

BBC WST Limited

Annual Report 2008/09



Registered number: 2746733

Charity number: 1121665

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Annual Report 2008/09

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.

We share the BBC's ambition to provide accurate, impartial and reliable information to enable people to make informed decisions. Our aspiration is a world in which individuals and civil society use media and communications to become effective participants in their own political, economic, social and cultural development.

The BBC WST is focusing on health and humanitarian issues in India. We are currently working with a wide range of partners to promote condom use among millions of men in an effort to prevent HIV and to raise the profile of social affairs reporting, including reporting on humanitarian issues, in the media.

Modern India has emerged as one of the world's great economic powers. Service exports and manufacturing have pushed economic growth to over 9.2% per year. Thirty-six billionaires on the 'Forbes' list are now Indian. But not everyone is sharing in this new prosperity. 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 infection are among the highest in the world. India is also the South Asian country worst-affected by natural disasters. Much work is needed to prepare communities for disasters and strengthen the role of media to assist in reducing the risk of natural disasters.

BOARD OF TRUSTEES' REPORT

Objectives and activities for the public benefit

The objectives 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 subjects such as sexual health, reproductive health and gender equality issues by producing public service announcements and drama series addressing the issues;
- Raising awareness of the need for disaster preparedness.

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

To achieve our mission and maximise impact, we seek to intervene at four societal levels: Populations, Practitioners, Organisations and Systems (although individual projects do not necessarily work at all levels). We believe that intervention at all these levels will combine to bring about lasting change in the lives of poor people.

We also 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. All those receive our services without charge.

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.

Our achievements in the financial year 2008/09

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.

Governance

Work has begun on 'Conversations for Change', a Kashmir-based initiative. This project aims to encourage and facilitate dialogue in Kashmir's political culture by ensuring that Kashmiris have access to information and to discussion on governance issues. Research reports provided new insights into media habits and outlined the prevailing governance issues of interest to Kashmiris. While the project continues on the Indian side, security issues on the Pakistan side have made it unlikely that we will be able to move to the next phase (making programmes) in the foreseeable future.

Funded by the British High Commission

Health

Approximately 2.3 million people in India are living with HIV. Over the past two years, we have run a public service campaign to make condoms more socially acceptable in the high HIV incidence states of Andhra Pradesh, Karnataka, Maharashtra and Tamil Nadu. The focus of the campaign is to get men talking about condoms. Research shows that men who talk openly about condoms are more likely to use them consistently. Consistent and correct use of condoms reduces HIV infection. The project has reached 50.1 million men in the four states (against a target of 48 million). Nationally it reached approximately 150 million men in the reproductive age group (15–49 years) and the output was

produced in five languages. A significant achievement of the project is that the government of India has adopted the campaign and is using the project's outputs (TV and radio) for its own condom promotion efforts. To date, the government has spent approximately US\$4.5 million purchasing airtime for the BBC WST's advertisements. The mobile ringtone, which formed part of the campaign, was a huge success, with over 500,000 requests to download it in India and abroad, and the campaign website www.condomcondom.org received over four million hits since its launch in August 2008.

Impact research demonstrated that the project achieved its objectives. For example, among men exposed to the campaign, 20% more men discussed condoms in the past 30 days from baseline to endline. The proportion of men who saw the campaign, who were not embarrassed to carry a condom, increased by 25% compared to the baseline. The increase among unexposed men was less than half that, at 10%. The project will continue now with a new grant funded by the Public Health Foundation of India.

Funded by the Bill & Melinda Gates Foundation

In a separate project for India, the 'Reporting Society' initiative aimed to raise the level of journalism training in India, in relation to social affairs and HIV and AIDS reporting. The BBC WST worked in partnership with four journalism colleges – the Asian College of Journalism (ACJ) Chennai, AJK Mass Communication Research Centre (AJKMCRC), Jamia Millia Islamia University, Delhi, and Amity School of Communication (ASCO), Lucknow. The project met its objectives of building the capacity of these institutions to train students on social affairs and a major outcome of the project was that all four institutions developed dedicated courses on social affairs reporting.

Funded by World Bank Institute

BBC WST is producing a radio drama that will address gender inequality in India, with a focus on sexual and reproductive health. The radio drama is in response to the rising numbers of sex selective abortions (abortion of fetuses because they are female) in the country. The 2001 Indian Census revealed a sharp drop in the child sex ratio to 927 girls per 1,000 boys, from 945 girls per 1,000 boys in 1991. BBC WST conducted a research study on how best to use the media to address the issue, and concluded that a fictional drama would be a suitable medium as it would be able to unravel the reasons for son preference, demonstrate ways in which social pressure can be challenged, and depict women in a variety of roles that would serve to increase their value within the family and society. A radio drama offers an opportunity to explore the social and cultural attitudes fuelling gender inequality. Broadcast on All India Radio, and other FM rebroadcasters, the thrice-weekly drama will be launched in financial year 2009/10. The radio drama will be the first of its kind on FM in India.

