

BBC WST Limited

Annual Report 2011/12

Registered number: 2746733

Charity number: 1121665

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ANNUAL REPORT 2011/12

OVERVIEW

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

BBC WST Ltd works solely in India. Its mission is to use the power of media and communication to help reduce poverty and support people in understanding their rights. Our aim is to inform, connect and empower people. We work in partnership to provide access to useful, timely, reliable information. We help people make sense of events, engage in dialogue, and take action to improve their lives.

Modern India has emerged as one of the world's great economic powers, but as with many other of the world's leading emerging economies, 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 250 million live on less than \$1 a day and over 500 million live on less than \$2 a day.

In 2011/2012, BBC WST Ltd focused on two priority themes, namely health, and resilience including humanitarian response. A major, innovative health intervention got underway to improve maternal and child health in the north of the country on an unprecedented scale, in cooperation with the state government and major mobile phone network providers. Further maternal and child health projects took place over the financial year 2011/2012, including a nationwide television initiative to provide information to families of the benefits of spacing births. In a culture where open discussion of sexual health can be challenging, finding ways to talk about and tackle HIV continue to be a priority. Following on from the highly successful multimedia HIV prevention work delivered in recent years, in 2011, BBC WST Ltd continued to support the government of India to help tackle the spread of HIV through health communication.

In 2011/2012 BBC WST Ltd advanced BBC Media Action's priority theme of building resilience including humanitarian response through a training course for journalists across five major Indian cities to help them better understand and report impartially on climate and environmental issues.

BOARD OF TRUSTEES' REPORT

The trustees present their trustees' report and financial statements for the year ended 31 March 2012

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The objectives of BBC WST Ltd 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

BBC WST Ltd carries out these objectives by:

Delivering projects that transform lives through media – using media and communications help reduce poverty and support people in understanding their rights. Our projects use radio, television and new media to reach target audiences and employ drama, debate, current affairs programming, public service announcements, social media and mobile phones to reach development objectives as well as training journalists and health practitioners

Working in alliance with others towards our vision, BBC WST Ltd works with other development actors, with the British and international development community, and with academic institutions in India to explore the role of media from a policy perspective. BBC WST Ltd also works with civil society organisations, local media organisations, governments and the private sector

We have established that we will achieve greatest impact and public benefit by focusing on two specific thematic areas in India: Health, and Resilience including Humanitarian Response

Our approach to gender is cross-cutting and encompasses all areas of our work – reflecting how we champion diversity and equality as an employer, and integrate it into our work. Across our thematic areas we aim to be inclusive and seek to be aware of gender and diversity and to design and implement our strategies accordingly

Across our work, we aim to enable debate and conversation and to strengthen media and communications. 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 we reach via mobile phone or outreach such as street theatre, and listen to or watch our radio, television or online programmes. They include journalists and others who are recipients of training and mentoring. In most cases people receive our services without charge. Occasionally we charge for a service to set it up so that it continues and is 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 aims and objectives of BBC WST Ltd and in planning future activities. The BBC WST Ltd is committed to strengthening the media in developing countries and using media and communications to reduce poverty and promote human rights globally.

REVIEW OF 2011/2012 OBJECTIVES

WHAT WE ACHIEVED

1) DELIVER OUR PROGRAMME

Aim: To deliver our mission to use media and communication to help reduce poverty and support people in understanding their rights

Delivery: We have worked to design and deliver five projects within our main thematic areas of health and resilience, including emergency response, through local broadcast partners, mobile phones and print. Across our training, infrastructure support and programme-making we have improved systems to ensure the highest editorial standards. All of our projects were delivered to budget, on time, and in compliance with all conditions stipulated by donors and/or partners. The projects were

Shaping Demands and Practices to Improve Family Health in Bihar (SDP).

This five-year maternal and child health project commenced in 2011. It is funded by the Gates Foundation, with the full support of the Government of Bihar, and is designed to stimulate the uptake of ten priority maternal and child health behaviours using a comprehensive multi-channel communications strategy. Outputs include radio shows, innovative mobile phone health services for pregnant families, advertising carrying key health messages, and working directly with frontline health workers and self-help groups.

Situation Analysis and Management of Behaviour Change Communication in Madhya Pradesh and Orissa

A project commenced in November 2011 under the Global Grant signed between the UK Department for International Development (DfID) and BBC WST Ltd to strengthen the behaviour change

communication capacity of local institutions and to produce innovative, high quality communications outputs in Madhya Pradesh and Orissa on maternal and child health, and nutrition. The project is being implemented in partnership with the non-governmental organisation CARE.

