

# **MEDIA APPLICATION TECHNOLOGIES LIMITED**

## **DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**

**Registered Number: 07100235**

**Year Ended 31 March 2015**

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## **Directors' Report**

The directors present their annual report and the audited financial statements for the year ended 31 March 2015.

### **Principal activities**

Media Application Technologies Limited ('the Company') is a wholly owned subsidiary of the British Broadcasting Corporation ('BBC').

The principal activity of the Company is reviewing and evaluating software and technology, reporting on these items and build, test and disseminate applications on behalf of both the BBC's Public Service Broadcasting divisions, subject to the relevant consents.

### **Results and dividends**

The Company made a loss of £10,638K during the year (2014: £8,978K). The directors do not recommend the payment of a dividend (2014: £nil).

Media Application Technologies Limited is a not-for-profit company and does not engage in any cost recovery type activities hence, for as long as it remains charged with undertaking media applications development work on behalf of the BBC and it is expected to continue to show losses and is not expected to recover any cost or return any profit to the BBC. It is funded solely through shareholder subscription monies by the BBC.

### **Strategic report**

The Company is exempt by virtue of its size from the requirement to prepare a strategic report.

### **Directors**

The directors who held office during the year and at the date of this report, unless otherwise stated, were:

Peter Ranyard

Shirley Faye Cameron (appointed 11 July 2014)

Andrew James Conroy (appointed 11 July 2014)

Roux Christian Joubert (appointed 11 April 2014)

### **Political and charitable contributions**

The Company made no political donations or contributions to charity during this period.

### **Disclosure of information to auditors**

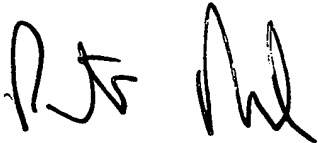
The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and has taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

## Directors' Report (continued)

### Auditors

Following a recent external audit tender process, the Executive Audit Committee of the BBC has decided that for the 31 March 2015 year end the audit of the BBC (including its subsidiaries) will be performed by Ernst & Young LLP. As such, KPMG LLP resigned as auditors of the Company.

By order of the board

A handwritten signature in black ink, appearing to be 'P. Ranyard', written over a horizontal line.

Peter Ranyard  
**Company Secretary**  
2 December 2015

Room BC2 A5  
Broadcast Centre  
201 Wood Lane  
London  
W12 7TP

## **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 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **Independent auditor's report to members of Media Applications Technologies Limited**

We have audited the financial statements of Media Applications Technologies Limited for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes I to II. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom 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 Strategic Report and 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Ernst & Young LLP*

Michael Rudberg (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
1 More London Place  
London  
SE1 2AF

*9/12/2015*

**Profit and loss account** for the year ended 31 March 2015

	<b>Note</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
Other operating expenses		(10,638)	(8,978)
<b>Loss on ordinary activities before taxation</b>	<b>2</b>	<b>(10,638)</b>	<b>(8,978)</b>
Taxation on profit on ordinary activities	<b>4</b>	-	-
<b>Loss for the financial year</b>		<b>(10,638)</b>	<b>(8,978)</b>

All the above amounts are derived from continuing activities.

There are no recognised gains or losses other than those shown above and therefore no separate statement of recognised gains and losses is presented.

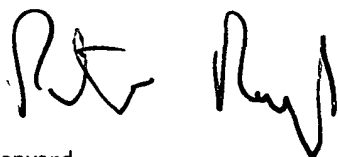
The notes on pages 9 to 12 form part of the financial statements.



**Balance sheet** at 31 March 2015

	Note	2015 £'000	2014 £'000
<b>Fixed assets</b>			
Intangible fixed assets	5	-	51
		-	51
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	182	40
Cash at bank and in hand		2,710	2,521
		2,892	2,561
<b>Creditors: amounts falling due within one year</b>	7	(70)	(521)
Net assets		2,822	2,091
<b>Capital and reserves</b>			
Called-up share capital	8	29,340	17,971
Profit and loss account	9	(26,518)	(15,880)
<b>Shareholders' funds</b>		2,822	2,091

These financial statements were approved by the board of directors on 2 December 2015 and were signed on its behalf by:



Peter Ranyard  
Director

Media Application Technologies Ltd

Registered number: 07100235

31 March 2015

## **Notes to the financial statements**

### **I Accounting policies**

The following accounting policies have been consistently applied in dealing with items which are considered material in relation to the company's financial statements.

#### **Basis of accounting**

The financial statements are presented in accordance with UK GAAP under the historical cost accounting convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the UK.

#### **Basis of preparation**

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of BBC, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of BBC, within which the company is included, can be obtained from the address in note 10.