Funded by the Packard Foundation, the MacArthur Foundation and UNFPA

Humanitarian

This project aimed to strengthen the culture of disaster prevention and preparedness in the states of Orissa and West Bengal; it ended in March 2009. The project aimed to raise the profile of disaster risk reduction issues in the local media. Training workshops were held with journalists, radio professionals,

NGOs and government officials. The training yielded results. Thousands of print and television news articles and features were produced on disaster preparedness in the months following the training. Government officials in Orissa produced an interactive disaster preparedness website, and the radio professionals produced 10 radio advertisements in Oriya and Bengali. The project also organised a high-profile concert to raise awareness of disaster preparedness amongst the general population. Over 3,400 people attended and the audience included the media, non-governmental organisations (NGOs), government, policymakers and people from vulnerable communities.

Funded by DIPECHO

A social affairs reporting project in Kashmir aims to improve media coverage of disaster management by building the capacity of faculty and students at the University of Kashmir. This included training of faculty, working journalists and students and the establishment of a campus radio. Twelve people (six faculty members and six journalists) attended a 'Train the Trainers' course and the first batch of students has received social affairs journalism training. Training is underway to train the second batch of students.

Funded by the Ford Foundation

Research and Learning

Broadcasting Social Change – Drama, Development and Cross-Cultural Translation: Book contract with SAGE India based on R&L and external examinations of the BBC WST's work on drama for development.

Events and awards

- In June, the BBC WST received an award for Business Excellence from GBC (the Global Business Coalition on HIV/AIDS, Tuberculosis and Malaria), for its work in increasing awareness about HIV and AIDS in India.

Media coverage

- There was extensive coverage of the Gates Foundation-funded HIV and AIDS awareness 'Condom, Condom' campaign in India and globally during the second quarter. The campaign has had widespread coverage in the Indian media (even appearing on the front page of the *Times of India*) as well as international media. This doubled the number of monthly site users to the campaign website between July and August (to 23,160), with significant links from Denmark, Italy, the Czech Republic, the US and the UK as well as India. It was picked up both on the blogosphere and by 'traditional' online media (including *Businessweek* and MSN technology).
- Coverage surrounding World AIDS Day in December included: an interview with India Country Director, Yvonne MacPherson, on the BBC World Service radio programme *Health Check*.
- The Bhoomi concert in India in support of our Humanitarian work received extensive coverage in India, including a major feature in *The Times of India*.

LOOKING AHEAD: OUR AIMS FOR 2009/10

A new three-year organisational strategy will steer our work from 2009-12. As part of this strategic process the BBC WST will pursue the following objectives during 2009/10.

Striving for quality in all that we do and defining our reach and scope

We will work with local partners to design and deliver projects within our governance, health, humanitarian, livelihoods and climate change strategies and we will review all five strategies during the year. Our work will address issues at the population, practitioner, organisation and system levels. Across our training and programme-making – using drama, debate and advertising formats on radio, television, online and mobile – we will maintain systems to ensure the highest editorial standards and will use our research and learning capacity to review our work and seek maximum impact.

Capitalise on our distinctive research capacity and further develop our policy work

Our research function will inform our programme-making and we will continue to add some stand alone research projects to our portfolio to strengthen knowledge of the sector. We will continue with our policy programme and engage with donors and other non-governmental organisations to explore the role of media in development.

Working with others

We will strengthen our partnerships with the BBC World Service and other parts of the BBC in India. We will also strengthen our relations within the development sector and actively seeking out ways to implement projects in partnership with other international non-governmental organisations as well as with local civil society and media partners.

Supporting and developing staff

We will develop a culture of clear decision-making combined with open communication. We will review objective setting and development of staff to ensure that we are building capacity of national staff.

Improving the financial situation through raising unrestricted funds, keeping costs down and project cost recovery

We will build on the work done during 2008/09 to maintain systems to allocate overhead costs to projects and engage staff in exploring ways to reduce costs. We will identify key performance indicators that will help us monitor performance.

Strengthening our communications

We will raise our profile in the sector and the Indian Media more broadly in the year of our tenth anniversary.

Financial review

The income and expenditure account for the year ended 31 March 2009 shows a break-even position compared to a loss of £27,766 in 2007/08. Total income fell slightly to £1,751,353 from £1,806,281, and total expenditure fell to £1,751,353 from £1,834,047.