Technical and Creative Agency for Supporting National AIDS Control Organisation (NACO)

A 2011/2012 project funded by the Bill & Melinda Gates Foundation aimed to help combat the spread of HIV. In a country where talking about sex can be taboo, the project aims to make condoms more socially acceptable, and make people more aware of the risks of not using condoms, was extended to June 2012. The project team produced public service announcements and other communication tools including film for the government.

Shakti – Journalist and NGO Training Project on Climate Change

A 15-month project to improve the impartial coverage of climate and environmental issues in the Indian media by training journalists and civil society workers commenced in April 2011. Two training rounds have been completed in four cities (Delhi, Chennai, Ahmedabad and Pune).

HOW WE DID IT

2) REACH AND SCOPE

Aim: To grow the overall size of our programme portfolio in line with budget and forward plans. To produce a country plan and strategy.

Delivery: In 2011/2012 BBC WST Ltd greatly expanded the reach and scope of its health work by negotiating a sustainable business model with six mobile network providers in the north of the country, which will allow crucial health information to reach up to 22 million marginalised families in Bihar over five years.

The reach of BBC WST Ltd was further expanded when a popular public service advertisement on birth spacing was broadcast nationwide on national government-purchased airtime rather than in one state as originally intended. The public service advertisement of the "1-3-2" birth spacing component of the project was broadcast in January 2012 by the Government of Bihar. The central government subsequently considered the television public service advertisement (PSA) to be highly effective and invested £944,000 to broadcast it nationally.

We have further strengthened our capacity to focus strategically on health programming in two additional states – Orissa and Madhya Pradesh - through funding from the Global Grant agreed between the UK Department for International Development (DfID) and BBC Media Action in November 2011.

3) RESEARCH, KNOWLEDGE SHARING AND POLICY

Aim: To ensure that Research and Learning (R&L) is structured and managed to maximise its effectiveness To expand external engagement and bring the learning gained back into the organisation

Delivery: To help shape project design and delivery of work in Bihar, BBC WST Ltd developed research to explore priority issues and priority behaviours related to reproductive, maternal, neonatal, and child health Target audiences and participants for this research included parents, influential family members (such as mothers-in-law), front-line health workers, and community leaders In addition to benefitting the project the information collated has also fed back into, informed and influenced BBC Media Action's work on health within the Global Grant, a major funding source to BBC Media Action from the UK Department for International Development (DfID) for the next five years

In other work, partners have shown interest in using our baseline data to inform their own programmes For instance in 2011/2012 research was delivered for the National AIDS Control Organization (NACO) on the effectiveness of advertisements on sexually transmitted infections

4) WORKING WITH OTHERS

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

Delivery Our partnerships with other non-governmental organisations and development players proliferate, while we continue to make engagement with donors, and the regional and national governments a central spine of project delivery

Over the financial year 2011/2012, we extended our links with development and local/national government to implement a maternal and child health project in partnership with mobile network providers in the private sector in Bihar This unique partnership draws together a diverse group of stakeholders including the private and public sectors, health practitioners and researchers, and creative broadcast and marketing specialists, to allow mobile health services to be delivered for the first time at major scale, using a sustainable business model

BBC WST Ltd also engaged with print media outlets and a broad range of civil society and other stakeholders across the country when delivering training workshops for journalists on the impact of environmental and climate change in four cities In each city, two groups (journalists and representatives from civil society organisations) were trained together Many of the journalists subsequently published quality, impartial news reports and features on climate and environmental issues

5) STRIVING FOR QUALITY

Aim: To produce innovative, creative and appropriate outputs with impact To share learning across the organisation, including formulating our theories of change, and signing off policies on our themes

Delivery: BBC WST Ltd has developed innovative approaches to improving access to information for hard to reach and marginalised groups, particularly among women and girls and communities with low literacy rates, across all of its programming. We use highly creative approaches from drama broadcasts and advertisements to street theatre and face to face communication to deliver key messages and information.

A public service advertisement (entitled 'Stolen Moments') produced as part of the project to tackle HIV by making condoms more socially acceptable was awarded a Global Award for world's best healthcare advertising in December 2011. Production commenced with the Gates Foundation in early 2012 on a creative film aimed at HIV prevention by targeting groups at high risk of infection.

Programme reviews have been undertaken, and BBC WST Ltd outputs have been pretested with audiences. For the second year key staff helped organise and participate in a creativity and production workshop in London to help review and strengthen thinking and practice within our broadcast outputs. A range of consultants have undertaken reviews of our work on behalf of donors and we have performed consistently well.

