking advantage of savings where appropriate.

8) BUSINESS DEVELOPMENT

Within project business development, we will concentrate on bigger projects that are in line with our thematic and regional strategies and will increase the diversity of our funders. We will engage with those funders that fit our strategies and strengthen our approaches.

9) COMMUNICATIONS

We will complete the rebrand and roll out the new name 'BBC Media Action' over the year. We will launch a new website, marking the main switchover point to the new brand in January 2012. Policy, Research and Learning and Communications teams will work together more closely to make the case for the role of media in development as demonstrated within our projects. We will forge closer links between our office and the London-based Communications team to encourage a better understanding by communications staff of our priorities to help produce effective communication plans, testimonials and promotional materials to support both global and country business development.

More detail of how we will measure our achievement of these aims can be found in the financial statements of the BBC WST's parent charitable company, the BBC World Service Trust. These can be obtained from the address shown in note 15.

Financial review

The income and expenditure account for the year ended 31 March 2011 shows a breakeven result (2010 surplus of £2,500).

Total income was £1,711,924 compared to £1,196,464 in 2010, reflecting increasing activity particularly on the Public Health Foundation of India funded project. Total expenditure was £1,711,924 (2010 £1,193,964) of which 99.3% was spent on charitable activities.

The balance sheet at 31 March 2011 had net assets of £20,771 (2010 £20,771)

The principal funding sources were Public Health Foundation India and Bill and Melinda Gates Foundation

Financial policies

Reserves

During the year the Board of Trustees reviewed the reserves policy. The review was carried out in the context of the review of risks and opportunities for BBC WST. At 31 March 2011 unrestricted reserves, which are all considered to be free reserves, were £20,771 (2010 £20,771). The Board of Trustees considers that the level of unrestricted reserves, and therefore of free reserves, are at a reasonable level in the context of BBC WST's legal structure and risk profile and that these should be maintained at this target level. The reserves policy is reviewed by the Board of Trustees on an annual basis.

Going concern

The Board of Trustees is of the opinion that the BBC WST has adequate resources to continue in operational existence for the foreseeable future. The Board of Trustees have identified no material uncertainties that cast significant doubt about the ability of the company to continue as a going concern as is further explained in Note 1 of the financial statements.

Our organisation

Staff and volunteers

The quality and creativity of our outputs are directly attributable to the calibre and expertise of our staff. In 2010/11 BBC WST employed an average of 24 staff (2009/10 19).

The work of the BBC WST is about empowerment and helping to develop local skills, so that our work can be sustained long term, long after our own in-country projects may have concluded. As a consequence, wherever possible we recruit staff from the location where we operate. The India team is predominantly Indian, and during 2010/2011 we had only one expatriate member of staff.

The BBC WST also offers internships for national students.

Legal structure

The BBC WST Limited (company number 2746733) is a company limited by shares of which the sole member is the BBC World Service Trust. Its governing documents are a Memorandum and Articles of Association. BBC WST was awarded charitable status on 22 November 2007. In March 2007 the

Reserve Bank of India granted BBC WST branch office status. The financial statements are filed annually with the Registrar of Companies.

Subsidiary companies

The BBC WST has a subsidiary company, BBC MPM Inform, which is 100% owned by the BBC WST. The BBC MPM Inform did not trade during the current or prior year.

Governance

Trustees are recruited and appointed after consultation with the Board of Trustees of The BBC World Service Trust. All trustees of BBC WST are currently also trustees of The BBC World Service Trust. The induction in relation to BBC WST takes place at the same time as the induction for The BBC World Service Trust. Regular knowledge sharing sessions provide trustees with the opportunity to gain up to date information on particular issues as part of ongoing training.

The Board of Trustees confirms that a risk review was carried out in the year and confirms that the Trustees consider the controls in place sufficient to mitigate key risks. The risk register is reviewed by trustees on an annual basis as part of the review of risk by the Finance and Audit Committee of the BBC World Service Trust.

The Board of Trustees intends to carry out a review of its own effectiveness in the year ahead.

