

BBC



BBC

Group Annual Report
and Accounts 2018/19

BBC

Group Annual Report and Accounts 2018/19

Presented to Parliament by the Secretary of State for Digital,
Culture, Media and Sport by Command of Her Majesty

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Inform, Educate, Entertain

Our mission has remained the same for almost 100 years. We act in the public interest, serving all audiences through the provision of impartial, high-quality and distinctive output and services which inform, educate and entertain.

We deliver our public purposes...

[+ Read more on pages 16-54](#)

1. To provide impartial news and information to help people to understand and engage with the world around them.
2. To support learning for people of all ages.
3. To show the most creative, highest quality and distinctive output and services.
4. To reflect, represent and serve the diverse communities of all of the UK's nations and regions and, in doing so, support the creative economy across the UK.
5. To reflect the UK, its culture and values to the world.

... creating cutting-edge content...

[+ Read more on pages 4-7 and 26-33](#)

Record-breaking dramas

The finale of *Bodyguard* was the UK's most watched episode of any drama series across all channels since current records began, in 2002, attracting 17.1 million viewers (consolidated figures). The first series of *Killing Eve* was a hit with younger audiences and has been requested 42.5 million times on BBC iPlayer.

A channel for modern Scotland

Launched in February 2019, BBC Scotland features a mix of documentary, popular factual and entertainment, comedy, drama, news and current affairs and sport.

Personalisation

With over 17 million people now signing into their BBC Account every month, we're starting to deliver more personalised experiences – such as

recommending programmes based on their tastes and preferences in BBC iPlayer and BBC Sounds.

Dynasties

Reframing the nature documentary, this landmark series averaged over 7.5 million viewers per episode across the series and was released in ultra HD on iPlayer.

At the heart of the action

There were 66.8 million requests for all FIFA World Cup action across BBC iPlayer and BBC Sport.

Channel of the Year

CBeebies was named Channel of the Year at the Royal Television Society Programme Awards.

... broadcasting across multiple channels...

[+ Read more on pages 16-54](#)

Television

Nine pan-UK television services, including online-only youth service BBC Three. National and regional television services across England, Northern Ireland, Scotland and Wales, including the new BBC Scotland channel.

Radio

Ten pan-UK radio networks and two national radio services each in Scotland, Wales and Northern Ireland. 40 local radio stations across England

and the Channel Islands. The BBC World Service television, radio and online in more than 40 languages.

Online

Online services including BBC News, Sport, Weather, CBBC and CBeebies, iPlayer, BBC Sounds, BBC Bitesize, BBC Red Button and our vast archive via a variety of internet-connected devices including tablets, smartphones and connected televisions – as well as computers.

... working with talent from across the creative industries...

[+ Read more on pages 76-86 and 159](#)

BBC staff

Our people are talented, diverse, dedicated and passionate. They make us what we are.

Partnerships

We work with organisations that share our passion for creativity, quality and distinctiveness.

Investment

The BBC is a major investor in the UK creative industries, contributing hundreds of millions of pounds to the wider sector.

Knowledge sharing

BBC engineers have always been at the forefront of technological development. We provide a 'centre of excellence', sharing advances and best practice across the industry.

Training

We are committed to offering training and development to everyone. In 2018/19 90% of BBC staff completed one or more training course.

... ensuring value for money for our audiences...

[+ See pages 88 and 184 for more information](#)

Investing as much money as possible in delivering great content and services

Reduction in overheads

95% of the BBC's controllable spend this year was focused on content and delivery, just 5% was spent on running the organisation.

Dividends from commercial subsidiaries

A total of £73 million was declared to the BBC Group from BBC Studios, BBC Studioworks and BBC Global News.

Senior managers

Senior managers now make up just 1.4% of our total public service employees.

Total cost savings

£153 million of annual savings were delivered during the year, taking the cumulative savings to £397 million.

... and delivering on our mission.

[+ Read more on pages 55-61](#)

74% ^{17/18} _{75%}

% of UK adults who say the BBC is effective at informing, educating and entertaining people in the UK (10% say ineffective. 17/18: 8%).
Source: Ipsos MORI

74% ^{17/18} _{75%}

% of UK adults who say the BBC is effective at informing people in the UK (10% say ineffective. 17/18: 9%).
Source: Ipsos MORI

71% ^{17/18} _{72%}

% of UK adults who say the BBC is effective at educating people in the UK (10% say ineffective. 17/18: 9%).
Source: Ipsos MORI

76% ^{17/18} _{77%}

% of UK adults who say the BBC is effective at entertaining people in the UK (9% say ineffective. 17/18: 7%).
Source: Ipsos MORI

Highlights from the year

This year saw an astonishing 3.6 billion programme requests on iPlayer, the arrival of a dedicated channel for Scotland, the launch of BBC Sounds and the announcement of a major new streaming service. We continue to bring audiences, across the UK and around the globe, award-winning content on television, on radio and online.

91%

Adult reach

Percentage of UK adults who use BBC television, radio or online each week.

2017/18: 92%

Target: 88-93%



BBC Sounds

As part of our ongoing commitment to reinvent the BBC for a new generation, we have launched BBC Sounds, a brand new audio product bringing together our live and on demand radio, music and podcasts into a single personalised product.



BritBox

We announced BritBox, a new subscription service with ITV which will feature the biggest collection of British content available on any streaming service for UK audiences.

7/10

General impression

Audiences' general impression of the BBC (mean average).

2017/18: 7/10

Target: 6-7/10



Killing Eve

The first episode of the incredible *Killing Eve* became the second-best performing BBC iPlayer episode ever, with 9.2 million requests, whilst the series overall had 42.5 million requests by the end of December – the second biggest drama box set iPlayer has ever seen.

42.5m

iPlayer requests by the end of December



BBC Scotland channel

The new dedicated channel for Scotland launched in February and has made a strong start, attracting record digital audiences for its opening night schedule.



iPlayer

3.6 billion programmes were requested on iPlayer throughout 2018, with award-winning British dramas *Bodyguard*, *Killing Eve* and *McMafia* topping the list of most requested-transmissions.



Record-breaking World Cup

A massive 44.5 million people tuned in to watch one of the most entertaining World Cup tournaments to date on BBC TV last summer.



Plastics Watch

Following the huge global impact of *Blue Planet II* we launched Plastics Watch, a new initiative bringing together BBC content about plastics in one place to help provide information on how we can reduce plastic pollution.



First LGBT correspondent

Ben Hunte, an award-winning journalist, began his role as the first LGBT correspondent for BBC News, reporting on the stories, issues and debates surrounding sexuality and gender with a focus on providing insight and analysis on matters affecting the LGBT community in the UK.



Own It

Children getting their first smartphone will be able to receive help staying safe online with a new 'Own It' app, part of the BBC's commitment to supporting young people in today's changing media environment. It will provide a helping hand to youngsters taking their first steps online and on social media, to ensure they have a healthy experience in the digital world.



Local News Partnership

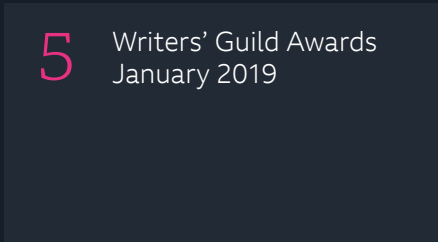
The Local News Partnership, which sees the BBC fund public service local journalism, has distributed more than 78,000 public service stories already and is now attracting international attention from other countries keen to replicate its success.

Award-winning content

We invest in award-winning programmes and services across television, radio and online.



5 Golden Globes
January 2019



5 Writers' Guild Awards
January 2019



8 Broadcast Awards
February 2019



16 British Academy Television Awards
May 2019



12 British Academy
Children's Awards
November 2018



11 Association for
International
Broadcasting
Awards
November 2018



6 British Academy
Scotland Awards
November 2018



6 National Television
Awards
January 2019



16 British Academy Television Craft Awards April 2019



36 Audio and Radio Industry Awards October 2018

9 British Academy Cymru Awards October 2018



5 RTS Television Journalism Awards March 2019



8 Grierson Awards November 2018

8 Broadcast Digital Awards July 2018



15 RTS Programme Awards March 2019

11 Broadcasting Press Guild Awards March 2019

7 Comedy.co.uk Awards February 2019

A message from the Chairman



“Where BBC iPlayer was once a catch-up service, it is now vital for us to ensure that it becomes a destination in its own right. More and more, we know audiences will see BBC iPlayer as the front door to our content offer.”

Sir David Clementi
Chairman

The BBC was founded almost a century ago with a mission to inform, educate and entertain. This Annual Report and Accounts sets out how, over the past year, the BBC has delivered successfully on that mission and the five public purposes that define it, as well as on the responsibility we have to our audiences to deliver exceptional value for their licence fee.

Nowhere is this more obvious than in the quality of our output. Audiences in their millions have been gripped by hit shows across all genres, from *Bodyguard* to *Dynasties* to the latest series of *Strictly Come Dancing*. Meanwhile, BBC news teams have kept audiences up to date on every twist and turn of Brexit developments, based on a tireless commitment to impartiality, fact-checking, and in-depth analysis.

As Chairman, I am pleased that this report demonstrates how both audiences and the corporation itself are benefiting from a well-run BBC. It provides evidence of a Board and Executive firmly united behind the BBC’s strategic priorities.

First amongst these is our goal of reinventing public service broadcasting for a new generation responding, in particular, to the challenge presented by well-resourced competitors such as Netflix and Spotify, who are changing the way audiences watch video and consume audio. This means modernising our services for the digital age – a key focus for the Board this year.

We are acutely aware, for example, that it is through our online services that audiences increasingly expect to receive value for their licence fee. That is why this year saw the launch of BBC Sounds as a single product bringing together all our radio, music, and podcasts in one place. It also saw us set out our plans to reinvent BBC iPlayer.

Where BBC iPlayer was once a catch-up service, it is now vital for us to ensure that it becomes a destination in its own right. More and more, we know audiences will come to see BBC iPlayer as the front door to our content offer. And in the on demand world, it is clear that the 30-day viewing window, for example, offers less and less public value.

Our plans therefore include making programmes available for at least 12 months after they are first shown, offering more complete series box sets and multi-series back catalogues, and making more content available from our extraordinary archive.

These are important changes. Our research shows that audiences believe they will make BBC iPlayer a better place to watch TV, as well as offering better value to licence fee payers in the on demand age. It is important to recognise, however, that they are also relatively straightforward changes, designed to bring BBC iPlayer in line with what the rest of the market is already doing.

We believe the BBC must be allowed to move quickly to meet the fast-changing needs and expectations of our audiences

and keep pace with our competitors. This raises important issues ahead of the mid-term review of the Charter, which will focus on governance and regulatory issues and consider whether further improvements are necessary during the current Charter period. In particular, the review will need to look again at whether regulation born in the linear era remains fit for the digital age.

Another major priority this year has been the goal of making the BBC the best possible place for our people to work, driving fairness and efficiency. This year, two Board-commissioned independent reviews found the BBC to be one of the most transparent organisations in the country. Led by Will Hutton and Christopher Saul, they concluded that the BBC has already built high levels of transparency in recent years but recommended ways to go even further.

We are determined to lead the way in this area, so that staff and licence fee payers alike have the information they need to see the BBC’s commitment to equality, fairness, and efficiency.

The increased focus in this year's report on our commercial operations reflects the fact that they are becoming ever more vital to the health of the whole group. This year marks the first full year of operation of the new BBC Studios, following our decision to merge our production and distribution arms. It is encouraging that BBC Studios has made such a confident start. Programmes like *Luther* and *Les Misérables*, *Top Gear* and *Doctor Who* have set the creative standard and underline the breadth and diversity of BBC Studios' work.

Our recent announcement that BBC Studios would be taking control of UKTV and the bulk of its channels is a further example of how we are looking to reshape our commercial operations in the shifting media landscape.

Under the deal we have announced with Discovery, BBC Studios will take full ownership of the seven UKTV channels which best fit our programmes – including Dave, Alibi, and Gold – with Discovery acquiring the remaining three lifestyle channels. This will help secure both the BBC's ability to get long-term value from the programmes paid for by the licence fee and UKTV's continuing investment in British creativity.

At the same time we announced a long-term partnership with Discovery to take the best of the BBC's factual programmes to audiences across the world on a new, Discovery-owned subscription video platform, after they have been shown on the BBC in the UK. This represents our largest ever content sales deal, and will enable the BBC to invest even more in factual programming for British audiences.

Our goal is to see BBC Studios powering forwards in the months and years ahead. We know that growing our intellectual property – owning the rights to programmes so we can return their full commercial value to licence fee payers – is vital for the BBC's future.

Another important announcement this year was the decision we have taken, with ITV, to launch a new subscription streaming service in the UK: BritBox. This will be the first time British public service broadcasters have come together to create a subscription video-on-demand service in this country, building on the success of our joint commercial service in North America. It means audiences can look forward to an unrivalled collection of British box sets and original series, on demand, in one place.

This year the Board commissioned an important review to look at the operation of our commercial subsidiaries. I was pleased when it found that the BBC's three wholly-owned commercial businesses – BBC Studios, BBC Studioworks and BBC Global News – are exhibiting commercial efficiency and doing what they should.

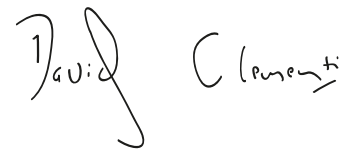
A critical factor in this achievement – as with so many others in the BBC over the past six years – was the oversight, input and expertise of Anne Bulford, who left her role as Deputy Director-General at the end of 2018/19. I would like to pay tribute, on behalf of all my Board colleagues, to Anne for the exemplary commitment, skill and insight she provided both to the Board and the BBC as a whole in her time with us, on issues big and small.

And, of course, the biggest issue the Board has had to consider over the past year concerned the future of free TV licences for the over-75s.

In February, we concluded a broad, three-month public consultation on this subject. Based on the responses we received from the public and from stakeholders, and with reference to the three criteria we identified at the start of the process – fairness, financial impact, and feasibility – the Board recently reached a decision.

From June 2020, any household with somebody over 75 who is in receipt of pension credit will receive a free TV licence. We think it is a fair decision: fair to those over 75, since we target those most in need; and fair to all our audiences, since there was no appetite for the substantial cuts to BBC services that would have been necessary if the concession had been extended to all those over 75.

This has been an immensely difficult decision, and the Board has spent a considerable amount of time analysing the options. I believe this outcome represents the fairest possible in the circumstances.



Sir David Clementi
Chairman
20 June 2019



The class of Strictly Come Dancing 2018

Director-General's statement



This has been a year of outstanding creative success for the BBC. In January, I set out to staff what our priorities must be as we continue to reinvent the organisation for the future. We need to stand up for trust and impartiality in news. We need to continue to transform our digital services. We need to make sure the BBC is a truly great place to work. But first and foremost, always, we need to keep putting creativity at the heart of the BBC.

Two big highlights in particular tell, for me, an important story about how the BBC is reinventing itself for all audiences in the digital age.

The first, *Bodyguard*, was a phenomenon. The nation was gripped on Sunday nights. 17 million people watched the finale. It was a show that proved, once again, that there's still very much a place for brilliant, appointment-to-view TV that brings the whole country together. It was the biggest drama on UK television in over a decade.

The second, *Killing Eve*, gained a huge audience on iPlayer. Released as a box set, it had 42.5 million requests to view by the end of December. People seemed to swallow it up, almost in one sitting. And once Phoebe Waller-Bridge, Jodie Comer, and Fiona Shaw picked up richly deserved BAFTAs – for best drama series, best actress, and best supporting actress respectively – almost one million requests were made in the following seven days, showing the benefit to audiences of keeping our best content on iPlayer for longer.

These two shows were both big hits with the 16-34 age group, where we know there is so much competition for time and attention.

Together, for me, they encapsulate what audiences can expect from a reinvented BBC. We want to keep doing what we have always done best: making world-class, distinctive British content; supporting and investing in home-grown talent; bringing the whole country together and getting them talking.

At the same time we want to take every opportunity to reach and serve all our audiences in new and exciting ways. That means content that takes even more creative risks. It also means services that are increasingly tailored and relevant – from a more personalised BBC iPlayer to the freshly-launched BBC Sounds and our new BBC Scotland channel.

And this report illustrates how we are reinventing the BBC for audiences not just at home, but also around the world. We now have a weekly global audience of 426 million adults – an increase of over 13% in just one year.

It's proof that the BBC can do more than ever for the UK in taking Britain's distinctive voice, culture and values to the world. It's also evidence that we have what it takes, with the right support, to compete with the might of the US-based tech giants in an increasingly global and competitive media landscape.

“This year our audiences have started to experience what a reinvented BBC looks and sounds like.”

Tony Hall
Lord Hall of Birkenhead CBE
 Director-General
 and Editor-in-Chief

A year of outstanding creativity

These pages contain countless examples of what a great year this has been for the BBC creatively. New shows such as *Informer* and *A Very English Scandal*, for example, alongside the return of hits like *Line of Duty*, Idris Elba's *Luther* and Jodie Whittaker's *Doctor Who*. And they are far from limited to drama.

In comedy, this year has seen the much anticipated return of Phoebe Waller-Bridge's *Fleabag*, *Peter Kay's Car Share*, and Alan Partridge with *This Time*. In natural history, we have built on the extraordinary success of *Blue Planet II* amongst audiences of all ages with programmes such as *Dynasties*, Liz Bonnin's *Drowning in Plastic* and *Blue Planet Live*.

Documentaries from Stacey Dooley, Romesh Ranganathan, Sue Perkins, and Louis Theroux have taken on big issues from unique perspectives. In entertainment, we have seen another sensational series of *Strictly Come Dancing*, along with latest Saturday night choices, *The Greatest Dancer* and *All Together Now*.

It is not only unmissable TV moments that have brought the nation together this year. From the 24 million we reached with our coverage of the Royal Wedding, to the 23 million who joined us across the weekend commemorating the 100th anniversary of the end of World War One – including Peter Jackson's unforgettable film *They Shall Not Grow Old* – to the 58 million requests to our live World Cup action online across BBC iPlayer and BBC Sport, we continued to bring the country together in shared national celebration or commemoration.

The fact that the BBC took home more than half the awards on offer from the Royal Television Society (RTS) says a lot about our commitment to pushing creative boundaries. I was particularly pleased to see CBeebies win RTS Channel of the Year, following last year's win for BBC One. Most recently we celebrated 16 BAFTA television awards, recognising our creative excellence across an astonishing range of programmes and performances.

The BBC also swept the board this year at the Audio and Radio Industry Awards (ARIAs). In total, teams from News, network, nations, and local radio took home 36 gold, silver and bronze awards – with Radio 1 and BBC Radio Leeds winning the coveted National and Local Station of the Year titles.

It was a real tribute to the range, ambition, and innovation on offer across BBC Radio. On Radio 4, that meant Rabbi Lord Sacks' *Morality in the 21st Century* as well as Jameela Jamil's *New Age of Consent*, looking at sexual consent in the modern age. On Radio 5 live it meant bringing listeners news and stories from every part of the UK as well as producing award-winning podcasts from *That Peter Crouch Podcast to You, Me & The Big C*.

Latest figures from the first quarter of 2019 show that audiences are rewarding BBC Radio for making some bold choices. Zoe Ball has hit the ground running as the new Radio 2 breakfast host as part of a refreshed schedule, while there was new record reach for Lauren Laverne in her own new breakfast slot on 6 Music. Meanwhile Radio 3 has introduced Jess Gillam, former Young Musician finalist, as its youngest-ever regular presenter.

The nation's trusted guide

This year has of course been another highly demanding one for BBC News. Our teams in news and current affairs have worked tirelessly to live up to their responsibility as the nation's trusted guide.

Brexit dominated the news agenda. It proved once again that the BBC is the place audiences come to find out the facts and to understand what is really going on.

In January, almost 43 million UK browsers came to BBC News online in the week of the first 'meaningful vote' and subsequent confidence vote in the government. More than 4 million people came to the live BBC News Special on BBC One in March, as MPs voted on the Prime Minister's withdrawal agreement – about as many as watched *Shetland* or *EastEnders* that night.

I am very proud of the way our teams have covered this vitally important national story. Our news and current affairs output has included everything from long reads to jargon busters, news specials to Reality Checks; podcasts from the brilliant *Brexitcast* to Nick Robinson's *Political Thinking*; in-depth documentaries from Laura Kuenssberg's *The Brexit Storm* to Norma Percy's outstanding series *Inside Europe*.

It's a sign of how determined we have been to deliver for our audiences over the past year; to explain the news as well as report it. We're taking more time to explore the context behind the events – the *why* as well as the *what*.



Responding to our challenges

In March we published our Annual Plan for 2019/20, which set out what we will be doing in the months ahead to respond to the strategic challenges we face.

There is plenty of work now underway, but we are focusing on four priorities in particular:

Creativity at the heart of the BBC

- Even more creative risks for audiences, especially younger audiences
- Greater diversity of voices, opinions, stories, geographies, and communities
- Go further and faster in our work outside London
- See BBC Studios powering forwards over the next 12 months

Growing iPlayer and BBC Sounds

- Transform iPlayer into a destination in its own right
- Firmly establish BBC Sounds as the best place to listen to all BBC audio

Trust and impartiality in news

- Stand up for impartiality as a core value
- Make sure all sides of the debate are heard
- More context and analysis at the core of our coverage
- More fact-checking to take the fight to 'fake news'

Making the BBC the best place to work

- Lead the way on gender pay, for our industry and society as a whole
- Create a more inclusive BBC and tackle the barriers to career progression
- Drive progress towards our ambitious diversity and inclusion targets

More details on these and all of our strategic priorities for reinventing the BBC can be found in our Annual Plan 2019/20.

We think it's increasingly vital in helping audiences navigate today's world. We're also standing up for impartiality like never before. It's one of the BBC's most precious assets, and the key to our continued status as the UK's most trusted source of news by far.

We are working hard to strengthen perceptions of our impartiality amongst our audiences even further. That includes refreshed editorial guidelines, new training in areas like subconscious bias, an ever greater focus on accuracy, and even more specialist, on-the-spot reporting from journalists like Katya Adler and Jon Sopel who know their subjects inside out.

Taking the fight to fake news

A major priority this year has been to step up the fight against fake news. The BBC's Reality Check has fast become one of our most potent resources in taking on misinformation and investigating claims and counterclaims. Our goal is to make it more central to our daily journalism – online, on radio, and on TV – so that audiences can benefit from our fact-checking machinery, in real time, on every big story we do.

We have also deepened our commitment to helping young people navigate today's news landscape. This year we launched BBC Young Reporter, based on our successful School Report initiative. We want to empower young people to tell their own stories, develop their media skills, and enhance their critical thinking in the online world.

We believe the BBC can play a major role in tackling the scourge of disinformation at home and abroad. But we also believe there is a major opportunity for all those who share a commitment to integrity in news to come together around their shared values.

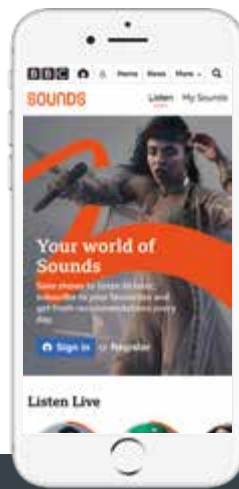
That's why I am inviting media organisations from across the world to join us for a special summit this summer. The goal is to explore what we can do together to tackle the global rise of misinformation, bias, and fake news. The focus is very firmly on powerful, practical measures we can all sign up to right now.

The UK's voice to the world

This has been a landmark year for the BBC's global services. The fact that we have grown our weekly global audience to 426 million is a sign not only of how important a role the BBC plays for the UK abroad, but also of how uniquely valued our services are by global audiences.

Thanks to new investment announced by the government two years ago, BBC World Service has completed its biggest expansion in over 70 years. It now operates in 42 languages, from Korean to Punjabi to Pidgin, and has increased its global audience by 40 million since last year, to 319 million.

Not only does this enhance our coverage and trusted news services for audiences abroad, but it also gives our UK news services a more in-depth view of areas which have traditionally received less attention.



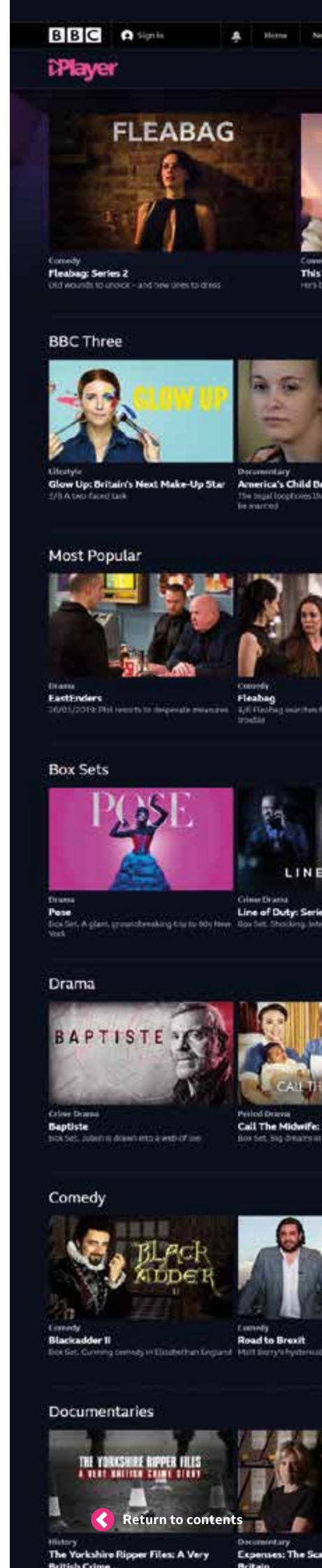
BBC Sounds

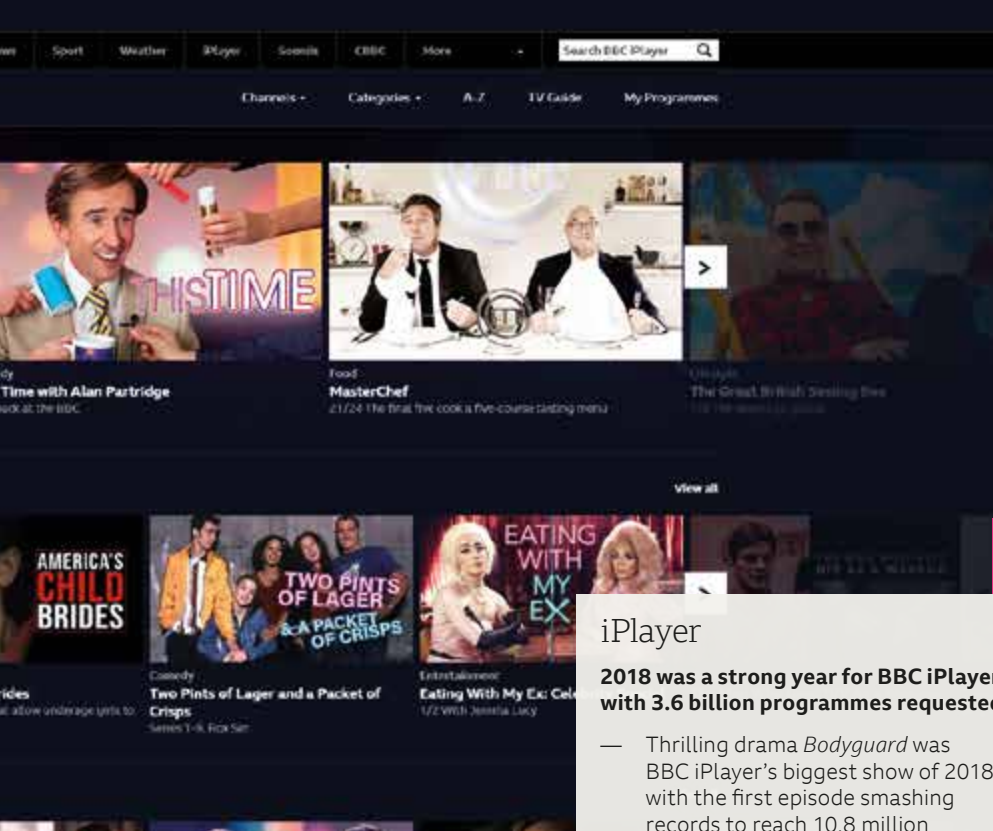
BBC Sounds brings listeners thousands of hours of unmissable music, radio and podcasts, available live and on demand. Launched in October, it has had a great start with more than 2 million app downloads.

BBC Sounds has opened up new creative possibilities and through the range of new podcasts we have given listeners different sounding on demand content. Podcasts such as *That Peter Crouch Podcast*, *The Ratline*, *The Sista Collective*,

The Case of Charles Dexter Ward and *Beyond Today* are just a few that demonstrate the unmatched quality and range of content on BBC Sounds. As it's personalised, and expertly curated by BBC talent – BBC Sounds gives listeners the choice and control over what to listen to and when.

And, because users sign in to their BBC account to use BBC Sounds, the more they use it, the better it gets at making recommendations based on what they like, as well as introducing listeners to new content.





I'm really proud of how our BBC news teams have this year brought light and insight to parts of the world in which truth can often lie hidden. *BBC Africa Eye*, for example, whose painstaking analysis of video footage from Cameroon proved that the army had carried out killings of civilian women and their children. Or the critical role our teams played in elections in Nigeria and India, calling out fake news and fact-checking disputed issues in real time.

All of this plays a priceless role in helping to support democracy and the UK's voice, values, and influence around the world. That's why I am pleased that we are now talking to the government about extending its support for what the BBC does overseas, including our BBC World News channel on television.

Serving local communities

It is not only our global services that make the BBC unique. It is also what we do locally, for communities right across the UK. This has become even more important at a time when it is so important that all of the country's diverse views and voices are heard.

As others move away from local radio programming and replace it with shows based in London, we are investing more and creating new shows on our local stations. In total, we have launched more than 150 new shows in the evening with a diverse mix of presenters and themes. It's helping to make sure our local radio stations better reflect the communities they serve.

iPlayer

2018 was a strong year for BBC iPlayer, with 3.6 billion programmes requested.

- Thrilling drama *Bodyguard* was BBC iPlayer's biggest show of 2018, with the first episode smashing records to reach 10.8 million requests – making it the most popular episode ever on BBC iPlayer. And the overall series reached 42.6 million requests in 2018, becoming BBC iPlayer's biggest box set ever.
- The first episode of the incredible *Killing Eve* became the second-best performing BBC iPlayer episode ever, with 9.2 million requests, whilst

the series overall had 42.5 million requests – the second biggest box set iPlayer has ever seen.

- Following the success of Ultra HD trials for major series and events like *Blue Planet II*, the FIFA World Cup and the Wimbledon Championships, BBC iPlayer brought landmark natural history programme *Dynasties* to viewers in Ultra HD. In total, *Dynasties* was streamed around 7.5 million times – with 19% of these requests (1.4 million) in Ultra HD.

With local journalism under such intense commercial pressure, we have also been looking at what more we can do to support a healthy local media ecology. I am particularly proud of our Local Democracy Reporting Service, which supports a network of up to 150 reporters, managed by local media but funded by the BBC.

It's a scheme that has succeeded beyond all expectations, already distributing more than 78,000 public interest stories that might not otherwise have been heard. The Culture Secretary, Jeremy Wright, has paid tribute to the scheme's success and its contribution to local democracy, whilst the Cairncross report on the future of UK media called for it to be extended.

I am also proud of how we have delivered further on our priority of investing more in the UK's nations and regions. The launch of our new BBC Scotland channel, with a dedicated evening news programme at its heart, is a great example of how determined we are to serve and reflect all our communities more closely.

We're excited and encouraged by the start BBC Scotland has made. During its first month, the new channel reached more than one in four of all audiences in Scotland weekly. On its first night, the iconic sitcom

Still Game pulled in the highest-ever ratings there for a digital channel. It's part of the BBC's biggest investment in content in Scotland for a generation, and will see hundreds of hours of newly-commissioned programmes to reflect the national identity.

Transforming our digital services

This year our audiences have started to experience what a reinvented BBC looks and sounds like. October saw the launch of BBC Sounds, allowing audiences to explore all our music, radio, and podcasts – live and on demand – in a single personalised destination. It has made a great start, with more than two million app downloads.

In particular, its first few months have demonstrated the impact that ambitious new podcasts can have. BBC Sounds took home six golds from the recent British Podcast Awards, including the Listeners' Choice award for *Brexitcast* and best current affairs podcast for *The Grenfell Tower Enquiry*. I'm proud that podcasts on Sounds are opening up exciting new creative possibilities, as with the ground-breaking *Forest 404*.

We will keep developing the product and keep working hard to make sure it delivers more and more value to users by becoming more and more personalised.





On BBC Scotland's launch night *Still Game* pulled in the highest-ever ratings there for a digital channel

This year we also set out our plans to help transform BBC iPlayer from a catch-up service into a destination in its own right. We have already made considerable progress. Compare BBC iPlayer today to one year ago and you will see major changes to the product and user experience – from autoplay recommendations to live programme restart on the green button.

We have also made big changes through extending the availability of new titles, giving people more time to discover and enjoy hits such as *Bodyguard* and *Killing Eve*. Releasing box sets of back catalogues to coincide with the launch of news series such as *Our Girl* and *Luther* brought a brilliant response from audiences. And the importance of our unique archive has been brought home once again by the fact that shows like *Two Pints of Lager and a Packet of Crisps* and *Gavin and Stacey* – now returning for a Christmas special – are amongst iPlayer's biggest comedy titles.

These changes are critical for us in addressing the profound changes that continue to be seen in how audiences – especially those under the age of 35 – consume media. As we see decreases across the industry in the amount of broadcast TV watched by this group on the TV set, so those changes are

starting to be mirrored in all audiences. So I'm pleased that this report shows a BBC that is really getting to grips with these challenges and setting ourselves up to succeed in this new world.

A great place to work

Of course, reinventing the BBC is about the changes we are making inside the organisation as well as out. We are determined to ensure that the BBC continues to be a great place to work.

This report sets out the real and tangible progress we have made this year. Our latest pay disclosures, for example, show how far the BBC has come in boosting female representation among our highest-paid stars on-air, with a projected male to female split for 2019/20 of 55:45. This is a huge transformation from the 76:24 ratio seen when we first published the data two years ago in 2016/17, and it means we are well on the way towards reaching 50% women and 50% men on-air.

It's change that audiences can see and hear every day – whether it's Zoe Ball and Sara Cox on Radio 2, Fiona Bruce chairing *Question Time* or Emily Maitlis becoming lead presenter on *Newsnight*. But the change is not simply at the level of the highest earners, it is all across our output.

This year we have made seriously impressive progress with our 50:50 project to ensure an equal split between male and female guests, contributors and experts across news, current affairs and a range of topical programmes. Many of our programmes have transformed their approach to representation, with nearly three-quarters of teams signed up over the past year reaching 50% by April 2019.

Overall, the BBC's latest gender pay gap report shows that we have brought down our median gap from 7.6% in 2018 to 6.7% in 2019. This represents good progress, but continuing to close the gender pay gap is a priority. We are determined to lead the way, not just for our industry, but for society as a whole.

To support this, we conducted this year a review into gender culture and career progression at the BBC. It produced a series of detailed recommendations to help remove barriers and bring about a step-change in gender equality at the BBC. We undertook to implement them all, and 97% are now either complete or in progress.

There is plenty more work underway to build more diverse, more inclusive, and more open BBC. Since we conducted our gender review, we have produced four further culture and career progression reviews focusing on what can be done to remove barriers to progress among disabled staff, staff from a black, Asian and minority ethnic (BAME) background, LGBTQ+ staff, and staff from diverse socio-economic backgrounds.

We are committed to implementing their recommendations. Overall, 95% are now completed or underway and our focus is now turning to making sure the reports drive real change.

Our diversity targets in other areas are also every bit as ambitious as those for gender, such as 15% BAME staff across the BBC and in leadership roles by 2020. And we are the only broadcaster who routinely and voluntarily publishes our BAME pay gap and figures for social diversity – where around 40% of our employees are from low and intermediate income households.

This year, two independent reviews concluded that the BBC – both in the public service and in our commercial operations – is one of the most transparent organisations in the country, but recommended ways we can go even further. Most recently, the National Audit Office (NAO) published a report on pay which said that we are well ahead of other organisations.

The NAO report also confirmed that we are at the forefront of the media industry when it comes to the gender pay gap. And it paid tribute to the reforms we have made in recent years, saying that we have taken “big steps in improving consistency and fairness” of our pay and terms and conditions. We have come a long way. Our goal is to build on all this work and go further, faster.

I am proud of the progress set out in these pages. They demonstrate that this has been an outstanding year for the BBC, in delivering our creative remit, driving our commercial revenue, and performing against our public purposes.

All this has been achieved against the backdrop of the BBC’s tough financial context. As these Accounts show, we continue to manage our finances in as prudent a way as we can: delivering efficiencies of £153 million this year; reducing our overheads to just 5% of our total costs; and maintaining a strong cash surplus which enables us to invest in content whilst also managing our financial responsibilities.

Our commercial operations continued to contribute significantly to our overall funding too. A commercial group dividend of £73 million in 2018/19 serves to underline the increasing importance of this activity to the Group.

This year’s Accounts also set out the steps we are taking to make sure we address and put right any long-standing issues around tax status for our presenters, some of whom have been heavily impacted under the new rules applied by HMRC in 2017/18. We’ve thought long and hard about the options here and taken into account the impact on the tax status of presenters affected in different ways by HMRC’s changes. On that basis, we agreed with the Board that our proposed

approach – set out in more detail in the Chief Financial Officer’s review on page 88 – is the right one to draw a line under these issues in as fair, efficient and cost-effective way as possible.

Finally, last month we announced the Board’s decision on the future of free TV licences for the over-75s. This followed a full and thorough consultation with the public that we undertook this year. We decided to move to a system where, from June 2020, free TV licences are available for any household where someone over 75 is in receipt of pension credit. We believe that this is the fairest option to help the poorest pensioners. We also believe it is the fairest option for all licence fee payers – old and young – as it means the BBC will continue to deliver the programmes and services we know they value.