6) SUPPORTING AND DEVELOPING STAFF

Aim: *To improve staff development with particular focus on induction and support for creativity across the organisation*

Delivery: Quality reviews have been undertaken of completed appraisals and these indicate that performance development has been discussed and realistic objectives set for the year. Capacity building workshops were held for research and learning and finance teams. The Ignite 2 workshop to foster and enhance creativity and production brought together BBC WST Ltd and global colleagues. Greater clarity on terms and conditions for staff was achieved.

7) KEEPING COSTS DOWN AND IMPROVING PROJECT COST RECOVERY

Aim: *To carefully manage costs, particularly those that are not directly project related*

Delivery: Tightened financial procedures contributed towards breaking even, as set out on page 10. Procedures introduced last year have bedded in and have encouraged openness and transparency across BBC WST Ltd.

8) BUSINESS DEVELOPMENT

Aim: *Within project business development, to concentrate on bigger projects that are in line with our thematic strategies and will increase the diversity of our funders. To engage with those funders that fit our strategies and strengthen our approaches*

Delivery: Despite the constraints of fundraising in an economic downturn, support from foundations was significant, with the Bill and Melinda Gates Foundation supporting our work in Bihar. We have a strong pipeline of project proposals agreed, submitted and in development for the next three years.

9) COMMUNICATIONS

Aim: *To complete the rebrand and roll out the new name BBC Media Action (India) over the year We will launch a new website, marking the main switchover point to the new brand in January 2012*

Delivery: The rebrand of the India office was delayed and not completed by the year-end. A new BBC Media Action website with an index page for BBC WST Ltd was launched in February 2012, enhancing BBC WST Ltd visibility. A number of project events received significant national media coverage.

LOOKING AHEAD: OUR AIMS FOR 2012/13

At BBC WST Ltd work has started feeding into a new overall organisational and operational plan for 2012 – 2015 and a re-articulation of overall strategy. This will be completed early in the year and will outline a number of ways that BBC WST Ltd will adapt its ways of working to become more effective and efficient. BBC WST Ltd will focus on three objectives.

Impact

Aim: *To deliver our projects effectively with all programme increasing reach as planned*

How we will do it:

- We will ensure that all our broadcast, communication and outreach outputs are of high editorial quality and appropriate to the audiences and context in which they are used
- We will design and deliver all our projects effectively so that they achieve real impact against the agreed objectives of each project
- We will further develop the intellectual framework and mechanisms to measure the impact of the work. We will use this information to enhance the quality of all our work and to inform the sector

Income

Aim. *To secure funding to support the delivery of projects and to increase financial security of BBC WST Ltd*

How we will do it:

- We will deliver income to plan so that income is received as budgeted
- Develop new projects so that 'other' income is secured as budgeted and to develop a good pipeline for future years

Innovation

Aim: *To learn from our technologically innovative projects (and from others in the sector and beyond), particularly work in Bihar, and apply that learning where appropriate across our work*

How we will do it:

- We will improve our systems and support to our colleagues so that there is more space for innovation
- We will continue to seek out opportunities to partner with and learn from development innovators, production specialists, social entrepreneurs, and the very best of media practitioners, to strengthen the shape and impact of our own work

FINANCIAL REVIEW

The income and expenditure account for the year ended 31 March 2012 shows a breakeven result (2011 breakeven) Total income was £1,762,427 compared to £1,711,924 in 2011 Total expenditure was £1,762,427 (2011 £1,711,924) of which 99.4% was spent on charitable activities

The balance sheet at 31 March 2012 had net assets of £20,771 (2011 £20,771) The principal funding sources were Bill and Melinda Gates Foundation and Public Health Foundation India

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 Limited At 31 March 2012 unrestricted reserves, which are all considered to be free reserves, were £20,771 (2011 £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 Ltd's legal structure, the financial support of its parent, BBC Media Action, described in the 'Going concern' section below, the financial risks faced by BBC WST Ltd, the stability, levels and types of future income and the impact of future plans and commitments The Board of Trustees considers that the reserves should be maintained at this target level The reserves policy is reviewed by the Board of Trustees on an annual basis

Going concern

On 26 July 2012 the Board of Trustees of BBC WST Ltd received confirmation from the Board of Trustees of its parent, BBC Media Action, that BBC Media Action would provide financial support to BBC WST Ltd, if the need should arise, in order for BBC WST Ltd to continue as a going concern

The Board of Trustees of BBC WST Ltd is of the opinion that BBC WST Ltd 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 2011/12 BBC WST Ltd employed an average of 36 staff.