The Finance and Audit Committee of The BBC World Service Trust reviews the issues of the consolidated group as a whole, which includes BBC WST. The BBC WST audit committee formally meets once a year to review the accounts. There is no internal audit function due to the size of the organisation, but the BBC's internal audit function carries out occasional reviews and audits.

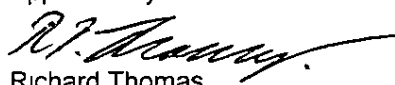
Disclosure of information to auditors

The trustees who held office at the date of approval of this Trustees' Report confirm that, so far as they are each aware, there is no relevant audit information of which the charity's auditors are unaware, and each trustee has taken all the steps that he ought to have taken as a trustee to make himself aware of any relevant audit information and to establish that the charity'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.

Approved by the Board of Trustees on 18 July 2011 and signed on its behalf by



Richard Thomas

Chair

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the trustees to prepare financial statements for each financial year. Under that law they have are required to prepare financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the trustees 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 charitable company and of the excess of income over expenditure for that period. In preparing the charitable company financial statements, the trustees 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and to prevent and detect fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

TRUSTEES AND ADVISORS

Trustees**

Richard Thomas (chair)*

Michael C McCulloch*

*Member of the Audit Committee

** All trustees are also directors of the company

Auditors

KPMG LLP, Chartered Accountants, Registered Auditors, 15 Canada Square, London, E14 5GL

Bankers

Lloyds TSB Bank plc, City Office, PO Box 72, Bailey Drive, Gillingham Business Park, Kent ME8 0LS

Registered Office

Bush House, PO Box 76, Strand, Aldwych, London WC2B 4PH

BBC WST Limited is a company limited by shares with company registration number 2746733 and registered charity number 1121665

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BBC WST LIMITED

We have audited the financial statements of BBC WST Limited for the year ended 31 March 2011 set out on pages 17 to 24. 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 charitable 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company's affairs as at 31 March 2011 and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BBC WST LIMITED (CONTINUED)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information in the Trustees' Annual 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

- the charitable company has not kept adequate accounting records 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 trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Trustees' Annual Report

K Wightman (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor



9 August 2011

Chartered Accountants
15 Canada Square
London
E14 5GL

BBC WST Limited Statement of Financial Activities*(including the income and expenditure account) for the year ended 31 March 2011*

	Note	Unrestricted funds 2011 £	Restricted funds 2011 £	Total 2011 £	Total 2010 £
Incoming resources					
<i>Incoming resources from charitable activities</i>					
Grant funding for specific charitable activities	2	139,354	1,572,570	1,711,924	1,193,964
Other incoming resources	2	-	-	-	2,500
Total incoming resources		139,354	1,572,570	1,711,924	1,196,464
Resources expended					
<i>Charitable activities</i>					
Changing lives through media and communication	3	(127,781)	(1,572,570)	(1,700,351)	(1,183,031)
Total charitable activities		(127,781)	(1,572,570)	(1,700,351)	(1,183,031)
<i>Governance costs</i>	3	(11,573)	-	(11,573)	(10,933)
Total resources expended	3	(139,354)	(1,572,570)	(1,711,924)	(1,193,964)
Net income for the year	4	-	-	-	2,500
Reconciliation of funds					
Total funds brought forward		20,771	-	20,771	18,271
Total funds carried forward	13	20,771	-	20,771	20,771

The statement of financial activities includes all gains and losses recognised during the year. All incoming resources and resources expended derive from continuing activities.

The notes on pages 19 to 24 form part of these financial statements.