This report gives me great confidence for the BBC’s future. I believe we are well on track in our project of reinventing the BBC for a new generation. And I am convinced there is an opportunity for a strong, thriving BBC to do more than ever for our audiences and the UK as a whole in the years ahead.



Tony Hall, Lord Hall of Birkenhead CBE
Director-General and Editor-in-Chief
 20 June 2019

£153m

Efficiency savings delivered in 2018/19



Radio 5 live’s award-winning podcast, Brexitcast

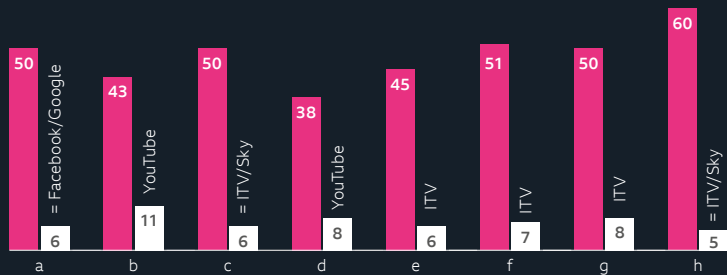
Delivering our creative remit

The BBC's public purposes are enshrined in the Royal Charter and Agreement and are at the core of everything we do.

The public purposes outline the values we hold when striving to achieve our mission to inform, educate and entertain and they provide a clear framework through which we are held to account. The following pages set out how we have met the requirements of those public purposes.

Of all the media providers (TV, radio, newspaper, magazine, website, app or social media), which one does the most to/has the most...

■ BBC (%) ■ Next nearest provider (%)



- a. Help people in the UK understand and engage with the world around them
- b. Help people in the UK learn new things
- c. High quality content and services for people in the UK
- d. Creative content and services for people in the UK
- e. Distinctive content and services for people in the UK
- f. Content and services relevant to people in the UK
- g. Reflect life in different parts of the UK
- h. Reflect the UK around the world

Source: Ipsos MORI for the BBC, 3,551 UK adults 16+, March-May 2019



1. To provide impartial news and information to help people understand and engage with the world around them

[+ Read more on pages 18-21](#)



2. To support learning for people of all ages

[+ Read more on pages 22-25](#)



3. To show the most creative, highest quality and distinctive output and services

[+ Read more on pages 26-33](#)



4. To reflect, represent and serve the diverse communities of all of the United Kingdom's nations and regions and, in doing so, support the creative economy across the United Kingdom

[+ Read more on pages 34-47](#)



5. To reflect the United Kingdom, its culture and values to the world

[+ Read more on pages 48-54](#)

1 To provide impartial news and information to help people understand and engage with the world around them

The first purpose of the BBC is to inform. In tumultuous times, the BBC's role in providing news and information that can help audiences understand the world and engage with key events is more important than ever.

Today, the BBC provides an unrivalled level of local, regional, national and international news and current affairs. We remain the most trusted source of news in this country and the most chosen for impartiality. But the news landscape around us has undergone some profound changes in recent years.

Trust is at a premium. There has been an increase in scepticism about experts, elites, and institutions. Generational, political and social differences have widened markedly, and our society feels more fragmented and divided. Political partisanship has grown and technology and social media have contributed to a polarisation of our national debate. 'Fake news' has blurred the line between facts and disinformation and undermined faith in traditional media.

In this environment, it is no surprise that scrutiny of the BBC's impartiality has intensified. As the data in this report demonstrates, we need to do more to show that the BBC is effective in providing impartial news and current affairs that can help audiences make sense of events. For us, impartiality is one of our most precious assets. It is part of our enduring contract with audiences. Reporting without fear or favour and making sure all sides of a debate are heard – all different views and voices – is fundamental to our mission.

This year we have continued to provide trusted and reliable information, news, current affairs and factual output to the highest editorial standards. We have sought to reach and serve all audiences with this output, to contribute to a better-informed society, a more engaged citizenship, and a world of greater understanding.

We have shown that we are determined to stand up for impartiality and defend our role like never before. It is essential if we are to continue to be the place people know they can come to hear the broadest range of views, and understand what is truly happening in the UK and around the world.



8/10 ^{17/18} 8/10

Pan BBC News reach
Number of UK adults (16+) who use BBC News services each week.
Source: Kantar Media

BBC News reach by platform

BBC TV Network News and Current Affairs **60%** ^{17/18} 63%

% of UK adults (16+) who watch BBC TV Network News and Current Affairs each week.

(Source: BARB, reach based on 3+mins) (For the % of adults who watch dedicated BBC TV news for the nations and regions of the UK, see pages 41, 43, 45, 47)

BBC Network Radio News and Current Affairs programmes **38%** ^{17/18} 39%

% of UK adults (16+) who listen to news and current affairs programmes on BBC Network Radio each week.

(Source: RAJAR, reach based on 15+mins, excludes bulletins that are not part of a news or current affairs programme) (For the % of adults who listen to BBC Radio stations dedicated to the nations and regions of the UK, see pages 41, 43, 45, 47)

BBC News Online **33m** ^{17/18} 30m

Average number of unique UK browsers accessing BBC News Online each week.

(Source: Abode DAX. 2018/19 figure based on April 2018 to February 2019 owing to a change in measurement)

BBC News sets a high standard for quality

BBC TV **75%** ^{17/18} 78%

weekly users saying effective (ineffective 8%. 17/18: 8%).

BBC Radio **78%** ^{17/18} 80%

weekly users saying effective (ineffective 8%. 17/18: 6%).

BBC Online **80%** ^{17/18} 82%

weekly users saying effective (ineffective 8%. 17/18: 7%).

Source: Ipsos MORI



70% ^{17/18} 73%

% of UK adults who think BBC News and Current Affairs is effective at helping them understand what is happening in the UK/world today (ineffective 15%. 17/18: 12%).

Source: Ipsos MORI

62% ^{17/18} 65%

% of UK adults who think BBC News and Current Affairs is effective at informing them about the day's issues so they can make up their minds (ineffective 17%. 17/18: 14%).

Source: Ipsos MORI

62% ^{17/18} 64%

% of UK adults who think BBC News and Current Affairs is effective at helping them understand what is happening in their part of the UK (ineffective 18%. 17/18: 15%).

Source: Ipsos MORI

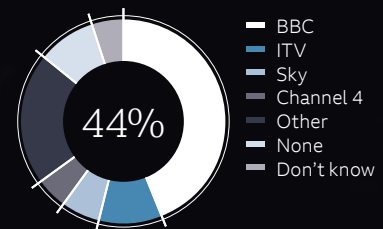
52% ^{17/18} 54%

% of UK adults who think the BBC is effective at providing news and current affairs that is impartial (ineffective 28%. 17/18: 26%).

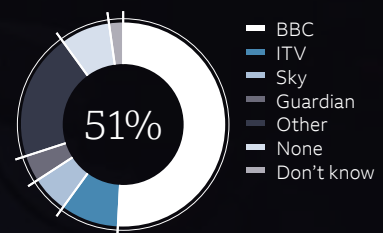
Source: Ipsos MORI

Of all the news sources (TV, radio, newspaper, magazine, website, app or social media) which one source are you most likely to turn to...

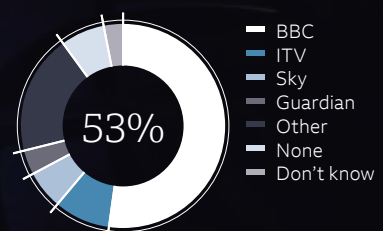
... if you want impartial news coverage



... for news you trust the most



... if you want accurate news coverage



Source: Ipsos MORI, 1,829 UK adults 15+ who follow the news, April-May 2019.

Delivering impartial news and information

One topic dominated the UK news agenda. Brexit was the year's biggest story, bringing audiences to the BBC in their millions.

From Reality Checks to jargon-busters to in-depth documentaries to podcasts, BBC News focused on explaining Brexit to our audiences. Specialists such as political editor Laura Kuenssberg and Europe editor Katya Adler played a crucial role in giving the context to help audiences navigate an often complicated and confusing story.

At the end of 2018, in the week of the vote of confidence in the Prime Minister, close to 38 million UK browsers came to the BBC News website and app, making it the biggest week of the year. This was surpassed in January 2019, when almost 43 million UK browsers came to BBC News online in the week of the first meaningful vote, and subsequent confidence vote in the Government.

The BBC Parliament channel saw record-breaking figures, with recent daily audiences for crucial votes ranking in the top five biggest days of the past decade.

The irreverent but analytical *Brexitcast* podcast, a collaboration between Radio 5 live and BBC News, proved a big success.

Overall, BBC News reached a weekly average of over 80% of adults in the UK, and over 70% amongst young audiences aged 16-34. BBC News online also continued to attract over 32 million UK browsers a week on average in 2018.

Impartiality continues to be the cornerstone of BBC News, but we are operating in a changing context, with increasing partisanship and fragmentation in politics and the media which puts public perceptions under pressure. We have started the work of reasserting our belief in the core value of impartiality across our news output.

Despite these challenges, BBC News remains the most trusted source for audiences: when people are asked to pick the one source they turn to first for the news they trust the most, BBC News is chosen most often, by 51% of audiences – five times more than the next nearest source (ITV).

Of the year's international stories coverage of the cave rescue of the Thai football team generated huge interest in the UK. Our first on-air Africa editor Fergal Keane brought a heightened profile for stories from the continent, reporting from countries including Zimbabwe, DRC, Sudan and Mozambique. Other international highlights included powerful reporting on the demise of IS and the collapse of the Caliphate.

UK news services have also benefited from the investment in the BBC World Service which has meant new and upgraded bureaux overseas.

We continued the drive to make BBC News more relevant and appealing to younger audiences, putting a focus on topics which we know are of particular interest to them – such as mental health.

We also appointed the BBC's first LGBT correspondent, who will be reporting on stories about sexuality and gender.

We've expanded the range of voices on-air. The proportion of female contributors on BBC programmes has radically increased, thanks to the success of our 50:50 project, a grassroots initiative that started within the News division. Nearly three-quarters (74%) of teams monitoring their output for 12 months or more achieved an equal balance of female and male contributors on-air in April 2019.

In September, we launched a new daily political programme, *Politics Live*. From its inaugural episode, which was hailed for fielding an all-female panel, *Politics Live* has offered a modern and accessible take on British politics and has been showcasing new voices.

There was also change on our flagship debate show, *Question Time*, with veteran host David Dimbleby stepping down after a quarter of a century at the helm. New presenter Fiona Bruce started on the show in January and won praise for her interviewing style.



David Dimbleby presented his last ever *Question Time*, and new host Fiona Bruce became the show's first female presenter.

43m

UK browsers came to BBC News online in the week of the first meaningful vote



BBC Parliament

With drama, intrigue and jeopardy, BBC Parliament became the surprise standout hit of the year thanks to the twists and turns of Brexit. With the increased activity in Westminster, the channel saw record-breaking audience figures, reaching more than 3.5 million people in January. The daily audiences for the big votes on Brexit all ranked in the top five biggest days for BBC Parliament over the past decade. The action was supported by expert commentary during the votes from BBC Parliamentary correspondent Mark D'Arcy and Dr Ruth Fox of the Hansard Society to give viewers a guide to what was taking place and what to look for. BBC Parliament launched in 1998 and broadcasts live the proceedings of the House of Commons as well as providing coverage of the House of Lords, committee hearings, the Scottish Parliament and the Welsh and Northern Irish Assemblies. It also makes its own programmes, often drawing on archive, and a daily report on what's happened in Parliament.

We continued to investigate news outside the mainstream agenda to connect better with audiences across the country, reporting from our first 'pop-up bureau' in Bradford, a project that will continue in other towns and cities.

Victoria Derbyshire continued to break a wide range of stories, investigating topics from the abortion pill to the mistreatment of male infertility to children's suicides in the Moria refugee camp, which led to an urgent investigation from the UN.

Outside broadcasts took the show – and viewers – into locations rarely explored on television, such as a Pupil Referral Unit and a women's refuge.

The 70th anniversary of the NHS was covered extensively across our output, notably by *BBC Breakfast* who took their whole programme to a hospital in Leeds.

From the largest national newsroom outside London, BBC Radio 5 live has visited every corner of the UK to find out how businesses and communities are preparing to leave the EU, as well as hearing listeners' views in programmes such as *5 Live Breakfast* and *Your Call*. 5 live also staged the UK's biggest conversation about sex and relationships in collaboration with the University of Sunderland, focused on environmental issues in a year-long Cool Planet series and launched *The Sista Collective*, a new podcast looking at life in the UK through the lens of women of colour.

Current Affairs added insight and depth on the biggest stories. On Brexit, *Panorama* took viewers to Chequers for an exclusive interview with the Prime Minister, whilst on BBC Two, *Inside Europe: 10 Years of Turmoil* gave viewers a unique insight into the workings of the EU, as told by an impressive roster of Heads of State. *Newsnight* covered the daily twists and turns of UK and international political events, and secured interviews with big names such as James Comey.

We investigated global issues with editions of *Panorama* focusing on President Putin and President Trump. On BBC Two, Lyse Doucet chronicled the war in Syria in a multi-part documentary. The *This World* strand focused on remarkable stories illuminating the position of women in the world, from the Chibok girls, to the story of Sheikha Latifa of Dubai. And Ade Adepitan travelled across Africa to report on how the continent is changing.

Closer to home, *Panorama* secured exclusive interviews with the police officer poisoned in the attack on Sergei and Yulia Skripal. Radio Current Affairs continued its daily podcast reporting from the Grenfell Tower Inquiry, and on BBC Two, we examined *The Fires That Foretold Grenfell*. *File on 4* reported on the issue of care for people with learning disabilities, provoking national debate.

On BBC Three, Current Affairs continued to produce high impact and innovative work, including a documentary on R Kelly, and the series *Love and Drugs on the Street* which focuses on the lives of homeless women.

We are focusing on the next generation of both audiences and journalists through BBC Young Reporter's work with schools, colleges and youth organisations across the UK. The project unearths unique stories, gives young people media skills and aims to encourage young people into the media industry. The challenge of navigating news and helping young audiences identify real news and filter out false information is core to this work, with free online resources, classroom activities and BBC staff-led workshops being offered to 3,500 schools and youth organisations.

The inaugural BBC Young Reporter competition saw more than 1,500 11-18 year olds submit stories that are relevant to their lives and that they think the BBC should be reporting. Twelve finalists produced their stories with teams from across the BBC – they were broadcast across programmes and platforms including *The One Show*, *BBC Breakfast*, the *News at Six* and BBC Three.

2 To support learning for people of all ages

Education has always been in the DNA of the BBC. It was right at the heart of our founding mission: to inform, educate, and entertain. Today, that mission still guides us every day. And perhaps nothing better illustrates our ability to inform, educate, and entertain all at the same time than the programmes and services we offer the nation's children.

For almost a century, generation after generation has grown up with the BBC as a constant companion and trusted source of information and inspiration.

Our children's output helps our youngest audiences to develop their reading, learning and social skills in ways that are exciting, playful and fun. As they grow and change, BBC Children's content grows and changes with them. It fires their enthusiasm and allows them to discover their passions. It helps them navigate the world around them and inspires them to learn. All the while, it keeps them entertained in an environment that is defined by values of quality, safety and trust.

Today's generation of children are born digital. We need to make sure we can reach and support them where they are – online – and serve them with our education mission in new and different ways. In particular, as this report highlights, we need to make sure that young children keep choosing the BBC as they grow into young teens and young adults. In a world of so much choice and competition for their time and attention, we need to ensure all young audiences can continue to discover everything on offer from the BBC.

In 2017, we announced our biggest investment in children's content and services in a generation: an additional £34 million over and above existing budgets to help us reimagine how we serve our youngest audiences. These pages show how this investment is bearing fruit and benefiting our younger audiences.

They also show how, as we work to reinvent the BBC, we have continued to transform what we do in education to support learning for people of all ages. Our goal is to enable everyone, whatever their stage of life, to achieve their full potential through educational content, services and participative experiences from the BBC, from partners and from each other.



81% ^{17/18} 83%

Under 16s reach
% of under 16s who use BBC Television, Radio or Online each week.

Source: Ipsos MORI

7/10 ^{17/18} 7/10

Perception of BBC by under 16s: mean score out of 10.

Source: Ipsos MORI

CBeebies Christmas show Thumbelina



65% ^{17/18} 67%

% of UK adults who think the BBC is effective at helping them learn new things (ineffective 16%. 17/18: 14%).

Source: Ipsos MORI

61% ^{17/18} 62%

% of parents who think the BBC is effective at supporting children and teenagers with their learning (ineffective: 14%. 17/18: 9%).

Source: Ipsos MORI

Delivering learning for people of all ages

CHILDREN'S

Thanks to the internet, children today have more media choices than ever – more content, across more platforms that are 'always on'. However, there has not been the same explosion of content which is originated in the UK, aimed specifically at young UK viewers, and which reflects the national diversity and voices of British children. As the country's biggest investor in home-grown content, this gives the BBC a unique role in children's lives – but a challenging one given the choice available to them, and the scale of some of our competitors.

We are adapting to the world in which our born-digital children are now living, whilst maintaining our mission to inform, educate and entertain them. Thanks to 2017's additional investment of £34 million over three years, in the last 12 months we have been able to experiment with and create new forms of content. We have launched two new apps for CBeebies, *Get Creative* and *Go Explore*, and also produced our first Voice content. For CBBC-aged children we launched the participative *Buzz* app, and answered their desire to consume our shows on demand by commissioning the iPlayer-first shows *Logan High* and *The A List*.

Similarly, the new investment has also allowed us to experiment with serving young teens better – again by creating content for iPlayer such as the series *Nine to Five* and *Teen Taxi*, which the audience can consume on demand in the way they want to.

Despite the pressure that online media has put on TV, our channels still continue to be the main platforms for viewing and they lead amongst all other children's TV channels in the UK for their target audiences. Looked at in the round across

TV, BBC iPlayer and online CBBC has an average weekly reach of 24% among 0-15s, whilst for CBeebies this is 48%. Last October on CBBC we were delighted to celebrate the 60th anniversary of *Blue Peter* – the longest-running kids' TV show in the world, and still loved by children today.

We are also proud of the unrivalled breadth of programmes that we offer, across all genres from drama to factual, comedy to the performing arts, and from entertainment to news. Each channel has a range of titles too long to list here, but standout content for CBeebies included the *Something Special Prom*, new drama *Molly and Mack* and the launch of *Baby Club* which uses play, songs and stories to help families share precious time with their babies and toddlers.

CBBC saw another strong year of dramas including *Katy* and *Jamie Johnson*, the building of high-quality factual hits like *Operation Ouch* and *My Life*, and the continuing evolution of *Newsround* which has adapted its online offer to feed our audience's passion to know more about the world around them.

Reaching out beyond the screen, last August in Liverpool The CBBC Summer Social was our first ever festival. Over 20,000 people engaged in immersive experiences, saw live performance and got to meet their favourite stars. In the same way, our ever-popular CBeebies Christmas show this year was able to reach audiences on TV, iPlayer and in cinemas with *Thumbelina*.

2x

Browsers to the *Newsround* website have doubled in a year.



48%

Average weekly reach of CBeebies Brand reach across TV, iPlayer and Online among 0-15s. Source: Ipsos MORI

Over 20,000 people attended The CBBC Summer Social festival in Liverpool

LEARNING

Over the last year we have made significant progress in delivering our public purpose to support learning for people of all ages at the BBC.

BBC Bitesize

At the heart of our education strategy is Bitesize. Now into its 20th year, it continues to be one of the most popular educational websites in the UK. 75% of secondary aged students and 40% of primary aged students use it to help with their study, revision and homework, linked to the curricula of each devolved nation.

Over the past two years, Bitesize has undergone a significant transformation to enable us to personalise learning through improved functionality and navigation. This necessary overhaul has resulted in some reduction in weekly browser reach compared with 2017/18 as we have migrated and replaced content on deprecated platforms. We will continue to evolve the service over the coming year to improve the user experience, grow audiences and further increase educational impact.

Another significant development has been the introduction of new non-curriculum content to better address the wider needs of young people. Working closely with organisations such as the Confederation of British Industry, the Careers and Enterprise Company and the Gatsby Foundation, we have created an extensive Bitesize Careers offer to open up the world of work. And we have also added a support section with material aimed at helping our audience deal with a range of wider needs from exam stress to resilience building.

BBC Teach

BBC Teach provides curriculum-linked video and audio clips, Live Lessons and supporting content for teachers to use in the classroom. Both awareness and reach of the BBC Teach website increased considerably compared with the previous year.

Educational campaigns

Our main educational campaign in 2018/19 was Super Movers, a major partnership with the Premier League and the Scottish Professional Football League, intended to inspire primary children to become more active. Hundreds of short 'brain booster' videos and other resources have been created for both teachers and parents. By January 2019 Super Movers videos had been used by a quarter (25%) of primary school teachers surveyed and the majority of these teachers (76%) told us they were using the activity videos with their students on a weekly basis. In addition, football clubs across the UK have introduced Super Movers as part of their work in their communities.



100k

visits to the Get Creative app a week

We produced our first Voice content and launched two new apps for CBeebies, Go Explore and Get Creative

In 2018 we concluded Terrific Scientific, our science campaign for primary schools delivered in partnership with Wellcome and more than 20 academic institutions. Its aim was to inspire primary school pupils to get hands on with science. Almost 9,000 schools engaged with the initiative and although the campaign has now finished, resources created for it are still available to use.

We have also made significant progress in developing our plans to help address the language and communication gap amongst pre-school age children. In 2018, we set out this ambition and believe that the BBC is uniquely placed to help address this challenge. Throughout 2018/19 we developed and tested our proposition, working closely with organisations such as the National Literacy Trust and Public Health England. Our initial evidence suggests that the BBC can play a key role and we will continue to work closely with partners to build our plans.

In March 2019, we celebrated the 50th anniversary of the Open University (OU) and the unique partnership we have to encourage learning for all. Each year, the OU invests in 12-15 BBC projects; in 2018/19 these projects included *Blue Planet Live*, *The Secret Story of Stuff*, *The Prosecutors*, *Big Life Fix* and *5 Billion Pound Super Sewer*. In every case, not only does the OU look to extend the learning opportunities presented by these programmes, but also inspire viewers to take up new careers. For example, *The 15 Billion Pound Railway* showcased a wide range of jobs and apprenticeships and there was a significant rise in applications to become nurses after the transmission of *Hospital*.

40% ^{17/18} 41%

Bitesize: reach % pupils
% of primary school pupils who use Bitesize.

Source: YouGov

58% ^{17/18} 64%

Bitesize: % of secondary school users who say Bitesize helps them to achieve better grades.

Source: YouGov

75% ^{17/18} 78%

Bitesize: reach % pupils
% of secondary school pupils who use Bitesize.

Source: YouGov

82% ^{17/18} 82%

Bitesize: % of under 16 users who say Bitesize helps them with their schoolwork/homework.

Source: YouGov

3 To show the most creative, highest quality and distinctive output and services

The BBC is here to make great programmes and services, and that is what audiences love from us. It is why they value us. This year we have once again demonstrated our commitment to maintaining the highest production and editorial standards across the broadest range of output. Above all, we have continued to put British creativity, quality and risk-taking at the heart of the BBC.

The following pages demonstrate how we have delivered this purpose. Our reporting is broken down by genre – factual, arts, drama, entertainment, comedy, sport and music – and demonstrates that the range of our output on TV and radio is unique in its distinctiveness and in its focus on British content from across the UK.

This commitment to home-grown British content is more important today than ever before. The market around us has become increasingly competitive and global, and more and more dominated by huge, US-based players and their massive budgets.

We know UK audiences enjoy the quality and breadth of choice the huge global players bring, but we know they also want British content that speaks to them directly about their day-to-day lives; content that is at risk of being squeezed out of today’s global marketplace.

This report underlines that, as the media industry changes rapidly, the time people spend with the BBC is trending downwards year-on-year for both TV and radio. But it also reminds us that the BBC remains the media provider that UK adults overall use the most. And that, when we deliver brilliant, distinctive British content, audiences of all ages respond.

This year we have continued to invest in new and original content made all over the UK, taking creative risks whilst maintaining a balance between new series and returning favourites. Our output across all genres has sought to represent and reflect all audiences, wherever they are in the country. Their perspectives and voices. Their passions and concerns. Their places and communities.

This commitment to distinctive, high-quality, home-grown content will continue to set the BBC apart in the global media landscape. Our role is to remain the bastion of brilliant British content, and the cornerstone of the creative industries that allow this country to punch well above its weight worldwide.

BBC quality and distinctiveness by platforms

	Sets a high standard for quality	Distinctive
BBC TV	72% ^{17/18} 72% weekly users saying effective (ineffective 9%. 17/18: 7%).	69% ^{17/18} 68% weekly users saying effective (ineffective 10%. 17/18: 8%).
BBC Radio	75% ^{17/18} 81% weekly users saying effective (ineffective 7%. 17/18: 6%).	73% ^{17/18} 77% weekly users saying effective (ineffective 8%. 17/18: 7%).
BBC Online	69% ^{17/18} 74% weekly users saying effective (ineffective 8%. 17/18: 6%).	64% ^{17/18} 70% weekly users saying effective (ineffective 9%. 17/18: 6%).

Source: Ipsos MORI



Multi award-winning drama Killing Eve



78% ^{17/18} 80%

% of UK adults (16+) in TV homes who watch BBC TV each week.

Source: BARB

07:36 ^{17/18} 08:16

Length of time UK adults (16+) in TV homes spend with BBC TV each week (hh:mm).

Source: BARB

63% ^{17/18} 64%

% of UK adults (16+) who listen to BBC Radio each week.

Source: RAJAR

09:33 ^{17/18} 10:03

Length of time UK adults (16+) spend with BBC Radio each week (hh:mm).

Source: RAJAR

77% ^{17/18} 75%

% of UK adults (18+) who use BBC Online each month.

Source: Comscore MMX Multi-Platform, ONS See note on page 39

70% ^{17/18} 72%

% of UK adults who think the BBC is effective at providing content/services that set a high standard for quality (ineffective: 12%. 17/18: 11%).

Source: Ipsos MORI

64% ^{17/18} 66%

% of UK adults who think the BBC is effective at providing content/services that are distinctive (ineffective: 13%. 17/18: 12%).

Source: Ipsos MORI

65% ^{17/18} 65%

% of UK adults who think the BBC is effective at providing quality content/services that set a high standard for creativity (ineffective: 14%. 17/18: 13%).

Source: Ipsos MORI

63% ^{17/18} 64%

% of UK adults who think the BBC is effective at providing content/services that set a high standard for originality (ineffective: 14%. 17/18: 14%).

Source: Ipsos MORI

67% ^{17/18} 69%

% of UK adults who think the BBC is effective at providing content/services that cater for a wide range of tastes (ineffective: 14%. 17/18: 13%).

Source: Ipsos MORI

Delivering creative, high quality and distinctive output and services

FACTUAL

Encompassing moments of national importance, landmark factual series, new formats and outstanding one-off documentaries the BBC once again commissioned an unparalleled range and breadth of factual programmes across our services.

Science and Natural History

Dynasties with Sir David Attenborough had audiences gripped with its unique exploration of five extraordinary animals' struggles against rivals and the forces of nature, as they fought for their own survival and the future of their dynasties.

The future of the natural world was also explored in *Drowning in Plastic* as Liz Bonnin investigated the danger of plastics in our oceans. Whilst *Blue Planet Live* and *Blue Planet UK* offered a health check on the state of the oceans around the world and back home in the UK. For more information on the BBC's work on environmental sustainability, please see page 63.

BBC Radio 4's *All in the Mind* explored the BBC Loneliness Experiment – the biggest conducted survey on loneliness and the impact it has – as well as possible solutions for individuals and public policy. *The Infinite Monkey Cage* marked its 100th episode with a special filmed recording and alongside *The Life Scientific* continued to examine topical scientific subjects.

Contemporary documentaries

BBC One broadcast two of the most talked about documentaries of the year. A three-part series examining the murder of Stephen Lawrence, *Stephen: The Murder That Changed a Nation*, and a personal film from Patrick Kielty about the Northern Ireland peace process entitled *My Dad, the Peace Deal and Me*. And demonstrating a commitment to feature-length documentaries in peak, the channel broadcast the award-winning *Grenfell* which was filmed in the year after the devastating tower block fire, hearing from those directly affected.



Marking the 70th year of the BBC Reith Lectures

Professor Margaret MacMillan gave five lectures on the relationship between war and humanity, examining the role of war in relation to societal changes and the psychology of individuals and groups.

Tara and George followed the lives of two people in their late forties who sleep rough and as part of the series the programme looked at why so many homeless people are dying on our streets. Whilst Radio 5 live brought listeners stories from every corner of the UK, such as in the run-up to Brexit, exploring how businesses and communities are preparing to leave the EU.

And there was critical acclaim for *The Last Survivors*, a landmark documentary about the last survivors of the Holocaust living in Britain today.

Looking overseas *A Dangerous Dynasty: House of Assad* won plaudits for its complex study of the Assad dynasty and there was an exploration of contemporary America in *Travels in Trumpland with Ed Balls*.

BBC Three continued to tackle challenging subjects with documentaries including *Killed by My Debt*, *Love and Drugs on the Street*, *Stacey Dooley Investigates*, *Is this Sexual Harassment?*, and *Alt-right: Age of Rage*.

Whilst on BBC Four the Storyville strand continued offering audiences some of the most distinctive and important feature-length documentaries made this year, such as *The Trial of Ratko Mladic*.

Ambulance returned to BBC One, providing a revealing insight into the life of the ambulance service, and on BBC Two *Hospital* examined the current state of the NHS.



The BBC's coverage of The Royal Wedding between Prince Harry and Meghan Markle drew a peak audience of 13.6 million people to BBC One and won the Royal Television Society's award for Best Live Event.





BBC Four's *Soon Gone: A Windrush Chronicle*

BBC Arts New Performance Strategy

As part of an enhanced performance strategy bringing the best of British performing arts to a wider audience, BBC Arts commissioned an ambitious range of new works with leading artists and companies that shone a light on unheard and often under-represented stories. This included *Snatches: Moments from Women's Lives* (BBC Four) with the Royal Court; *Soon Gone: A Windrush Chronicle* (BBC Four) with the Young Vic; and *LOVE* (BBC Two) by Alexander Zeldin in partnership with Arts Council England, BBC Films and the National Theatre. There were also many unique productions from independent artists across the UK like Tourettes Hero, Javaad Alipoor, Hofesh Schecter and Akala.

Our *Performance Live* strand adapted Alexander Zeldin's critically acclaimed stage play *LOVE* for BBC Two and Rachel Maclean's darkly comic film about contractionary pressure faced by women today, *Make Me Up*, premièred on television as part of the Arena arts documentary strand.

Whilst on BBC Four, Dr James Fox explored the West's contact with the people and cultures of the Pacific with the three-part series *Oceans Apart: Art and the Pacific*.

Radio 4 Arts programmes continue to feature many new artists and movements, as well as highlighting the relationship between the arts and politics and society. In *Class Act*, Lenny Henry explored how to get more young working-class and BAME actors into the industry and *The Sound Odyssey* with Gemma Cairney brought British artists together with artists in different countries to take part in musical collaborations. *Collecting the Troubles* at the Ulster Museum examined how a national museum surrounded by a recent conflict now tells that story through some startling exhibits. And *Only Artists* continues to air remarkable, illuminating conversations about the creative process between artists.

Also for the first time, Radio 3 and BBC Arts expanded their presence at the Edinburgh Festivals, recording a series of specially commissioned short dramas in a pop-up studio as part of the Edinburgh Fringe.

On a lighter note, *Babies: Their Wonderful World*, *The Misadventures of Romesh Ranganathan* and *Race Across The World* demonstrated the breadth of BBC Two content and were particularly popular with young audiences, whilst *Glow Up: Britain's Next Make-Up Star* was a successful new launch for BBC Three.

History

As we commemorated the 100th anniversary of the end of the First World War, Peter Jackson's extraordinary film *They Shall Not Grow Old* was superbly received by both audiences and critics.

The centenary of women's suffrage was marked with the critically acclaimed BBC Four drama *Snatches: Moments from Women's Lives* – a BBC Arts partnership with the Royal Court Theatre. On BBC One, BAFTA award-winning *Suffragettes* with Lucy Worsley used dramatised testimony to tell the story of women campaigning for the vote.

On Radio 4, Misha Glenny presented the latest programmes in *The Invention of...* series, which this year looked at the history of Britain, our borders, our people and the stories we tell ourselves.

Religion and ethics

In a major series on Radio 4, Rabbi Lord Sacks examined morality in the 21st century, exploring some of the most important issues of our day with the biggest global thinkers as well as a group of young people who discussed what morality meant for them in real terms. Radio 4's long-running programmes *Sunday* and *Beyond Belief* continued to explore the place of belief in today's world, whilst *Moral Maze* debated the ethical issues behind topical subjects. On BBC Two *We are British Jews* explored what it means to be Jewish in Britain today and in *New Age of Consent*, Jameela Jamil looked at sexual consent in the modern age on Radio 4.

In January, we launched the BBC's Year of Beliefs, shining a light on faith, belief and values in modern Britain across TV, Radio and online throughout 2019. As part of this on BBC Two *Pilgrimage, the Road to Rome* saw eight well-known people of differing faiths and beliefs travel to Rome for a private audience with the Pope. On Radio 4 ten-part series *Fatwa* told the hidden story of the 1989 fatwa issued against Salman Rushdie, exploring race relations in Britain, identity, free speech and the connection between the fatwa and contemporary violent jihad.

ARTS

BBC Arts commissions programmes and supports artists, and arts organisations, to appeal to the widest possible audience.

BBC One brought big audiences to arts with *Big Painting Challenge*, *Fake or Fortune* and *Imagine*. Whilst topical arts panel discussion programme *Front Row Late* presented by Dame Mary Beard returned to BBC Two.

Simon Frederick's RTS nominated *Black Hollywood: They've Gotta Have Us* explored the rise of black talent in Hollywood and other documentaries profiled the unique lives of Billy Connolly, Raymond Briggs, Germaine Greer and artist Egon Schiele. Whilst *Arena: Nothing Like A Dame* offered an award-winning celebration of our most iconic actresses: Dame Eileen Atkins, Dame Judi Dench, Dame Joan Plowright and Dame Maggie Smith.

Thirty years since the creation of the World Wide Web was marked with programming that explored the many different facets of an invention that completely changed the world as we know it. Highlights included a television adaptation of Javaad Alipoor's award-winning, critically acclaimed play, *The Believers Are But Brothers*.

Delivering creative, high quality and distinctive output and services

DRAMA

This was a standout year for BBC Drama with new stories and adaptations of classic tales enthralling audiences and breaking records across our services.

One of the biggest shows of the year across all TV channels was Jed Mercurio's *Bodyguard*. After keeping the nation in suspense for weeks, the finale garnered an audience of 17.1 million (after 28 days). Whilst the opening of *Killing Eve*, acquired from BBC AMERICA and starring Jodie Comer and Sandra Oh was an iPlayer sensation. The return of *Doctor Who* played by Jodie Whittaker delighted audiences both young and old, achieving a series average audience of 8.6 million in the 28 days following broadcast. Russell T Davies' *A Very English Scandal*, starring Hugh Grant as Jeremy Thorpe and Ben Whishaw as Norman Scott, was a critical and audience hit, with the series nominated for multiple awards.

BBC Drama continues to work with exciting new talent. Nabhaan Rizwan won the RTS Breakthrough award for his role in *Informer* as a young second-generation British-Pakistani man coerced by a counter-terrorism officer into informing. Whilst Tamara Lawrence starred in an adaptation of Andrea Levy's *The Long Song*.

Stories featuring strong female leads and dramas from female writers featured throughout the year on TV and radio. *The Cry* and *Mrs Wilson*, played by Jenna Coleman and Ruth Wilson respectively, drew big audiences. Other titles written by female writers included *The Split*, BBC One's hugely popular *Call the Midwife* (which averaged 9.7 million after 28 days) and two adaptations by Sarah Phelps of Agatha Christie's thrilling novels *Ordeal by Innocence* and *The ABC Murders*. *Blackwater* was a nine-part mystery on Radio 4 by leading Irish crime novelist Claire McGowan, whose starting-point was the return of a young woman who went missing a decade before the story began. And *Riot Girls* returned to the station with Caitlin Moran's *How to Be a Woman* and writing from a founding member of Pussy Riot.

There were big period TV adaptations of Victor Hugo's *Les Misérables* and John le Carré's novel *The Little Drummer Girl*.



Mrs Wilson starring Ruth Wilson

Whilst Radio 3 delivered a bold and inventive re-imagining of Virginia Woolf's *Orlando* and Eugene McCabe's novel *Death and Nightingales* explored sweeping themes of love and betrayal on BBC Two.

Powerful stories from the Nations were also represented, with crime thriller *The Victim* set in Scotland, the return of *Shetland*, *Hidden*, hit BBC Wales drama *Keeping Faith*, which has been commissioned for a second series, and *Mother's Day* from Northern Ireland, a factual drama about the events, aftermath and public response to the Warrington bombing of March 1993.

BBC Two continued to deliver new drama with *MotherFatherSon* starring Richard Gere, Helen McCrory and Billy Howle telling the story of a press baron and his family. *Black Earth Rising*, Hugo Blick's thriller about the prosecution of international war crimes and the West's relationship with contemporary Africa, starred Michaela Coel and John Goodman in a powerful tale that brought world stories to a UK audience. BBC Four commissioned a special one-off drama *The Dead Room* by Mark Gatiss starring Simon Callow.

Alongside airing classic dramas, championing new writing and innovative digital storytelling, Radio 4 broadcast dramatisations of Maya Angelou's life-affirming autobiographies and treated listeners to *Norse Mythology* by Neil Gaiman. It also gave a different insight into the current affairs agenda with *Mueller: Trump Tower Moscow* – a radio drama set behind the scenes of the investigation into Donald Trump's alleged collusion with Russia.