The work of the BBC WST Ltd 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 BBC WST Ltd team is predominantly Indian, and during 2011/2012 we had only two expatriate members of staff.

Legal structure

The BBC WST Ltd (company number 2746733) is a company limited by shares of which the sole member is BBC Media Action. Its governing documents are a Memorandum and Articles of Association. BBC WST Ltd was awarded charitable status on 22 November 2007. In March 2007 the Reserve Bank of India granted BBC WST Ltd branch office status. The financial statements are filed annually with the Registrar of Companies.

Subsidiary companies

BBC WST Ltd has a subsidiary company, BBC MPM Inform, which is 100% owned by BBC WST Ltd. 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 BBC Media Action. All trustees of BBC WST Ltd are currently also trustees of BBC Media Action (formerly the BBC World Service Trust). The induction in relation to BBC WST Ltd takes place at the same time as the induction for BBC Media Action. 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.

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

The Finance and Audit Committee of BBC Media Action reviews the issues of the consolidated group as a whole, which includes BBC WST Ltd. The BBC WST Ltd 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

Approved by the Board of Trustees on 26 July 2012 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'R. Thomas', written in a cursive style.

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 are required to prepare the 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 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 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 the 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

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

Broadcasting House, Portland Place, London W1A 1AA

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 Ltd for the year ended 31 March 2012 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 charitable 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 2012 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

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



K Wightman (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

25 September 2012

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 2012

	Note	Unrestricted funds 2012 £	Restricted funds 2012 £	Total 2012 £	Total 2011 £
Incoming resources					
<i>Incoming resources from charitable activities</i>					
Grant funding for specific charitable activities	2	73,245	1,689,182	1,762,427	1,711,924
Total incoming resources		73,245	1,689,182	1,762,427	1,711,924
Resources expended					
<i>Charitable activities</i>					
Changing lives through media and communication	3	(73,245)	(1,678,446)	(1,751,691)	(1,700,351)
Total charitable activities		(73,245)	(1,678,446)	(1,751,691)	(1,700,351)
<i>Governance costs</i>	3	-	(10,736)	(10,736)	(11,573)
Total resources expended	3	(73,245)	(1,689,182)	(1,762,427)	(1,711,924)
Net income for the year	4	-	-	-	-
Reconciliation of funds					
Total funds brought forward		20,771	-	20,771	20,771
Total funds carried forward	12	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 2012

	Note	2012 £	2011 £
Fixed assets			
Investments	7	-	-
		<u>-</u>	<u>-</u>
Current assets			
Debtors	8	1,875,511	1,887,136
Cash at bank and in hand		60,178	158,983
		<u>1,935,689</u>	<u>2,046,119</u>
Liabilities			
Creditors amounts falling due within one year	9	(1,914,918)	(2,025,348)
Net current assets		20,771	20,771
Net assets		<u>20,771</u>	<u>20,771</u>
Funds			
Share capital	11	3	3
Unrestricted funds		20,768	20,768
Total funds	12	<u>20,771</u>	<u>20,771</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 26 July 2012 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 2012 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 Media Action. The Trustees, having received confirmation of financial support from BBC Media Action (as described in the 'Going concern' section of the Trustees Report), have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of BBC WST Ltd 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 Media Action, 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 WST Ltd, 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.

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 Ltd 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 Ltd 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 2012	Total 2011
	£	£
<i>Grant funding for specific charitable activities</i>		
Bill and Melinda Gates Foundation	960,040	439,435
Public Health Foundation India	332,091	670,339
Other grants	470,296	602,150
	<u>1,762,427</u>	<u>1,711,924</u>

Notes (continued)

3 Resources expended

	Direct project costs	Project staff costs	Allocation of support costs	Total	Total
	2012	2012	2012	2012	2011
	£	£	£	£	£
Changing lives through media and communication	1,115,041	563,405	73,245	1,751,691	1,700,351
Governance	10,736	-	-	10,736	11,573
Total resources expended	1,125,777	563,405	73,245	1,762,427	1,711,924

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.

Support activity	Total 2012	Total 2011
	£	£
Programme support	10,776	22,578
General management	26,153	36,526
Financial management	9,727	16,312
Information technology	9,028	17,908
Premises and facilities	17,561	34,457
	<u>73,245</u>	<u>127,781</u>
	2012	2011
	£	£
Audit of financial statements of India branch office	10,736	11,573
	<u>10,736</u>	<u>11,573</u>

In 2011 and 2012, auditor's remuneration of BBC WST Ltd was borne by another group charitable company. The portion of the audit fee relating to the BBC WST Limited was £3,000 (2011 £3,000).