The reduction represents reduced activity on the Condom Promotion project (income reduced by £343,564 to £1,329,240) off-set by other projects including Strengthening Disaster Prevention and Resilience (income increased by £219,187 to £229,990).

The balance sheet at 31 March 2009 remained at £18,271, the same level of net assets as at 31 March 2008. There has been a significant reduction in creditors and debtors as money received in advance on the Condom Promotion project in the prior year has been spent during 2008/09.

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 2009 unrestricted reserves, which are all considered to be free reserves, were £18,271. 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. 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.

Our organisation

Staff and volunteers

The quality and creativity of our outputs are directly attributable to the calibre and expertise of our staff. In 2008/09 BBC WST employed an average of 19 staff (2007/08: 16).

The skill sets are diverse. In addition to attracting journalists from elsewhere in the BBC and other media organisations, we have employed specialist development practitioners, trainers, producers, actors, development finance professionals, marketing and research experts from the private sector, and a host of other complementary skills.

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 countries or regions where we operate. The India team is predominantly Indian, with currently only one expatriate member of staff.

The BBC WST also offers internships for both national and international students.

Legal structure

The BBC WST (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 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.

The Board of Trustees confirm 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.

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

The Finance & 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 formerly 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.

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 in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 these 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 proper accounting records that 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 1985. 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. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Trustees on 22 January 2010 and signed on its behalf by:



Richard Thomas
Chair

Trustees

Nigel Chapman* (Chair, retired February 2009)

Richard Thomas* (joined the board February 2009, Chair from February 2009)

Zeinab Badawi* (stood down from board October 2008)

Michael C. McCulloch*

*Member of the Audit Committee

Auditors

KPMG LLP, Chartered Accountants, Registered Auditors, London.

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 Co. Registration No. 2746733 and registered charity no. 1121665.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BBC WST LIMITED

We have audited the financial statements of BBC WST Limited for the year ended 31 March 2009 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 the trustees and auditors

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities on page 11.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 March 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor
8 Salisbury Square
London
EC4Y 8BB

28 January 2010

BBC WST Limited Statement of Financial Activities

(including the income and expenditure account) for the year ended 31 March 2009

	Note	Unrestricted funds 2009	Restricted funds 2009	Total 2009	Total 2008
Incoming resources					
<i>Incoming resources from charitable activities:</i>					
Grant funding for specific charitable activities	2	71,805	1,679,548	1,751,353	1,806,281
Total incoming resources		71,805	1,679,548	1,751,353	1,806,281
Resources expended					
<i>Charitable activities</i>					
Changing lives through media and communication	3	(65,732)	(1,679,548)	(1,745,280)	(1,827,047)
Total charitable activities		(65,732)	(1,679,548)	(1,745,280)	(1,827,047)
<i>Governance costs</i>	3	(6,073)	-	(6,073)	(7,000)
Total resources expended		(71,805)	(1,679,548)	(1,751,353)	(1,834,047)
Net expenditure for the year		-	-	-	(27,766)
Reconciliation of funds					
Total funds brought forward		18,271	-	18,271	46,037
Total funds carried forward	11	18,271	-	18,271	18,271

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

BBC WST Limited Balance Sheet

at 31 March 2009

		2009	2008
	Note	£	£
Fixed assets			
Investments	6	-	-
Current assets			
Debtors	7	281,657	1,554,231
Cash at bank and in hand		2,851	53,406
		<u>284,508</u>	<u>1,607,637</u>
Liabilities			
Creditors: amounts falling due within one year	8	(266,237)	(1,589,366)
Net current assets and net assets		<u>18,271</u>	<u>18,271</u>
The funds of the charity			
Share capital	10	3	3
Unrestricted funds		18,268	18,268
Total funds	11	<u>18,271</u>	<u>18,271</u>

The notes on pages 16 to 19 form part of these financial statements.

These financial statements on pages 14 to 19 were approved by the Board of Trustees on 22 January 2010 and were signed on its behalf by:



Richard Thomas
Chair

Notes (forming part of the financial statements)
for the year ended 31 March 2009

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.

Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 1985 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.

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 22nd November 2007 have been treated as unrestricted funds. Any tax liabilities at the time of the change are included in these reserves.

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.

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs

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.

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 from the requirement to prepare consolidated financial statements in accordance with section 228 of the Companies Act 1985.

It should be noted that BBC MPM Inform did not trade in the current or prior years. WST Limited values investments at market value, and as BBC MPM Inform has no assets or liabilities the value is nil.