Returning TV series included the hugely popular *Luther*, *Death in Paradise* and on daytime *Shakespeare and Hathaway*, which has become an international hit. Whilst the writing team behind *The Missing* returned to BBC One with *Baptiste*. On BBC Three, Jess Braitain's seductive university-set psychological thriller *Clique* continued a year after the events of series one.

ENTERTAINMENT

This year has seen a raft of new formats join some established and much-loved entertainment programmes across the BBC's channels. These programmes can bring the nation together and reflect the whole of the UK on screen.

There was another big year for *Strictly Come Dancing* as an audience of 11 million followed the contestants competing to win the Glitterball trophy. Whilst popular favourites *Michael McIntyre's Big Show*, *The Apprentice*, *MasterChef*, *The Graham Norton Show* and *Would I Lie To You?* returned with big audiences on BBC One. On Saturday nights we launched a new talent show which brought together contestants of different ages and dancing styles into a single competition to find *The Greatest Dancer*. There was also another series of *All Together Now* as singers tried to impress the 100. Whilst annual shows such as *Eurovision* and the *New Year's Eve Fireworks*, also drew large audiences to BBC One.

We continued to explore new formats with the launch of quiz show *Catchpoint* as well as bringing back audience favourites such as *Pointless*, *Impossible Celebrities* and *Have I Got News for You*.

On BBC Two *Dragons' Den* and *Top Gear* continued to be popular with younger audiences and *Love in the Countryside* saw rural dwellers from across the UK on a mission to find true love. *The Mash Report* was funny and provocative, whilst viewers were tested by quizzes *University Challenge*, *Only Connect* and *Mastermind* while new comedy entertainment series *I'll Get This* showed celebrities competing not to pick up the bill.

On BBC Three *Blindboy Undestroys the World* explored the housing crisis in a contemporary and creative entertainment format, and the channel launched *Eating with my Ex*, revisiting past relationships amongst young people.

COMEDY

Scripted comedy on the BBC continued to hold a mirror up to the UK in unearthing diverse voices and presenting a huge array of talent, new and established.

Peter Kay's Car Share returned for two final episodes on BBC One. The final episode brought in the biggest audience of the year for comedy, with over 8 million people watching (after 28 days).

Warren starring Martin Clunes and *This Time with Alan Partridge* played out in peak on BBC One, showing our commitment to bringing scripted comedy to the widest possible audience.

Christmas on BBC One gave us some well-loved treats in *Click & Collect* with Stephen Merchant and Asim Chaudhry as well as a festive special from *The Young Offenders*.

BBC Two delivered a rich range of comedy that pushed creative boundaries with the exceptionally prolific *Inside No. 9* producing a live episode that won plaudits from audiences and critics.

Mum by Stefan Golaszewski won awards for its second series as Lesley Manville returned as Cathy, and Diane Morgan's Philomena Cunk brought her own special twist to British history in *Cunk on Britain* – a landmark mockumentary series.

BBC Three welcomed back its most popular success stories. *Fleabag's* return was greeted by huge audience love and universal critical acclaim. *People Just Do Nothing* went out in style as the Kuru FM team finally left Brentford. Guz Khan's *Man Like Mobeen* returned to the streets of Birmingham and *Famalam* introduced the public to a surprising and hilarious array of new characters.

Comedians such as Bilal Zafar, Tom Allen, Pippa Evans, Ashley Blaker, Lucy Porter and Geoff Norcott brought their popular stand-up shows to Radio 4. *Tez Talks with Tez Ilyas* returned – with extended podcasts – as did *Women Talking About Cars* with Victoria Coren Mitchell. The station aired the first series of *Ability* with BBC New Comedy Award winner Lee Ridley and Allan Mustafa, and Joe Lycett explored the nation's weird and wonderful *Obsessions*. *Dead Ringers* continued to add to the satirical take on the world of politics and Radio 4 Extra's *Newsjack* offered topical comedy with sketches and one-liners submitted by the public.



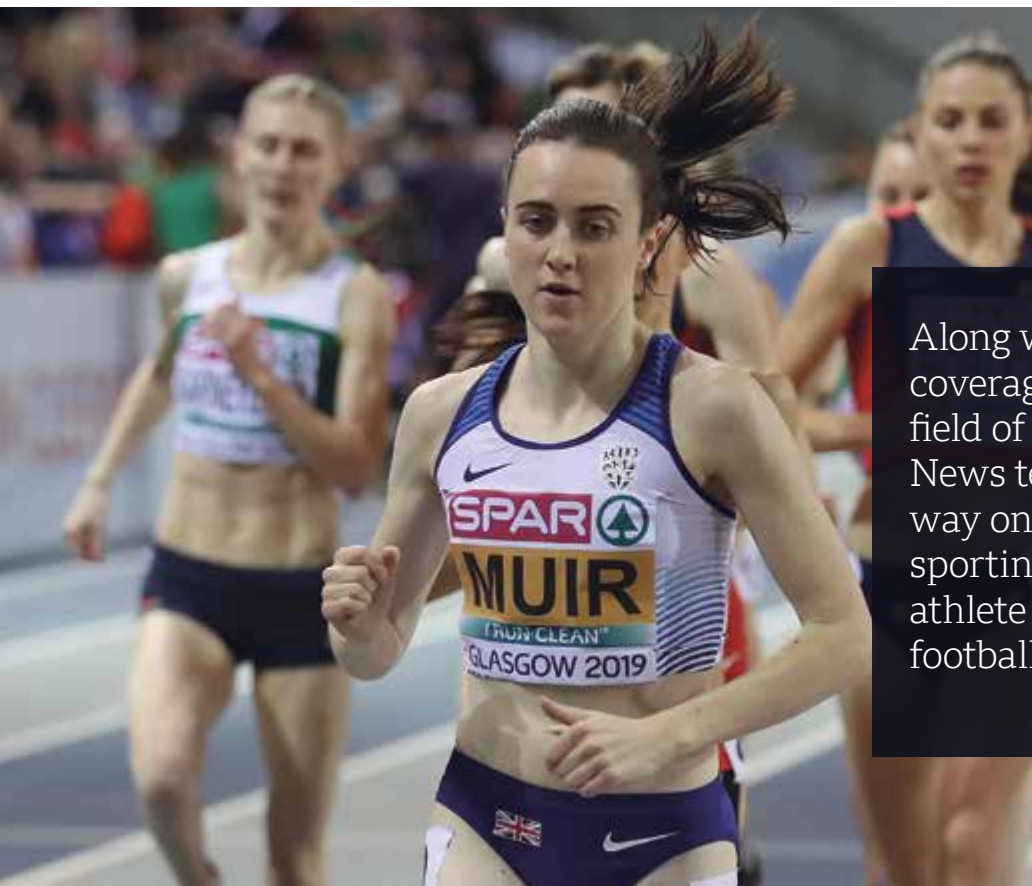
BBC PODCASTS

With the launch of BBC Sounds, we've been able to take new creative opportunities and our podcasts continue to thrive. Highlights include:

- *Brexitcast*, the 'unashamedly geeky' take on Brexit has given its loyal listeners, 'Brexitcasters', an in-depth and behind-the-scenes view on all things Brexit.
- *The Ratline*, the latest from Radio 4's *Intrigue* series, was one of the BBC's most popular podcasts this year, contributing to Radio 4's record number of monthly UK podcast downloads of 16.4 million in October.
- *You, Me and The Big C* – award-winning podcast that has changed the conversation around cancer, created by Radio 5 live's Rachael Bland who died in September 2018.
- In *That Peter Crouch Podcast*, Peter shares his insights on the world and his life as a Premier League footballer.
- *Beyond Today* is our daily news podcast which looks at one big story; and has been one of the most popular podcasts with younger listeners on BBC Sounds.
- Our new podcasts such as *No Country for Young Women*, *Radio 1's Drag Queens' Den* and *The Sista Collective* have given a platform for new voices to talk about their lives and experiences.
- *The Case of Charles Dexter Ward* was a mystery drama from Radio 4 in the format of a popular investigative podcast, putting a modern and 'digital' spin on the short horror by H P Lovecraft, and was one of the most listened to podcasts in December on BBC Sounds.

Delivering creative, high quality and distinctive output and services

Great Britain's Laura Muir during the final of the Women's 1,500m at the 2019 European Athletics Indoor Championships



2,200

extra hours of live sport online across 54 different sports

Along with comprehensive coverage of events on the field of play, BBC Sports News teams have led the way on significant sporting issues such as athlete welfare, betting in football and drugs in sport.

SPORT

Uniting the nation around big sporting moments is at the heart of what the BBC aims to do. Whilst competition for rights and audiences becomes ever more fierce, we continue to provide the most popular TV, radio and online sports services in the UK.

2018/19 was a huge year for major events and the BBC brought free-to-air audiences live action from events as diverse as the Commonwealth Games in Australia, Wimbledon, the Six Nations, the FA Cup, the inaugural multisport European Championships from Glasgow and Berlin and the FIFA World Cup from Russia.

The World Cup on BBC TV alone attracted over 44 million viewers, with nine matches achieving audiences of

over 10 million – 27% of World Cup audiences were under 35. Our World Cup coverage also achieved a rare hat trick by winning the BAFTA, RTS and Broadcast awards for Sport. On BBC iPlayer and BBC Sport, the England v Sweden match was requested live 3.8 million times – making it the BBC's biggest live online programme ever. Across the tournament 26 million hours of World Cup coverage was streamed on iPlayer.

During 2018 we accounted for around 2% of the sport broadcast on TV, but delivered around 40% of total TV sport viewing. Football, in particular, plays a hugely important role in connecting with audiences from all walks of life, including younger ones and those from diverse backgrounds. The BBC Sport digital service remains the most popular in the UK, regularly attracting more than 20 million

UK browsers a week. Our mobile app allows the UK's sports fans to personalise the offer to keep up to date with the teams and sports they love, wherever they are, whenever they want to. And our online streaming service is growing rapidly, offering more than 2,200 extra hours of live sport online across 54 different sports through BBC Sport and BBC iPlayer on mobile, desktop and connected TVs.

BBC Radio 5 live and 5 live sports extra offered a wider range of sports than any other UK broadcaster in the last year. Comprehensive coverage of the World Cup in Russia was complemented by exclusive interviews in the *World Cup Daily* podcast. Last year, we broadcast more Premier League matches than any other UK radio broadcaster, *Test Match Special* covered every England home cricket match and we broadcast live UFC for the first time.

MUSIC

BBC Music continued to champion new artists, specialist music and distinctive programming across TV, radio and online.

Radio 1's Live Lounge Month in November brought listeners performances from the biggest and newest music acts including The 1975, Mumford and Sons and Jorja Smith, and 1Xtra continued to champion UK artists who get little mainstream media support.

BBC Radio 2, the UK's most listened-to radio station, welcomed Zoe Ball as its breakfast host. The refreshed schedule included new shows from Sara Cox, Trevor Nelson, Jo Whiley and Rylan Clark-Neal with specialist music shows dedicated to blues, soul, dance, folk, rock, jazz, big band and swing, country music and show tunes. Music programming included the 19th annual Radio 2 Folk Awards in Belfast and live shows from Ibiza. The Radio 2 *In Concert* series included Ed Sheeran and Emeli Sandé and Ken Bruce's show featured acoustic performances from Olly Alexander, Andrea & Matteo Bocelli, Amy Macdonald and Joan Armatrading amongst others in the Piano Room.

BBC Radio 6 Music featured new and alternative music from the UK and beyond and gave significant support to emerging artists. With the launch of the new schedule in January – which included Lauren Laverne at breakfast – there was renewed focus on the amount and range of music played in daytime, with at least

30% of music played in daytime being new. The station broadcast more than 300 live music sessions across the year.

BBC Television broadcast a varied mix of programming featuring the biggest stars in pop music, including *Gary Barlow: Live at Eden* and *Ariana Grande at the BBC*, and documentaries ranging from *David Bowie: Finding Fame* to *Bros: After the Screaming Stops*. On BBC Four Danielle de Niese presented her first narrative documentary for BBC Four about the lost women composers.

The BBC Proms returned in July 2018 with a pre-Proms 'curtain-raiser event', one of its most ambitious commissions to date, which was a part of the BBC's commitment to commemorating World War One. In partnership with 14-18 NOW and Edinburgh International Festival, the Proms curtain-raiser saw the première of a new score by Anna Meredith combined with extraordinary visuals by 59 Productions projected onto the exterior of the Royal Albert Hall. On the First Night of the Proms the visuals were projected inside the building. A further innovation from the opening event was an award-winning virtual reality experience *Nothing to be Written*, created by the BBC VR Hub and 59 Productions, resulting in the first ever VR Prom. BBC Television covered the Proms season extensively and attendance in the hall was the highest in three years at 91%.

A newly commissioned work by the acclaimed composer Hans Zimmer was featured as part of *Ten Pieces Trailblazers*

Our Classical Century presenters Suzy Klein and Sir Lenny Henry



Our Classical Century

Our Classical Century is an ambitious year-long season of documentaries and concert broadcasts across Radio 3, BBC Two and BBC Four, joining up all of the BBC's classical services and performing groups for the first time in one big idea. The season explores the 100 greatest classical music events in the UK over the last 100 years, from the end of World War One to the present day, and culminates with a new commission for the First Night of the Proms 2019.

and BBC Radio 3 welcomed Jess Gillam, former Young Musician woodwind finalist, as the youngest-ever regular presenter, aged 20. The station announced a regular Slow Radio slot in the schedule, and continued to bring the best live classical music experiences across the UK to audiences everywhere, including Stockhausen's Gruppen performed by the London Symphony Orchestra at Tate Modern's Turbine Hall which was broadcast live in stereo and post broadcast in Binaural Sound. It also ran a year-long Forests season exploring the natural world, its impact and inspiration in music and the arts with live breakfast broadcasts from different UK forests including Tollymore Forest, Glen Affric Forest, Gwydyr Forest Park, Sherwood Forest and The New Forest.

BBC Music's The Biggest Weekend



BBC Music Live Events – bringing people together

— BBC Music's Biggest Weekend was a unique music festival in four nations with more than 130,000 people in attendance. Radio 1 broadcast live from Swansea, Radio 2 and Radio 3 visited Perth and Coventry and 6 Music landed in Belfast, with performances across the weekend from over 100 artists including Liam Gallagher, Nigel Kennedy and Taylor Swift.

- Radio 1's Teen Awards shone a light on the UK's most inspirational teens.
- 1Xtra Live sold out The O2 Arena in London.
- Radio 2 Live in Hyde Park saw Kylie Minogue duet with Jason Donovan, Especially for You.
- The 6 Music Festival 2019 went to Liverpool.

- Birmingham hosted Asian Network Live where just shy of 5,000 young people watched artists from the British-Asian and global music scene perform.
- BBC Music also supported nationwide initiatives including Record Store Day and Independent Venue Week and was present at many summer festivals.

4 To reflect, represent and serve the diverse communities of all of the United Kingdom's nations and regions and support the creative economy

The BBC has a fundamental responsibility as part of our public service mission to represent the whole of the UK. It is our duty to reflect the whole of the country to itself and make sure all its diverse views and voices are heard.

At a time when the country feels increasingly divided and fragmented, we recognise that this responsibility has grown in importance. We have to work even harder to reach out into all the UK's communities and reflect them back to the country. We have to make sure all different views are represented, on-air and on-screen, and all different perspectives are heard.

We know there is more to do to portray, as accurately as possible, the full diversity of life and community throughout our programmes and services. We know we need to work even harder to make sure that people, wherever they are, feel that what we offer resonates directly with them. Our programmes need to be made across the UK's nations and regions. Our local and nations services need to be relevant to audiences in each place.

But as well as showing what makes us different, we must also celebrate what unites the country for shared experiences and a shared national conversation. We believe the BBC's unique ability to highlight what brings the UK together as well as what makes its communities and cultures unique is an invaluable asset for the country at a critical time.

The following pages demonstrate how we have met this purpose through our diverse output and by continuing to transform what we offer audiences in Wales, Scotland, Northern Ireland and across England. They also highlight the strength of the BBC's commitment to being a truly inclusive workplace, with a workforce that reflects the whole of the country it serves.

The diversity targets we have set ourselves, on- and off-air, are as challenging as any in the UK media industry. We want to bring about a fundamental change in the diversity of our workforce, at every level. Across the range and breadth of our programming, we want audiences to be able to see and hear diverse voices in everything we do.

7/10 ^{17/18}
7/10

The average general impression score all audience groups give the BBC regardless of age, gender, social grouping, ethnic origin or geography.

Source: Kantar Media

56% ^{17/18}
56%

% of UK adults who think the BBC is effective at reflecting people like them (ineffective: 21%. 17/18: 20%).

Source: Ipsos MORI

55% ^{17/18}
55%

% of UK adults who think the BBC is effective at reflecting the part of the UK they live in (ineffective: 20%. 17/18: 20%).

Source: Ipsos MORI

Award-winning drama *Informer*



61% ^{17/18} 62%

% of UK adults who think the BBC is effective at providing content/services relevant to them (ineffective: 18%. 17/18: 17%).

Source: Ipsos MORI

56% ^{17/18} 56%

% of UK adults who think the BBC is effective at catering for the part of the UK they live in (ineffective: 20%. 17/18: 19%).

Source: Ipsos MORI

Reflecting and representing the United Kingdom's nations and regions and supporting the creative economy

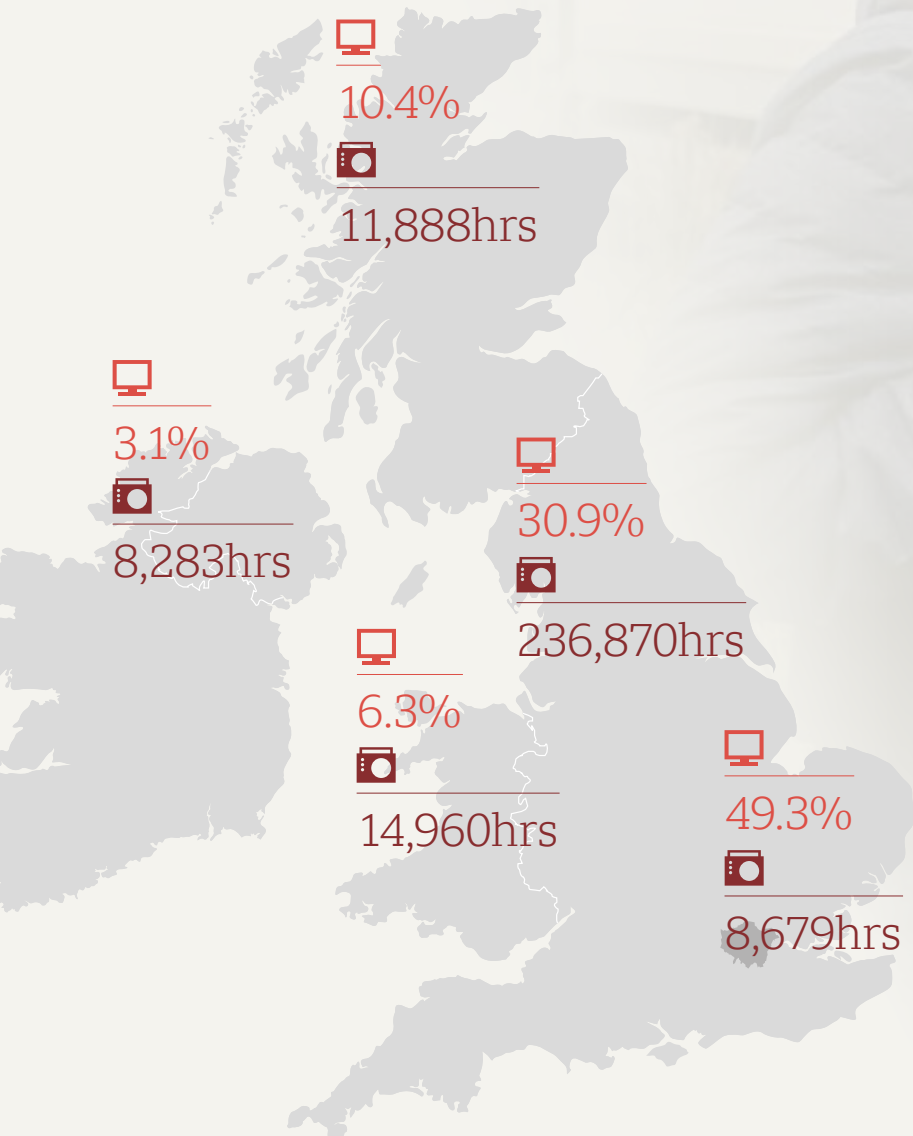
Providing for audiences across the UK

The BBC is committed to serving its audiences across the UK, providing high quality, distinctive and relevant content for licence fee payers, helping to maintain reach and providing an effective vehicle to reflect the range of cultures and communities.

Dedicated services

The BBC also provides a range of dedicated, cross-genre output for Scotland, Wales, Northern Ireland and the English Regions across television, radio and online. Each area makes television and radio programmes and online content for their local audience and for the network.

We have major production centres in Glasgow, Cardiff, Belfast, Salford, Bristol, Birmingham and London.



Network television programming spend by region as a percentage of eligible spend

	2018	2017
London	49.3%	48.9%
Scotland	10.4%	9.1%
Wales	6.3%	6.7%
Northern Ireland	3.1%	2.4%
Total nations	19.8%	18.2%
Midlands	2.2%	1.9%
North of England	17.6%	18.4%
South of England	8.6%	8.7%
Multi-region*	2.5%	3.9%
Total regions excl. London	30.9%	32.9%
Total nations and regions	50.7%	51.1%
Grand total	100%	100%

BBC Local Radio** and nations radio hours of output

	2018	2017
England (excl. London)	236,870	222,946
London	8,679	8,613
Scotland	11,888	11,866
Wales	14,960	14,366
Northern Ireland	8,283	8,639

Network television spend based on Ofcom definitions by calendar year.

* Multi-region covers programmes made outside London but which cannot be attributed to any one region or nation.

** The BBC Local Radio and nations radio hours of output only includes BBC original programmes and excludes any repeat programmes.

Network supply

Over half of network television production is in the nations and regions, with 50.7% from outside London and 19.8% from Scotland, Wales and Northern Ireland.

UK PSB staff by nation

We also remain committed to locating at least 50% of our employees outside of London and some 52.2% are currently based outside of the M25.

**UK PSB staff by nation (equivalent full time) %
(excl. BBC Studios in 2018)**

Nation	31 March 2019	31 March 2018
England (excl. London)	34	35
London	48	47
Scotland	7	7
Wales	7	7
Northern Ireland	4	4

READ ABOUT PERFORMANCE IN THE NATIONS:

p.40 Wales

p.42 Scotland

p.44 Northern Ireland

p.46 England

Reflecting and representing the United Kingdom's nations and regions and supporting the creative economy

The BBC is for everyone, and reflecting and representing the diversity of our audiences is at the heart of everything we do.

Through our on-screen storytelling, news reports, online and radio content, we aim to represent all of the cultures and diverse voices of today's UK, embracing the richness and depth of modern Britain, celebrating our differences and bringing the nation together for shared experiences.

That means giving a platform to a wide range of voices, stories and talent from across the UK. We have set ourselves on- and off-air targets to ensure that our audiences see and hear their lives, experiences, interests and voices reflected back to them. Our content has the power to raise awareness, challenge perceptions and provide a balanced view on the events that shape our lives.

This year, the phenomenal success of programmes such as *Killing Eve* with Jodie Comer, Sandra Oh, Fiona Shaw and Kirby Howell-Baptiste; *Silent Witness* with Liz Carr; *Black Earth Rising* with Michaela Coel; *Doctor Who* with Jodie Whittaker and *Call The Midwife*, has helped to highlight female representation in a strong, positive light in leading roles.

Our commitment to gender balance and female representation has also been replicated across radio, with Zoe Ball at breakfast, Sara Cox at Teatime and Jo Whaley in a new evening solo slot.

BBC News' 100 Women continues to highlight women's viewpoints and issues from around the world, with challenging and inspirational content shared across our news platforms.

We launched *The 50:50 Challenge* – a pledge to ensure an equal number of male and female expert contributors on our news, current affairs and topical programmes.

Megha Mohan became the BBC's first Gender and Identity Reporter and has been exploring gender through her in-depth documentary on *Intersex*. BBC Africa presenter Ben Hunte was also appointed as the corporation's first LGBT correspondent.

We leverage the power of our programmes to raise awareness and shine a spotlight on issues that grip the nation and reflect the challenges faced by society.

Our year-long season *Crossing Divides* kicked off, featuring a diverse range of people daring to talk across divides of ethnic group, class, generation and politics and more.

We continue to portray disability in our content, often incidentally. Paralympic medallist Lauren Steadman reached the semi-final of *Strictly Come Dancing* and the show also featured Candoco Dance Company – a group of disabled and non-disabled dancers. Nikki Fox also joined the presenter line-up on *Supermarket Secrets* this year. And BBC One drama *Care*, depicted the difficulties faced when caring for relatives living with dementia.

We continue to work hard to make our continuing dramas as relevant as possible, which is critical to reaching young and diverse audiences. Last year, *EastEnders* shone a spotlight on the issue of knife crime, *Casualty* tackled the subject of rape, and *Holby City* raised awareness of male mental health.

Telling compelling stories that defined our history and helped to shape the society in which we live is a part of who we are and what we do. *A Very English Scandal* was a global hit, winning a Golden Globe award for best supporting actor (Ben Whishaw).

The Big British Asian Summer saw a season of content across TV, radio and online, telling the stories and experiences of British Asians and how British and Asian cultures have come together. Programmes within the season included: *Bollywood: The World's Biggest Film Industry*, *Supercar*, *Superfam* and *Searching for Mum*.

Our regional representation is critical in reflecting local and regional voices and connecting communities, and ensures we are truly representing the voices of our audiences.

In Northern Ireland we increased the numbers of stories on BBC News NI online. Dramas set in Northern Ireland included *Mother's Day*, *Doing Money* and *Death and Nightingales* and there was representation across our factual programmes such as *Songs of Praise – Remembrance Sunday*, and *Troubles: The Life After* and *Showbands: The Hidden Story of Irish Music*. Across Wales, major dramas remain at the forefront of our output, including new drama *Keeping Faith*.

In comedy, *In My Skin* focused on having a local Welsh cast, and across our factual programmes highlights included *The Royal Welsh*, Huw Edwards' *The Fallen*, and *Hidden Wales* with Will Millard.

You can read more about our work on diversity behind the camera on page 82.

A CHANNEL FOR SCOTLAND



Scotland's new TV channel, BBC Scotland, launched this year, part of the BBC's biggest investment in content in Scotland for a generation. The new channel will see hundreds of hours of newly commissioned diverse programmes reflecting modern Scotland, including *Getting Hitched* *Asian Style*, a series that goes behind the scenes with Scotland's biggest Asian wedding planners, *The People's News*, in which Scots speak their minds on the events of the week, and *Emeli Sandé's Street Symphony* which follows the singer-songwriter as she travels across Scotland and selects five buskers to put on a concert with an entire orchestra.

The channel will show a raft of new documentaries, such as *Children of the Devolution*, where Scottish journalist Allan Little meets families across Scotland spanning several generations to look at how their lives have been shaped by the creation of the Scottish Parliament.

Dramas *The Cry* and *Clique* were set in Scotland, along with the comedy *Still Game* and factual programmes including *Faith Behind Bars* and *The Big Sing* from Edinburgh.

[Read more about the BBC Scotland channel on page 42](#)

% of each audience group who think the BBC informs, educates and entertains people in the UK/them

	Male 16+	Female 16+	ABC1 16+	C2DE 16+	16-34	35-54	55+	White 16+	BAME 16+
Effective	70%	73%	79%	63%	69%	70%	74%	72%	69%
Ineffective	14%	11%	9%	16%	11%	13%	12%	12%	13%
2017/18: Effective	73%	74%	81%	65%	71%	76%	74%	75%	67%
2017/18: Ineffective	10%	8%	7%	11%	8%	9%	10%	8%	12%

% of each audience group who think the BBC is effective at reflecting people like them

	Male 16+	Female 16+	ABC1 16+	C2DE 16+	16-34	35-54	55+	White 16+	BAME 16+
Effective	55%	56%	62%	48%	51%	57%	59%	57%	48%
Ineffective	23%	19%	19%	24%	20%	22%	21%	21%	26%
2017/18: Effective	56%	57%	64%	47%	51%	60%	58%	58%	48%
2017/18: Ineffective	22%	18%	18%	23%	21%	18%	20%	19%	29%

BBC Television reach: % of each audience group in TV homes that watch BBC Television each week

	Male 16+	Female 16+	ABC1 16+	C2DE 16+	16-34	35-54	55+	White 16+	BAME 16+
2018/19	76%	80%	78%	77%	56%	80%	92%	80%	65%
2017/18	78%	82%	81%	80%	60%	82%	93%	81%	69%

BBC Radio reach: % of each audience group that listen to BBC Radio each week

	Male 16+	Female 16+	ABC1 16+	C2DE 16+	16-34	35-54	55+	White 16+	BAME 16+
2018/19	66%	59%	70%	53%	51%	62%	72%	66%	45%
2017/18	67%	62%	72%	56%	53%	64%	74%	68%	47%

BBC Online reach: % of each audience group that use BBC Online each month*

	Male 18+	Female 18+	ABC1 18+	C2DE 18+	18-34	35-54	55+
2018/19	80%	74%	88%	64%	89%	87%	59%
2017/18	78%	72%	90%	58%	89%	84%	57%

BBC Television: Time spent watching BBC TV in TV homes per head, per week (hh:mm)

	Male 16+	Female 16+	ABC1 16+	C2DE 16+	16-34	35-54	55+	White 16+	BAME 16+
2018/19	07:13	07:57	07:28	07:45	02:32	05:43	12:54	08:03	04:07
2017/18	07:41	08:49	08:08	08:27	02:59	06:25	13:53	08:42	04:23

BBC Radio: Time spent listening to BBC Radio per head, per week (hh:mm)

	Male 16+	Female 16+	ABC1 16+	C2DE 16+	16-34	35-54	55+	White 16+	BAME 16+
2018/19	10:04	09:04	10:29	08:27	04:20	08:40	14:31	10:38	04:26
2017/18	10:38	09:30	10:57	09:00	04:39	09:17	15:10	11:10	04:41

* Comscore MMX Multi-Platform measures from 18+ and monthly.

Source: Ipsos MORI, BARB, RAJAR. Online reach data on page 27 and here from Comscore MMX Multi-Platform, UK, Total Unique Visitors per month, [P] BBC Sites, October 2017-March 2018, April 2018-March 2019; percentages based on overall UK populations using ONS population estimates and the BARB Establishment Survey. Figures are restated here and on page 25 for 2017/18 out of the 18+ population rather than 15+ as appeared in the 2017/18 BBC Annual Report and Accounts as Comscore MMX is desktop only for 15-17 year-olds.

BBC TV and BBC Radio reach here and on page 27 based on 15+ minutes.

The BBC in Wales

New investment in English language services has enabled BBC Wales to strengthen its programming and online services across a range of platforms.

On BBC iPlayer, requests for BBC Wales content increased three-fold to 44 million in 2018, thanks to the success of a range of series including *Keeping Faith*, starring Eve Myles, and *Hidden*, starring Sian Reese-Williams. Both series – locally co-commissioned with S4C – featured in the UK top ten new drama premières on BBC iPlayer in 2018 and both will return to network screens in the near future. In parallel, BBC Wales’ extensive work with BBC Writersroom is focussed on ensuring the long-term health of drama-writing and production in Wales.

This creative momentum also boosted the portrayal of Wales on network screens, with home-grown series such as *Back in Time for the Factory*, *Rhod Gilbert’s Work Experience*, *The River Wye* and *Hidden Wales* all performing strongly with UK audiences.

The NHS took centre stage in July as BBC Wales marked the service’s 70th birthday. *To Provide All People* was the centrepiece of a special season – a drama-poem written by Owen Sheers with an all-star cast including Michael Sheen, Eve Myles, Sian Phillips, Jonathan Pryce, Martin Freeman and Meera Syal. This was also broadcast on BBC Two across the UK.

Beyond drama, BBC Wales continued to increase the range and impact of its television output. *Tourist Trap* was the first new Welsh comedy on the BBC in more than a decade, and pilot episodes of *The Tuckers* and *In My Skin* have both resulted in full series commissions for 2019. BBC Wales has also been focusing on developing new comedy writers and performers: the Find Me Funny commissioning scheme attracted almost 350 submissions and Radio Wales is now a major partner of the Machynlleth Comedy Festival.

In factual programming, *Wales: England’s Colony?* explored the historical relationship between England and Wales, whilst *Wales: Land of the Wild* took a breathtaking look at the nation’s natural history. BBC cameras also caught Carwyn Jones’ final days in office in *Being First Minister*.

There was a strong focus on younger audiences across the year, with *Hayley*, *The Wedding Guru* and *Young, Welsh and Pretty Minted* performing strongly. In parallel, BBC Wales’ new



To Provide All People

social media service, BBC Sesh, also launched this year – creating a brand new platform for young and previously unheard voices from across Wales.

In news, changing audience patterns are now clear. While overall TV news reach fell, social media and online services continued to grow strongly with average weekly browsers to BBC Wales news online increasing by 18% year-on-year.

In a momentous political year, coverage was strengthened by new specialist correspondents working across a range of portfolios including home affairs, social affairs, sport and Brexit.



The new current affairs strand, *BBC Wales Investigates*, continued to make headlines across the UK with major reports on teenage drug runners, IS terror networks and Neo-Nazi groups operating in Wales.

In audio and radio, it was a year of significant audience and industry change in Wales with both major commercial broadcasters ending locally-produced breakfast programming. BBC Radio Wales marked its 40th anniversary in November with a major expansion of its FM footprint, but the radio audience landscape continues to be challenging, leading to changes to the Radio Wales breakfast news programme.

The growing role of online audio and podcasts is now clear. In 2018, podcast downloads for Radio Wales and Radio Cymru combined saw a 50% increase year-on-year and the launch of BBC Sounds offered a brand new platform for audio programming, resulting in a remarkable collaboration between the current affairs and audio drama teams at BBC Wales. *Shreds* explored the untold story of one of Cardiff’s most notorious miscarriages of justice – following the murder of Lynette White in 1988 – and it quickly became one of BBC Sounds’ most popular and distinctive original series.

The coming year will see the completion of BBC Wales’ move into the new broadcast centre at Central Square in Cardiff city centre. Central Square will be a pioneering development for the BBC. Roughly half the size of the current Llandaff sites and less expensive to operate on a like-for-like basis, Central Square will be our most open and accessible building in the UK with some of the most advanced broadcast and production systems anywhere in Europe. More than 1,000 staff will relocate to the new centre, with full migration expected to be completed by spring 2020.

Performance by service

Dedicated services	Content We spent a total of £29 million on these services in 2018/19	Reach % of population who use the service each week	Time spent watching or listening to a service each week Length of time the average listener spent each week with the service	Costs per user hour How much it costs to deliver each service for each hour used
 BBC Radio Wales is a speech-led service for adults, which offers a wide range of genres and reflects the issues, events, culture and interests of the people of Wales.	£15m 2017/18: £15m	12.6% 2017/18: 14.3%	07:43 2017/18: 08:05	11p 2017/18: 9p
 BBC Radio Cymru is a speech and music radio service for Welsh speakers, which offers a wide range of genres and reflects the issues, events, culture and interests of the people of Wales.	£14m 2017/18: £14m	17.5%* 2017/18: 21.1%	12:05 2017/18: 13:02	23p 2017/18: 17p

Reach definition; 15+ minutes for all services and audiences age 15+.

Sources: RAJAR (Radio reach and time per listener; data based on Total Survey Area – TSA).

* BBC Radio Cymru: RAJAR data (reach and time per listener) based on 'Understand Welsh'. BBC Radio Cymru reaches 4.4% of the overall 15+ population in Wales who listen for 10:21 a week on average.

70% ^{17/18} 72%

% of adults in Wales who think the BBC is effective at informing, educating and entertaining people in the UK/them (ineffective 12%. 17/18: 10%).

48% ^{17/18} 51%

% of adults in Wales who think the BBC is effective at reflecting people like them (ineffective 23%. 17/18: 23%).

80% ^{17/18} 82%

BBC Television reach

% of adults in Wales in TV homes who watch BBC Television each week.

69% ^{17/18} 72%

BBC Radio reach

% of adults in Wales who listen to BBC Radio each week.

39% ^{17/18} 44%

Dedicated Welsh news services on television

% of adults in Wales in TV homes who view this content on BBC Television each week.

08:42 ^{17/18} 09:35

BBC Television time per head

Time spent watching BBC TV in TV homes per head, per week in Wales (hh:mm).

11:49 ^{17/18} 11:49

BBC Radio time per head

Time spent listening to BBC Radio per head, per week in Wales (hh:mm).

Sources: Ipsos MORI, BARB, RAJAR. All reach and time per head figures are based on adults 16+. BBC TV and BBC Radio reach based on 15+ minutes. BBC TV dedicated news services reach based on 3+ minutes.

The BBC in Scotland

An unforgettable opening video, with Chvrches singer Lauren Mayberry and the BBC Scottish Symphony Orchestra, served to introduce the BBC's newest television service – BBC Scotland.

Launched to much acclaim in February 2019, and reaching almost one in four of Scotland's population on its opening night, the channel has in a few short months attracted viewers to programmes as diverse as the première of comedy gold, *Still Game*, with its ninth and final series, fascinating factual documentaries such as the six-part *Inside Central Station*, *Getting Hitched Asian Style* and *Born to be Wild*, and cutting-edge comedy with *Limmy's Homemade Show* and the crossover of the hugely popular Radio Scotland news quiz, *Breaking the News*.

At the core of the channel's offer is a local, national and international news offer – *The Nine* – that has introduced new talent and a new approach to the presentation of news from a Scottish perspective.