#### **Going concern**

The directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The directors have specifically considered the loss making position of the Company in the current year and note the significant cash balances at the Company's disposal as at 31 March 2015. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **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.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

#### **Intangibles**

Purchased intangible assets acquired separately are capitalised at cost. After initial recognition, all intangible fixed assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

#### **Amortisation**

Amortisation is charged on assets with finite lives on a systematic basis over the assets's useful life and disclosed within other operating expenses in the income statement.

The useful lives and amortisation methods are as follows:

Software License - Straight Line (3 Years)

Useful lives are examined every year and adjustments are made, where applicable, on a prospective basis.

## Notes to the financial statements (continued)

### 2 Loss on ordinary activity before taxation

The company made a loss of £10,638,000 (2014: £8,978,000) for the period to 31 March 2015.

The audit fee allocated to Media AT Limited was £2,000 (2014: £2,000). This was borne by the parent company and not recharged.

Intangible amortisation in the period was £51,000 (2014: £51,000) (note 5).

### 3 Employees and directors remuneration

The Company did not employ staff at any time during either period nor make any payments in respect of wages and salaries.

None of the directors received any remuneration from the Company in either period.

### 4 Taxation on ordinary activities

The current tax charge for the period is £nil (2014: £nil).

	2015 £'000	2014 £'000
Loss on ordinary activities before tax	(10,638)	(8,978)
Profit on ordinary activities at the standard rate of corporation tax in the UK of 21% (2014: 23%)	(2,234)	(2,065)
Effects of:		
Losses not recognised	2,234	2,065
Current tax charge for the year	–	–

The UK government previously announced a phased reduction in the main rate of corporation tax in the UK. On 1 April 2014, the rate reduced to 21%. The corporation tax rate further reduced to 20% from 1 April 2015. On 8 July 2015, the Chancellor announced in his budget speech his intention to reduce the UK corporation tax rate from 20% to 19% effective 1 April 2017 and from 19% to 18% effective from 1 April 2020. These changes were not substantively enacted at the balance sheet date and are not expected to have a significant impact on the company's tax balances. Deferred tax has been calculated applying the tax rates that have been enacted at the balance sheet date with no material effect on the BBC group.

### 5 Intangibles

	Total £'000
<b>Cost</b>	
At 1 April 2014 and 31 March 2015	153
<b>Amortisation and impairment</b>	
At 1 April 2014	102
Charge for the year	51
<b>At 31 March 2015</b>	<b>153</b>
<b>Net Book Value</b>	<b>102</b>
<b>At 31 March 2015</b>	<b>–</b>
At 31 March 2014	51

Intangible assets relate to software licences.

## Notes to the financial statements (continued)

### 6 Debtors

	2015 £'000	2014 £'000
VAT	182	40
<b>Total debtors</b>	<b>182</b>	<b>40</b>

### 7 Creditors

	2015 £'000	2014 £'000
Trade creditors	70	521
<b>Total creditors</b>	<b>70</b>	<b>521</b>

### 8 Called up share capital

	2015 £'000	2014 £'000
Allotted, called up and fully paid:		
Class A 28,090,536 Ordinary Shares £1 each	28,090	17,071
Class B 1,250,000 Ordinary Shares £1 each	1,250	900
	<b>29,340</b>	<b>17,971</b>

Class A Ordinary shares are allocated to BBC Home Service and B Ordinary Shares are allocated to BBC World Service. The shares rank pari passu in all respects (including voting rights, rights to dividends, etc) save for the respective designation into separate classes of share. All were issued for cash at par. The following shares were issued in the year:

Date of issue	Classification	£
12 September 2014	Ordinary Class A	5,290,257
28 January 2015	Ordinary Class A	5,728,383
9 February 2015	Ordinary Class B	350,000
		<b>11,368,640</b>

### 9 Reconciliation of movements in shareholder's funds

	Share capital £'000	Profit and loss account £'000	Total shareholders fund £'000
As at 1 April 2014	17,971	(15,880)	<b>2,091</b>
Shares issued during the period	11,369	–	<b>11,369</b>
Loss for the year	–	(10,638)	<b>(10,638)</b>
<b>As at 31 March 2015</b>	<b>29,340</b>	<b>(26,518)</b>	<b>2,822</b>

## **Notes to the financial statements (continued)**

### **10 Ultimate holding and controlling party**

The Company's ultimate parent undertaking and controlling party is the British Broadcasting Corporation which is incorporated in the United Kingdom by Royal Charter. The largest and the only group in which the results of the Company are consolidated is that headed by the British Broadcasting Corporation. Copies of the financial statements of the BBC can be obtained from the BBC Trust Unit, 180 Great Portland Street, London, W1W 5QZ.

### **11 Post-balance sheet events**

On 1 May 2015, the Company issued 1,853,844 class A shares at a total value of £1,853,844 to BBC Home Service.