4 Notes to the SOFA

Net income for the year is stated after charging

	2012	2011
	£	£
Depreciation	-	542
Hire of other assets - operating leases	78,901	75,541

The depreciation charge in the prior financial year relates to tangible fixed assets disposed of before the end of that financial year. The net book value of tangible fixed assets at 31 March 2011 was nil.

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 (2011 £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

Costs of staff are split out by	2012 £	2011 £
Wages and salaries	545,981	352,250
National insurance	6,033	-
Pension costs	11,391	9,855
Other staff costs	-	-
	<u>563,405</u>	<u>362,105</u>

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

£60,000-£69,999	2012	2011
	0	1

The number of employees whose emoluments were greater than £60,000 to whom retirement benefits are accruing under defined benefit schemes is nil (2011 1)

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

Programme activities (charitable)	2012	2011
	36	24
	<u>36</u>	<u>24</u>

The average number of persons, including part time staff, employed across the year on UK contracts in the UK and overseas was 2 (2011 1) The number of staff employed locally on overseas contracts was 34 (2011 23) at a cost of £437,235 (2011 £297,130)

7 Fixed asset investment

	2012 £	2011 £
Investment in BBC MPM Inform cost	2,985	2,985
Less provision for diminution in value	(2,985)	(2,985)
	<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 (2011 £nil) at 31 March 2012 The company has not traded in the current or prior financial years

8 Debtors

	2012 £	2011 £
Amounts due from BBC Media Action	1,657,645	1,793,961
Other debtors and prepayments	91,450	51,171
Accrued Income (note 10)	126,416	42,004
	<u>1,875,511</u>	<u>1,887,136</u>

Notes (continued)

9 Creditors: amounts falling due within one

	2012	2011
	£	£
Other creditors	15,741	28,230
Accruals	56,940	21,435
Deferred income (note 10)	1,842,237	1,975,683
	<u>1,914,918</u>	<u>2,025,348</u>

10 Accrued and deferred income

	Total deferred income	Total accrued income	Amount received and other movements	Released through the SOFA	Total deferred income	Total accrued income
	2011	2011	2012	2012	2012	2012
	£	£	£	£	£	£
Charitable activities	(1,975,683)	42,004	(1,544,569)	1,762,427	(1,842,237)	126,416

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.

11 Share capital

	2012	2011
	£	£
<i>Allotted, called up and fully paid</i>		
3 ordinary shares of £1 each	<u>3</u>	<u>3</u>

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.

12 Funds analysis

	Restricted Funds	Unrestricted Funds	Total
	£	£	£
Balance at 1 April 2011	-	20,771	20,771
Incoming resources	1,689,182	73,245	1,762,427
Outgoing resources	(1,689,182)	(73,245)	(1,762,427)
Balance at 31 March 2012	<u>-</u>	<u>20,771</u>	<u>20,771</u>

Notes (continued)

13 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

	2012 £'000	2011 £'000
Land and buildings		
Operating leases which expire		
Within one year	25,122	43,621
In the second to fifth years inclusive	17,107	6,193
Over five years	-	-
	<u>42,229</u>	<u>49,814</u>

At 31 March 2012, total amounts payable in the future on non-cancellable operating leases were £72,913 relating to land and buildings (2011 £67,342)

14 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 BBC Media Action (formerly 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 BBC Media Action can be obtained from BBC Media Action, Media Centre, 201 Wood Lane, London W12 7TQ

15 Related party transactions

During the year, the BBC Media Action received all monies on behalf of BBC WST Limited (2011 £52,802 was received directly by BBC WST Limited) At 31 March 2012, an amount of £1,657,645 (2011 £1,793,961) was owed by the BBC Media Action to BBC WST Limited

16 Pension costs

BBC WST Limited, 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 BBC WST Limited to the scheme and the costs amounted to £11,391 in the year (2011 £9,855) At 31 March 2012, no contributions had been prepaid (2011 nil)

The actuarial valuation was updated for FRS 17 purposes to 31 March 2012 by Towers Watson, consulting actuaries This valuation identified a deficit of £1,172.0 million in the scheme at 31 March 2012 (2011 £920.5 million) Additional disclosure about the scheme and its financial position under IAS 19, which as a result of options taken by the BBC Group is equivalent to FRS 17, is provided in the BBC Annual Report and Accounts that can be obtained from www.bbc.co.uk/annualreport