Debate Night, hosted by Stephen Jardine, has offered a unique opportunity for audiences from across Scotland to put their questions to the country's decision-makers.

Investigative journalism was to the fore across the year, with investigations into Police Scotland, child abuse, live animal exports and the death of Sheku Bayoh all attracting significant public and political attention. An innovative investigative podcast of the murder of Nairn banker, Alistair Wilson, rose to top the BBC's podcast charts.

It was also a productive year for drama with the fifth series of *Shetland* (with a 35% audience share in Scotland), the four-part *The Cry* (both on network BBC One), the linear premiere of Edinburgh student drama *Clique* on the new BBC Scotland channel and the ever-enduring attraction for audiences of *River City*, now in its 17th year on screen.

Factual documentary highlights for BBC network included *Tomorrow's World Live*, *Snatches* (eight monologues written by women, covering stories from the 100 years since women won the vote); *Raymond Briggs: Snowmen, Bogeymen & Milkmen*, *The Queen: Her Commonwealth Story* and *The Flu that Killed 50 Million*. Another series of the hugely popular *This Farming Life* was broadcast in February.



Still Game

Perennial favourites *Landward* and *Beechgrove Garden* once again returned to Scotland's screens and a range of documentaries covered issues as broad as *Scotland from the Sky*, *Slavery: Scotland's Hidden Shame*, and *Rip It Up* – a three-part history of Scottish pop.

In the year that tragically saw a fire destroy the Glasgow School of Art building, BBC Scotland marked the 150th anniversary of the birth of Charles Rennie Mackintosh with documentaries *Mackintosh: Glasgow's Neglected Genius* and *Mackintosh's Tea Room*.

Audiences in Scotland were very appreciative of factual output such as *The Town that Floored the World* (that told of Kirkcaldy's role in the history of linoleum) and the six-part *Fish Town*, which looked at Peterhead, the biggest fishing port in the UK.





September 2018 marked ten years on-air for BBC ALBA. The introduction of weekend news enabled viewers – and listeners to BBC Radio nan Gàidheal – to access, for the first time, the latest news in Gaelic every day of the week. The CBeebies and CBBC brands were added to BBC ALBA and original content now sits alongside animated programmes for two hours

each day. A range of programmes captured the commemoration events that marked the centenary of the end of World War One, including the tragic sinking of the Otranto, Tuscania and Iolore vessels and the impact of their loss on the Hebrides in 1918/19.

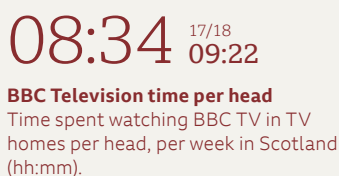
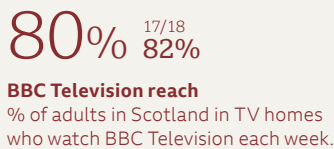
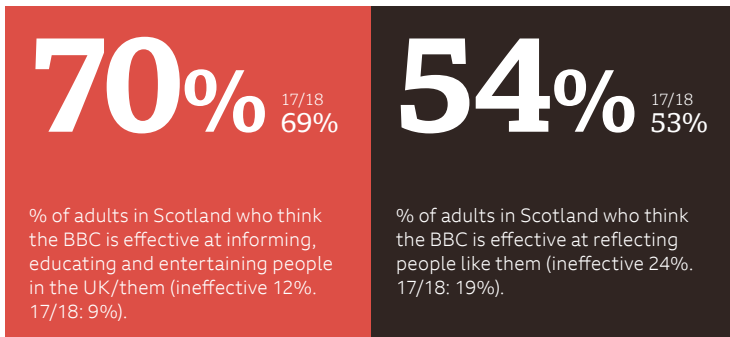
In November 2018, BBC Radio Scotland reached its 40th birthday. Amongst the many key broadcast moments across the year, there was focus on the opening of the new V&A Museum in Dundee and the centenary of the World War One Armistice was marked with a specially written composition by Deacon Blue's Ricky Ross. Monday lunchtimes had a new sound at the start of 2019 with a mini-series of contemporary dramas and comedian Mark Nelson joined the station on Fridays with his new panel show, *The Good, the Bad and the Unexpected*. *The Afternoon Show* saw Grant Stott join Janice Forsyth to share the presenting duties.

The award-winning *BBC The Social* continued to find new creative talent for BBC Scotland and brought a range of diverse, new talent into the BBC, both on- and off- screen. The year also saw the development of new strands, including iPlayer specials and new TV formats such as *Tune*, *The Collective* and *Loop*.

Performance by service

Dedicated services	Content We spent a total of £37 million on these services in 2018/19	Reach % of population who use the service each week	Time spent watching or listening to a service each week Length of time the average viewer/listener spent each week with the service	Costs per user hour How much it costs to deliver each service for each hour used
 BBC ALBA offers, to Gaelic speakers and learners, a distinctive range of originated programming that reflects and supports Gaelic culture, identity and heritage.	£9m 2017/18: £8m	59.3%* 2017/18: 62.1%	03:33 2017/18: 04:58	19p 2017/18: 14p
 BBC Radio Scotland is a speech-led service for adults. Mixed-genre programming reflects the diversity of Scottish culture and covers national and international issues and events relevant to listeners across the country.	£25m 2017/18: £22m	17.5% 2017/18: 19.2%	06:49 2017/18: 06:25	8p 2017/18: 8p
 BBC Radio nan Gàidheal offers a comprehensive speech and music radio service for Gaelic speakers. Mixed-genre programming reflects the diversity of Scottish culture and, from a Gaelic perspective and through the medium of the Gaelic language, covers national and international issues and events relevant to listeners across the country.	£4m 2017/18: £4m	56%** 2017/18: 61.1%	06:39 2017/18: 07:43	27p 2017/18: 21p
 BBC Scotland: a mixed genre television channel that appeals to and reflects the diversity of Scotland.	Launched on 24 February 2019. Full-year data not yet available as the channel was only in operation for six weeks in Financial Year 2018/19.			

BBC Radio Scotland: Reach definition: 15+ minutes and audiences aged 15+. Sources: RAJAR (Radio reach and time per listener; data based on Total Survey Area – TSA).
 * BBC ALBA: TRP Panel based on Gaelic-speaking 16+ population in Scotland. BBC ALBA reaches 10.3% of the overall 16+ population in Scotland who use the service for 01:55 a week on average (source: TNS Scottish Opinion Survey based on all adults aged 16+ in Scotland).
 ** Radio nan Gàidheal: TRP Panel based on Gaelic-speaking 16+ population in Scotland.



Sources: Ipsos MORI, BARB, RAJAR. All reach and time per head figures are based on adults 16+. BBC TV and BBC Radio reach based on 15+ minutes. BBC TV dedicated news services reach based on 3+ minutes.

The BBC in Northern Ireland

It was a year of gripping dramas, including the acclaimed *Line of Duty*, major music events and strong local radio performance for BBC Northern Ireland.

The BBC Radio 2 Folk Awards, featuring performances from some of the best folk and traditional music artists around, was broadcast live from Belfast for the first time in April 2018.

The following month thousands of music fans of all ages descended upon Belfast's Titanic Slipways for the Biggest Weekend, when 6 Music brought artists as diverse as Beck, First Aid Kit and Underworld to the city for two days of music. As well as live network radio coverage of the event across both days, the BBC Four broadcasts from Northern Ireland had a UK reach of around 600,000.

Two very different and well-received dramas filmed and set in Northern Ireland also resonated with audiences around the UK. The BBC One contemporary family drama *Come Home*, starring Christopher Eccleston and Paula Malcomson, had a series reach of 7.1 million viewers, whilst BBC Two's period drama *Death and Nightingales*, starring Jamie Dornan and Matthew Rhys, had a series reach of 3.4 million.

The fifth series of *Line of Duty* made its much awaited return to BBC network television in late March 2019, attracting big audiences and critical acclaim. The first episode had an average audience of 13.2 million (after 28 days), making it one of the year's most popular programmes.

In news, we have expanded our online services across weeknights and weekends and are providing audiences with more digital video and graphics to bring news stories to life on BBC News NI Online. Our news teams have been helping to explain Northern Ireland's political status and unique position in relation to Brexit for UK-wide audiences. Meanwhile, the creation of a youth panel is helping ensure we are bringing news stories of interest to younger audiences to them in ever more accessible ways.

BBC Radio Ulster/Foyle remains the most listened to station in Northern Ireland, with an average weekly reach in the last quarter of 2018 of just under 35% of the adult population. Underpinned by popular, long-running content including *The Nolan Show*, *Good Morning Ulster* and *Talkback*, the station also continues to develop



Death and Nightingales

younger talent and broaden its specialist music scope, be that through broadcasting from the Stendhal Music Festival or through the return of *School Choir of the Year*, which has now been extended to television. We also launched a new podcast series featuring highlights from legendary broadcaster Gerry Anderson to mark BBC Radio Foyle's 40th year on-air.

Serving younger audiences remains a priority. *Top Table*, in which young people are given a platform to address and challenge people in power, continued throughout 2018/2019. Our Aim High initiative, through our partnership agreement with Northern Ireland Screen, returned this year to give aspiring television producers their first work experience in the field.

We have continued to deepen our existing partnerships with the Ulster Orchestra, Libraries NI and local universities through a range of collaborative initiatives and events.

In sport, we signed a new three-year live football deal with the Irish FA and Northern Ireland Football League and we extended our deal to broadcast the International North West 200 for a further five years. A new three-year deal was signed with SuperCupNI and we continued to bring rugby fans Pro14 action on BBC Radio Ulster and broadcast eight games from the 2018 GAA Ulster Football Championship on television



and iPlayer. We also broadcast the Women's Premiership League Cup Final and profile documentaries on rugby star Rory Best and the Ireland women's hockey team.

We continue to provide Irish language and Ulster-Scots programming across our services. Our local factual, current affairs, entertainment and comedy programmes provide our audience with a variety of content that reflects their lives. They are regularly amongst the most watched programmes on BBC One and BBC Two in Northern Ireland and, on average, add five percentage points to BBC One and BBC Two channel share performance in Northern Ireland in their slots.

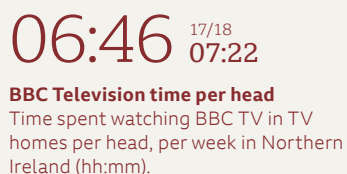
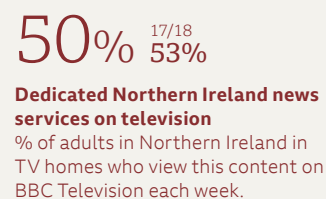
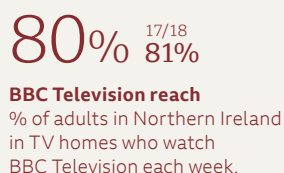
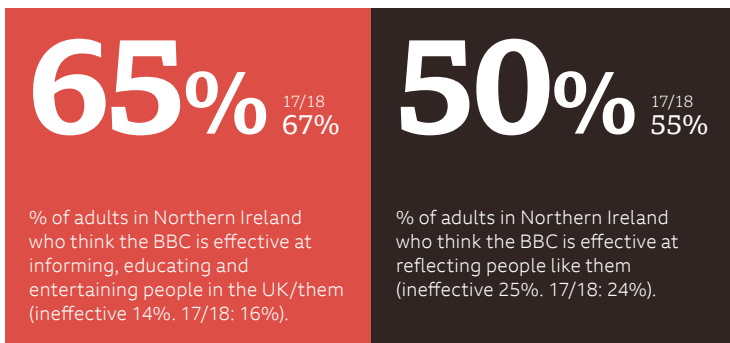
Long running programmes such as *Spotlight*, *Nolan Live*, *The View* and *The Blame Game* retained their impact and appeal with local audiences. They were complemented by documentary commissions about different aspects of contemporary life and the legacies of our region's recent past.

Changing audience needs and patterns of consumption present challenges for the BBC in Northern Ireland and elsewhere. Understanding, and keeping pace with what's happening, including the opportunities provided by new technologies and platforms, remain key priorities for our work.

Performance by service

Dedicated services	Content	Reach	Time spent watching or listening to a service each week	Costs per user hour
 <p>BBC Radio Ulster is a speech-led service, providing a mix of programmes that reflect news, events and community life in all its different aspects and diversity.</p>	We spent a total of £18 million on these services in 2018/19	% of population who use the service each week	Length of time the average listener spent each week with the service	How much it costs to deliver each service for each hour used
 <p>BBC Radio Foyle is a speech-led service for audiences in the north-west of Northern Ireland. It provides a mix of news and other programming which complements, and contributes to, BBC Radio Ulster's region-wide service.</p>	<p>£18m</p> <p>2017/18: £18m</p>	<p>34.0%</p> <p>2017/18: 38.0%</p>	<p>10:38</p> <p>2017/18: 10:18</p>	<p>6p</p> <p>2017/18: 6p</p>

Reach definition: 15+ minutes and audiences aged 15+. Sources: RAJAR (Radio reach and time per listener, data based on Total Survey Area – TSA).



Sources: Ipsos MORI, BARB, RAJAR. All reach and time per head figures are based on adults 16+. BBC TV and BBC Radio reach based on 15+ minutes. BBC TV dedicated news services reach based on 3+ minutes.

The BBC across England

Uncovering new talent has been at the forefront of BBC England's activities across the country this year, with BBC Local Radio stations recruiting new presenters to front their new evening schedule.

All of our 39 Local Radio stations in England have introduced up to 15 hours of new local programming each week after the shared evening programme ended in October 2018. In total, we have launched more than 150 new shows in the evening, with a diverse mix of presenters and themes as part of our effort to build a new relationship with underserved audiences across England.

More than 80 of the new evening shows are presented by people new to broadcasting and many of them are now being featured elsewhere on our output. Letitia George on BBC Coventry and Warwickshire presents *The C Word* on Monday evenings and has acted as a relief presenter on bank holidays and Saturday mornings. Kyle Walker from *The Dead Good Show* on BBC Radio Manchester is now a regular voice on the station's daytime line-up and has worked on BBC Sport's *Football Focus*.

Some of the presenters have been found through talent searches. Summaya Mughal was discovered through BBC Radio Nottingham's Untapped talent search and can now be heard every week night on the station. BBC Radio Lincolnshire and BBC Radio Sheffield have also run similar talent searches looking for new presenter talent for their evening show slots.

The new evening programmes focus on innovation. For example, since its launch, *The Residency* on BBC Radio Cambridgeshire has featured 199 new contributors, of which 22% have been BAME, 42% female and 45% under the age of 40. BBC Sussex and Surrey have launched a new strand called *Politics and Chill*, which featured local councillors having to deliver their manifesto in the form of a rap.

BBC England has been innovating in audio in other ways too, launching podcasts such as *Multi Story*, which features stories from across BBC Local Radio, and *The Naked Podcast*, which sees guests interviewed in the nude. More traditionally, BBC Wiltshire organised a screening of the wedding of HRH Prince Harry, with an estimated audience of



Some of the new local radio presenters

more than 3,000 people watching in the grounds of Salisbury Cathedral. Meanwhile, BBC Local Radio has more than 80 commentary deals with football teams across England from the Premier League to League Two and, of course, we have our County Cricket commentary service. BBC Introducing continues to provide a weekly platform on BBC Local Radio for the best new musical talent.

BBC England is strengthening our position as the guarantor of local news. Our partnership with the local and regional newspaper industry continues to develop. The Local Democracy Reporters, who exclusively cover councils and other public bodies across the country, have now produced more than 78,000 stories. These are used by the BBC and our partners. The success of the Local News Partnership has been acknowledged across the news industry.

Our 6:30pm regional TV news bulletins are still, collectively, the most watched news service on UK TV based on average audience. We are also innovating with a broader range of genres on TV and online, producing more varied content for audiences in England.

This year we've made a wide variety of TV programmes for audiences in England, such as *River Walks* on BBC One, which explored some of the country's most beautiful countryside, and *Hidden Britain* for BBC Four, which took a fascinating look at the history and heritage of some of our diverse communities. *How the NHS Changed Our World* on BBC One looked at the impact of the health service in its 70th year.

Explorer and TV presenter Paul Rose made a beautiful series about the Cumbrian countryside in *The Lakes*, shown on BBC One and BBC Two, and followed it up with a series set on the other side of England in *The Yorkshire Dales*.

Performance by service

Dedicated services	Content We spent a total of £124 million on these services in 2018/19	Reach % of population who use the service each week	Time spent watching or listening to a service each week Length of time the average listener spent each week with the service	Costs per user hour How much it costs to deliver each service for each hour used
BBC LOCAL RADIO BBC Local Radio is a primarily speech-based service of news, information and debate, with a strong emphasis on interactivity.	£124m 2017/18: £118m	13.1% 2017/18: 14.3%	08:36 2017/18: 08:52	5p 2017/18: 4p

Reach definition: 15+ minutes for audiences aged 15+.

Sources: RAJAR (Radio reach and time per listener; data based on Total Survey Area – TSA).

% of adults in different areas of England who think the BBC informs, educates and entertains people in the UK/them

	England 16+	North of England 16+	Midlands 16+	South of England 16+	London 16+
Effective	72%	72%	69%	76%	72%
Ineffective	12%	14%	12%	11%	11%
2017/18: Effective/Ineffective	74%/9%	72%/9%	77%/9%	78%/8%	69%/9%

% of adults in different areas of England who think the BBC is effective at reflecting people like them

	England 16+	North of England 16+	Midlands 16+	South of England 16+	London 16+
Effective	57%	56%	58%	57%	54%
Ineffective	21%	23%	20%	19%	20%
2017/18: Effective/Ineffective	57%/20%	54%/20%	61%/19%	57%/20%	57%/19%

BBC Television reach: % of adults in TV homes in different areas of England who watch BBC Television each week

	England 16+	North of England 16+	Midlands 16+	South of England 16+	London 16+
2018/19	78%	79%	78%	80%	73%
2017/18	80%	81%	81%	82%	76%

BBC Radio reach: % of adults in different areas of England who listen to BBC Radio each week

	England 16+	North of England 16+	Midlands 16+	South of England 16+	London 16+
2018/19	63%	61%	68%	73%	51%
2017/18	65%	62%	69%	75%	53%

Dedicated English Regions news services: % of adults in England in TV homes who view this content on BBC Television each week

	England 16+	North of England 16+	Midlands 16+	South of England 16+	London 16+
2018/19	39%	41%	39%	43%	32%
2017/18	42%	44%	42%	46%	35%

BBC Television: Time spent watching BBC TV in TV homes per head, per week (hh:mm)

	England 16+	North of England 16+	Midlands 16+	South of England 16+	London 16+
2018/19	07:28	07:46	07:25	08:13	06:22
2017/18	08:07	08:24	07:57	09:02	07:00

BBC Radio: Time spent listening to BBC Radio per head, per week (hh:mm)

	England 16+	North of England 16+	Midlands 16+	South of England 16+	London 16+
2018/19	09:44	09:03	10:50	12:11	07:08
2017/18	10:12	09:35	11:09	13:06	07:17

Source: Ipsos MORI, BARB, RAJAR. BBC TV and BBC Radio reach based on 15+ minutes. BBC TV dedicated news services reach based on 3+ minutes.

5 To reflect the United Kingdom, its culture and values to the world

The BBC's global services are a priceless asset for the UK. Today they carry the distinctive culture, voice and values of this country to an audience of more than 426 million people around the world. This role has always been vital for Britain and our influence abroad. At a time when we are seeking to reshape our international identity and forge new relationships with the world, it is more important than ever.

This report reminds us that BBC News ranks number one around the world for trust, reliability and independence.

Our past year has seen the continued growth of big state-sponsored news organisations, which often command vast resources. Disinformation and 'fake news' are the weapon of choice for repressive regimes everywhere and have become practised tools for profit or political gain. With the possibility of state services from less free countries influencing global debate and news provision, the value to democracy and liberty of BBC News around the world is higher than ever.

This year we continued with the biggest expansion of the BBC World Service since the 1940s. For more than 80 years, the World Service has inspired and illuminated the lives of millions worldwide. Thanks to new government funding that recognised the role of the World Service for Britain abroad, we have added 12 new language services, introduced new programming, increased the number of journalists on the ground and opened new and expanded bureaux across the world.

BBC World News continues to provide consumers with trusted news and analysis, whilst our English language international website, bbc.com, is performing well even in competitive markets like the USA. Meanwhile, BBC Studios – the commercial arm of the BBC that now brings together our production and distribution operations – is working hard to champion British creativity overseas and deliver returns back to the BBC to invest in more brilliant public service content.



Ranked

No.1

for: Trust, Independence, Reliability

Source: BBC Brand Tracker 2018 (ex UK)

64% ^{17/18} 58%

% who agree the BBC helps them to gain a more in-depth understanding of the news.

Source: BBC Brand Tracker 2018 (ex UK)

BEYOND 'fake news'



65% ^{17/18} 67%

% of UK adults who think that the BBC is effective at reflecting the UK to the world (ineffective: 13%. 17/18: 11%).

Source: Ipsos MORI

Reflecting the United Kingdom, its culture and values to the world

Throughout the year, we continued to bring the BBC's impartial, independent journalism to a world where the media is often becoming less, not more, free.

The BBC's international audience has soared, with 426 million people now consuming the BBC globally in the average week, an increase of 13%. BBC News has an audience of 394 million people around the world, a rise of 47 million, or 14%, since last year. These new audiences come overwhelmingly from three countries; India, Kenya, and the USA. India, where BBC News now operates in nine languages, has become the top overseas market for BBC News.

A significant proportion of this rise comes from the expansion of the BBC World Service, thanks to the funding boost from the UK government.

We formally opened our new bureaux in Lagos, Nairobi, Seoul and Hong Kong, with Nairobi now the BBC's biggest bureaux outside the UK.

Having completed the launch of our 12 new language services, we continued to introduce new and expanded programming across the world.

One of the most notable innovations was our television programme *Africa Eye*, broadcasting BBC investigative journalism across the continent, which has had an often startling impact.

The very first episode of *Africa Eye*, made in conjunction with BBC News Pidgin, exposed a deadly addiction to codeine cough syrup by thousands of Nigerian children. It led to a ban on codeine-based syrup, announced by the Nigerian government less than 24 hours after the first screening.

A subsequent episode, which won the RTS award for News Technology, forensically analysed a viral video showing Cameroonian soldiers killing women and children. After initial claims of 'fake news', the government was forced to acknowledge the incident had happened and arrested the soldiers involved.

Other investigations have included exposing corruption in African football, and rape in South Africa.

Further new African programmes, broadcast via partner TV stations, include *The She Word*, a discussion programme aimed at women in Africa, *What's New*, a children's news programme, and *Life Clinic*, which examines often taboo health topics. *Factfinder* is a weekly programme aimed at demystifying the news and separating fact from fiction.

The government investment in the expansion has also funded new global religion reporters and London-based specialist reporters on Population, Cyber Security and the BBC's first Gender and Identity reporter.

Building on the BBC's position as the world's most trusted international news brand, the BBC World Service continued to spearhead the fight for global media literacy. Our Beyond Fake News project was launched in November when we hosted conferences across India and in Nairobi, with representatives from major tech giants as well as attendees from NGOs, media, and politics. These conferences discussed the challenges of, and potential solutions to, misinformation.

We ran media literacy 'Real News' workshops in both India and Kenya, taking trained World Service staff into schools to help bolster students' ability to judge the news they see as real or fake.



In July 2018 a horrifying video began to circulate on social media. It showed two women and two young children being led away at gunpoint by a group of Cameroonian soldiers. The captives were blindfolded, forced to the ground, and shot 22 times.

The government of Cameroon initially dismissed the video as 'fake news'. But BBC *Africa Eye*, through forensic analysis of the footage, proved exactly where this happened, when it happened, and who was responsible for the killings.

Anatomy of a Killing won an RTS award in February 2019. The judges said it was "a superb piece of public interest journalism which held power to account and had a huge impact in social media."



New TV discussion programme, *The She Word*, is aimed at women across Africa

394m

BBC News audience around the world

New BBC-commissioned research looked into the role chat apps and social media play in spreading fake news. Shockingly, in India at least 31 people have been killed in the last two years in incidents involving rumours spread on social media or messaging apps.

We've also extended our Reality Check offer, offering dedicated services during the Nigerian and Indian elections.

The Nigerian elections also saw the BBC host an ambitious series of Governorship debates in Igbo, Hausa, Pidgin and Yoruba.

World Service English has seen another year of audience growth, adding 18 million new listeners to make a total audience of 97 million.

In September we unveiled a new musical identity for the network, with a signature tune featuring the strings of the BBC Concert Orchestra.

Our monthly debate programme, *World Questions*, has gone from strength to strength this year, giving audiences around the world the chance to hold public figures to account in locations from Harare to Vienna to Yerevan, whilst its TV counterpart, *Global Questions*, has recorded debates from Lagos, Rome, Jerusalem, Delhi and Hong Kong.

Arts Hour on Tour has also established itself as a monthly broadcast, making waves in cities across the world.

The World Service news teams have made sense of the year's biggest events for its international audience, with news specials, debates and documentaries helping to explain the Brexit story.

And newer ways of listening are flourishing. The audience for podcasts has also continued to grow. *Death in Ice Valley*, a collaboration with Norwegian public broadcaster NRK, explored an unsolved murder case from nearly 50 years ago and gave rise to an enthusiastic community of listeners on Facebook who have been sharing their own leads and insight into the situation.

Fall of the Shah brought a new kind of drama to World Service English with a series of different perspectives on the Iranian revolution 40 years ago, starring Dame Diana Rigg.

And *My Indian Life*, presented by Bollywood star Kalki Koechil, explores stories about the rapidly changing experiences of a new generation of Indians.

World Service English can now also be accessed by a new app which helps people access news and radio programmes in areas where mobile data is expensive or internet coverage limited. The app is available in 35 countries.

BBC Global News, which operates the BBC's commercially funded international English news platforms, has continued to flourish. BBC World News, our 24-hour TV news channel, has offered flagship programming such as *HARDtalk*, *Click* and *Beyond 100 Days*. *bbc.com* has launched BBC Reel, which brings together the best of the BBC's world-class digital video content alongside specially made bespoke content, for an international audience.

Broadcasting impartial, independent journalism around the world is not without its risks. Sadly, throughout the year a number of BBC journalists have been subjected to harassment and even physical attack.

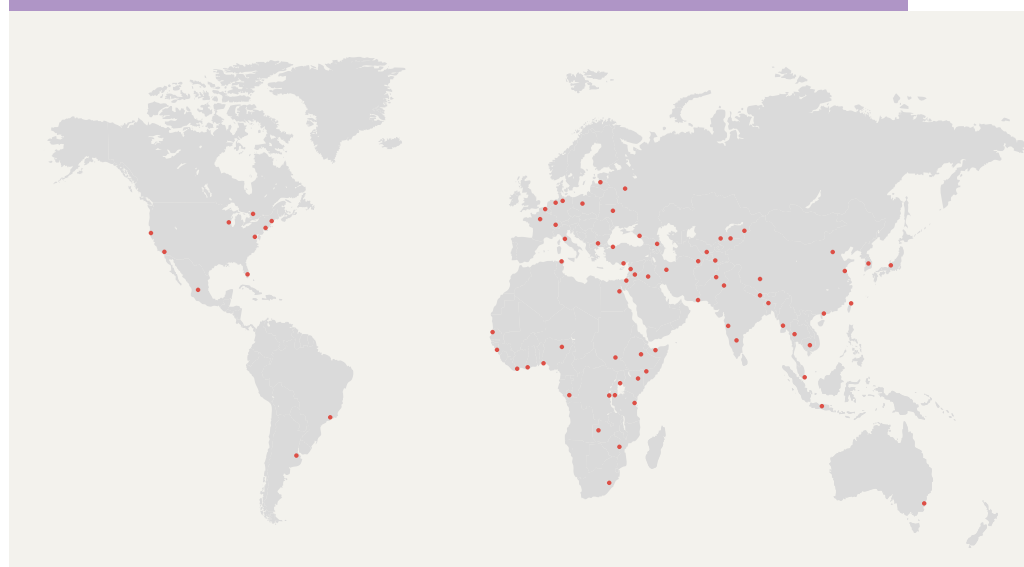
The BBC has been supporting a campaign to end the harassment of our BBC Persian staff and reprisals against their families by the Iranian authorities. Last March, high level representations were made to both the United Nations Human Rights Council and the European Parliament, where members voted to end these attacks on freedom of expression.

Reflecting the United Kingdom, its culture and values to the world



BBC Nairobi studio

The BBC has bureaux in 59 countries and 75 cities. These include Newsgathering, BBC World Service, BBC Monitoring, BBC Global News and Media Action.



426m ^{17/18} 376m

Global weekly reach
Including BBC News and BBC Studios.
Source: BBC Global Audience Measure

394m ^{17/18} 347m

BBC News
Total international weekly audience.
Source: BBC Global Audience Measure

BBC operations and offices around the world		News-gathering	World Service	BBC Monitoring	Media Action	BBC Global News	BBC Studios
Asia							
Afghanistan	Kabul	•	•	•	•		
Azerbaijan	Baku		•				
Bangladesh	Cox's Bazaar				•		
	Dhaka		•		•		
Burma/ Myanmar	Rangoon/ Yangon	•	•		•		
Cambodia	Phnom Penh				•		
China	Beijing	•					•
	Hong Kong		•				•
	Shanghai	•				•	
India	Bangalore						•
	Delhi	•	•	•	•	•	
	Mumbai		•			•	•
Indonesia	Jakarta	•	•				
Japan	Tokyo	•				•	•
Jordan	Amman	•					
Kyrgyzstan	Bishkek		•				
Lebanon	Beirut	•	•				
Nepal	Kathmandu		•		•		
Pakistan	Islamabad	•	•				
	Karachi		•				
	Lahore		•				
Palestinian Territories	Gaza City	•					
	Ramallah	•	•				
Singapore	Singapore	•	•			•	•
South Korea	Seoul	•					•
Taiwan	Taipei						•
Tajikistan	Dushanbe		•				
Thailand	Bangkok	•	•				
UAE	Dubai					•	•
Uzbekistan	Tashkent			•			
Americas							
Argentina	Buenos Aires		•				
Brazil	Sao Paulo		•				•
Canada	Toronto		•				•
Mexico	Mexico City		•				•
USA	Boston		•		•		•
	Chicago					•	
	Los Angeles	•				•	•
	Miami		•	•			•
	New York & UN	•	•			•	•
	San Francisco	•					
	Washington	•	•				

BBC operations and offices around the world		News-gathering	World Service	BBC Monitoring	Media Action	BBC Global News	BBC Studios
Australasia							
Australia	Sydney	•					•
Europe							
Belgium	Brussels	•					
France	Paris	•					•
Georgia	Tbilisi	•	•	•			
Germany	Berlin	•					
	Cologne						•
Italy	Rome	•					
Latvia	Riga		•				
Poland	Warsaw						•
Russian Federation	Moscow	•	•	•			
Serbia	Belgrade		•				
Switzerland	Geneva (UN)	•					•
Turkey	Istanbul	•	•	•			
Ukraine	Kiev	•	•	•			
Africa							
Burundi	Bujumbura		•				
Cote d'Ivoire	Abidjan		•				
DR Congo	Kinshasa	•	•				
Egypt	Cairo	•	•	•			
Ethiopia	Addis Ababa		•			•	
Ghana	Accra		•				
Iraq	Baghdad	•	•				
Israel	Jerusalem	•	•	•			
Kenya	Garissa		•				
	Nairobi	•	•	•	•		
Nigeria	Abuja		•			•	
	Lagos	•	•				
Rwanda	Kigali		•				
Senegal	Dakar		•				
Sierra Leone	Freetown					•	
Somaliland	Hargeisa					•	
South Africa	Johannesburg	•	•				
South Sudan	Juba						•
Tanzania	Dar Es Saleem		•				•
Tunisia	Tunis		•				•
Uganda	Kampala		•				
Zambia	Lusaka						•
Zimbabwe	Harare	•	•				

319m ^{17/18} 279m

BBC World Service weekly reach
Includes TV, radio, online and social media in English and other languages.

Source: BBC Global Audience Measure

173m ^{17/18} 160m

BBC World Service Audio weekly reach
English and other languages.

Source: BBC Global Audience Measure

138m ^{17/18} 111m

BBC World Service television weekly reach
Non-English languages.

Source: BBC Global Audience Measure

101m ^{17/18} 95m

BBC World News TV channel* weekly reach
English language global news channel.

Source: BBC Global Audience Measure

55m ^{17/18} 42m

BBC World Service online and social media weekly reach
English and other languages.

Source: BBC Global Audience Measure

42m ^{17/18} 37m

bbc.com* and social media weekly reach
International English language digital.

Source: BBC Global Audience Measure

* BBC World News channel and bbc.com are commercially funded.

Reflecting the United Kingdom, its culture and values to the world

BBC World Service has seen significant growth this year with TV, audio and digital all performing strongly. However, challenges with syndicated TV in some markets, changing patterns of audience behaviour and changes in the political environment have affected the performance of some services.

BBC World Service weekly people reach across all platforms, by service

	2018/19 Millions	2017/18 Millions	Year-on-year change %		2018/19 Millions	2017/18 Millions	Year-on-year change %
World Service English	96.6	78.8	22.5%	Nepali	5.3	5.3	0.7%
Afrique	12.5	12.0	3.5%	Pashto	10.2	10.1	0.9%
Arabic	43.8	44.3	-1.1%	Persian	20.8	22.5	-7.4%
Azeri	0.2	0.1	137.5%	Russian	4.1	2.9	43.2%
Bengali	12.1	16.4	-26.5%	Sinhala	0.9	0.9	8.5%
Brasil	6.5	5.6	17.4%	Somali	5.9	3.6	62.6%
Burmese	5.3	4.2	26.2%	Swahili	19.1	16.1	19%
Chinese	1.1	1.1	7.1%	Tamil	11.6	9.8	18.9%
Great Lakes	1.4	1.4	0.2%	Thai	1.7	1.1	56.8%
Hausa	23.6	24.6	-3.9%	Turkish	1.9	1.7	12.6%
Hindi	19.2	11.8	62.1%	UK China	0.1	0.1	-7.6%
Indonesian	4.8	4.0	20.9%	Ukrainian	3.8	3.6	4.9%
Kyrgyz	3.1	3.1	0.6%	Urdu	7.5	7.8	-3.7%
Learning English	2.3	2.3	0.6%	Uzbek	2.3	2.3	2.4%
Mundo	7.6	7.2	5.3%	Vietnamese	1.3	1.0	32.8%
Afaam Oromoo	0.1	n/a	n/a	Punjabi	0.4	n/a	n/a
Amharic	0.2	n/a	n/a	Telugu	7.9	n/a	n/a
Pidgin	6.2	n/a	n/a	Tigrinya	0.1	n/a	n/a
Igbo	1.2	n/a	n/a	Yoruba	1.7	n/a	n/a
Korean	0.9	n/a	n/a	Gujarati	3.1	n/a	n/a
Marathi	2.0	n/a	n/a	Serbian	0.1	n/a	n/a

The Global Audience Measure is an annual update of how many people are consuming the BBC weekly for all services in all countries across all platforms (Television, Radio, website and social media). Key to this is de-duplication i.e. ensuring that a person who consumes multiple BBC services or platforms or on multiple devices is not counted many times in the top level totals. For example, BBC World Service television, radio and online audience is less than the sum of its parts to ensure we do not count people more than once when looking at the total World Service audience.

Notes: Individual service level data for 2017/18 for the new services launched as part of the World Service expansion was not available because these services had not yet had a full year of operations.

Reach data reported is rounded to only one decimal place. The increases or decreases shown are based on unrounded data.

English language syndicated TV for Africa reaches 38.5 million people but is not shown in the table above as it is not a service.

Audiences and external context

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Market context

p.64

Audience engagement

This section sets out audience performance this year and explains how we have sought the views of and listened to audience members around the UK. It shows how the BBC is performing within the competitive UK market, as well as summarising our work to support charitable causes and to be as sustainable as possible.

Audience performance and market context

Changes in how people consume media continue to be rapid and profound, especially so among younger audiences.

2018/19 saw the steepest year-on-year drop in the amount of broadcast TV watched by under 35s on the TV set – down around two hours per week in a year to ten-and-a-half hours. By contrast, the time they spent using the TV set for purposes that include SVOD, YouTube and gaming increased again – up an hour a week to eight hours weekly. Music streaming by young adults also rose by around an hour a week to almost six hours weekly. Around the same proportion of under 16s now use YouTube each week as use the BBC (81%).

While these changes have so far affected young audiences the most, increasingly they impact the media behaviours of older audiences. For example, in 2018/19 more than half of over 35s used the TV set for purposes such as SVOD, YouTube and gaming and one in six used music streaming services each week.

Within this changing landscape, the time people spend with the BBC is trending downward year-on-year for both BBC TV and BBC Radio. The BBC is still the media provider that UK adults overall use the most, and audience performance for the year was within the target range set out in the 2018/19 BBC Annual Plan*.

91% of online adults used the BBC each week in 2018/19, in line with the target of 88-93%. UK adults spent 18 hours on average per week consuming BBC services, down on the year but within the target range of 17:15-18:45. They rated the BBC at seven out of ten, on average, in terms of their general impression, scored the quality of programmes and services at seven out of ten and value for money at five out of ten, all within target.

In terms of fulfilling the mission and public purposes, over 70% of adults continue to think that the BBC is effective at delivering its mission to inform, educate and entertain in 2018/19**. And across all audience groups regardless of age, gender, social grade, ethnic origin or geography, a clear majority rate the BBC as effective. The majority of UK adults overall also think that the BBC has delivered each element of the purposes effectively, with the highest scores for helping people understand what is going on in the UK and world today, and for the quality of content and services.

Scores for most mission and purposes measures are steady statistically compared with 2017/18. There were some small changes in the ratings for the news, learning and global purposes, and for some quality and distinctiveness scores for BBC TV, BBC Radio and BBC Online

among their weekly users. In each case though, the majority of UK adults overall continued to rate the BBC as effective, well ahead of a minority saying ineffective.