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 1985.

Notes (continued)
for the year ended 31 March 2009

2 Incoming Resources from charitable activities

	Total 2009 £	Total 2008 £
Grant funding for specific charitable activities		
Bill and Melinda Gates Foundation	1,329,240	1,672,804
Other grants	422,113	133,477
	<u>1,751,353</u>	<u>1,806,281</u>

3 Resources expended

	Direct project costs 2009 £	Project staff costs 2009 £	Allocation of support costs 2009 £	Total 2009 £	Total 2008 £
Charitable Activities	1,412,282	267,266	65,732	1,745,280	1,827,047
Governance	-	-	6,073	6,073	7,000
Total resources expended	<u>1,412,282</u>	<u>267,266</u>	<u>71,805</u>	<u>1,751,353</u>	<u>1,834,047</u>

Governance relates 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.

	2009 £	2008 £
Audit of financial statements	6,073	7,000
	<u>6,073</u>	<u>7,000</u>

4 Trustees and employees

Members of the Board of Trustees (who are all directors within the meaning of the Companies Act 1985) receive no remuneration for their services. No trustees expenses were paid (2008: nil).

Staff costs referred to in note 3 are either incurred in the form of payments to the BBC for these staff members or internationally by project based payrolls.

5 Staff costs

	2009 £	2008 £
Costs of staff on UK contracts	99,713	86,109
	<u>99,713</u>	<u>86,109</u>

There was 1 employee with emoluments greater than £60,000 in the year (2008: nil), in the range of £60,000 to £70,000. The number of employees whose emoluments were greater than £60,000 to whom retirement benefits are accruing under defined benefit schemes is 1 (2008: nil).

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

	2009	2008
Programme activities (charitable)	18	16
	<u>18</u>	<u>16</u>

The average number of persons, including part time staff, employed across the year on UK contracts in the UK and overseas was 1 (2007/08: 1). The number of staff, including part time staff, employed locally on overseas contracts was 17 (2007/08: 15).

Notes (continued)*for the year ended 31 March 2009***6 Fixed Asset Investment**

	2009 £	2008 £
Investment in BBC MPM Inform: cost	2,985	2,985
Less: provision for diminution in value	(2,985)	(2,985)
	-	-

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

The aggregate amount of the capital and reserves of BBC MPM Inform was £nil (2008: £nil) at 31 March 2009. The profit for the year then ended was £nil (2008: £nil). The company has not traded in the year.

7 Debtors

	2009 £	2008 £
Trade debtors	58,496	-
Amounts due from The BBC World Service Trust	43,261	1,534,232
Other debtors and prepayments	65,498	11,169
Accrued Income (note 9)	114,402	8,830
	281,657	1,554,231

8 Creditors: amounts falling due within one year

	2009 £	2008 £
Other creditors	15,439	-
Accruals	25,939	319,267
Deferred Income (note 9)	224,859	1,270,099
	266,237	1,589,366

9 Deferred income

	Total Deferred Income 2008 £	Total Accrued Income 2008 £	Amount received 2009 £	Project Expenditure and other movements 2009 £	Total Deferred Income 2009 £	Total Accrued Income 2009 £
Charitable activities	1,270,099	(8,830)	373,341	(1,524,153)	224,859	(114,402)

10 Share capital

	2009 £	2008 £
Authorised		
100 ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
3 ordinary shares of £1 each	3	3

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.

Notes *(continued)*
for the year ended 31 March 2009

11 Funds Analysis

	Restricted Funds	Unrestricted Funds	Total
	£	£	£
Balance at 1 April 2008	-	18,271	18,271
Incoming Resources	1,679,548	71,805	1,751,353
Outgoing Resources	(1,679,548)	(71,805)	(1,751,353)
Balance at 31 March 2009	-	18,271	18,271

12 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 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.

13 Related party transactions

During the year, the BBC World Service Trust received income on behalf of the BBC WST Limited. At 31 March 2009, an amount of £43,261 (2008: £1,534,232) was owed by the BBC World Service Trust to the BBC WST Limited.

14 Results from 22 November 2007 to 31 March 2009

The BBC WST Limited registered as a charity on 22 November 2007. The results to 31 March 2009 are:

	£
Incoming resources	
<i>Incoming resources from charitable activities:</i>	
Grant funding for specific charitable activities	3,012,822
Total incoming resources	3,012,822
Resources expended	
<i>Charitable activities</i>	
Changing lives through media and communication	(3,011,147)
Total charitable activities	(3,011,147)
<i>Governance costs</i>	(11,167)
Total resources expended	(3,022,314)
Net outgoing resources	(9,492)