BBC WST Limited Balance Sheet
at 31 March 2011

	Note	2011 £	2010 £
Fixed assets			
Tangible assets	7	-	2,500
Investments	8	-	-
		<u>-</u>	<u>2,500</u>
Current assets			
Debtors	9	1,887,136	293,313
Cash at bank and in hand		<u>158,983</u>	<u>119,317</u>
		<u>2,046,119</u>	<u>412,630</u>
Liabilities			
Creditors amounts falling due within one year	10	<u>(2,025,348)</u>	<u>(394,359)</u>
Net current assets		<u>20,771</u>	<u>18,271</u>
Net assets		<u><u>20,771</u></u>	<u><u>20,771</u></u>
Funds			
Share capital	12	3	3
Unrestricted funds		<u>20,768</u>	<u>20,768</u>
Total funds	13	<u><u>20,771</u></u>	<u><u>20,771</u></u>

The notes on pages 19 to 24 form part of these financial statements

These financial statements on pages 17 to 24 were approved by the Board of Trustees on 18 July 2011 and were signed on its behalf by



Richard Thomas
 Chair

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 financial statements

a) Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable UK accounting standards and under historical cost accounting rules

The accounts have been prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' (March 2005) and on a going concern basis

The Financial Review in the Trustees Report reviews the finances of BBC WST Limited in the year ended 31 March 2011 in comparison to the prior year. The cash balance is set out in the balance sheet

The company shares banking arrangements with its parent BBC World Service Trust. The Trustees, having assessed the responses of the Board of Trustees of the company's parent BBC World Service Trust to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the BBC World Service Trust Group to continue as a going concern.

On the basis of their assessment of the company's financial position and the enquiries made of the Board of Trustees of BBC World Service Trust, the company's trustees have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the annual financial statements.

b) Fund accounting

The charity has various types of funds for which it is responsible and for which separate disclosure is required as follows

Restricted income funds

Grants which are earmarked by the funder for specific purposes. Such purposes are within the overall aims of the charity.

Unrestricted funds

Funds which are expendable at the discretion of the trustees in furtherance of the objects of the charity.

Change to charity status

The reserves of the BBC WST Limited at the time of the change to a charity on 22 November 2007 have been treated as unrestricted funds. Any tax liabilities at the time of the change are included in these reserves.

c) Incoming resources

All incoming resources are included in the statement of financial activities (SOFA) when the charity is legally entitled to them, it is reasonably sure of receipt and the amount can be measured with sufficient reliability.

Incoming resources from charitable activities are grants specifically for the provision of goods and services to be provided as part of charitable activities or services to beneficiaries (paragraph 145e of SORP 2005). These are grants receivable which relate to the current year and are subject to donor imposed conditions which specify the time period in which expenditure of resources can take place. These grants less the management fee are credited to restricted income within the SOFA. Where grants allow a management fee to be earned the management fee is credited to unrestricted income within the SOFA. Specific debts are recognised where approved grant expenditure exceeds grant income received to date and the charity can demonstrate entitlement to the income. Similarly, where entitlement to income is in a future period, the income has been deferred.

d) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the categories: charitable activities and governance.

e) Foreign currency

Transactions denominated in foreign currencies are recorded in sterling at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rates ruling at the balance sheet date and any exchange differences arising are taken to the statement of financial activities.

Notes (continued)

1 Accounting policies (continued)

f) Pension costs

Some UK employees are members of the BBC's pension schemes. The BBC group operates both defined benefit and defined contribution schemes for the benefit of the employees.

Defined Benefit scheme

The defined benefit schemes provide benefits based on final pensionable pay. The assets of the BBC Pension Scheme, to which the majority of BBC employees belong, are held separately from those of the BBC group.

BBC WSI, following the provisions within FRS 17, accounts for the scheme as if it were a defined contribution scheme. This is because it is not possible to identify its share of underlying assets and liabilities of the scheme on a consistent and reasonable basis. The expenditure charged in the SOFA therefore represents the contributions payable to the scheme in the year.

Defined Contribution Scheme

The assets of the scheme are held separately from those of BBC WST in an independently administered fund. The amounts charged as expenditure for the defined contribution scheme represent contributions payable by BBC WST in respect of the financial year.

g) Subsidiary undertaking

The company owns 100% of BBC MPM Inform, a close joint stock company registered in Russia. The financial statements of BBC MPM Inform have not been consolidated with those of the company as the company is exempt under the small companies regime from the requirement to prepare consolidated financial statements in accordance with the Companies Act 2006.