Despite these outcomes overall, there are significant differences in the consumption and impact of BBC output between different audience groups.

Across each audience group, the largest number of people continued to feel that the BBC has delivered its mission and purposes. In each age band, gender, social grade, and area of the UK, and among white and BAME audiences, the proportion rating the BBC as effective on each measure outnumbered those saying ineffective by a considerable margin. But some of those with lower levels of usage of the BBC compared with their comparative groups – C2DE groups, BAME audiences, those in Northern Ireland and younger people – were among those who tended to give lower effectiveness scores. As well as reflecting the relative appeal of the BBC's offer, the absolute level of usage can vary, in part, owing to the extent of competition aimed at different groups, and different generations and life stages.

For example, effectiveness scores for the mission and across the purposes were lower among C2DE than ABC1 groups. BAME audiences gave lower scores than white audiences for the extent to which the BBC caters for a wide range of tastes and reflects and is relevant to them. Effectiveness ratings in Northern Ireland tended to be lower than the UK average for delivery of the mission and the creativity purpose. In addition, audiences in Wales gave lower scores for the representation purpose as did people in Northern England

when rating the extent to which the BBC caters for and reflects their area as well as elements of the news purpose. Audiences in the Midlands gave a lower score for delivery of the mission than last year.

Usage of the BBC is under particular pressure among young audiences with intense competition from both long-standing broadcasters and newer media providers. Compared with audiences overall, 16-34 year olds are less likely to feel that the BBC reflects and is relevant to them. They and those aged 35-54 also gave lower effectiveness scores than 55+ for the delivery of elements of the news purpose and for the creativity, quality and distinctiveness purpose. Year-on-year changes in ratings were most apparent among 35-54 year olds with some of their scores – whilst still positive – moving downward and nearer to those of 16-34. Changes in media behaviour are intensifying for this age group – 11 million subscribed to a SVOD service in 2019, up 1.3 million in a year.

We continue to seek to narrow gaps in consumption and impact of the BBC, and to respond to the continuing structural and competitive challenges as we prioritise reinventing the BBC for a new generation. With the range of choices available, we are working to keep pace to maintain the relevance of public service broadcasting to younger generations.

Notes:

* Broad goals were set as the BBC continues to improve the audience measurement systems it uses which introduced some uncertainty into the objective-setting while migration to the new approaches completes this year.

Ipsos MORI, 3,551 UK adults 16+, March to May 2019

** average score across informing, educating and entertaining people in the UK and them.

91% ^{17/18} 92%

Adult reach
% of UK adults in online homes who use BBC Television, Radio or Online each week.

Target: 88-93%

18:00 ^{17/18} 19:12

Total time spent
Length of time UK adult audiences spend with the BBC each week.

Target: 17:15-18:45 (hh:mm)

7/10 ^{17/18} 7/10

General impression
UK adults' general impression of the BBC (mean score out of 10)

Target: 6-7/10

7/10 ^{17/18} 7/10

How UK adults rate the BBC on providing high quality programmes and services
(mean score out of 10).

Target: 6-7/10

5/10 ^{17/18} 6/10

How UK adults rate the BBC on providing value for money
(mean score out of 10).

Target 5-6/10

Sources: Ipsos MORI; BARB, BARB Establishment Survey, RAJAR, Adobe Digital Analytics(DAx); Kantar Media.

Weekly reach of BBC Television and Radio compared with other providers

Television set

Weekly reach	All BBC Television BBC	All ITV television itv	All Channel 4 television 4	All Channel 5 television 5	Other broadcast TV channels	Other uses of the TV set*
Adults aged 16+	77.9% 2017/18: 80.2%	68.2% 2017/18: 69.7%	58.7% 2017/18: 62.2%	43.6% 2017/18: 44.9%	68.0% 2017/18: 70.6%	58.4% 2017/18: 55.3%
Young adults 16-34	56.2% 2017/18: 60.4%	50.2% 2017/18: 53.2%	45.2% 2017/18: 50.8%	25.8% 2017/18: 29.0%	53.3% 2017/18: 58.4%	67.4% 2017/18: 64.6%

Source: BARB (TV-owning households), 15+ minutes' consecutive reach.
* Include SVOD, gaming, DVDs.

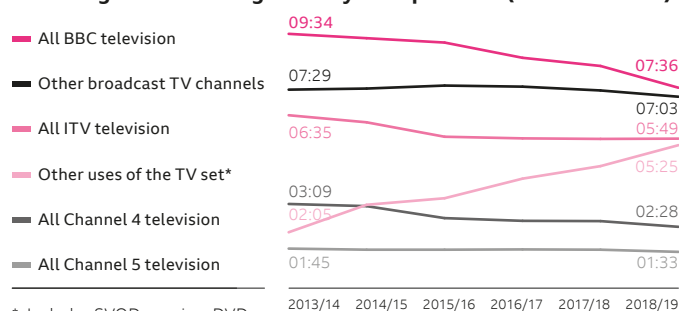
Radio services/music streaming

Weekly reach	All BBC Radio	All commercial radio	Music streaming
Adults aged 15+	62.4% 2017/18: 64.2%	65.4% 2017/18: 65.4%	25.0% 2017/18: 20.5%
Young adults 15-34	50.8% 2017/18: 53.0%	69.6% 2017/18: 70.8%	46.0% 2017/18: 40.8%

Source: BBC and commercial radio from RAJAR, 15-minute reach. Music streaming estimates from MIDAS/RAJAR.

Time spent using the TV set for different purposes per week 2013/14-2018/19, hours:minutes

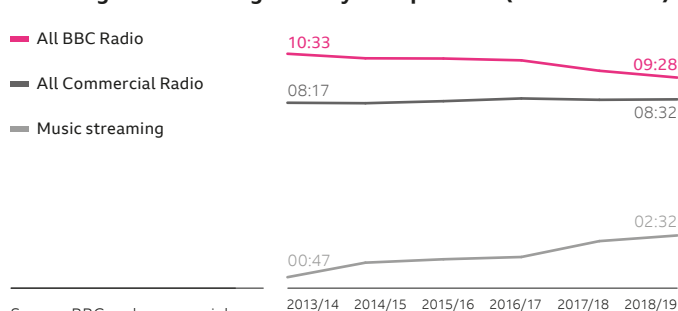
Adults aged 16+: Average weekly time per head (hours:minutes)



* Includes SVOD, gaming, DVDs.
Source: BARB (TV-owning households).

Time spent using radio services/music streaming per week 2013/14-2018/19, hours:minutes

Adults aged 15+: Average weekly time per head (hours:minutes)










Source: BBC and commercial radio from RAJAR. Music streaming estimates from MIDAS/RAJAR.

Performance by service

Last year's Annual Report saw a shift in the way we measure our performance; moving from a review of performance by platform (i.e. television, radio, news, online) to a review of our performance measured against each of the public purposes. However, for comparability with earlier Annual Reports, we have included performance by service where the data exists.

Television performance by service

Network television	Content We spent a total of £1,678 million on these services in 2018/19	Reach UK population who use the service each week	Time spent watching a channel each week Length of time the average viewer spent each week with the service	Costs per user hour How much it costs to deliver each service for each hour used
 BBC One is our flagship service and the UK's most popular television channel. It unites and inspires the nation with high-quality programmes across a range of genres that includes news and current affairs, drama, comedy, entertainment and factual.	£1,106m 2017/18: £1,009m	66.7% 2017/18: 68.9%	07:02 2017/18: 07:21	7p 2017/18: 6p
 BBC Two is a mixed-genre channel with programmes of depth and substance. It includes the greatest amount and range of knowledge-building programming on the BBC, complemented by distinctive comedy, drama and arts programming.	£381m 2017/18: £374m	41.3% 2017/18: 44.6%	03:00 2017/18: 03:07	9p 2017/18: 8p
 BBC Four aims to be British television's most intellectually and culturally enriching channel, offering an ambitious range of UK and international arts, music, culture and factual programmes.	£44m 2017/18: £38m	11.8% 2017/18: 12.7%	01:43 2017/18: 01:45	6p 2017/18: 5p
 The CBBC channel offers a distinctive mixed schedule for 6-12 year olds, with mainly UK programmes served in a stimulating, creative and enjoyable environment.	£62m 2017/18: £68m	3.4% 2017/18: 3.9%	02:25 2017/18: 02:33	19p 2017/18: 17p
 CBeebies provides a mix of high-quality, mostly UK-produced, programmes designed to encourage learning through play in a consistently safe environment for children under six.	£30m 2017/18: £30m	6.3% 2017/18: 7.3%	04:07 2017/18: 04:13	3p 2017/18: 3p
 The BBC News Channel is a 24-hour impartial and independent news service offering breaking news, analysis and insight. It provides fast and comprehensive coverage of local, UK and international events as they unfold.	£53m 2017/18: £50m	8.2% 2017/18: 9.5%	02:56 2017/18: 02:46	7p 2017/18: 6p
 BBC Parliament is the UK's only channel dedicated to politics. It shows debates and committees from Westminster, Holyrood, Stormont, Cardiff Bay and Strasbourg as well as political programmes from across the UK.	£2m 2017/18: £2m	0.7% 2017/18: 0.5%	02:07 2017/18: 01:45	4p 2017/18: 5p

Reach definition: 15+ minutes consecutive for all services and audiences in TV-owning households aged 4+.

Sources: BARB (TV reach and time per viewer – all channels include their simulcast HD channel where applicable).

N.B. BARB data available for the full 2018/19 financial year measures TV set viewing only, meaning that iPlayer viewing on other devices is not included in any of the reach and time figures. iPlayer viewing is growing, especially for young-skewed services such as CBeebies and CBBC.











Cost per user hour data does include viewing on the TV set and other devices.

CBBC: among its target audience of 6-12 year olds reach was 16.0% and time spent per viewer was 02:52 (based on 15+ minute reach). Based on 3+ minute reach, reach was 20.1% of 6-12 year-olds and time spent per viewer was 02:17.

CBeebies: among its target audience of 0-6 year olds (measured as children aged 4-6 and housepersons with children aged 0-3) reach was 33.1% and time spent was 04:40 (based on 15+ minute reach). Based on 3+ minute reach, reach was 40.0% of 0-6 year-olds and time spent per viewer was 03:52.

Three-minute reach for BBC News channel and BBC Parliament – in line with industry standards – would be 11.7% and 1.4% respectively (13.1% and 1.6% among 16+ population).

Radio performance by service

Network radio	Content We spent a total of £304 million on these services in 2018/19	Reach UK population who use the service each week	Time spent listening to a service each week Length of time the average listener spent each week with the service	Costs per user hour How much it costs to deliver each service for each hour used
 BBC Radio 1 broadcasts a distinctive mix of new music and entertainment for 15-29 year olds, as well as providing tailored news, documentaries and advice campaigns for young adults.	£40m 2017/18: £37m	17.0% 2017/18: 17.7%	06:21 2017/18: 06:18	1p 2017/18: 1p
 BBC 1Xtra plays the best in contemporary black music, with a strong emphasis on delivering high-quality live music and supporting new artists.	£7m 2017/18: £6m	1.9% 2017/18: 1.9%	04:17 2017/18: 04:40	3p 2017/18: 3p
 BBC Radio 2 broadcasts a unique mix of music and speech programmes covering a diverse mix of live pop and rock, comedy, documentaries and religious output, as well as running social action campaigns to over 14 million listeners.	£50m 2017/18: £49m	27.2% 2017/18: 28.1%	11:55 2017/18: 11:54	1p 2017/18: 1p
 BBC Radio 3 centres on classical music, around which it provides a broad spectrum of jazz, world music, arts programmes, religion and drama. There is a strong emphasis on musical performance across the UK.	£39m 2017/18: £38m	3.5% 2017/18: 3.7%	06:08 2017/18: 05:56	6p 2017/18: 6p
 BBC Radio 4 is a mixed-speech radio station, offering in-depth news and current affairs and a wide range of other speech programmes including drama, readings, comedy, factual and magazine programmes.	£96m 2017/18: £91m	19.3% 2017/18: 20.6%	10:59 2017/18: 11:02	2p 2017/18: 1p
 Originally launched in 2002 as BBC 7, the station was relaunched in April 2011 as BBC Radio 4 Extra. The digital-only network is the principal outlet for the BBC's archive of speech entertainment, including comedy, drama and readings.	£3m 2017/18: £3m	3.8% 2017/18: 4.0%	06:17 2017/18: 05:38	<1p 2017/18: 1p
 BBC Radio 5 live broadcasts continuous news and live sports coverage, bringing major news stories and sports events to its listeners as they happen, and providing context through wide-ranging analysis and discussion.	£46m 2017/18: £44m	9.2% 2017/18: 9.7%	06:38 2017/18: 06:34	3p 2017/18: 2p
 BBC Radio 5 live sports extra brings a greater choice of live action to sports fans by extending live coverage of various sporting events.	£3m 2017/18: £3m	1.9% 2017/18: 2.3%	03:08 2017/18: 03:19	1p 2017/18: 1p
 BBC 6 Music is a digital radio station that entertains lovers of popular music with a service that celebrates the alternative spirit of popular music from the 60s to the present day, complemented by music news and documentaries.	£12m 2017/18: £11m	4.4% 2017/18: 4.4%	09:20 2017/18: 09:12	1p 2017/18: 1p
 BBC Asian Network offers speech and music appealing to British Asians, with a focus on news and current affairs. It broadcasts mainly in English, but does offer some programmes in other languages.	£8m 2017/18: £7m	1.1% 2017/18: 1.2%	05:12 2017/18: 05:19	5p 2017/18: 4p

Reach definition: 15+ minutes for all services and audiences aged 15+.

Sources: RAJAR (Radio reach and time per listener).



Radio 1: among its target group of 15-29 year-olds reach was 31.8% and time spent per listener was 06:04.

1Xtra: among 15-24 year-olds reach was 5.6% and time spent per listener was 03:20.

Radio 2: among its target group of 35+ year-olds reach was 33.7% and time spent per listener was 12:45.

Asian Network: among its target group of Asians under 35 reach was 13.8% and time spent per listener was 03:59. Ethnicity definitions in RAJAR from FY 2014/15: Asian = White & Asian, Indian, Pakistani, Bangladeshi, Any Other Asian Background.

Online performance by service

	Content We spent a total of £214 million on these services in 2018/19	Reach UK population who use the service each week	Time spent using a service each week Length of time the average user spent each week with the service	Cost per user reach How much it costs to deliver each service to individual users
 <p>BBC Online comprises the BBC's portfolio of online products on desktop, connected TV, mobile and tablet, including news, sport and weather; our children's services CBBC and CBeebies; and Knowledge & Learning – as well as IP-delivered TV and radio services, with both live and on-demand programmes available on BBC iPlayer.</p>	<p>£214m</p> <p>2017/18: £182m</p>	<p>n/a*</p> <p>2017/18: n/a</p>	<p>n/a</p> <p>2017/18: n/a</p>	<p>n/a</p> <p>2017/18: n/a</p>
 <p>BBC Three is constantly innovating to provoke thought and to entertain audiences from 16 year-olds to 30-somethings with original comedy, drama and factual programming that celebrates new British talent.</p>		<p>Reach % of 16-34 year olds who use the service each week</p> <p>8%</p> <p>2017/18: 8%</p>		

* As page 27 shows, BBC Online reaches 77% of UK adults per month.
Source: BBC modelled data using inputs from: Facebook, Comscore, BARB, Cross-Media Insight Survey. UK 16-34 year-olds.

Public Service Broadcasting expenditure

The table below illustrates how licence fee funds have been spent during the current and prior year, including the Charter requirement for the BBC to report on expenditure on the UK Public Television Services by genre (as defined in accordance with industry standards). Total content spend represents the cost of making content across the BBC's services. The total service spend represents the full cost of producing, supporting and delivering BBC content to audiences.

World Service operating licence

The BBC committed to protect its annual spend on World Service for a period of five years from 1 April 2017 to ensure it remains a valued public broadcaster for the future. In order to deliver this commitment, the BBC must spend at least £254 million per annum on this service over this period. Including content, distribution and general support costs, £278 million (2018: £268 million) was spent on the BBC World Service operating licence.

World Service grant funding

In 2016/17 the Foreign & Commonwealth Office (FCO) awarded a grant to the BBC of £291 million, to be spent over the following four years, to assist in the expansion of the World Service.

PSB expenditure

	2019 £m	2018 £m
News and Current Affairs	355	319
Factual and Learning	311	294
Film and Drama	333	340
Entertainment and Comedy	175	177
Sport Production	76	65
Children's	83	89
Other television content spend	366	295
Television services by genre	1,699	1,579
Radio	504	480
BBC Online	214	182
Content spend on services by platform	2,417	2,241
Orchestras and performing groups	29	27
S4C (service spend)	22	26
Development spend	67	44
BBC World Service grant	93	58
BBC World Service operating licence*	234	227
Other service spend	445	382
Total content spend	2,862	2,623
Distribution costs	194	207
Content and distribution support	490	418
General support	185	196
Total service spend	3,731	3,444
Licence fee collection costs	103	101
Other obligations (S4C, Local TV, Broadband roll-out)**	94	160
Monitoring	6	6
PSB pension deficit reduction payment***	-	267
Costs incurred by PSB to generate non-licence fee income	165	152
Restructuring costs	25	13
Total PSB expenditure	4,124	4,143
Lease reclassification****	(48)	(48)
PSB expenditure	4,076	4,095

* The BBC World Service operating licence includes distribution spend of £33 million (2018: £36 million).

** Under the terms of the 2015 licence fee agreement, the BBC has committed to contribute funding towards broadband roll-out across the UK and for the development of Local TV channels.

*** Pension deficit payment formed part of staff costs in the year and consequently recognised within core spend.

**** In order to reflect the full cost of PSB expenditure by service, finance lease interest is included, although it is not included in the Group operating expenditure.

Charitable work

The BBC has been broadcasting appeals on behalf of charities since 1923. Each year, these appeals and telethons raise millions of pounds benefiting individuals, communities and organisations across the UK and around the world. BBC audiences get involved, taking on challenges and raising money. This year BBC Children in Need announced that it has raised over £1 billion since its first telethon in 1980. You can read here about the range of charity appeals on the BBC.

BBC Broadcast Appeals

The BBC gave a number of charities the opportunity to broadcast appeals last year. 60 charities got the chance to make either a BBC One Lifeline appeal or a Radio 4 appeal. Over £1.3 million was raised for a wide range of causes. 15 charities made broadcast appeals on BBC Television and Radio in Northern Ireland. The BBC Radio Bristol Alive Appeal funded activity sessions for elderly people with dementia. There was a new record total, £3.4 million, for the BBC Radio 4 Christmas Appeal with St Martin-in-the-Fields. The BBC also broadcast an Indonesian Tsunami and a Cyclone Idai appeal for the Disaster Emergency Committee. For more information about all these appeals visit: bbc.co.uk/charityappeals.

Media Action

BBC Media Action tackles poverty and inequality with support for independent media and creative communications that inspire, inform and connect. We reached 80 million people around the world in 2018/19, with work ranging from the provision of lifesaving information to Rohingya refugees in Bangladesh, to programmes that encouraged millions of Nigerian voters to participate in the General Election and helped them identify fake news and misinformation.

Media Action is not funded by the licence fee, and instead relies on donors to carry out its vital work. Find out more: mediaaction.org.

BBC Children in Need

In 2018, the BBC inspired the nation to support the charity through an array of special programming including *The One Show's* Rickshaw Challenge, *Countryfile* Ramble, Stacey Dooley's documentary on homelessness, and *The Radio 2 Breakfast Show's* incredible fundraising auction and prize draw.



*The One Show's
Rickshaw Challenge for
BBC Children in Need*

£1bn

Raised by Children in Need
since 1980

The Appeal Show delivered another glittering night of entertainment with a fundraising total of around £50.6 million announced at the end of the show, meaning that over £1 billion has been raised since 1980. Thanks to our supporters, the charity is currently funding over 2,800 projects working with disadvantaged children and young people throughout the UK. For more information visit: bbc.co.uk/Pudsey.

Comic Relief

Red Nose Day 2019 saw exceptional involvement across the corporation including Children's TV, News programmes, *The One Show*, *Countryfile*, *Saturday Kitchen*, *The Apprentice* plus Radio 1 and Radio 2 challenges. Highlights included an inspiring Kilimanjaro documentary featuring moving appeals, the longest ever Danceathon and a live entertainment show on the BBC with *Bodyguard*, *Alan Partridge*, *Top Gear*, *Famalam*, and *University Challenge* collaborations and a much-anticipated Four Weddings and a Funeral follow-up. To date over £65 million has been raised – a spectacular amount to support projects in the UK and internationally. Only using BBC output could this national charitable effort be achieved. For more information visit: comicrelief.com.

Environmental sustainability

The BBC's environmental ambitions are greater than ever. Our programmes and content, including BBC One's *Drowning in Plastic* and 5 live's *Cool Planet* season, have informed and inspired audiences about global environmental challenges.

Our new strategy, 'Greener Broadcasting', highlights our objective of "creating a positive environmental impact". The strategy covers our direct operational impact, our work within the wider broadcasting industry and the content of the programmes we produce and broadcast. We have made progress in all these areas.

We have broadcast a wide variety of environmentally-themed programmes on TV, radio and online

We know that audiences care about the environment and want to see more on the topic. In 2018/19 series such as *Costing the Earth* on Radio 4 and *Countryfile* on BBC One highlighted environmental matters weekly. *Stacey Dooley Investigates: Fashion's Dirty Secrets* examined the impact of the fashion industry for BBC One, while *The Mash Report* on BBC Two used comedy to discuss climate change. Online, BBC Ideas curated a 'Sustainable Thinking' playlist featuring cutting-edge sustainability themes.

We have trained hundreds of people to help them deliver informed content

Our new training course, 'Reporting Climate Change', gives journalists working in TV, online and radio a greater understanding of the causes and impacts of climate change and an opportunity to discuss how the issue can be covered. We have trained more than 500 journalists and this will continue in 2019/20. Teams from BBC Content have received similar training. In addition, we have created a short online course called Greener Broadcasting which gives an introduction to environmental issues at the BBC.

Our production teams are reducing waste and carbon emissions

We remain committed to making our content in a more sustainable way. Since April 2018, 65% of the programmes commissioned by BBC Content and BBC Children's have calculated their carbon footprint using the BAFTA 'Albert' calculator. 157 programmes, including BBC One's *EastEnders*, BBC Two's *Humpback Whales: A Detective Story* and Cbeebies' *The Baby Club* achieved Albert sustainable production certification to recognise their efforts in reducing environmental impact. We collaborate with our colleagues at the BAFTA Albert Consortium to ensure the certification scheme raises standards across the industry.

We are making our buildings and our operations more sustainable

Our new building in Central Square Cardiff has been designed with sustainable features – a roof garden, rainwater harvesting and solar panels to generate electricity. In two of our large buildings, New Broadcasting House in London and the Mailbox in Birmingham, we have upgraded to LED lighting to reduce the amount of electricity we use.





Last year, inspired by our *Blue Planet II* series, the Director-General announced our intention to remove single-use plastics from BBC operations by the end of 2020. Since then we have removed plastic cups, cutlery and containers from all canteens and kitchen areas run by BBC Workplace. We are now working to remove avoidable single-use plastic from the rest of our operations.

We are committed to achieving our energy and waste targets

We continue to purchase renewable energy, enabling us to achieve our greenhouse gas emissions reduction target in line with an internationally recognised 'science-based' methodology. Our energy consumption has not changed compared to the baseline. We will be taking action to improve upon this in the next 12 months.

The amount of waste we produce is now 25% lower than the baseline. But the reported amount of waste we recycle has declined and the amount we send to landfill has increased compared to the previous year; again, we will take steps to address this.

The table below summarises performance against targets. More detail is available at: bbc.co.uk/responsibility/environment.

Greener BBC targets and measures		Target/measure by 2022 (baseline 2015/16)	Progress 2018/19 vs 2015/16
 CO ₂ e*		Reduce 24%	Reduced by 78%
 Energy		Reduce 10%	Reduced by 0%
 Waste		Reduce 10%	Reduced by 25%
		Recycle 75%	Recycled 50%
		Zero waste to landfill	Waste to landfill 14%
	No single-use plastic by 2020	In progress	
 Programmes		100% Albert calculation	65% calculated
		25% Production carbon Albert certified	48% certified
			157 programmes

* CO₂e reduction target addresses scope 1 and 2 emissions, following sectoral decarbonisation approach science-based target methodology

Below we describe our greenhouse gas emissions and carbon intensity (gross and net), which we monitor and disclose annually.

Greenhouse gas emissions 2018/19	'Gross' emissions	'Net' emissions
Greenhouse gas emissions (tonnes CO ₂ e emissions, scope 1 and 2)	67,201	20,999
Carbon intensity (tonnes CO ₂ e emissions/total group income £m)	13.7	4.3

Greenhouse gas data is for UK-based and representative World Service bureaux. 'Gross' emissions uses location-based grid average factor. 'Net' accounts for renewable electricity.

Audience engagement report

The BBC's Charter requires us to “carefully and appropriately assess the views and interests of the public and audiences, including licence fee payers, across the whole of the United Kingdom”.

The BBC has a number of ways of achieving this, including extensive market research, audience measurement using both industry surveys and the BBC's own bespoke measurement and audience panels, and a dedicated 24 hour contact centre that deals with all contacts with the general public 365 days a year and feeds this back within the BBC.

In addition to this regular activity, across the year the members of the BBC Board and Executive Committee met with and heard directly from representatives of our audience in eight sessions. Held in different locations across the UK, we focused on sections of the audience that engage less with our output. These sessions were held in the following locations and included people from a wide range of backgrounds:

1. Birmingham – aged 24-45
2. Peterborough – aged 18-24
3. Antrim – aged 18-34
4. Swansea – aged 18-34
5. Dundee – aged 18-34
6. Salford – aged 30-50
7. Margate – aged 40-60
8. Tower Hamlets, London – aged 25-45

The sessions involved around 170 people and included an equal mix of men and women. Over the course of two hours participants discussed their media consumption, their attitudes towards the BBC and how it portrays their lives, and their views on the BBC of the future. At the end of each session the participants were given an opportunity to ask questions of the BBC representatives.

“Very positive that the BBC is listening to different views directly from grass roots viewers”

Tower Hamlets, male, age 45

Key themes raised by the audience in the sessions

- **The audience is very ‘digital’ now** – they tend to fully embrace and value what digital services offer – control, choice, and ease of discovery are very important to them and they often judge media providers through that lens.
- **BBC iPlayer is highly valued**, but can be seen as a catch-up option from time-to-time rather than a destination in its own right, so can be viewed as inferior to services such as Netflix or YouTube in terms of the amount of available content.
- **But it's not all about digital** – there is still a real appetite for TV that allows the audience to just sit back and relax in front of, as well as ‘appointment’ TV programmes. People feel the BBC should bear this in mind, and they would welcome more of this ‘easy viewing’ from the BBC.
- **Overall there is a lot of respect for the BBC** – the BBC is generally seen as high quality, authoritative and trustworthy. There is also a lot of affection for individual BBC services and programmes.
- **But given the BBC's wide remit it can sometimes feel less ‘relevant’ to their lives and not ‘for me’** – portrayal can be a factor in this lack of relevance – there are concerns amongst some black audiences, younger audiences and those from the nations that the way they are represented and portrayed could be more frequent, more authentic and more nuanced.
- **People tend to trust the news, but there are some concerns about representation** – there is also a sense from the range of places we visited that their part of the UK can get a raw deal from the media in general (not just the BBC) – they can feel ignored, misrepresented or even disparaged.
- **Many would like the BBC to ‘lighten up’ a bit** – maybe adopt a more lively tone, and be more positive – news, in particular, was seen by many as too serious, depressing and missing out on positive stories.
- **Although many feel the licence fee offers good value** – there were some concerns about the amount they get from it and many are unclear of exactly what services it pays for.
- **And not everyone knows what they get from the BBC** – there are some issues with knowing what content has come from the BBC, particularly if it has been consumed on someone else's platform.





Clockwise from top left:
Charlotte Moore (l), Director of Content, with audience members in Salford

Sir David Clementi (r), BBC Chairman, with audience members in Margate

Sir Nicholas Serota (r), non-executive director, with audience members in Tower Hamlets, London



Plans for 2019/20

We plan to carry out further sessions in 2019/20 to gain more feedback around topics and themes that reflect the BBC's priorities including iPlayer and Sounds, News, the new BBC Scotland channel and a focus on local provision, particularly local radio. We will again engage with a broad range of people across the sessions and will visit different locations.

We are also planning other new ways to better engage with our audiences, including:

- Developing a series of face-to-face sessions for a wider range of BBC staff beyond the Board and Executive Committee to meet the audience they serve.
- Arranging for more staff to carry out 'accompanied listening' at the Audience Services contact centre in Belfast to listen-in to the audience members who contact us directly.

Commercial operations



The BBC's commercial subsidiaries support the BBC public service mission and generate income for the BBC Group. These companies maximise the value of the BBC's intellectual property, providing income to fund high quality, distinctive content for the licence fee payer, while supporting the UK's television industry on the world stage.

Commercial Activities

The BBC has three wholly-owned commercial subsidiaries which complement the BBC's public service remit:

BBC STUDIOS

BBC Studios – the BBC's production and distribution business. It was created in April 2018 by the merger of the BBC's production arm and BBC Worldwide. The merged business now creates, invests, develops, produces, commercialises and distributes content which sits at the heart of the BBC schedule, as well as across multiple platforms and around the world, delivering better value back to the licence fee payer through support for programme funding and cash dividends. For more on BBC Studios activities see page 68.

BBC NEWS GLOBAL

BBC Global News operates the BBC's international 24-hour TV channel BBC World News and [bbc.com](#), both of which are funded by advertising and sponsorship, as well as income from pay TV operators carrying the channel. Read more in *Delivering the Public Purposes – Purpose five* on page 48 and on page 73.

BBC STUDIOWORKS

BBC Studioworks provides TV studio facilities, equipment, crew and post-production services from locations in the south east of the UK. See more on what Studioworks delivers for the BBC on page 74.

THE COMMERCIAL CRITERIA:

The BBC's commercial subsidiaries deliver quality creative content for audiences and increase the value of BBC intellectual property (IP), as well as providing critical support for the wider creative industry, both in the UK and around the world. They do this whilst promoting and protecting the BBC brand and reputation worldwide, according to the commercial criteria as set out in the Charter and Agreement:

1. the activities must fit with the Mission and the Public Purposes;
2. the activities must exhibit commercial efficiency;
3. the activities must not jeopardise the good reputation of the BBC or the value of the BBC brand; and
4. the activities must not, as a result of the relationship of the activity with the UK Public Services, trading activities or non-service activities, distort the market or create an unfair competitive advantage.

The BBC's commercial subsidiaries are overseen by the Commercial Holdings Board, which is tasked with setting strategy in line with overall BBC Group company goals, agreeing business plans and ensuring compliance in regulatory and legal matters. See pages 75 and 133.

A tiger cub from natural history series [Dynasties](#)

BBC Studios

BBC Studios was created in April 2018 by the merger of two existing commercial BBC subsidiaries: the BBC’s production arm for factual, factual entertainment, events, entertainment, music and scripted programmes, also known as BBC Studios, and BBC Worldwide, which oversaw the global distribution and exploitation of BBC IP through content sales, channels, international production and ancillaries.

Its goal is to inspire global audiences with world-class content that informs, educates and entertains, strengthening the BBC, its partners and the wider industry creatively and financially.

Through its award-winning production arm, BBC Studios is the BBC’s primary supplier of content, making around 2,000 hours of high-quality programming every year in the UK. Its titles include award-winning series like *Blue Planet II*, *Doctor Who*, *Strictly Come Dancing*, *This Country* and *Top Gear*, as well as long-running series like *Watchdog*, *EastEnders*, *DIY SOS* and *Antiques Roadshow*. Its programmes span drama, comedy, factual, factual entertainment, entertainment, music and events representing all audiences around the UK.

Globally, through its distribution business, BBC Studios trades in over 200 territories. The business licenses content to broadcast customers, runs BBC-branded channels, on-demand services and operates production bases catering to local, national and international markets.

There are 34 BBC-branded wholly owned and operated channels, broadcast in multiple countries, ranging from BBC Earth in Natural History and Factual through to CBeebies for younger audiences. BBC Studios also owns channels with other broadcasting partners, like BBC AMERICA with AMC Networks, BBC Earth with Sony in India; and Corus Entertainment for BBC Canada. In North America, with partner ITV plc, BBC Studios has created BritBox for fans of British shows in the USA and Canada. BBC Player, BBC Studios’ multi-genre subscription video-on-demand (SVOD) service, is available in Singapore and Malaysia.

BBC Studios works with other content companies and broadcasters to create formats, to co-fund programmes – like the forthcoming *One Planet*, *Seven Worlds* for BBC One, made by BBC Studios Natural History Unit, and co-produced with BBC AMERICA, Tencent Penguin Pictures, ZDF and France Télévisions. This additional international funding enables UK audiences to enjoy premium programming in a way that is affordable to BBC Content, and significantly broadens the reach of

BBC programmes, with over a billion people watching a BBC *Planet* title in the last three years. It also devises spin-off products like programme merchandise and branded live events like *Countryfile Live*.

In addition to programmes made and marketed by BBC Studios itself, the company also partners with other broadcasters and platforms to nurture ideas and get content funded, made and shown. BBC Studios invests in independent production companies, both for rights and strategic equity, fostering British talent and ideas like the recent drama *Pure*, made for E4 by independent production company Drama Republic, and the critically-acclaimed adaptation of the classic Victor Hugo novel *Les Misérables* – a BBC Studios Productions co-production with fully owned premium scripted production company Lookout Point.

Last but not least, BBC Studios has a bold ambition to create and foster a strong working culture, one that nurtures creativity, encourages collaboration and embraces diversity and innovation. It is committed to ongoing improvements in training, development and overall structure to ensure that all BBC Studios staff have the support and space they need to do their best work.

Business highlights

1. Headline sales

Breakdown by line of business:

£m	2018/19	2017/18
Production and Distribution	1,056	1,104
Branded Services	336	326
Eliminations	(19)	(19)
Total	1,373	1,411

2. EBITDA

Breakdown by line of business:

£m	2018/19	2017/18
Production and Distribution	81	34
Branded Services	71	61
Eliminations	7	10
Total	159	105

3. Free cash generation: £111 million
(2017/18: £92 million) + 21%

4. Returns to the BBC: £243 million
(2017/18: £210 million) + 16%

5. Five-year returns to the BBC: £1,112 million since 2014/15

2018/19	£243m
2017/18	£210m
2016/17	£211m
2015/16	£222m
2014/15	£226m

First four years relate to BBC Worldwide only

6. Returns to indies: £176 million
(2017/18: £149 million)

No 1

BBC Studios came top of Broadcast’s list of distributors by turnover

500,000

BritBox Subscribers in US and Canada

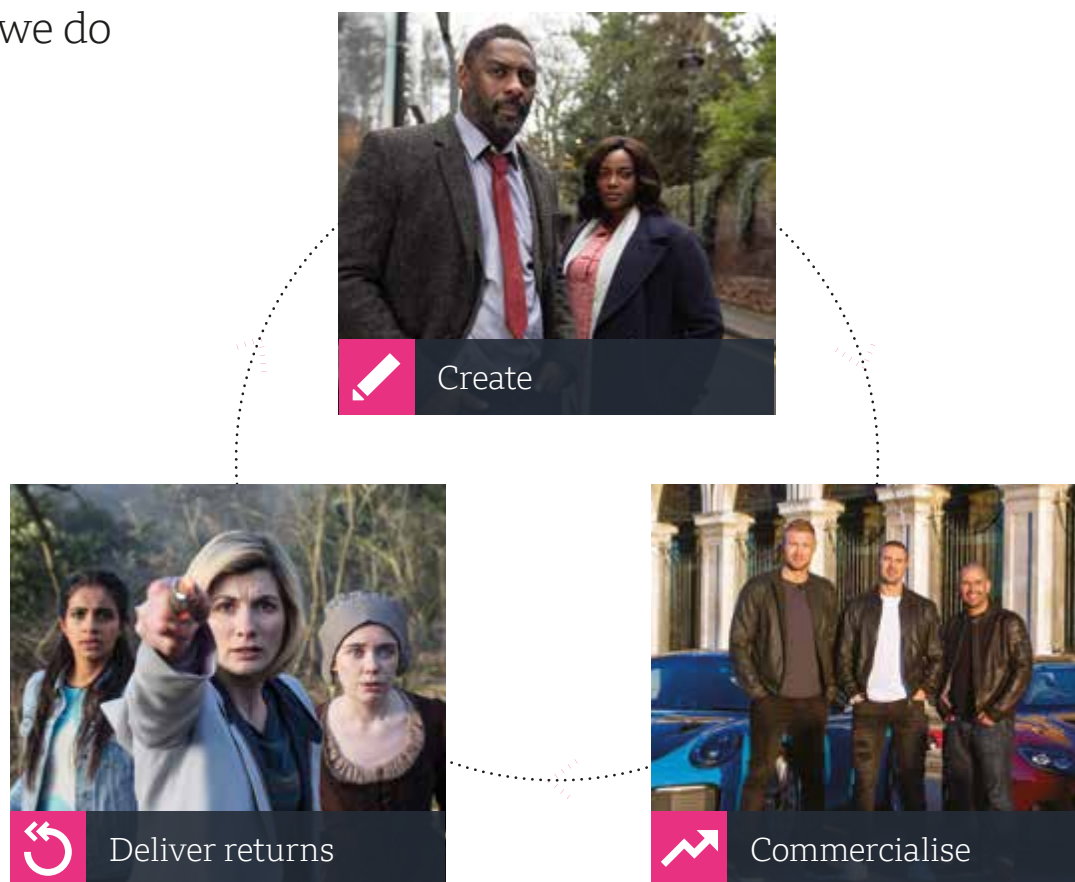
2,000

hours of television and radio content produced for the UK

15

new third party commissions won

What we do



CREATE

- Producing original content for the BBC and other partners in the UK and around the world
- Investing in ideas and new formats for production and/or sale
- Investing in independent production companies via equity or development funding
- Nurturing talent on and off screen; supporting new writers
- Bringing creative projects to fruition through support from investment and development expertise



COMMERCIALISE

- Securing international programme co-production deals
- Acquiring and selling secondary rights to programmes
- BBC-branded services
- Ancillaries and IP exploitation



DELIVER RETURNS

- BBC:**
- Programme investment
 - Cash dividends
 - Rights payments
 - Growing the BBC brand
 - Building the profile of BBC programmes
- Rightsholders:**
- Royalties
- Creative industry:**
- Developing talent
 - Specialist skills training for production

BBC Studios Business Review

Overview

It has been a strong first year for the new BBC Studios. The merger of BBC Worldwide and BBC Studios was completed, creating a cohesive and agile company. It is now a global business of scale, able to fund, create, distribute and commercialise premium content for both the BBC and other companies around the world. BBC Studios can take an idea seamlessly from thought to screen, putting the business on a sound strategic footing in a dynamic market. Alongside other continuing plans to transform the business, and significant deals with Discovery struck at year end, agreeing the split of UKTV's channel assets and a long-term premium factual content partnership, this fundamental change was underpinned by a good financial performance.