BBC MPM Inform did not trade in the current or prior years. Investments in subsidiary undertakings are stated at cost less amounts written off.

h) 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 it is a small company under the provisions of the Companies Act 2006.

i) Fixed assets and depreciation

Tangible fixed assets are normally stated at cost less accumulated depreciation. Assets costing more than £2,000 with an expected useful life of more than one year are capitalised. Depreciation is provided in order to write off the cost of tangible fixed assets over their estimated useful economic lives, on a straight line basis, as follows:

Fixtures and equipment 3 years
Motor vehicles 4 years

j) Taxation

BBC WST Limited is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly BBC WST is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

k) Leases

Operating Leases

Operating lease rentals are charged to the income and expenditure account on a straight line basis over the period of the lease.

2 Incoming resources

	Total 2011 £	Total 2010 £
<i>Grant funding for specific charitable activities</i>		
Public Health Foundation India	670,339	326,235
Bill and Melinda Gates Foundation	439,435	419,188
Other grants	602,150	448,541
	<u>1,711,924</u>	<u>1,193,964</u>

Notes (continued)

3 Resources expended

	Direct project costs	Project staff costs	Allocation of support costs	Total 2011	Total 2010
	2011 £	2011 £	2011 £	2011 £	2010 £
Charitable activities	1,108,491	464,079	127,781	1,700,351	1,183,031
Governance	-	-	11,573	11,573	10,933
Total resources expended	1,108,491	464,079	139,354	1,711,924	1,193,964

Governance costs relate to audit fees. Support costs are allocated on an apportionment basis calculated as the combination of direct project costs and project staff costs for the project in relation to the combination of direct project costs and project staff costs for all projects.

	2011 £	2010 £
Audit of financial statements of India branch office	11,573	10,933
	<u>11,573</u>	<u>10,933</u>

In 2010 and 2011, auditors' remuneration was borne by another group charitable company. The portion of the audit fee relating to the BBC WST was £3,000 (2010: £3,000).

4 Notes to the SOFA

Net income for the year is stated after charging/(crediting)

	2011 £	2010 £
Depreciation	542	-
Hire of other assets - operating leases	<u>75,541</u>	<u>70,459</u>

5 Trustees and employees

Members of the Board of Trustees (who are all directors within the meaning of the Companies Act 2006) received no remuneration for their services in the current or prior year. No trustees' expenses were paid (2010: £nil).

Staff costs referred to in note 6 are either incurred in the form of payments to the BBC for these staff members or internationally by project-based payrolls.

Notes (continued)

6 Staff costs

	2011	2010
	£	£
Costs of staff on UK contracts	64,795	61,252
	<u>64,795</u>	<u>61,252</u>

Employees with emoluments of £60,000 and over fell into the following bands

	2011	2010
£60,000-£69,999	<u>1</u>	<u>1</u>

The number of employees whose emoluments were greater than £60,000 to whom retirement benefits are accruing under defined benefit schemes is 1 (2010 1)

The average number of employees calculated on a full-time equivalent basis, by function was

	2011	2010
Programme activities (charitable)	<u>24</u>	<u>19</u>
	<u>24</u>	<u>19</u>

The average number of persons, including part time staff, employed across the year on UK contracts in the UK and overseas was 1 (2010 1) The number of staff employed locally on overseas contracts was 23 (2010 18) at a cost of £297,130 (2010 £206,121)

7 Tangible fixed assets

	Motor Vehicles £
Cost or valuation	
At 1 April 2010	2,500
Disposals	<u>(2,500)</u>
At 31 March 2011	-
Depreciation	
At 1 April 2010	-
Charge for the period	542
Disposals	<u>(542)</u>
At 31 March 2011	-
Net book value	
At 1 April 2010	<u>2,500</u>
At 31 March 2011	<u>-</u>

8 Fixed asset investment

	2011	2010
	£	£
Investment in BBC MPM Inform cost	2,985	2,985
Less provision for diminution in value	<u>(2,985)</u>	<u>(2,985)</u>
	<u>-</u>	<u>-</u>

BBC MPM Inform, which is a 100% owned subsidiary incorporated in Russia, has not been consolidated in the charitable company's financial statements

The aggregate amount of the capital and reserves of BBC MPM Inform was £nil (2010 £nil) at 31 March 2011 The company has not traded in the current or prior financial years

Notes (continued)

9 Debtors

	2011	2010
	£	£
Amounts due from The BBC World Service Trust	1,793,961	46,884
Other debtors and prepayments	51,171	61,830
Accrued Income (note 11)	42,004	184,599
	<u>1,887,136</u>	<u>293,313</u>

10 Creditors: amounts falling due within one year

	2011	2010
	£	£
Other creditors	28,230	24,056
Accruals	21,435	57,886
Deferred Income (note 11)	1,975,683	312,417
	<u>2,025,348</u>	<u>394,359</u>

11 Accrued and deferred income

	Total deferred income	Total accrued income	Amount received	Project expenditure and other movements	Total deferred income	Total accrued income
	2010	2010	2011	2011	2011	2011
	£	£	£	£	£	£
Charitable activities	312,417	(184,599)	3,453,912	(1,648,051)	1,975,683	(42,004)

Accrued and deferred income relates to specific projects where there is a timing difference between the entitlement to income and the receipt of income. This is accounted for as per the accounting policy in note 1c on incoming resources.

12 Share capital

	2011	2010
	£	£
<i>Allotted, called up and fully paid</i>		
3 ordinary shares of £1 each	<u>3</u>	<u>3</u>

The BBC WST Limited was awarded charity status on 22 November 2007. Company law requires share capital to be shown separately in the balance sheet. The share capital forms part of the unrestricted funds of the charity.

13 Funds analysis

	Restricted Funds	Unrestricted Funds	Total
	£	£	£
Balance at 1 April 2010	-	20,771	20,771
Incoming resources	1,572,570	139,354	1,711,924
Outgoing resources	(1,572,570)	(139,354)	(1,711,924)
Balance at 31 March 2011	<u>-</u>	<u>20,771</u>	<u>20,771</u>

Notes (continued)**14 Commitments**

There were no capital commitments at the end of the current or prior financial years

Annual commitments under non-cancellable operating leases are as follows

	2011 £	2010 £
Land and buildings		
Operating leases which expire		
Within one year	43,621	-
In the second to fifth years inclusive	6,193	78,181
Over five years	-	-
	<u>49,814</u>	<u>78,181</u>

At 31 March 2011, total amounts payable in the future on non-cancellable operating leases were £67,342 relating to land and buildings (2010 £118,669)

15 Ultimate parent company

The ultimate parent undertaking, ultimate controlling party and parent of the only group in which the results of the charity are consolidated is The BBC World Service Trust, a charitable company limited by guarantee, incorporated in the United Kingdom and registered in England and Wales

Copies of the financial statements for The BBC World Service Trust can be obtained from BBC World Service Trust, Bush House, PO Box 76, Strand, London WC2B 4PH

16 Related party transactions

During the year, the BBC World Service Trust received all monies on behalf of the BBC WST Limited except for one receipt of £52,802 which was received directly by BBC WST Limited. At 31 March 2011, an amount of £1,793,961 (2010 £46,884) was owed by the BBC World Service Trust to the BBC WST Limited

No funds were received from BBC Worldwide (2010 £59,727)

17 Pension costs**BBC Pension Scheme**

BBC WST, 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 company to the scheme and the costs amounted to £9,855 in the year (2010 £9,592). At 31 March 2011, no contributions had been prepaid (2010 £nil)

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 most recent full actuarial valuation of the scheme was prepared as at 1 April 2010 by Towers Watson, consulting actuaries. At 1 April 2010, the actuarial valuation showed a funding shortfall of £1,131m

The actuarial valuation was updated for FRS 17 purposes to 31 March 2011 by Towers Watson, consulting actuaries. This valuation identified a deficit of £920.5m in the scheme at 31 March 2011 (2010 £1,640.9m). 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