Headline sales were £1,373 million (2017/18: £1,411 million) and EBITDA was £159 million (2017/18: £105 million). For the fifth year running, returns to the BBC, which included dividends and investments in programming, were above £200 million at £243 million (2017/18: £210 million). These results show success in BBC Studios' core ambition: to create and deliver the highest quality British story-telling, with extraordinary range and depth.

Moving forward, the business is firmly focused on growing its contributions to the BBC, its audiences and the wider industry, both creatively and financially, as it transforms its approach to better serve consumers around the world, consolidating its culture and promoting creativity across the board.

Strategic approach

BBC Studios is focused on three strategic priorities: to boost BBC-owned content and IP through world-class content creation and investment in production, indies and talent; to grow existing franchise brands and to build new ones; and to grow its share of high-value customers and markets through active development of existing and potential relationships. An outline of the developments in each area throughout the year is below.

Content

The business continues to perform extremely well in premium content, and is working actively to develop its programming pipeline. For the BBC in the year, BBC Studios made acclaimed drama like *Luther*, *Silent Witness*, and *MotherFatherSon*; world-class natural history including *Dynasties* and *Earth's Great Rivers*; and impactful science programmes like *Horizon: Stopping*

Male Suicide, *The Truth About... The Menopause* and *Trust Me, I'm A Doctor*. Elsewhere, *Hold the Sunset*, *Two Doors Down* and *Famalam* sat alongside thought-provoking factual titles like *Winterwatch*, *The Flu That Killed 50 Million*, *David Bowie: Finding Fame* and *American History's Biggest Fibs*. The live events team covered *The Royal Wedding: Prince Harry and Meghan Markle* and the Royal British Legion *Festival of Remembrance*.

Fatberg Autopsy was broadcast on Channel 4, BBC Studios' first title for a non-BBC broadcaster, swiftly followed by *Royal Wedding Watch* for PBS, *Stargazing Live 2* for ABC TV in Australia, *The Bermuda Triangle Enigma* for Channel 5 and *Sex, Knives and Liposuction* for UKTV's W channel. In addition, *Chocolate Dreams – Inside Hotel Chocolat* was broadcast on Channel 5 in January.

In the year, five titles were put out to tender by BBC Commissioning as part of the BBC's progress to meeting the contestability obligations established in the 2016 Charter and Agreement for all BBC returning series made by BBC Studios. BBC Studios retained one (*Later with Jools Holland...*) during 2018/19 and two more after year-end (*Topical Arts* and *Countryfile*), losing the other two tenders (*BBC Proms* and *Mastermind*). To date, this puts the number of titles retained after tendering at seven out of ten.

New commissions won in the year included *Planet Earth III* and *Frozen Planet II* for the BBC, *Inside the Duchy* for ITV, *The Watch* for BBC AMERICA, *Danny Dyer on Pinter* for Sky Arts and *Stay Free: The Story of the Clash* for Spotify. BBC Studios' adaptation of Terry Pratchett and Neil Gaiman's story of an angel and demon, *Good Omens*, with an ensemble cast led by Michael Sheen and David Tennant, finished production in the year, ahead of its premiere on Amazon at the end of May, with a subsequent appearance on BBC Two.

The outstanding creativity and craft of the BBC Studios production team was recognised by 79 award wins, and close to 300 nominations in the year. These include Royal Television Society awards for one-off drama *Killed by my Debt*, live coverage of *The Royal Wedding: Prince Harry and Meghan Markle*, comedy *Inside No. 9* and *Strictly Come Dancing* won a National Television Award.

Supporting British creativity beyond the BBC remains one of BBC Studios' commitments, and BBC Studios is nurturing its relationships with best-of-British indies in ways to suit them:

with equity stakes in 16; first look/output deals with a further 17; and representing content from over 200. Award-winning transatlantic hit *Killing Eve* was made by Sid Gentle (part-owned by BBC Studios) for BBC AMERICA, as commissioning broadcaster. It was shown in the UK on BBC One and a second series aired in America and the UK shortly after year end.

Brands

The business continues to invest in its international brands. Jodie Whittaker was a hit as the first female *Doctor Who*, made by BBC Studios in Cardiff. In the *Planet* strand of landmark programming, the world-renowned BBC Studios Natural History Unit has a pipeline of titles in production. The new presenter line-up for series 27 of *Top Gear* debuted in June, and *Strictly Come Dancing* brought the family together on the Saturday night sofa, with an audience for the final of 12.9 million (55% share). The first *Dancing with the Stars* brand extension in the US launched with *Dancing with the Stars: Juniors*.

BBC Studios is also working on development of new brands. In Australia, up-and-coming Children's title *Bluey*, based on the life of a Blue Heeler dog family in Queensland, co-commissioned with ABC Kids and set to air on CBeebies Australia next year, has been a huge success with critics and audiences alike.

Markets

The business has continued to evolve its approach to important customers and markets, including the building of deeper strategic partnerships to secure and grow revenue. In the US and Canada, subscribers to BritBox, the SVOD joint venture majority controlled by ITV and BBC Studios, reached the half million mark at under two years. A three-year deal with Chinese internet company Tencent will expand an existing content licensing and co-production partnership, and build a social media community around natural history programming.

In the UK, the BBC Group is working to create a commercial video-on-demand partnership with ITV and others, under the BritBox brand, to which BBC Studios will supply content.

At the end of the financial year, BBC Studios reached three significant deals with Discovery. First, an agreement on the future of the 50/50 joint venture for UKTV's channels business in the UK. This will see the division of channel assets to complement the strategic focus and

commercial business of both organisations. BBC Studios will acquire the seven channels most closely aligned to the BBC's content strategy – Alibi, Dave, Drama, Eden, Gold, Yesterday and W – along with digital player UKTV Play, and the UKTV brand. Alongside this, it will make balancing payments of £173 million to Discovery, over two years.

BBC programmes currently deliver half the viewing for these seven channels. BBC Studios will look to grow investment into UK programming, including original content, for the UKTV channels it will own, and in turn the transaction will secure an important element of the BBC Studios business for the long term. It will also simplify the way BBC Studios can offer its rights to market in the UK.

Separately, the two companies have agreed a multi-year global content partnership in two parts. This will see BBC Studios provide premium factual series, including natural history landmarks, for Discovery's new global streaming service, and a bespoke development deal for BBC Studios to create ideas for future Discovery commissions.

Taken together, these deals cement an important partnership that will deliver long-term returns for licence fee payers, underpinning investment in original content for UK audiences, as well as a boost for those enjoying the BBC's programming internationally.

Operational review

2018/19 is the first year of operation for the merged business. The performance represented a strong start across BBC Studios' two key operating segments, with earnings before interest, tax, depreciation and amortisation (EBITDA) of £159 million (2017/18: £105 million), up 51%. EBITDA, excluding the year-on-year benefit of foreign exchange, was up 21%.

This very strong EBITDA performance and cash generation has allowed the business to reduce its borrowings (net debt at year end of £46 million) (2017/18: £127 million) whilst still achieving a record year of investment and returns to the BBC. This strong balance sheet position will allow BBC Studios to finance the purchase of UKTV and to further invest in producing world-class content. BBC Studios' agreed borrowing facility was increased to £300 million (2017/18: £270 million) on 31 March 2019.

Performance by operating segment

£m	Statutory sales		EBITDA	
	18/19	17/18	18/19	17/18
Production & Distribution	1,047	1,095	81	34
Branded Services	161	159	71	61
Eliminations	(19)	(18)	7	10
Total	1,189	1,236	159	105

Performance by operating segment

The business segments this year have been changed to reflect the way the BBC Studios Executive Committee (SEC) manages and tracks its performance following the merger in April 2018.

The segmental analysis below includes allocation of all central costs – strong cost control in these areas, along with the points below, enabled the business to show EBITDA growth.

Production and Distribution

The Production and Distribution business includes the production and distribution of scripted and unscripted programmes to broadcasters and platform owners, including BBC Studios' share of the results of joint venture and associate production companies, format sales, and other content and brand-associated licensing and merchandise.

Production and Distribution achieved growth in EBITDA of 138%. The UK production business performed well in its second full year of operation as a commercial entity, with both sales and EBITDA ahead of the prior year (9% and 288%). Genres performing well include scripted, factual entertainment and events.

The international production business delivered a small growth in sales and invested additional operating expenditure in a new production arm in Australia. This was set up in September, and already has its first commission for 85 episodes of *Mastermind* for SBS. In the US the autumn of 2018 saw the premiere of the first *Dancing with the Stars* brand extension in *Dancing with the Stars: Juniors* for ABC. The first female Doctor was welcomed with much anticipation at San Diego Comic-Con and at year end, a content deal was struck with MotorTrend to stream the majority of the *Top Gear* UK catalogue in addition to a new US version for its service.

Independent production companies in which BBC Studios holds stakes continued to grow, and the shareholding in premium scripted indie Lookout Point was increased from 49.9% to 100% in July 2018. New investments in the year included drama start-ups Moonage and Firebird, both from proven British creative talent. BBC Studios

returned £176 million (2017/18: £149 million) to indies through rights investment and royalties within the year.

In Content Sales the business broadened and deepened strategic relationships with key customers, entering into a wider set of partnerships and securing long-term commitments, as demonstrated by the content partnership with Discovery. Creative deal-making came to the fore as the value of the distribution business continued to evolve from pure licensing to funding creativity, as shown in deals for titles such as *His Dark Materials*, *Dracula* and *Good Omens*. It also saw notable success in scripted format sales in Asia with *Doctor Foster* to South Korea, *Mistresses* to Japan and *Life on Mars* to China, taking the total of scripted format sales in this region to 15 in recent years. Elsewhere, *Infidèle*, the first scripted format deal in France of *Doctor Foster*, was a ratings success for TF1.

The Consumer Products business saw significant further structural decline in the physical media market. As a result of this market decline, goodwill relating to the 2Entertain business was part-impaired with this being offset by a profit generated by the sale of the Good Food business, a high-performing but non-core area, in August.

Branded Services

The Branded Services business includes the activities of the BBC-branded channels and digital consumer propositions, including the share of results from joint venture and associate operations in BBC AMERICA, BritBox, and UKTV, BBC Earth with Sony and those of digital branded services including BBC Player in Asia.

Branded Services' performance in the year showed growth in EBITDA of 16%. The performance of BritBox in the US and Canada, which is 40.5% owned by BBC Studios and accounted for as a joint venture, was particularly healthy. UKTV performance remained robust.

Commissioner of stand-out international hit series *Killing Eve*, BBC AMERICA continued to deliver strong ratings growth, with its second most watched year ever across all key day parts.

In under two years, BritBox achieved half a million subscribers across the US and Canada, ahead of all targets. BBC Learning, globally managed out of the Americas, secured significant deals with education companies ProQuest, FMG and Stemscores, as well as a multi-million dollar deal that brings together the BBC World Service, Microsoft Education and Angelina Jolie's production company to deliver a three-year programme, teaching media literacy skills to middle school classrooms globally.

This year also saw the renewal of affiliate partnerships for BBC-branded channels carriage with NC+ in Poland and the launch of BBC Earth channels in the Middle East, Turkey, Czech Republic, Slovakia and Cyprus, as well as CBeebies in Turkey and the Maldives. BBC First launched in Poland as a rebrand from BBC HD. In Australia and New Zealand, new channel launches included BBC Living on Fetch in May and BBC Earth on SKY in October.

Taxation

Before the impact of production tax credits, the effective tax rate for the year was 21% (2017/18: 9%).

Forward view

The merger of BBC Studios' production and distribution businesses is complete, giving it a strong position in the global market, and the business is well on track to meet its stated target of delivering £1.2 billion of returns to the BBC in the first five years of the current Charter period. The business environment remains changeable, with continuing levels of uncertainty in the major global economies.

The markets in which BBC Studios operates continue to change rapidly, with audiences across the board now exercising control over their consumption of media: what, where and when. The need for business transformation is still significant and delivering expected margins in a world of hyper-competition is challenging.

BBC Studios' goal is to be the best British content company in the world. It looks to inspire audiences around the world with bold British creativity. To do this it will secure talent, rights and ideas for the future, and through these, it will return cash and funding for content to the BBC.

There is a growing global demand for premium content, from which BBC Studios is well positioned to benefit. A key focus on customer insight and account management, including strategic partnerships, will ensure that the business continues to respond to this demand. BBC Studios' strength in production is a key selling point internationally, and post-year end it has secured a number of new commissions with both domestic broadcasters and international companies.

BBC Studios' brand and digital storytelling expertise will continue to drive engagement as well as develop new commercial models for emerging digital entrants.

In addition, the business plans to invest further in premium content, with the impact of these plans already showing in the increased returns to the BBC in the financial year. This will result in lower free cash generation in 2019/20.

BBC Studios will continue to work hard to build and grow its brands internationally, searching for ways to boost the value of existing franchises and identifying opportunities for new brands. The business is actively seeking like-minded companies to partner with at every point in the process, from finding a new idea to making and exploiting content, through to developing new business models for funding.

Achieving growth and consolidating relationships across content, customers and brands will enable the business to increase its contribution to the BBC Group both creatively and financially, in an environment where IP generation and ownership are both critical. BBC Studios has ambitious plans to build a world-class culture that attracts and retains the finest talent, and with content at its heart, and an unparalleled position in high quality British IP, the business is well placed to meet stretching expectations for the coming year and beyond.



BBC Studios titles include the award-winning series *This Country* for BBC Three

BBC Global News



BBC World News' Impact with Yalda Hakim

BBC Global News is the BBC's commercial news subsidiary and operates the BBC's English-language television and online services outside the UK: BBC World News and bbc.com. BBC Global News' mission is to bring the BBC's trusted and impartial journalism to a growing global audience whilst operating as a sustainably profitable business.

2018/19 saw encouraging growth in sales across our Advertising Sales and Distribution businesses, with total income up 5% year-on-year at £114 million. The income growth contributed to BBC Global News recording a record EBITDA (earnings before interest, tax, depreciation and amortisation) of £8 million. The strong performance is attributable to the successful transfer of BBC Advertising (from BBC Worldwide) in 2017/18 to create a fully integrated business, and investment in business development opportunities such as BBC Reel and BBC Music (in North America), new content propositions which drive both audiences and sales.

In 2018/19, BBC World News' global footprint continued to expand, growing by 2% over the year. The channel is now available to a record 465 million households (up from 458 million in 2017/18). The growth was driven by gains in the Americas and South Asia.

bbc.com increased its digital reach from 88 million in 2017/18 to 93 million monthly browsers in 2018/19, up (+6%) year-on-year.

Monthly page views dropped slightly, from 1.3 billion to 1.2 billion (-5%) year-on-year, reflecting the ongoing shift from desktop to mobile consumption.

Off-platform global partnerships form a growing part of the commercial and distribution strategy. 2018/19 saw a significant increase in off-platform consumption, with bbc.com content now reaching over 22 million users per month on platforms such as Apple News, MSN and Facebook Instant Articles. BBC Global News entered into a new agreement with Facebook to deliver a weekly show, *Cut Through The Noise*, on their Watch platform, and launched a new live news streaming service on Yahoo! Japan. The BBC News YouTube channel saw significant growth in 2018/19, passing 4 million subscribers and over 1 billion lifetime video views since the channel was launched in 2013.

BBC Global News was recognised for the excellence of its journalism with a number of awards in 2018/19, including a Peabody Award and a Gracie award for BBC World News' reporting on the humanitarian crisis in Yemen and a David Bloom award for Quentin Somerville's Syria coverage. Online, BBC Travel won a Lowell Thomas award for best travel journalism website, BBC Future won a Webby for Best Writing (Editorial) and BBC Culture received a silver Telly Award for its inventive video imagining how Jane Austen characters might have used dating apps.

465m

Households with access to BBC World News
(2017/18: 458m)

£114m

Total income 2018/19
(2017/18: £109m)

93m

bbc.com monthly unique browsers

£8m

Record EBITDA in 2018/19
(2017/18: £2m)

Forward view

The markets in which BBC Global News operates remain challenging. On the Distribution side of the business pay-TV operators in Europe and North America in particular are under pressure from over-the-top (OTT) competitors and this commercial pressure is being felt in turn by channel distributors. International advertising markets, meanwhile, remain volatile, with digital growth dominated by technology giants. However, the BBC's reputation for independent, trustworthy coverage of international events has never been more valued and BBC Global News has ambitious plans to build on the strong performance of 2018/19 and take advantage of emerging opportunities. The business plans to refresh its editorial propositions in the year ahead to drive both audience and revenue growth while progressing ideas to diversify beyond its core revenue streams.

BBC Studioworks

BBC Studioworks is a wholly-owned commercial subsidiary of the BBC, providing studios and post-production services to both the BBC and external clients. 2018/19 was momentous for the company as it completed its first full year of trading at the newly refurbished Television Centre (TVC) in White City, a facility which complements its two sites in Elstree. The company delivered a robust financial performance for the year, generating £37 million of income (2018: £31 million) and EBITDA of £6 million (2018: £3 million). The 19% increase in year-on-year sales was driven by the introduction of TVC into BBC Studioworks' portfolio, whilst high levels of studio utilisation ensured the year-on-year rise in EBITDA. The sustained strong performance of the company means that it has declared a cash dividend to the BBC Group, for the first time, of £0.8 million.

During the year, BBC Studioworks worked with over 25 different broadcasters and production companies facilitating a multitude of productions. These included:

- *Strictly Come Dancing, Pointless, EastEnders* and the Appeal Nights for *Children in Need* and *Comic Relief* for the BBC.
- *The Voice, Celebrity Juice* and *The Chase* for ITV.
- *A League of Their Own* and *The Russell Howard Hour* for Sky.

BBC Studioworks also welcomed over 40 new titles, including:

- *The Graham Norton Show, Have I Got News for You* and *Mock the Week* for the BBC.

- *Good Morning Britain, Lorraine, This Morning, Loose Women, Peston* and *Love Island: Aftersun* for ITV.
- *The Big Narstie Show, The Great British Bake Off: An Extra Slice* and *Sunday Brunch* for Channel 4.
- *Celebrity Game Night* for Channel 5.
- *Blockbusters* and *Your Face or Mine?* for Comedy Central.
- The post-production team also experienced a positive year as more clients took advantage of integrated studio and editing offerings. In addition to *EastEnders* and *Holby City* for the BBC, the team delivered numerous projects including *The Last Leg* for Channel 4, *Strictly Come Dancing – The Live Tour* and *The Jonathan Ross Show* for ITV.

Forward view

The market outlook for studio-based productions and post production work remains buoyant albeit competitive. A steady stream of new and repeat business provides a favourable backdrop as the Company looks to optimise its expanded portfolio over the forthcoming year and pursue further growth opportunities.

While BBC Studioworks' performance is robust, the market in which it operates is set to see numerous new facilities houses opening over the medium term which could impact business levels. The Company will continue to rigorously manage its pipeline of work and focus on business development in order to protect its future revenue streams. This is of importance given much of the Company's revenue is won competitively on the spot market.

BBC Studioworks also has several material long-term contracts which are subject to periodic retender, which therefore presents a level of business risk. Attracting and retaining clients, winning tenders and smart investment activity across all three of its sites will enable the Company to maintain its non-financial and financial contribution to BBC Group and provide security of supply in a dynamic studios market.

As the home to some of the nation's most watched and loved television shows, from major entertainment productions to continuing dramas, BBC Studioworks will continue to focus on providing leading television production facilities that offer a first-class customer experience. The Company is well placed to meet its targets for the coming year and beyond.

The Graham Norton Show



£37m

BBC Studioworks income in 2018/19
(2017/18: £31m)

19%

Increase in year-on-year sales

£6m

EBITDA
(2017/18: £3m)

£0.8m

Dividend to the BBC Group
(2017/18: £nil)

Governance of BBC's Commercial Holdings

Commercial Holdings is the body that oversees the operations of all the BBC Commercial Subsidiaries. The below sets out how the Commercial Holdings Group is governed and the role of the Commercial Holdings Board.

Reviews

During the year, there were two reviews of the BBC commercial subsidiaries. The BBC Board published a review into the operation of its wholly-owned commercial subsidiaries: BBC Studios; BBC Global News; and BBC Studioworks. The review, undertaken by EY and published in December 2018, found that the commercial subsidiaries exhibited commercial efficiency consistent with their peer groups and the wider market; that they fit with the BBC's mission and public purposes, did not jeopardise the corporation's reputation; and have policies and processes in place to ensure that they do not distort the market. Separately Christopher Saul, an independent advisor on corporate governance best practice, was commissioned to review the commercial transparency of the BBC alongside a review of transparency in the public service conducted by Will Hutton. In his review, Christopher Saul found that the BBC's commercial operations are at least as transparent as comparable organisations and, in certain instances, more so. He also made recommendations on how transparency might be increased.

One of the Saul recommendations was in relation to the Board of BBC Commercial Holdings Limited – which provides governance, assurance and oversight of the commercial subsidiaries and their activities, on behalf of the BBC Board and the BBC group. Mr Saul recommended that there should be fewer executives on the Commercial Holdings Board and an increase in non-executives. Following this, from 1 April 2019 the composition of the BBC Commercial Holdings Board was amended and it is now chaired by a non-executive director from the BBC Board, Elan Closs Stephens. The full composition of the Board, which includes four non-executives and six BBC executives, is set out on page 133.

Management

The day-to-day management of BBC Studios, BBC Global News and BBC Studioworks is the responsibility of their respective chief executive officer: Tim Davie; Jim Egan; and David Conway. The chief executives are supported and advised in the management of their commercial subsidiary by an executive committee comprising the senior management of the business. The executive committees have been granted appropriate delegated authority in the running of their business, as approved by BBC Commercial Holdings. The chief executives attend each meeting of the Commercial Holdings Board to present a report on the performance of their business, which provides the directors with an opportunity for constructive challenge.

The future

The BBC Commercial Holdings Board meets at least six times a year. In the year under review there were eight board meetings. The full terms of reference can be found at bbc.com/aboutthebbc/whoweare/commercial. A new non-executive director is being recruited to fill the vacancy left by the resignation of Howard Stringer. The new non-executive director is expected to be in place by early summer 2019. Elan Closs Stephens provides her report as Chair of Commercial Holdings, on the activities of the company and its subsidiaries, on page 133.

In the coming year, the directors will support the value for money review being undertaken by the NAO on the creation of the enlarged BBC Studios; as well as keeping under review the Commercial Holdings Board's working practices to ensure that it remains effective and efficient. In keeping with the other major commercial subsidiaries, the Commercial Holdings Board and its Chair are supported by the commercial company secretariat.

Our people

Our people are the bedrock of what makes the BBC special. They come from diverse backgrounds, reflecting our different audiences and are fundamental to the continued delivery of outstanding programmes and services. This year, one of our most significant priorities has been to continue with our aim to make the BBC the best place to work, conducting a set of wide-ranging culture and career progression reviews, consulting extensively with people across the whole of the BBC.

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Our people – culture, pay and trust at the BBC

Without great people, the BBC is nothing. Our outstanding programmes, services, radio, podcasts and journalism are only possible because of the dedication, skill and knowledge of the people who work with us – whether for a few weeks as a freelancer or for many years. They are the bedrock of what makes the BBC special. They come from diverse backgrounds, they push the organisation to be the best it can be and, above all, they care about the BBC and what it stands for.

Throughout the year we have continued to focus on making the BBC the best place to work – and we have also addressed a wide range of challenges. We have been scrutinised heavily, internally and externally, and this has tested us to ensure we are being the organisation we want to be.

We have made real progress this year in bedding in some fundamental changes to the way we do things. This includes the finalisation of updated terms and conditions for all staff and the implementation of a new, industry-leading career path framework, giving structure and clarity to all our employees about their roles in the BBC. These steps will inevitably take time to be fully embedded and applied, but the results of a number of independent reviews have shown that we are making real progress in moving beyond the issues seen over the past years. This includes this year's two transparency reviews, led by Will Hutton and Christopher Saul, and the NAO's recent value for money review of pay at the BBC. We were delighted that the NAO's report acknowledged the significant steps the BBC has taken to improve the consistency, transparency and fairness of staff pay and working practices.

So, this report sets out for everyone, our people and those outside the BBC, what we have been doing to make the organisation more efficient and effective, developing our culture so the BBC continues to be a trusted and positive place to work. We want everyone to understand what the principles and aims are that drive our culture, our pay and our policies, and we want all our people to understand how they can develop their career in the BBC. Below we set out a summary of what we have achieved in the past year, focusing on creating an inclusive BBC where staff can develop, progress and have trust in their reward.

The BBC's five reviews of diversity and inclusion in our workforce:

- BAME
- Disability
- Gender
- LGBTQ+
- Socio-economic diversity

 **You can read all the reports here:**
bbc.co.uk/diversity/strategy

An inclusive culture – our five reviews

One of our most significant priorities this year has been to continue with our aim to make the BBC the best place to work. Nowhere is this better seen than in our decision to conduct a set of wide-ranging culture and career progression reviews, consulting extensively with people across the whole of the BBC, and bringing together views and recommendations on what more we could do to strengthen our culture of inclusion.

Five separate reviews were published, each review focused on a different area of diversity and inclusion. A member of the Executive Committee or senior leader sponsored each review and 128 recommendations were developed. These are being implemented across the organisation with great progress being made – 95% are now completed or underway.

From looking across all the reviews and discussing them extensively with employees, we have identified seven common areas of importance that are relevant for all our people, irrespective of their race, gender, sexuality, disability or background. A summary of these follows, along with some highlights of what we have achieved in each area this year. Progress in all these areas is being measured through our employee engagement survey.

1. Goals, objectives and values

One of the key things we heard across all of the reviews, and echoed in our employee engagement survey, is that the mission of the BBC is really important to us all, and all our people want to be aligned behind a clear vision for the organisation. Our mission is to inform, educate and entertain, and, as this Annual Report makes clear, our strategic goal is to reinvent the BBC for a new generation and be a positive force across UK society and for our creative economy. In January, we pressed pause across the whole organisation for a few

hours to share our strategic goals in team discussions. We had these conversations again in the spring when we communicated our Annual Plan, and continue to keep people informed and engaged throughout the year. We also updated the 'BBC Code of Conduct – How we work together'. This brings together in one place our key policies and expectations, including our BBC Values, and for the first time new Leadership Commitments, Employee Commitments and a Diversity and Inclusion Statement of Intent. The Code also encourages people to speak up if they know something is wrong.

Regular updates on progress are provided to all through a wide variety of internal communications, making sure everyone knows the direction that we're going in and the part they are playing. 78% of people in our recent employee engagement survey said they know how their work contributed to the goals of the BBC.

2. Great leadership

The capability of our leadership community is another area we have heard is crucial to making the BBC the best place to work. Our senior leaders and team leaders need to relish leading and developing teams and inspire trust, confidence and enthusiasm. And they need to be diverse, representing all the audiences we serve.

New Leadership Commitments have been developed this year, with our leaders working together to set out what excellent leadership looks like when we're at our very best. All our leaders are expected to live by them and 80 Leadership Matters sessions have been held around the country so that leaders can come together to share experiences and learn from each other.

To further support these commitments, we've developed a new suite of leadership development programmes aimed at all levels of leadership – 'Stepping Up to Leadership' for first-time leaders; a 'Team Leadership programme' for established leaders; and, for senior leaders, a separate programme focused on their particular needs. All include coaching and mentoring for participants and the opportunity to get involved in pan-BBC activity focused on big leadership challenges. Supplementary to this, we have a library of blended learning support and a newly developed series of online and round table discussions on topics such as managing pay and flexible working.

All BBC leaders are required to have annual personal development reviews informed by 360-degree feedback and to complete mandatory training in unconscious bias, fair selection, cultural and disability awareness and bullying and harassment.

3. Fair recruitment

Our recruitment practices must be fair and transparent, and attract a diverse range of talent, giving everyone opportunities to achieve their full potential.

Throughout the year, we have further reviewed our approaches and made changes to ensure that processes are as inclusive as they can be. These include job descriptions that are free from gender or other bias and we are working towards ensuring that all our most senior jobs have at least one BAME candidate shortlisted, and mixed gender interview panels. We have also created and trained a diverse pool of interview champions and ensured all those involved in recruiting have participated in unconscious bias training.

4. Career progression

Our people tell us that they want a consistent approach to career progression across the BBC, with information they can trust. The Career Path Framework, that has reduced our job titles from about

5,000 to 600, has been fully developed and provides transparency of descriptions on all job types at the BBC so everyone can not only see how they can progress within their own job family, but also what other jobs in different job families exist and what skills and experiences are required to move into them. To further bring this to life, we've created videos of people across the BBC sharing how they have used the Career Path Framework and short Career Story films of our own people talking about the jobs that they do and how they got to where they are. This is supported by easy access to our Careers Hub, with information on all job vacancies, and the Hotshoes initiative which facilitates short-term placements around the BBC and provides people with the chance to broaden their careers with targeted work placements.

At the heart of promoting career progression is the guidance and encouragement our people receive from their team leaders and other more experienced colleagues. To support

this we have increased the number of trained mentors across the BBC and we've developed an innovative online matching tool (BBC Mentor Connections) which enables people to search for a suitable mentor online.

5. Flexible working to balance work with home and personal life

We know that our people want support to be able to balance work and home life, so we have enhanced our flexible working policies to increase the range of options available, whether that's working reduced hours, working from home, having compressed or staggered hours or working in a job share. We've also provided training to our team leaders on flexible working.

A new job sharing register has been launched and jobs are required to be advertised with the ability to work flexibly unless there is a valid business reason that precludes this. Since introducing this change, three-quarters of BBC jobs have been advertised with the option to work flexibly.

Individuals on maternity/parental leave now have their IT accounts kept open for the duration of their family leave, giving them the option of continued engagement in their job if they wish to do so. We have also introduced additional coaching for those returning from maternity/parental leave. Nursing rooms are in all major sites and we have launched a new premature baby policy.

6. Wellbeing

Another consistent theme from our reviews was that of wellbeing and support for those who work here. We are proud to say that our people enjoy a supportive environment at the BBC and there is a continual focus on wellbeing. We have increased the number of health kiosks in BBC buildings and offered night workers health education sessions and health screening appointments. We have also updated our advice on the menopause for managers and colleagues.

A new trauma referral pathway has been communicated, to enhance the support we give to colleagues, and we continue to strengthen our Mental Health First Aid network with over 900 Mental Health First Aiders. In the last three years, 350 mental health/wellbeing/resilience training courses have been delivered.

Wellbeing events are regularly held and a Wellness week in Salford was attended by 2,700 people. Our existing provision of wellbeing services continues to be strengthened and includes free employee counselling, the anti-bullying and harassment helpline, occupational health and travel advice, manager advice line and disability access services.



Hot Shoes

Shiromi Ramanayake, Service Manager in the Service Capability and Design team, took a Hot Shoes placement with the Broadcast & Online Service Management team and it fast-tracked her career. Within five weeks of completing the placement, she was promoted and offered the position of a Service Manager with the team she had a placement with.

Why did you apply to do a Hot Shoes placement in this area?

I was at a crossroad point in my career. I'm sure you've all experienced this stage – when you feel you need to take another direction, gain fresh perspectives, share your knowledge and have the opportunity to progress. I was at the stage where I wanted more responsibility and to develop my skills towards more managerial competencies. The Hot Shoes ethos of

'Get inspired and share your talents' really matched how I was feeling at the time and what I wanted to achieve.

How did the placement benefit your career?

My Hot Shoes placement with Service Management helped me to move speedily up the career ladder. Within five weeks of completing my placement, I had a job offer from my Hot Shoes placement team. I was promoted to the role of a Service Manager. I am very grateful to the Service Management team for how well the placement was organised and the time and dedication they put in towards my Hot Shoes experience. I was able to learn effectively about the role and its vital managerial competencies and explore these when I put forward a Service Manager job application.

At the heart of promoting career progression is the guidance and encouragement our people receive from their team leaders and other more experienced colleagues.



7. Fair pay

The last theme we have heard about from our people is arguably the most critical – what we say and do on pay is, clearly, of huge importance both to our people and to those who pay the licence fee. This year, we have had a significant focus on ensuring that we move beyond past concerns to develop a culture and an approach to pay that is felt to be, and seen to be, fair and open.

Our pay practices and how we reward people are key to how we meet our core aim: to attract and retain the best people in order to make the very best creative content we can, whilst recognising our duties as a public service employer, paid for by the licence fee. We now have in place some really clear, simple principles that guide all reward in the BBC – public service and commercial – these are below, with a summary of what they mean in practice and what we have done this year to embed them across the BBC.

Fair

We want to be sure that people in the BBC are paid fairly, and we take fairness very seriously. We do this by conducting regular reviews of pay levels for similar roles, to ensure there is always fairness in pay between employees. Employees can also raise pay concerns. All pay decisions are made within a clear governance framework to ensure the pay bill is controlled and monitored.

We were the first broadcaster to open up about gender and pay. The NAO has commented that the BBC is well ahead of other organisations, but we're still not where we want to be. In 2019, our median gender pay gap is 6.7%, down from 7.6% in 2018. The challenge is structural and a function of us having a lower proportion of women in senior roles – not because we don't pay people fairly. We also continue to publish, voluntarily, our BAME, part-time and disability pay gaps, and now LGBTQ+, as we believe it is important to be open about all aspects of pay. For more information, please see our full gender pay gap report, available at: bbc.com/aboutthebbc/reports/report.

Consistent

It is important to us that pay is consistent across the BBC. Previously we had too many different contracts, a complex pay and grading structure, and outdated policies and allowances that weren't applied evenly across the organisation. We wanted to make the BBC a simpler, fairer and more consistent place to work and ensure we operate efficiently for licence fee payers. Therefore, we proposed a review to modernise our terms and conditions and spent many months during 2017 and 2018 working together with the BBC's joint unions – the NUJ, BECTU and Unite – as well as consulting extensively with our people, to help shape the proposals.

The terms and conditions review has been the biggest change to the way we employ people in a generation. It included a three-year pay deal up to 2019/20, a minimum pay level of £20,000 and ensuring that everyone is paid at least at the minimum of their job pay range. The new pay and grading framework has been implemented with about 600 distinct job titles and descriptions spread across 27 different job families and seven career band levels. These changes mean that everyone who works at the BBC is now able to see clearly where their role fits, how they can progress and have trust in what support and pay is available to them.

Transparent

Being funded by the licence fee, it's only right that we operate in a fully transparent way. This year we published two independent reviews of transparency in the BBC, led by Will Hutton and Christopher Saul. They found that we are "among the UK leaders in pay transparency" and believe, when it comes to what we disclose to our staff, we go "further than any large British public and private sector organisation". But they also asked us to do more to explain what we do and to develop our industry-leading transparency further to give our people as much internal information as possible on how they are paid, why they are paid what they are, and how this compares to others in the same or similar roles.

We use, for example, transparent job pay ranges along with graphs to show how pay is distributed within an individual's job pay range. Our people can see how their pay is positioned versus their peers using our PeopleView system, and this year, we have introduced gender splits to show any differences between male and female pay distribution. We also recently produced a short film, published on our intranet, to clearly explain how pay works at the BBC. We will continue to work on more measures, to ensure we lead the way with pay transparency.

Competitive

We know we operate in challenging, competitive markets, with motivated and often mobile talent. However, we must also be sure that what we pay demonstrates value for money for the licence fee payer and takes account of areas where the BBC sets, or at least leads, the market for pay.

We undertake regular benchmarking of our pay levels using external data sources to make sure our pay structures enable us to attract and retain the best people. The job pay ranges are extensively tested and are published on our intranet. They are also being introduced in our commercial subsidiaries to ensure we have a 'one BBC' approach to pay across the whole group.

Clear

We want everyone to be able to understand, and have trust in, why they are paid what they are paid, to be able to ask questions about this and to see how they can progress their career in the BBC. This year we have continued to put in place the information sources that will make sure this is the case.

Everyone now has a Career Path Framework job title, broad band career level and associated job pay range which they can view on a personalised page on our intranet.

We are clear on how pay adjustments are made. Outside of our annual union-negotiated pay settlement, we have clear policies on promotions, moves to another job within the same band and short-term acting up or attachment assignments. We also have a clear approach to where we would expect individuals to be positioned in their job pay range related to individual factors (knowledge, skills, values and experiences), role factors (scope, complexity, responsibilities and impact) and external organisational factors (supply and demand).

Across the BBC the largest numbers of staff are in the journalism, technology – systems and delivery, and content production job families. About 800 of our staff are in on-air roles (presenters, correspondents, reporters and on-air editors).

These five principles support all our work on pay. Through the last year we have had a clear focus on a number of high-profile and complex projects and reviews, all of which have been designed to create a work environment that meets and delivers on the principles and themes above.

We've been through a tremendous period of reform – and have already changed many things for the better. We've worked closely with external bodies like the NAO and the Equality and Human Rights Commission – to review our practices and will continue to work collaboratively with all parties to ensure all of our reforms are fully embedded – and make any necessary changes to our culture and ways of working.

A culture of diversity and development

As we continue to look for new ways to ensure the BBC is the best place to work, we continue to lead the way in providing access and development opportunities for all our staff, whatever their background. We have also continued to meet our Royal Charter commitment to provide training and support for the benefit of the whole media industry. And, more recently, Board member Tom Ilube has taken on the chair of the BBC's Diversity and Inclusion Advisory Group, supported by Tanni Grey-Thompson and with external advisors Solomon Elliott, Tanya Motie, Geoff Norcott, Adele Patrick and June Sarpong. The group will support and advise the Director-General and the BBC on how it portrays all of the UK's communities on air, and represents them in its workforce.

Our achievements against our diversity strategy continue to be monitored. We pledged that by 2020 we would have a workforce and leadership grouping at least as diverse, if not more so, than any other broadcaster in the industry and we're pleased that our recent employee engagement survey showed that 72% of our people felt comfortable to bring their whole selves to work.

Fulfilling our commitment to diversity starts with the way we bring new people into the BBC and continues throughout the time our people are with us.

From being an almost exclusively graduate entry employer just a few years ago, the BBC is now one of the UK's leading employers of non-graduate apprentices, offering this year 350 apprenticeship and traineeship opportunities for the best young talent from the broadest of backgrounds. As well as our existing portfolio of editorial, technology and business schemes, we now offer new apprenticeships in Data Science, HR, Safety, User Design, and have invested significantly in Journalism roles in Cardiff.

In early 2018, we were awarded second place in the prestigious National Apprentice Employer of the Year Awards and more recently Top National Apprentice Employer at the National Asian Apprentice Awards.

In order to give everyone with the potential to succeed the chance to work for the BBC, we have launched a pre-joiner programme, Get Into Media, developed and delivered with support from the Sutton Trust and MyKindaFuture. Aimed at 60 highly creative school students from Salford and London, this 15 month programme offers training, work experience and a BBC mentor; preparing individuals for application to a range of BBC apprenticeships.

BBC School Report relaunched in November 2018 as BBC Young Reporter, a partnership between BBC News and the BBC Academy. Aiming to engage young people with digital skills through outreach and mentoring, we delivered workshops in areas including Sunderland, Bradford, Aberdeen, Derby and Middlesbrough, reaching over 4,000 young people.

And we are among the first UK organisations to focus on the issues connected to social mobility being the only broadcaster and media organisation to make the Social Mobility Index top 50 companies. Radio 1 and 1Xtra's initiative, Where it Begins, was a success offering eight-week paid placements that were designed to attract a range of people to the BBC.

For those whose career in the BBC is underway, the BBC Academy, our training department, has been moving from predominantly classroom-based delivery to a blend of online training modules and other digital resources, based on individual's roles and experiences. As well as delivering better value for money, this approach offers greater flexibility and choice to our people, enabling them to study when they want at a pace to suit them. In 2018/19, more than 100,000 training sessions were completed, 72% were online, and 90% of our people took part in some training.

The biggest development programme in this year has been for the Open Media project to replace the News operating computer system. This has trained more than 4,500 people across the UK, working with teams such as *Today*, *Newsnight*, Radio 2, Asian Network, 6 Music, World TV News and a number of regional television and local radio stations.

Good progress has been made towards our 2020 off-screen diversity targets and new employee diversity networks have been established. Networks are now in place organised around gender, race, disability (including neuro disability), sexual orientation and age.

Supporting and developing new talent

We have continued to invest in and develop new talent to help embed diversity at the heart of all our channels.

- Born Digital – First Cuts, a UK-wide collaboration between the BFI and BBC Four to support new and emerging talent from a variety of disciplines, marked 30 years since the creation of the World Wide Web with 11 short films.
- Animation 2018 – a unique collaboration between BFI, BBC Arts and BBC Four – commissioned 13 new young animators as part of an evening of programmes dedicated to the art of animation on BBC Four.
- BBC Radio 3 introduced the Next Generation Voices, a talent scheme designed to find and develop the next generation of speech contributors and presenters. BBC Arts' new Generation Thinkers scheme also continued.
- The Comedy Shorts gave short-form comedy a vital new outlet to develop the next generation of on and off-screen comedy talent.
- BBC Music's commitment to new talent initiatives remained strong, with Radio 2 Young Chorister of the Year, The Young Brass Award and the Radio 2 Young Folk Award.
- In November 2018, BBC Music Introducing LIVE 18 saw more than 15,000 young people attend its three-day event dedicated to developing the next generation of artists and music industry professionals. Other new music initiatives included The Brit List and BBC Sound of 2018.
- BBC Young Musician 2018, the Birmingham-based 16 year-old pianist Lauren Zhang, performed at Biggest Weekend and the BBC Proms.
- New talent development scheme BBC Introducing Arts was launched with key arts partners across the UK to support and encourage artists to produce high-quality content across the BBC's services. It includes partnerships with Arts Council England on New Creatives, Creative Scotland for Now & Next, Northern Ireland Screen with Two Minute Masterpiece and with Arts Council of Wales on Slate Extra.

Creating a trans-inclusive culture in the workplace starts with education and awareness, and this year we launched an e-learning guide for managers and staff on supporting transgender colleagues.

We are continuing to focus on representation on screen too. To measure diversity across our TV content and report progress we use Diamond, an online tool used by the BBC, ITV, Channel 4, Channel 5 and Sky to obtain consistent diversity data on programmes. The initiative is supported by Pact and Creative Skillset, and delivered through the Creative Diversity Network. We know the diversity of production teams and who our audience see and hear in our programmes is vital to how we reflect modern Britain and our second on-screen and behind the camera (off-screen) report represents all our suppliers of programmes for BBC One, BBC Two, BBC Four, CBBC and CBeebies, excluding News and Sport.

We made a clear firm commitment to improve representation by 2020 and aim to have:

- 50% women on-screen, on-air and in lead roles across all genres from Drama to News;
- 8% disabled people on-screen and on-air including some lead roles;
- 8% LGBTQ+ on-screen portrayal including some lead roles; and
- 15% black, Asian and ethnic minorities on-screen, on-air and in lead roles across all genres.

We have more women in leadership roles than ever before and 31% of the BBC Board and 38% of the Executive Committee are women. The number of leaders from a BAME background has also improved from 10.4% to 11.5%. We recognise however that we have much more to do to increase the numbers and are offering at least half of the places on our current leadership development programmes to women and at least 15% to participants from BAME backgrounds.

All staff and leadership: 31 March 2019

Workforce	31 March 2019	2020 target
Women (all staff)	47.9%	50%
Women (leadership)	43.8%	50%
Disability (all staff)	10.2%	8%
Disability (leadership)	8.7%	8%
BAME (all staff)	15.3%	15%
BAME (leadership)	11.5%	15%
LGBTQ+ (all staff)	10.8%	8%
LGBTQ+ (leadership)	11.4%	8%

The Expert Women project partnered with World Service English and BBC Scotland to improve gender diversity across their output and a total of 24 women took part in the latest training day gaining practical radio and television skills as well as the opportunity to network with key editorial World Service English staff.

As well as our commitment to requiring all staff to attend unconscious bias training, this year the BBC has mandated Disability Confident training for all staff. The course covers key concepts of disability equality including behaviours and responsibilities under equality law, and illustrates best practices to promote a culture of disability confidence and inclusion amongst all staff. Last year the BBC was accredited as a 'DWP Disability Commitment Employer'.

Like many employers, we are launching an LGBTQ+ Allies Programme, with the aim of making the BBC more inclusive for LGBTQ+ staff – signified by allies wearing a rainbow pin badge and signing up to being someone who challenges behaviours and helps contribute to an inclusive culture in the workplace.

Actual on and off-screen diversity: 1 April 2018 to 31 March 2019

Data provided from contributions by individuals who have a role in eligible programmes.

	Actual off-screen	Actual on-screen
Female	52.9%	54.6%
BAME	9.9%	27.3%
Disabled	5.1%	8.6%
LGBT	14.3%	9.5%
Transgender	0.1%	0.3%
Number of contributions*	178,222	57,469

* An individual may make multiple contributions to a programme or programmes

Perceived on-screen diversity: 1 April 2018 to 31 March 2019

Data input by production companies taking a viewer's perspective of what they see and hear.

	Perceived on-screen
Female	45.7%
BAME	23.4%
Disabled	5.3%
LGBT	5.2%
Transgender	0.1%
Number of contributions*	372,634
% for whom diversity characteristics were determined	87.7%

Data includes 38% of all network hours transmitted from 1 April 2018 to 31 March 2019. Programmes commissioned before 15 August 2016 are not included. Data is based on internal and external suppliers. Of those who were invited to submit diversity data, we have a 29% response rate. Channels: BBC One, BBC Two, BBC Four, CBBC, CBeebies (Excludes: BBC Three online content, news programmes, BBC News and BBC Parliament). Reporting period covered: 1 April 2018 to 31 March 2019. Date report was generated on: 14 May 2019. Data source: Diamond/Silvermouse.

* An individual may make multiple contributions to a programme or programmes.

+ For more information on Diamond see: creativitydiversitynetwork.com/diamond/

Our Diamond data demonstrates the progress we are making towards these targets and represents 38% (up from 29% in 2017/18) of all network hours transmitted from 1 April 2018 to 31 March 2019 on BBC One, BBC Two, BBC Four, CBBC, and CBeebies. (BBC Three online content and News programmes are currently excluded although work is underway to collect data for both.)

Everyone who works on a programme is invited to submit diversity data, though currently we are only able to report on the 29% of individuals who have shared this. This is an increase from the previous 26%, but increasing returns remains a key focus with all our suppliers.

To read about our programmes and content representing the UK's nations, regions and communities, go to pages 36 and 166. You can also find information on our Equality Information report on page 258.

Alongside our clear commitments to development and training for our people, we also subscribe to clear, well understood principles about the treatment of anyone who works for us, including in our supply chains.

Human rights

We are committed to respecting the human rights of all those who work for or with us. This applies to all employees, temporary workers or workers in our supply chain, in the UK and around the world. Everyone has the right to a safe working environment; to, at a minimum, be paid and work hours in line with local legislation; to form trade unions; and to be treated respectfully.

Our Terms of Trade require any suppliers we work with, and any sub-contractors they use, to adhere to the codes of practice published by the Equality and Human Rights Commission and the Equality Commission Northern Ireland. In addition, suppliers, and sub-contractors, are required to abide by our Code of Ethical Policy which sets out our expectations with respect to human rights and trading ethically.

Modern Slavery Statement

We recognise the need to prioritise tackling the most severe human rights abuses, including modern slavery. We remain supportive of the aims of the Modern Slavery Act 2015 and publish our fourth Modern Slavery Statement in accordance with this. We are committed to actively engaging in the eradication of modern slavery, taking action within our business and influencing our suppliers to do the same. In our statement we set out further steps we have taken over the last year to help ensure modern slavery does not exist in our business or supply chain.

The full statement is available at bbc.com/aboutthebbc/reports/report.

Anti-bribery policy

The BBC is committed to conducting business in accordance with the highest ethical and legal standards. The integrity of our staff, and those with whom we do business, is critical to our success. Our audiences also expect this.

The BBC anti-bribery policy sets out our responsibilities and provides information and guidance on the practical implications of the Bribery Act 2010. The BBC's Anti-Bribery Code of Conduct, of which this policy is a part, reflects our commitment to uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate.

Staff undertake mandatory anti-bribery training. Procedures are in place such that staff may raise concerns internally via their line management, or externally and anonymously via our whistleblowing service provided by Expolink. The BBC's approach to bribery and corruption is communicated to suppliers, contractors and business partners.

A clear organisational design

All of the above shows that we are committed to ensuring that our people have access to the best means we can provide for them to grow, develop and progress at the BBC. But, to be able to do this most effectively, it is critical that we have clear, efficient and well established organisational structures in place that support this.

Organisation design principles continue to be applied to monitor efficiency and key metrics are continually tracked. Management layers are kept as flat as possible and 96.4% of our structures now have seven or fewer organisational layers. Our senior leader numbers have continued to reduce to 1.4% of our employees and overall we have one team leader to every eight employees.

Spend on professional services and supporting activities is minimised and enables 95% of our controllable spend to be directed to audience facing content and services.

We also remain committed to locating at least 50% of our employees outside of London and some 52.2% are currently based outside of the M25. Supporting this, we created 70 new roles as part of a drive to develop Glasgow as our third tech hub. Following on from this success we are now building additional new teams in Glasgow for BBC Sounds and BBC Datalab.

During the year we also launched Scotland's new TV channel, BBC Scotland. This was part of the biggest investment in the BBC in Scotland for a generation and generated 80 new jobs in news services in Scotland, covering a range of roles both in front of and behind the camera.

Over the course of 2018/19 the BBC's average Group headcount increased by 5% and total levels stood at 22,401, up from 21,431. The major shifts in headcount were:

- 416 new roles in World Service News, both in the UK and internationally, to enhance existing language services and support 12 new ones;
- investments in 250 new roles and skills across the UK, many of which were in digital, and are required to support building the BBC of the future;
- recruitment of 302 new staff within nations – English Regions, Scotland, Wales and Northern Ireland as a result of additional investments announced last year including investment in the new BBC Scotland television channel and in local radio;
- 193 new roles due to additional television, radio and news production activity; and
- the closure of 191 roles as a result of a variety of strategic initiatives across all the BBC's divisions

The average payroll headcount in 2018/19 increased across the Group by 970 which was offset by a reduction in roles within other areas of the Group. This included an increase of 1,021 in Public Service.

Voluntary attrition continued to be low at 4.9% across all jobs. This varied though across different job disciplines with, for example, News jobs having only 3.1% voluntary attrition but professional services jobs including technology having 7.9% voluntary attrition.

Total average headcount (equivalent full time as at 31 March 2019)

	2019	2018**
UK Public Service Broadcasting	19,231	18,210
BBC Studios*	2,714	2,963
Other commercial businesses***	456	258
Group total	22,401	21,431

Within the averages, above 2,907 (2018: 2,855) part-time employees have been included at their full-time equivalent of 1,840 (2018: 1,786). In addition to the above, the BBC employed an average full-time equivalent of 1,350 (2018: 1,187) persons on a casual contract.

* The 2017/8 figure includes BBC Worldwide staff

** Prior year results have been adjusted to exclude casual staff

*** Other commercials included 165 Ad Sales staff transferred from BBC Studios on 1 April 2018. The PSB Group also included an average of 90 technology staff transferred from BBC Studios during the year.

The majority of our payroll employees work on continuing contracts (89%) with an average in 2018/19 of 11% on fixed-term contracts. Additionally we engage contingent workers to work on short term assignments throughout the year and on average engaged 3,268 per month in 2018/19.

Data tables

On the following pages, we provide some more information and data to support the reporting and detail. This includes information we have reported in previous years on severance payments in the BBC, bullying and harassment cases, and overall trade union time spent by specified employees.

UK senior leader headcount by salary band (PSB only)

Salary band	2018/19 Actual	2017/18 Actual
£50,000 – £99,999	52	76
£100,000 – £149,999	100	94
£150,000 – £199,999	63	70
£200,000 – £249,999	25	15
£250,000 – £299,999	3	4
£300,000 – £349,999	5	4
£350,000+	2	1
Total*	250	264

* Total excludes BBC Board members and pension directors

Spend on on-air roles

	2018/2019		2017/2018		Variance £000s
	Spend £000s	Volumes	Spend £000s	Volumes	
Less than £40,000	52,814	28,559	50,645	28,641	2,169
£40,000 – £100,000	70,514	1,205	64,713	1,126	5,801
£100,000 – £150,000	13,501	110	12,488	104	1,013
£150,000 – £500,000	18,162	75	14,664	63	3,498
£500,000 – £1m	610	1	1,687	3	(1,077)
£1m – £5m	3,001	2	3,418	2	(417)
Total	158,602	29,952	147,615	29,939	10,987

The volumes and spend above represent all engagements and payments, which are not representative of an EFT basis. Included above are three organisations, for example external orchestras, paid over £150,000 during 2018/19 (2017/18: four).

During 2018/19, spend on on-air roles represented 10% of total internal creative content spend (2017/18: 11%).

Severance payments

Our redundancy policy is one month's pay for each year of service up to a maximum of 12 months' pay (for those who joined before January 2013 it is a maximum of 24 months' pay). We have maintained a cap on redundancy and severance payments of £150,000 and await further clarification on the Government's proposed cap which we understand will apply to the BBC. Redundancy payments over £75,000 and all other severance payments are approved by the Senior Management Remuneration Committee.

Where redundancy pay is paid, notice is served. If an individual wishes to leave earlier than the end of their notice period, they must waive the remaining notice period and they do not receive payment in lieu for it.

In 2018/19, we paid ten payments in lieu of notice ('PILONs') to staff who left the organisation. Eight of those were paid with redundancy pay to employees who were involved in a TUPE transfer involving a relocation overseas. The other two PILONs did not involve a severance payment.

Payment band	2018/19		2017/18	
	Spend £000s	Volumes	Spend £000s	Volumes
Under £10,000	162	25	310	56
£10,000 – £50,000	3,169	113	8,189	265
£50,000 – £75,000	3,407	56	8,357	136
£75,000 – £100,000	3,278	38	7,753	91
£100,000 – £150,000	7,820	64	12,327	97
Over £150,000	0	0	0	0
Total	17,836	296	36,936	645

BBC Academy training

Reach	2018/19
Total training completions*	118,048
Face-to-face %	28%
Online %	72%
BBC staff who completed one or more course	90%
Total learning and development hours face-to-face & online	313,763
Number of learning and development days per EFT	2.0
Total online usage**	84,628
Value for money	2018/19
Training delivery spend (£m)***	12.9
Learning and development cost per EFT****	£617

Training data and EFT figures are BBC wide, including PSB, BBC Studios and other commercial subsidiaries.

* Individual face-to-face and online training completions.

** Individual online course completions and those with 'in progress' status.

*** Total Academy training delivery spend excluding major projects.

**** Total Academy training delivery spend divided by total EFT.

Information provided in line with the Trade Union (Facility Time Publication Requirements) Regulations 2017 – schedule 2 (1 April 2018 – 31 March 2019)

During the last 12 months, we have continued to work closely with our recognised Trade Unions in implementing significant changes to Terms & Conditions and build on our positive and constructive relationships with our unions. No strike action was taken in 2018/19.

As part of the Trade Union (Facility Time Publication Requirements) Regulations 2017, public authorities are required to report information about facility time taken by trade union officials for a 12 month period. (Facility time refers to the time taken for our recognised trade unions to represent members both individually and collectively in a range of issues across the BBC). This is detailed in the table below.

Relevant union officials

	2018/19
Number of union officials	316 (EFT: 300)
Percentage of time spent on facility time	Number of employees
0%	0
1% – 50%	309
51% – 99%	0
100%	7*
Total cost of facility time	£689,229
Total eligible PSB payroll**	£1,183.4m
Percentage of total payroll spent on facility time	0.06%
Paid trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours	80%

Information provided in line with the Trade Union (Facility Time Publication Requirements) Regulations 2017 – schedule 2 (1 April 2018 – 31 March 2019).

This information has been provided based on approximated numbers on known union representative numbers.

* Equivalent to five EFTs.

** Total eligible PSB payroll is calculated as stipulated in the TU legislation, which returns a nominally different figure than the reported payroll on page 214, however, the percentage of time spent on facility time is the same.

Volume of internal complaints

The BBC has a zero tolerance approach to all forms of bullying, harassment and sexual harassment. The following table summarises the volume of internal complaints received in the year in relation to allegations of this kind of behaviour. During the year, we published a refreshed Bullying and Harassment policy and have run a number of campaigns, encouraging staff to speak up about these issues and to report incidents, through a variety of means, should they arise. This has led to an increase in case numbers year on year, which is to be expected given the scale and impact of our campaigns – we welcome the fact that our staff feel enabled to raise issues and to have them properly looked at. Data of this sort is not published by other, similar organisations, so we are unable to compare our performance.

Complaints made and investigated

	2018/19	2017/18
Bullying and harassment	86 formal cases*	51 formal cases
Grievance complaints notified either direct to HR, via a grievance being raised, or via the confidential bullying and harassment helpline.	<ul style="list-style-type: none"> — 5 sexual harassment — 81 bullying and harassment <ul style="list-style-type: none"> — 52 closed — 24 ongoing — 10 withdrawn Average time to close case: 108 days	<ul style="list-style-type: none"> — 5 sexual harassment — 46 bullying and harassment <ul style="list-style-type: none"> — 37 closed — 13 ongoing — 1 withdrawn Average time to close case: 78 days
Whistleblowing cases	26 cases in total (covering a range of issues covering safety, theft, fraud):	15 cases in total (covering a range of issues covering safety, theft, fraud):
Whistleblowing allegations are received either via Expolink, who manage an independent whistleblowing hotline on our behalf, via senior management including the Senior Independent Director, or directly to the Business Assurance and Investigations teams.	<ul style="list-style-type: none"> — 6 upheld — 14 unsupported — 6 ongoing 	<ul style="list-style-type: none"> — 2 upheld — 8 unsupported — 5 ongoing

* In addition, in 2018/19, 8 cases were heard as disciplinarys, relating to complaints of Bullying and Harassment misconduct dealt with outside the grievance process. The 2018/19 figures include International (non UK) cases.

Finance and operations

NON-FINANCIAL REPORTING INFORMATION (NRI) STATEMENT

We acknowledge the non-financial reporting requirements of the Companies Act 2006 and have disclosed relevant associated information throughout the strategic report. For ease of reference, information relating to the five matters covered by the regulation can be found on the following pages: Environmental (page 63); Our people (pages 76 to 86); Human rights (page 82); Social (pages 62 to 65); Anti-corruption and anti-bribery (page 82). Further information can also be found on our business model (page 98), our principal risks (page 127) and our non-financial performance (throughout the strategic report, pages 8 to 95).

Our goal is to ensure that the organisation is run as efficiently and effectively as possible and to redirect spending and simplify procedures in a way that supports a sustainable and more creative BBC.

Chief Financial Officer's Review



In a challenging media landscape we continue to focus on reinventing the BBC for our audiences.

We end the year in a financially resilient position although this is the first year of the staged reduction in government funding for over-75 licences, decreasing our licence fee income from £3,830 million to £3,690 million. This decrease was anticipated in the licence fee settlement and, as planned, we have managed the reduction in income by drawing down on our cash reserves in the year, reducing our Public Service cash balance by £166 million to £269 million. We have also delivered £153 million of annual savings in 2018/19, helping to mitigate reduced income and enable investment. Savings have been delivered across all areas, with particular focus on further reducing overheads and support costs and our overheads are at industry-leading levels, at around 5% of our total costs.

Through careful financial management we have maintained our content spend and delivered distinctive and compelling content such as *Bodyguard*, *Strictly Come Dancing* and *Dynasties*. This year we have launched BBC Sounds and the BBC Scotland channel and improved our iPlayer offering. Spend can vary significantly from year to year due to the timing of major sporting events, and as a result and as expected in 2018/19 we are in an operating deficit position

(£52 million deficit) compared to the surplus position last year (£244 million surplus). Overall, the BBC's financial objective is to manage to a break-even income and expenditure result over time, whilst ensuring adequate financial liquidity to manage timing differences in income and payments and provide some contingency in the form of financial reserves.

Our commercial subsidiaries have delivered an encouraging performance. Despite facing challenging competition, BBC Studios, BBC Global News and BBC Studioworks have all increased EBITDA year-on-year. The BBC Commercial Group has achieved EBITDA of £173 million, a £70 million increase year-on-year. Our commercial subsidiaries are managed and benchmarked against their competitors and EBITDA. In the year, BBC Worldwide and BBC Studios have successfully merged to form a single integrated brand. This has represented an opportunity to strengthen intellectual property generation and enhance content supply, helping to secure the future of the BBC as a long-term creator and owner of the highest quality British content. A BBC Commercial Group dividend of £73 million has been declared to the Group, a significant increase on last year's dividend (2017/18: £38 million).

- £153 million of annual savings delivered in 2018/19. This takes our cumulative savings to £397 million of our challenge to deliver £800 million of savings by 2022.
- Cash reserve of £468 million which enables us to manage through the changes required as government funding for the over-75 licences is phased out by June 2020.
- Overheads are at industry-leading levels, at only 5% of our total costs.
- A year of focused investment in content, including major sporting events, with our coverage of the FIFA World Cup and the Commonwealth Games; critically acclaimed drama; and the launch of BBC Sounds and BBC Scotland.
- Strong commercial performance from our subsidiaries with year-on-year EBITDA (earnings before interest, tax, depreciation and amortisation) growth of 68% and a near doubling of the dividend to £73 million.

In terms of regulation and governance, in November 2018 Ofcom concluded that the BBC's 2018/19 plans for BBC iPlayer were material and directed the BBC to carry out a Public Interest Test. The BBC subsequently published a consultation on its proposals to extend the availability of content on BBC iPlayer and submitted it to Ofcom. Ofcom plans to complete its assessment and make a final decision by August 2019.

We continue to reduce our property estate and create modern and efficient working environments. Since 2017 we have closed a number of satellite London properties. Additional focus on making our core London property more efficient has enabled us to accommodate new staff for the World Service. BBC Wales teams will be relocating from a 50-year-old building into Cardiff Central Square over the coming year, which will reduce the property footprint in Cardiff by nearly a half. Work has started on New Broadcasting House Belfast to create a modern, more flexible and efficient space in a building which dates back to the 1940s. With the London Legacy Development Corporation and partners we are also part of the redevelopment of East Bank, which will provide a modern home for our orchestras and live music output in a new world-class cultural hub.

Looking ahead

The UK media landscape is changing rapidly. This along with the reduction in income has driven the need for savings and reprioritisation of spend. The media habits of our audiences are vastly different compared with five years ago. Younger audiences, in particular, consume less BBC output owing to increased competition for their time from other media providers and other forms of entertainment. We will continue to innovate online, keeping pace as more audiences choose to access services and content digitally. This includes improving the appeal of iPlayer to younger generations by increasing content availability and offering full box sets of selected returning titles. In another innovation, the BBC and ITV are planning a strategic partnership to bring a new streaming service to UK audiences, BritBox.

At the end of the financial year BBC Studios reached a significant deal with its joint venture partner, Discovery Inc, on the future of UKTV's channel business in the UK. BBC Studios will acquire the seven channels most closely aligned to the BBC's content strategy – Alibi, Dave, Drama, Eden, Gold, Yesterday and W – along with digital player UKTV Play, and the UKTV brand. BBC Studios and Discovery have also agreed a multi-million pound, multi-year global content partnership in two parts. This will see BBC Studios provide premium factual series, including natural history landmarks, for Discovery's new global streaming service, and a bespoke development deal for BBC Studios to cultivate ideas for future Discovery commissions.

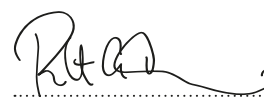
With this deal BBC Studios can begin the process of creating further 'windows' for content, providing audiences with increasing opportunities to watch highly valuable content – both from Studios and third party producers – while delivering long-term returns for licence fee payers.

The BBC's cash balance at the end of the year is £468 million, a £55 million decrease on prior year. Loans of £203 million in the commercial subsidiaries and finance leases offset the cash position to reach group net debt of £365 million, well within our borrowing limits. An increase in borrowing limit is required due to mandatory accounting changes (IFRS 16: Leases) which applies to the BBC from 1 April 2019 and results in additional leases coming onto the balance sheet. The new borrowing limits for 2019/20 have been agreed with the Department for Digital, Culture, Media & Sport (DCMS).

Our future funding is impacted by the Board's decision on the over-75 licence concession, as set out by the Chairman on page 9. As we said in our consultation on this issue, funding a full over-75 concession would have required savings and cuts over and above the £800 million currently planned, leading to substantial changes to our content output, which audiences enjoy. Delivery of our underlying plans remains challenging and we will continue to focus on reinventing the BBC, with careful prioritisation of the BBC's resources to meet our public purposes.

Pressures from the external market continue. The last few years have seen funding challenges due to high inflation in areas such as drama and comedy, more recently expanding to other key areas of our output, such as factual programming. In addition, the cost of sports rights continues to grow whilst, overall, the cost of ideas and talent has also risen fast. At a time when major well-funded new entrants such as Amazon and Netflix are increasingly dominating the market, further savings will significantly impact our ability to compete and engage with our audience. Whilst others have been investing, the BBC has saved an average of 4% a year for the last ten years.

Reinventing the BBC at a time of such unprecedented pressure will require difficult choices to be made. We have made a strong start through careful financial management and delivery of savings, but there is still much to do to maintain our financial stability while also operating in the global media marketplace to meet audience expectations.



Glyn Isherwood
Chief Financial Officer
20 June 2019

Financial overview

How we use the licence fee

The way in which the BBC is funded places significant responsibilities on the organisation:

- to provide value for money by focusing expenditure on the programmes and services the public most want from the BBC;
- to ensure that the output is then delivered as cost efficiently as possible;
- to ensure effective and efficient collection of the licence fee; and
- to maximise funding from other sources in a manner consistent with the terms of its Charter and other obligations.

Results for the year

Our results for this year show an accounting deficit, at group level, of £69 million (2017/18: surplus of £180 million). The year-on-year change is partly attributable to the cyclical impact of major sporting events this year, such as the FIFA World Cup and the Commonwealth Games. We have also invested in our digital offering by expanding the availability of programmes on iPlayer and launching the new BBC Sounds product. This has been funded partially by cash conserved in the early years of the licence fee settlement to bridge the time it takes for savings to be delivered and become established.

The commercial subsidiaries continue to generate income for the BBC Group through dividends and investment in content. During the year, BBC Worldwide and BBC Studios have successfully merged to form a single brand, and delivered year-on-year EBITDA growth of £54 million. Global News increased their EBITDA by £6 million to £8 million following a successful year in which they integrated advertising sales into their operations.

A dividend of £73 million (2017/18: £38 million) was declared by BBC Commercial Holdings Limited to PSB Group driven by returns generated in BBC Studios, BBC Global News and the first dividend in its history was declared by BBC Studioworks.

Income

Total licence fee income decreased by 4%, or £140 million, from £3,830 million to £3,690 million. This decrease was due to a phased reduction in government funding for free licences to the over-75 population ahead of the transfer of policy to the BBC in 2020. Under the licence fee settlement agreed with the government, £468 million was received in 2018/19 compared to £655 million in 2017/18, a reduction of £187 million. This was partially offset by the CPI inflation increase applied to the licence fee from £147.00 to £150.50.

Other income has decreased by £33 million, from £1,232 million to £1,199 million, largely due to a reduction in sale of physical and digital products of titles and subscription fees in BBC Studios.

Spend

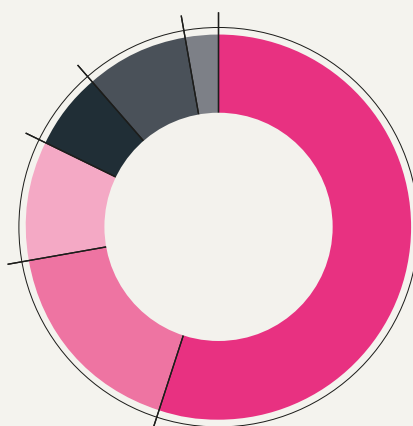
The BBC concentrates its expenditure on the production of programmes and other content and its delivery to audiences and users, and the essential infrastructure to support production. Total PSB content spend increased by 9% to £2,860 million (2017/18: £2,623 million) this year, which was largely due to additional investment in our coverage of the FIFA World Cup and Commonwealth Games, the launch of the BBC Scotland channel and spend in nations and regions on programmes such as *Back in Time for the Factory* and *Death and Nightingales*. The commercial business continues to perform extremely well in premium content, and is working actively to develop its programming pipeline. Strong cost control in BBC Studios has enabled the business to deliver EBITDA growth despite challenging market conditions in the consumer product business. Key productions delivered by BBC Studios in the year included acclaimed dramas like *Luther*, *Silent Witness*, *MotherFatherSon* and *Les Misérables* (a co-production with its wholly owned independent production company Lookout Point); world-class natural history including *Dynasties* and *Earth's Great Rivers*; and impactful science like *Horizon* and *The Truth About...The Menopause*.

LICENCE FEE SPEND

- Increase in licence fee has funded additional content in television, radio and online.
- 5p in every £1 is spent distributing our services to audiences.
- The cost of collecting the licence fee is 2.5p per £1 collected.

How your monthly licence fee is spent

2018/19 £12.54 per household (2017/18: £12.25)



Television	2017/18	£6.40
Radio	2017/18	£2.06
BBC World Service	2017/18	£1.06
Other services and production costs	2017/18	£0.67
BBC Online	2017/18	£0.91
Licence fee collection and other costs	2017/18	£1.15




Summary consolidated income statement

For year ended 31 March 2019

Income statement classification	What is it?	2019 £m	2018 £m	What has happened?
Licence fee income	The total of licence fees collected	3,690	3,830	3.7% decrease due mainly to phased reduction in government funding of free TV licences to over-75 population
Other income	Commercial income and grant income	1,199	1,232	Decrease due to decline in the consumer products (DVD) business
Total income		4,889	5,062	
Operating costs	The cost of producing all content and of running the BBC	(4,977)	(4,854)	Investment in major sporting events and drama
Share of results of associates and joint ventures	Our share of the profit of businesses where we control 50% or less	36	36	UKTV and New Video Channel America
Group operating (deficit)/surplus		(52)	244	
Gains on disposal	Profit on disposal of operations and fixed assets	36	5	In 2018/19 a gain was recorded on the sale of the Good Food business
Other gains and losses	Net gain on movements in financial instruments	7	25	Gain in fair value on financial instruments in BBC Studios
Net financing costs	The net interest on the BBC's pension assets and liabilities, interest on loans and fair value movements on derivatives	(65)	(95)	Reduction due to fair value movements on financial instruments relating to loans and variation in the charge relating to pension liabilities
Taxation	The net tax liability of the BBC on its taxable profits	5	1	Increase in high end television tax credits received
Group (deficit)/surplus for the year		(69)	180	

COMMERCIAL PERFORMANCE

- Strong commercial performance from our subsidiaries with year-on-year EBITDA growth of 68%.
- Returns generated in BBC Studios, BBC Global News and the first dividend in its history declared by BBC Studioworks, despite challenging market conditions.
- Dividend of £73 million (2017/18: £38 million) was declared by BBC Commercial Holdings Limited to PSB Group.

	2018/19 EBITDA	2017/18 EBITDA	% year-on-year growth
 BBC STUDIOS	£159m	£105m	51%
 BBC NEWS GLOBAL	£8m	£2m	300%
 BBC STUDIOWORKS	£6m	£3m	100%

Cash and net debt

The BBC’s cash balance at the end of the year is £468 million, a £55 million decrease on the prior year in part due to the reduction of over-75 funding. As a result of the licence fee settlement we have preserved a cash surplus ahead of the reduction in government funding for free TV licences for the over-75 population. 2018/19 was the first step down in income from the government and a further decrease is due in 2019/20. The cash surplus will be used to continue to deliver world-class content to BBC audiences whilst meeting future obligations (which include World Service and pension deficit repayments) and managing the cost and timing of delivering savings programmes, in anticipation of funding licence concessions for the over-75 population. Commercial Holdings Group has a cash balance of £199 million, part of which will be used to complete the UKTV acquisition.

The BBC’s net debt at the year end includes £651 million of finance leases and £203 million of loans utilised by the commercial subsidiaries; this is offset by a cash balance of £468 million and £21 million of derivatives. The BBC’s net debt levels have increased by £39 million. The BBC Commercial Group are in a £17 million net funds position compared to £88 million net debt in 2017/18.

New borrowing limits for 2019/20 have been agreed with the DCMS, which increase the PSB net borrowing limit from £1,050 million to £2,200 million, of which £2,000 million is specifically for leases. A borrowing limit of £500 million

will apply to the BBC Commercial Group, of which £150 million is specifically for leases. An increase in the limits was required due to mandatory accounting changes, IFRS 16, which applies to the BBC from 1 April 2019 and results in leases coming onto the balance sheet.

Licence fee collection

Effective financial management is a key part of the BBC’s unique relationship with its audiences. This includes spending the licence fee efficiently and collecting a television licence fee from everyone who is required to buy one. The BBC has a number of contractual arrangements covering collection, administration and enforcement of the licence fee, marketing, payment channel management and retail networks. The majority of administration is contracted to Capita Business Services Ltd. This is the seventh year of the current collection contract – which has delivered £180 million of savings to date. Total cost savings of £220 million are expected to be delivered over the ten years of the contract, releasing more funding to be spent on our programmes and services.

Licence fee statement

As in previous years, the BBC prepares a licence fee revenue statement audited by the NAO. This sets out the amounts collected and paid over to HM Government during the year. Alongside their audit work, the NAO examines our collection arrangements and reports on them to Parliament. More on the licence fee revenue statement can be found on the NAO website: nao.org.uk/report/bbc-licence.

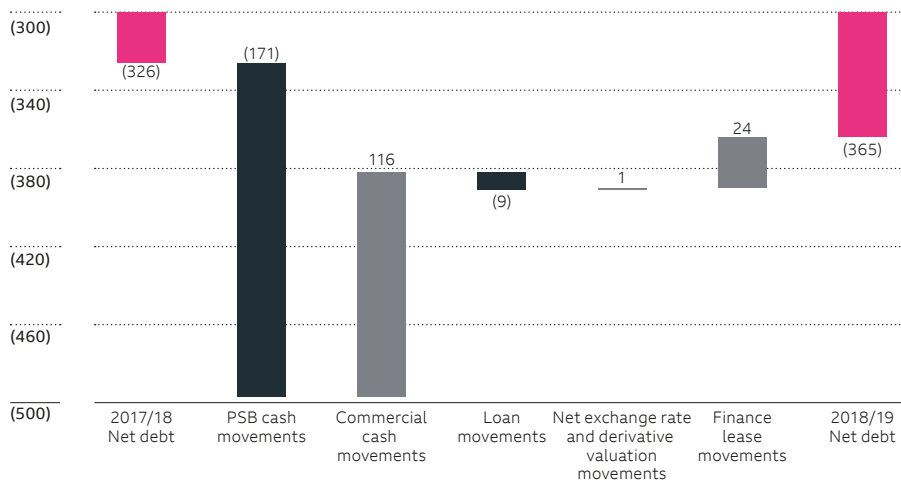
Pension costs

At 31 March 2019, the accounting pension deficit (as defined by IAS 19 Employee Benefits) had increased to £530 million, compared to £518 million a year ago. The increase during the current year was due to an annual operating charge of £231 million and net finance costs of £10 million, offset by a net gain from changes in the valuation assumptions of £38 million and contributions paid of £191 million.

This accounting valuation is only a ‘snapshot’ at a particular date, and is therefore sensitive to short-term market fluctuations. It has no impact on the actual cash cost of paying down the pension scheme deficit, which is reviewed at triennial actuarial valuations.

The most recent triennial actuarial valuation was completed in June 2017 and showed a funding shortfall of £1,769 million as at 1 April 2016. A repayment plan was agreed between the BBC and the Pension Scheme Trustees which runs until 31 December 2028. This plan is considered to represent an affordable basis to address the deficit, without compromising services to audiences. The next formal actuarial valuation of the Scheme as at 1 April 2019 is expected to be completed by the statutory deadline of 30 June 2020, at the latest. The BBC continues to work with the Pension Scheme’s Trustees to ensure the Scheme delivers security for members and value for licence fee payers.

Net debt (£m)



Tax strategy

The BBC is committed to paying the right amount of tax (employment tax, VAT and corporation tax) at the right time, in all the jurisdictions in which it operates. The BBC takes its tax compliance obligations seriously. The BBC does not enter into any transactions with a view to artificially or aggressively reducing its tax liability. The BBC published its tax strategy in accordance with the Finance Act 2016. It can be found on the BBC website bbc.co.uk/aboutthebbc/reports/reports/. The BBC communicates with HMRC in an open, transparent manner and responds in a timely manner to queries and requests for information. There is a constructive and continuing dialogue with HMRC on new issues, consultations, any changes to tax legislation or compliance requirements throughout the year.

In 2017, the Government introduced new legislation relating to the tax accountability for payments to intermediaries in the public sector. Alongside it, HMRC introduced a new analysis tool for employment status (the Check Employment Status for Tax – the CEST) and other written guidance which continues to be revised and updated.

These two changes have led to a number of new questions and issues arising in relation to the assessment of tax status for individuals across the industry, as the new guidance indicates that a larger proportion of on-air presenters should be treated as employed for tax purposes than previously. A number of on-air presenters, across the industry, are facing investigations from HMRC about how tax and NI has been applied in the past to their engagements via a Personal Service Company (PSC) – the most popular form of intermediary.

The BBC has always sought to act within the established guidelines, but this is a complex area. We have been working closely with BBC presenters as well as with HMRC to resolve them as quickly as possible. We want to do this in a way

which is fair to the individuals involved, to the HMRC and to licence fee payers. We fully understand and regret the stress this has caused to the people affected, which is why we are supporting them and want to find an effective way to put this right as quickly as possible.

In last year's Annual Report and Accounts we noted a contingent liability should the BBC be required to make payments under a mediation scheme which was being considered. This scheme was intended to assess any cases where it would be reasonable for the BBC to bear the cost of the tax and NIC due as a result of any employment status misclassification.

Since then we have focused on discussing options with HMRC for an overall settlement which can provide certainty about the tax treatment of BBC fees paid to presenters. These discussions continue and, in March 2019, the BBC Board approved a set of principles that we intend to use to ensure fairness and consistency in how we calculate the BBC's contribution to any outstanding amounts sought by HMRC. These would apply either to an overall settlement with HMRC or to an approach of resolving individual cases where presenters are being investigated.

Our approach would involve the BBC covering any difference between the taxes (PAYE and National Insurance contributions) that would have been due from the PSC under the new HMRC rules as against the total that would be owed by the PSC and individual under corporation and dividend tax rules, for BBC income only.

We have also put in place access to support and advice for those affected.

The BBC Board made this decision taking into account the impact on presenters, the majority of whom are not highly paid, and the value for money of the available settlement options. It reflects that in some cases the BBC may have required the use of PSCs by presenters which

could also potentially be seen to create an obligation, even if not a strict liability.

Our aim remains to settle the historic issues, at an acceptable cost to the licence fee payer, by resolving most of the retrospective claims that HMRC may have against the presenters or the BBC in respect of any misclassification of their employment status. The Board considers that a settlement option with either HMRC or individual presenters is in the best interests of the BBC, the licence fee payer, and the individuals involved and is likely to be both less costly and quicker to resolve. Should cases be resolved with individuals, any payments to, or on behalf of, presenters will only be made where there is a legitimate demand from HMRC and where the BBC can determine the amount due. This would be based on the difference of the tax that would be due under IR35 versus that which is due by the PSC and individual paying corporation and dividend tax.

Within the 2018/19 BBC accounts, a provision of £12 million is included for such payments. The provision has been estimated by looking at all individuals affected and then applying assumptions, based on conversations with HMRC; recent tax tribunal rulings; and the advice of external advisors.

These transactions are considered irregular because the BBC does not have a legal liability for the tax owed. Under the terms of the Charter all BBC expenditure must be for the BBC's intended purposes. However, the approach has been approved by the Board on the basis that it offers the best value for money of the available settlement options and also resolves the historic issues in a way which is fair to all sides.

Delivering efficiencies



Cardiff Central Square

Our goal is to ensure that the organisation is run as efficiently and effectively as possible, and to redirect as much money as possible to content whilst simplifying procedures in a way that supports a sustainable and more creative BBC. In October 2018 we published 'A Simpler BBC', detailing our strong track record of delivering efficiencies and making the BBC simpler, leaner, and more efficient.

Since 2010, licence fee funding for BBC UK services is 24% less than had the licence risen with inflation. During this time the BBC has taken on a number of new commitments including funding World Service, S4C and BBC Monitoring. Despite this funding reduction, the BBC has managed to maintain quality and reach due to a substantial and extensive programme of cost management. We are addressing our future financial challenges by seeking to find £800 million of savings by 2021/22. We are making good progress against the target, delivering £153 million of annual savings this year, taking the cumulative savings to £397 million.

'Compete or Compare' has given us a sustainable framework for continuous improvement. The framework ensures that everything we do is competed in the market or compared (benchmarked) against it. This drives up quality and reduces costs. An internal review during the year concluded that 94% of BBC controllable spend satisfied the 'Compete or Compare' criteria, either through direct competition or rigorous comparison and benchmarking, a significant increase over the past four years, from 80% in 2014/15.

With savings focused on central costs, we have brought down overheads to industry-leading levels: just 5% of our total costs in 2018/19. This puts us in the most efficient 25% of benchmarked international telecommunications and media companies as well as regulated and non-profit organisations in the country.

Our property footprint will improve further this year as BBC Wales staff move into one building, Cardiff Central Square, which is nearly half of the size of the buildings it replaces.

Cutting our property bill is another key part of our business strategy and our property footprint is now around 40% smaller than in 1998 – a significant achievement. Since 2017 we have vacated Grafton House, Brock House, Great Portland Street, Euston Square, Centre House and Caversham. Our property footprint will improve further this year as BBC Wales staff move into one building, Cardiff Central Square, in the autumn, which is nearly half of the size of the buildings it replaces.

Focus on moving teams outside of London continues, with an ambition to have half of our staff in offices in the nations and regions. Further reductions to the size of the estate are expected in order to reach the 355,000m² UK property estate target by 2020 – a reduction of over 20% since 2014.

Procurement

The BBC regularly reviews the financial standing of its major outsourced service suppliers, which includes analysing reports from external commercial credit agencies. The contractual arrangements with these suppliers include open book audit provisions as well as comprehensive business continuity and exit obligations.

Between 2012/13 and 2018/19 spend on major strategic contracts reduced from £684 million to £353 million, a saving of 48%. Managing supplier performance, automation and transforming the procurement process have all been instrumental in securing these savings. Dedicated supplier contract managers are strengthening the BBC’s contract management by tracking performance against business requirements.

Technology

Technology services is another area where the BBC is making significant savings. The BBC has moved to a new IT service model managed by a strong in-house operations team which includes responsibility for cyber security. Rather than a single supplier, specialist suppliers now run specific services in a more efficient and flexible way.

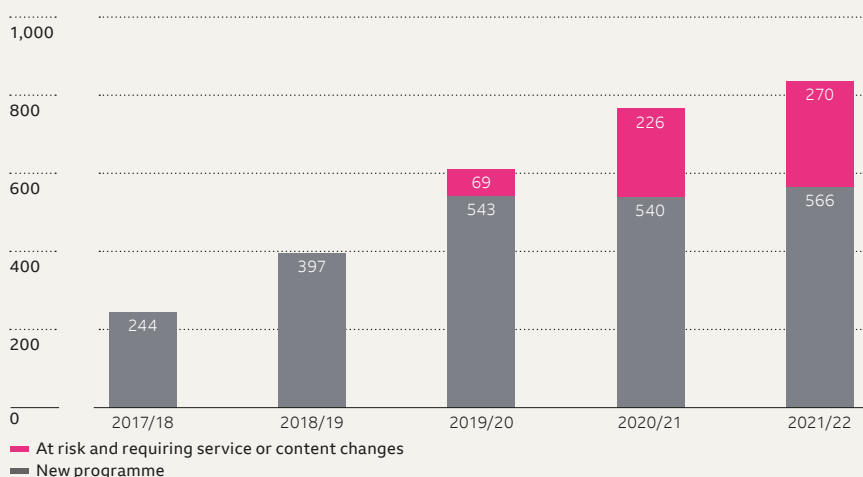
The Virtual Local Radio (ViLoR) project was completed in early 2019 which involved upgrading studio equipment and centralising background technology, introducing a new approach to making radio. The upgrade has made it easier to introduce software updates, new features and new capabilities across BBC local radio and to share audio across both local and network radio. OpenMedia, a new newsroom computer system, has been successfully rolled out across several regions and radio services and full transition will complete in the next year. OpenMedia is an upgrade on a news management system that had been in use at the BBC since the 1990s, and is designed for the modern newsroom allowing more flexible working and cross platform sharing.

Savings continue to be achieved across the major technology contracts, including over £30 million achieved in 2018/19, enabling further long-term efficiencies as our online media volume and capacity requirement grows.

EFFICIENCY SAVINGS

- £712 million of sustainable savings achieved during Delivering Quality First programme, which finished in April 2017.
- £397 million of sustainable savings achieved to date to address our future financial challenges.
- Over £800 million of savings targeted by 2022.

Ongoing savings, £m



Governance



p.98

BBC Board

The Board is responsible for ensuring the BBC fulfils its mission and public purposes as set out in the Charter.

This section looks in detail at the role of the BBC Board and includes reports from the Board's delegated sub-committees. The section also includes detail on our overall approach to corporate governance, our regulatory position and affirmation of the Board's duties in relation to the Annual Report.

p.122

Audit and Risk Committee Report

This reviews and maintains oversight of the BBC's corporate governance, particularly with respect to financial reporting, internal control and risk management.

p.102

Remuneration Report

This report sets out the BBC's remuneration policy for executive directors and details the annual remuneration received by the members of the BBC Board, Executive Committee and Commercial Holdings Board for the 2018/19 financial year.

p.133

Commercial Holdings Board

The Commercial Holdings Board oversees the BBC's commercial activities. It sets strategy in line with overall BBC Group company goals, agrees business plans and ensures compliance in regulatory and legal matters.

p.111

Pay disclosures

Under the terms of our Charter we are required to publish the names of people working for the BBC who are paid more than £150,000 from licence fee revenue.

p.134

Editorial Guidelines and Standards

The Editorial Guidelines and Standards Committee is responsible for content standards at the BBC.

BBC Board

The Board is responsible for ensuring the BBC fulfils its mission and public purposes as set out in the Charter.

The Board is constituted under the terms of the BBC's Royal Charter and Agreement. The Charter sets out the Board's responsibilities, its membership and the requirement for a number of Committees to support its work. The Board is responsible for the proper, effective and independent exercise of all the function of the BBC. It sets the strategic direction for the BBC and approves the creative remit and the budgets for the BBC's services.

The Board is chaired by Sir David Clementi and consists of up to ten non-executive directors – including the Chairman – and four executive directors, including the Director-General.

The Chairman and the four nations' non-executive directors are appointed by HM The Queen on the recommendation of Ministers. The remainder of the Board are appointed by the BBC, through the Board's Nominations Committee.

Full biographies of all Board members, including their other roles, can be found on the BBC's website: bbc.com/aboutthebbc/whoweare/bbcboard.

The Board delegates some of its responsibilities to a number of subcommittees. It is required to have a Remuneration Committee, a Nominations Committee and an Audit and Risk Committee. The work of these Committees is complemented by the work of a number of other Committees, established by the Board – these include the Fair Trading Committee, the Editorial Guidelines and Standards Committee and Committees for each of the four Nations of the UK. During the year, the Board also agreed to constitute the Commercial Holdings Board as a formal, subcommittee.



SIR DAVID CLEMENTI
Chairman



TONY HALL, LORD HALL OF BIRKENHEAD CBE
Director-General and Editor-in-Chief



SIMON BURKE
Non-executive director
Senior Independent Director
Chair, Audit and Risk Committee



TIM DAVIE CBE
Chief Executive, BBC Studios



TOM ILUBE CBE
Non-executive director
Chair, Fair Trading Committee



KEN MACQUARRIE
Director, Nations and Regions



DR ASHLEY STEEL
Non-executive director
Member for England



DAME ELAN CLOSS STEPHENS DBE
Non-executive director
Member for Wales
Chair, Commercial Holdings Board



**TANNI GREY-THOMPSON,
BARONESS GREY-
THOMPSON DBE**
Non-executive director



IAN HARGREAVES CBE
Non-executive director
Chair, Editorial Guidelines and
Standards Committee

This section includes reports from those committees, which are chaired by and predominantly made up of non-executive directors, as required by the Charter.

These pages show the membership of the Board as at June 2019.

During the year, the Nominations Committee approved one change to Board membership – Anne Bulford, Deputy Director-General, stepped down from the Board on 31 March 2019 and was replaced by Francesca Unsworth, Director of News and Current Affairs from 1 April 2019.

The Board member for Northern Ireland is yet to be appointed, pending the constitution of a new Northern Ireland Executive. In the absence of a member for Northern Ireland, the Committee for the nation is chaired by Ken MacQuarrie, Director of Nations and Regions.

Detail on members' attendance at Board and sub-committee meetings is set out on page 108.



STEVE MORRISON
Non-executive director
Member for Scotland



SIR NICHOLAS SEROTA CH
Non-executive director
Chair, Remuneration Committee

+ Find out more: bbc.com/aboutthebbc/whoware/bbcbboard



FRANCESCA UNSWORTH
Director, News and Current Affairs

Executive Committee

To support and implement the work of the Board, the Director-General chairs an Executive Committee, which is responsible for the day-to-day running of the BBC.

The Executive Committee is responsible for delivering the BBC's services, in accordance with the strategy agreed by the Board, and for all aspects of operational management.

The Executive Committee meets regularly and oversees key strategic projects and proposals of importance to the whole organisation. It takes regular reports on audience and financial performance, as well as maintaining oversight of pan-BBC HR and organisational design issues. It also discusses and approves all relevant papers discussed at the Board.

During the year, the membership of the Executive Committee expanded, to ensure representation of all significant areas of output, operations and management. Page 108 sets out changes to the Executive Committee during the year. Anne Bulford, Deputy Director-General, left the BBC in April 2019 and stood down

from the Committee on 31 March 2019. Since year end, two more members have been added to the Committee – Bob Shennan as Group Managing Director, and Group General Counsel Sarah Jones.

The members as at June 2019 were:

Tony Hall
Director-General

Kerris Bright
Chief Customer Officer

Tim Davie
CEO BBC Studios

Valerie Hughes-D'Aeth
Chief HR Officer

Glyn Isherwood
Chief Financial Officer

Sarah Jones
Group General Counsel

David Jordan
Director, Editorial Policy and Standards

Ken MacQuarrie
Director, Nations and Regions

Charlotte Moore
Director, Content

Matthew Postgate
Chief Technology and Product Officer

James Purnell
Director, Radio and Education

Gautam Rangarajan
Director, Strategy

Bob Shennan
Group Managing Director

John Shield
Director, Communications and Corporate Affairs

Clare Sumner
Director, Policy

Francesca Unsworth
Director, News and Current Affairs

 **Find out more:**
bbc.com/aboutthebbc/whoweare/exco

Next Generation Committee

The BBC Next Generation Committee (NGC) was established by the Director-General in late 2017 as a formal sub-committee of the Executive Committee. The Committee provides an advisory function to ensure younger people's voices and ideas are heard at executive director level.

The NGC is composed of 15 younger members of staff from across the organisation. Meeting on a monthly basis, the NGC's activity in 2018 focused primarily on efforts to attract, grow and retain young and diverse talent within the BBC, and to improve the BBC's performance with younger audiences.

The Committee worked on projects both big and small. These included a focus on apprentice pay, podcast commissioning, work experience opportunities for under-represented communities, and expanding an audience engagement scheme across the BBC. The NGC also established an employee network for younger members of staff to discuss and explore the particular challenges younger staff face and provide learning opportunities as well as a chance to meet like-minded people in a friendly and social environment.

All NGC members were paired with a mentor and gained invaluable insights into leadership and personal development.

Next Generation Committee members

For 2018	For 2019
Max Gogarty (Chair)	Hayley Reynolds (Chair)
Andrew Efah	Sowda Ali
Emma Gallacher	William Allott
Lucy Hancock	Tom Bell
Katherine Hardyment	Mairead Campbell
Seren Jones (joined June 2018)	Sarah Corker
Alex Lawless	Seren Jones
Mansha Manohar	Chinwe Kalu-Uma
Proinsias O'Coinn	Junior Kassim
Ryan Pasi (on sabbatical April-October 2018)	Jordan Kenny
Philip Raperport	Luke Mason
Kelsey Richards (retired February 2018)	Waseem Punnu
Camellia Sinclair	Jess Quayle
Charlie Slater	Owen Rawlings
Ione Wells (joined June 2018)	Ione Wells
Will Wilkin	
Georgie Yates	

Corporate Compliance Report

We comply with corporate governance best practice

The BBC's corporate governance framework is defined in its Charter and the accompanying Framework Agreement. The Charter and Agreement can be found on the BBC website at: <https://www.bbc.com/aboutthebbc/governance/charter>.

The Charter requires the BBC to have regard to generally accepted principles of good corporate governance. Although the BBC is not a listed company, it has opted to apply best practice and follow the provisions of the Financial Conduct Authority's Listing Rules and the Financial Reporting Council's 2016 UK Corporate Governance Code, where appropriate. This delivers the governance standards applicable to companies quoted on an EU-regulated stock market.

The BBC has fully complied with the corporate governance requirements of the Charter and Agreement and has also substantially complied with the 2016 UK Corporate Governance Code.

For 2019/20, the Financial Reporting Council's 2018 UK Corporate Governance Code will become voluntarily applicable to the BBC. Work is underway to ensure the BBC's continued compliance with corporate governance requirements and during 2018/19 an effectiveness review of the Chair, the Board and its Committees was conducted.

There are a number of components of the 2016 UK Corporate Governance Code that are either not appropriate to the circumstances of the BBC or where compliance with the BBC's Charter or Agreement overrides compliance with the 2016 UK Corporate Governance Code; these are set out below:

- Re-election of Directors (UK Corporate Governance Code principle B.7).
- Responsibility for making a recommendation on the appointment, reappointment and removal of the external auditors (UK Corporate Governance Code principle C.3.7).

In addition, as set out below, there are two areas where the 2016 UK Corporate Governance Code is not relevant to the BBC.

Make-up of remuneration (UK Corporate Governance Code principle D.1.1):

The BBC sets levels for executive remuneration that should be sufficient to attract, retain and motivate directors of the quality required to run the organisation successfully. However, this principle also requires aligning executive remuneration to the notion of enhancing shareholder value by making performance-related elements of remuneration a significant proportion of total remuneration. Due to the BBC's licence fee funding and its status as a public corporation, the BBC has determined that there should be no variable pay for any BBC Public Service executive director and bonuses are not paid. However, Tim Davie received an element of performance-related pay in his role as Chief Executive Officer of the BBC's commercial operation, BBC Studios.

Interaction with shareholders (UK Corporate Governance Code principles B.7.1, B.7.2, D.2.4 and section E):

The BBC is not a profit-oriented company with shareholders and so provisions relating to interaction with shareholders do not apply.

Cost of compliance

In order to ensure that we complied with all relevant legislation that the BBC is subject to as a broadcaster and a public body, in 2018/19 we incurred compliance costs estimated at £17 million (2017/18: £19 million). This figure includes the BBC's annual £11 million fee to Ofcom.

Regularity

The management of all of the BBC's resources must accord with the provisions of the Charter, Framework Agreement and other agreements the BBC enters into with Government Ministers. Transactions that meet the intended purposes and are in line with relevant authorities are considered to be 'regular'; those that do not meet these criteria are considered

'irregular'. Fraudulent transactions and fines or penalties are treated as 'irregular'. In addition to the NAO's review of regularity, Internal Audit conducted a review of the BBC's regularity compliance framework, including the processes, controls and assurance mechanisms in place to manage the regularity risk in areas assessed as being at greatest risk of irregularity. The scope of the review considered the appropriate use of licence fee money, the assessment of material changes, operating within borrowing limits and the risk of fraud.

As set out in detail in the Chief Financial Officer's Review on page 88 the Board has given careful consideration to issues surrounding the BBC's use of Personal Service Companies and the new legislation applied by HMRC to the public sector from 2017/18. A principles-based approach was approved by the Board that allows for tax and NIC settlement payments to be made to, or on behalf of, presenters who have previously been paid via intermediaries. The Board believes that this approach was the appropriate way to resolve historic issues with presenters around employment status. The Board acknowledges that this provision of £12 million is considered irregular because the BBC does not have a strict legal liability for the tax owed. Under the terms of the Charter all BBC expenditure must be for the BBC's intended purposes. Notwithstanding this, as the BBC's authorising body, the Board weighed up the issues and made the decision to approve the approach and expected cost on the basis that it offers the best value for money of the available settlement options and resolves the historic issues in a manner which is fair to all sides.

Remuneration Report

Chair's statement

During the past year, pay and reward at the BBC has been under scrutiny to an unprecedented degree. Internal and external attention has been – and rightly continues to be – rigorous and focused on issues of fairness, transparency and efficiency.

Managers and leaders in the BBC are faced with difficult challenges: achieving value for money, attracting and retaining the best creative talent and ensuring that new HR systems and frameworks are properly embedded in what are often complex areas. All this takes place under significant public scrutiny. Against this backdrop we, as a committee, recognise the achievement of managers and leaders at the BBC in continuing to address past issues while also delivering improvements that lead the way on transparency and fairness.

As the BBC moves towards clearer and more consistent pay frameworks, it has been our role to support, critique and monitor this work. Our formal remit covers executive directors – on whom this report is focused – and the wider senior leader population. However, we strongly support the Executive in believing that the core pay principles of fairness, consistency, clarity, transparency and competitiveness should apply to remuneration of all staff in the BBC group.

The facts bear out our view that remuneration at the BBC continues to be well managed:

- We have seen the BBC continue to lead the way in its gender pay gap approach, proactively monitoring remuneration levels and taking active steps to decrease the gap year-on-year. This is demonstrated in the published 2019 median figure of 6.7%, a reduction from 7.6% in 2018.
- Senior manager pay continues to be controlled, with the introduction of transparent market-informed job pay ranges for our 250 senior leaders, in order to deliver the BBC's pay principles to all employees. With quarterly scrutiny by the Committee, the senior manager population has continued to form less than 1.4% of the workforce, with the respective paybill at £36.4 million for 2019.

- The National Audit Office completed its value for money review of pay management in the BBC this year. The Committee was pleased to see that the report recognised the 'significant reforms' to pay transparency, consistency and working practices that have taken place in the last few years.

So whilst the picture across the BBC continues to improve, we have also sought to develop those areas specifically in our remit. In the last year, for example, we have debated and agreed a new policy for senior leader pay, set out in the pages that follow. And we continue to support the key principle of 'One BBC' – that pay and reward should facilitate movement of staff across the whole BBC group.

Indeed, on the commercial side of the group, this year we have continued to ensure that variable pay schemes are clearly focused on those who win business and develop returns to the licence fee, with bonus levels set with increasing stretch and a maximum payment that represents a smaller percentage of overall salary.

We are also delighted to see the improvements in the disclosure lists set out on pages 111-119, showing that the BBC is delivering on the commitments made by the Director-General last year: to equalise the gender split; to see more women higher up the list; and to ensure a better story on diversity. On each of these measures we have met the forecasts made last year and on each of these measures we expect the BBC to make further improvements in the coming year. We shall continue to monitor this closely.

Of course challenges remain – attracting and retaining the talent we need to be able to continue to lead broadcasting at a national and international level, delivering value for money to the licence fee payers and explaining our strategy during scrutiny from Parliament and other public bodies such as the Equality and Human Rights Commission.

But we should be proud of what has been achieved by the Executive this year – agreement on new terms and conditions of work across the Corporation, a closer working relationship with the unions, the findings of the two independent transparency reviews, the renewed focus on strong leadership, and the continuing

encouragement of a culture where staff can speak openly about their pay, can see how it compares to others and can feel comfortable asking questions about whether it is right. Few organisations would have been as open and willing to embrace these debates as the BBC.

As we move into the next year, I am grateful for the continued support of the committee members, Tanni Grey-Thompson and Steve Morrison, the former chair, who have both helped to ensure that we move towards a fairer and more transparent BBC. Our priorities will be to continue to ensure fair and equal pay for men and women across the Group, a reduction in the gender pay gap, better representation of women and people with disabilities and progress in achieving greater ethnic diversity in the senior leadership.

Above all, we hope to continue to support the Executive in addressing the challenges we face. This means delivering fair pay, value for money, great content and a BBC that continues to reward great work and make work a great reward.

.....
Nicholas Serota
 Chair

20 June 2019

Remuneration Report

This report sets out the BBC's remuneration policy for executive directors and senior leaders and details the annual remuneration received by the members of the BBC Board and Executive Committee for the 2018/19 financial year. This includes our annual disclosure of pay as set out in the BBC's Charter.

It has been prepared on the basis that the requirements of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2013 and Listing Rules apply to the BBC wherever these disclosure provisions are relevant. The sections on pensions and remuneration received by this group have been audited by the NAO, the BBC's statutory auditors.

The Remuneration Committee's constitution and operation

The Board's Remuneration Committee, since 1 April 2017, has been responsible for setting the remuneration strategy for the BBC Group and for all aspects of the remuneration of the Executive Committee and Board executive directors. Its members are non-executive directors: Tanni Grey-Thompson, Steve Morrison and Nicholas Serota. Steve Morrison was the Chair of the Committee until 31 July 2018 and Nicholas Serota was appointed as the new Chair from 1 August 2018.

The Board Remuneration Committee takes specialist advice from external professional advisers on some matters, particularly those relating to market practice. During the year, independent advice was received from Willis Towers Watson on matters related to executive remuneration and periodically in the form of market assessments.

The Committee makes sure that executive remuneration is aligned to the BBC's purpose and values. It ensures our arrangements are transparent and easily understood, and that remuneration levels are proportionate to contribution.

The Senior Manager Remuneration Committee (SMRC), established in September 2012, has responsibility for aligning the operational needs of the BBC within the strategic framework set by the Board. The SMRC has responsibility for approving any remuneration, compensation or benefit policy within the senior leader pay policy, which includes the review and approval of salaries for employees in the Public Service who earn over £75,000 per annum (full-time equivalent basis).

Board and Executive Committee membership

For the purposes of this report, executive directors are classed as those who sit on the Board along with the other members of the Executive Committee (see page 100 for details).

The BBC Board is supported by the Executive Committee, which is responsible for the operational leadership of the Corporation. Within the terms of the Charter, the Board is made up of ten non-executive directors (the Chairman, five BBC appointees and the four Nations representatives) and four executive members – see page 98 for more details.

The Executive Committee in 2018/19 was made up of 15 members:

- the four Board members, plus the Directors of Content, News and Current Affairs, Radio and Education, Chief HR Officer and the Chief Technology Officer, all of whom were members of the Executive Committee in 2017/18.
- Mark Linsey stepped down from the Executive Committee on 31 March 2018.
- During the year, there have been further changes, with new members joining the Executive Committee. On 1 April 2018, three new members joined the Executive Committee: John Shield as Director of Communications and Corporate Affairs, Clare Sumner as Director of Policy, and David Jordan as Director of Editorial Policy and Standards.
- Further joiners during 2018/19 have been as follows: Glyn Isherwood as Chief Financial Officer on 9 April, Gautam Rangarajan as Director of Strategy on 1 June, and Kerris Bright as Chief Customer Officer on 18 June.

BBC PAY PRINCIPLES

There has been a continued focus on pay at all levels of the BBC allied to an increased focus on fair pay. Several initiatives have been undertaken to ensure our pay principles are embedded throughout the organisation and to provide a framework in which fair and consistent pay decisions are taken.

1. Fair
2. Consistent
3. Transparent
4. Competitive
5. Clear

The BBC operates within a fast-changing market with intense competition for talent, and dramatic growth among some new media companies offering highly attractive packages. We therefore continue to balance market-competitive pay with the need to demonstrate value for money to the licence fee payer. This balance is reflected in market informed job pay ranges which, where external (market) factors support, continue to be discounted against market.

We believe that these pay principles ensure the BBC continues to be able to appeal to all those who are excited about the opportunities of working in public service broadcasting.

More detail on this can be found in the Our People section from page 76.

Senior Leadership Remuneration Policy

The Remuneration Committee is committed to setting appropriate levels of pay for executive directors that attract, motivate and retain the best people to lead the BBC and provide value for the licence fee payer. This year the Committee agreed that the BBC's pay principles should apply to all staff, executive directors and senior leaders, across the BBC Group. The Committee has agreed that these pay principles will apply as set out in the table on pages 107-108.

The BBC has extended its union-negotiated Career Path Framework to include an additional non-union negotiated career level band called SL (senior leaders). This includes job pay ranges for all the most senior jobs. In framing our pay policy the Committee gives full consideration to the best practice provisions of the UK Corporate Governance Code.

Executive directors and senior leaders are not entitled to the annual pay increase agreed with the Joint Unions and are not automatically entitled to any form of annual increment or progression payment. Pay decisions for executive directors can only be taken by the Remuneration Committee and pay decisions for senior leaders by the Senior Manager Remuneration Committee, to ensure consistency and fairness.

The BBC has undertaken several initiatives over the course of the year to ensure that it fully meets the ambitions set out in this policy. This includes the annual review of senior leaders' pay for 2017/18 and phased diminution of historic differences in approaches to pay and benefits between senior leaders and other staff e.g. replacement of private medical insurance benefit with a legacy allowance.

Component	Purpose and link to strategy	Operation	Maximum opportunity
Base pay	<p>For executive directors, base pay is defined by reference to the market median for total direct remuneration (salary, annual bonus and annualised long-term incentive). It is expected that this will result in remuneration being significantly discounted to market as no long term incentives are offered at the BBC.</p> <p>For senior leaders, job pay ranges are informed by market median total target cash (base salary, allowances and target bonus) guide pay decisions.</p> <p>No senior leader is paid below the job pay range minimum for their role, and pay ranges are transparent to both senior leaders and the wider BBC workforce.</p>	<p>The following factors are used to determine the level of base pay set for an executive director or senior leader:</p> <ul style="list-style-type: none"> — Scale and complexity of role — Knowledge, skills and experience — Performance and contribution — Market factors and affordability <p>Salaries are reviewed annually, with increases taking effect from 1 August. A budget is agreed and distributed according to the above factors.</p> <p>Pay ranges for senior leaders are reviewed annually and updated as required.</p>	<p>No prescribed maximum salary or maximum increase for executive directors.</p> <p>Senior leaders have job pay ranges with a minimum and maximum; where an individual is above the maximum of their pay range owing to legacy or commercial reasons then their pay will not increase further.</p>
Variable pay	<p>Executive directors and some senior leaders employed in the BBC's commercial businesses are eligible for a performance-related annual bonus. Such bonuses are wholly funded by the commercial businesses and not the licence fee. It is reward for the achievement of short-term strategic goals and profit growth.</p>	<p>Executive directors and senior leaders in the Public Service are not entitled to receive a performance bonus.</p> <p>Payments of a bonus in the BBC's commercial businesses are subject to the achievement of an overall target based on a mix of headline profit and cash flow for their business.</p>	<p>No executive director in the Public Service has received a bonus since 2008.</p> <p>For 2018/19, one executive director – CEO BBC Studios – participated in a bonus scheme. The incentive scheme has a target bonus of 40% and a maximum of 50%.</p>
Benefits – Pension	<p>Pensions are offered in accordance with the pension arrangements offered to all BBC employees.</p> <p>In addition to pensions, life assurance is provided in line with arrangements provided to all BBC employees.</p>	<p>Executive directors and senior leaders can elect to join the BBC's defined contribution scheme LifePlan.</p> <p>The BBC's defined benefit scheme is closed for new joiners.</p> <p>Executive directors are provided with death in service life assurance cover of four times their basic salary.</p>	<p>Current policy provides a defined contribution scheme with no salary cap and a maximum employer contribution of 10% of salary.</p> <p>Existing members of a defined benefit pension scheme are capped at the maximum salary for their pension scheme or are subject to a cap in pensionable salary growth.</p>

Component	Purpose and link to strategy	Operation	Maximum opportunity
Benefits – Car allowance	<p>In April 2012, the BBC removed the car allowance benefit for all new executive directors to ensure that future policy aligns with arrangements for all BBC employees.</p> <p>Car allowance benefit for senior leaders was removed in 2012 for all new starters.</p>	<p>David Jordan is in receipt of a legacy car allowance; no other executive director receives such an allowance.</p> <p>Some senior leaders are also still in receipt of a legacy car allowance.</p> <p>The Director-General is entitled to the use of a car and driver but has no entitlement to a personal car allowance or fuel allowance. The Chairman is subject to the same arrangements.</p>	<p>There is no prescribed maximum as this is an historic benefit which has not been offered to new starters since 2012.</p>
Benefits – Private Medical Insurance (PMI)	<p>In April 2011, the BBC removed the private health care benefit for all new executive directors and senior managers and aligned to arrangements for all BBC employees.</p> <p>Following consultation, it has been agreed to remove the PMI benefit for executive directors and senior leaders from 1 April 2019.</p>	<p>Executive directors who elected to take up funded private medical insurance in 2018/19 were: Tim Davie, Ken MacQuarrie, Gautam Rangarajan, Charlotte Moore and Francesca Unsworth. Executive directors will receive a legacy allowance in lieu of PMI from 1 April 2019.</p>	<p>The maximum level of cover offered is family cover.</p> <p>This is an historic benefit.</p>
Employment contracts and severance	<p>Employment contracts of executive directors have a maximum notice period of six months, but are subject to earlier termination for cause.</p>	<p>There is no contractual entitlement to any additional remuneration in the event of early termination other than in the case of termination for reason of redundancy.</p>	<p>In the event of redundancy, all executive directors are entitled to payments equal to one month per year served up to maximum payment of £150,000.</p>
Other remuneration	<p>There is no entitlement to any other remuneration, so no such payments were made in the year.</p>	<p>Should any additional remuneration be proposed, full consideration is given to the reputational risk to the BBC and any such payment would require the approval of the Remuneration Committee, prior to implementing.</p>	<p>There is no prescribed maximum.</p>

Pension

Executive directors who joined the BBC before 1 December 2010 are eligible to continue to participate in the BBC Pension Scheme ('the Scheme'), which provides for pension benefits on a defined benefit basis. Executive directors who joined the BBC on or after 1 December 2010 are eligible to join LifePlan, which is the BBC's defined contribution arrangement. The BBC pays matching contributions to LifePlan for employee contributions between 4% and 5%. Employee contributions between 6% and 7% are matched plus an additional 1%. Employee contributions of 8% or more receive the maximum employer contribution of 10%. There is no maximum pensionable salary for contributions to LifePlan.

Executive directors who decide not to join LifePlan or are not already an existing member of the Scheme are, subject to meeting the relevant criteria, automatically enrolled into the National Employment Savings Trust (NEST). The BBC paid 2% and employees paid 3% of qualifying earnings to NEST in 2018/19 in line with statutory requirements. Individuals can choose to opt out of this.

Executive directors' pension arrangements may be reviewed and amended in response to changes in legislation or similar developments.

Features of the BBC's pension arrangements that our executive directors participate in alongside other BBC employees are provided in the table below.

Details of the BBC Pension Scheme are available at: bbc.co.uk/mypension/.

Scheme	BBC Pension Scheme defined benefit				LifePlan defined contribution	National Employment Savings Trust (NEST) defined contribution (auto enrolment arrangement)
	Old benefits	New benefits	CAB 2006	CAB 2011		
Date closed	30 September 1996	31 October 2006	30 November 2010	1 January 2012	Open to all eligible employees	Open to all eligible employees
Accrual	60ths accrual	60ths accrual	1.67% accrual Adjusted in line with inflation	1.67% accrual Adjusted in line with CPI	BBC will contribute a maximum of 10% of salary if employee contributes 8% with lower sliding scale	BBC will contribute 2% of qualifying earnings (2018/19)
Salary	Final pensionable	Final pensionable	Career average revalued earnings	Career average revalued earnings		
Normal pensionable age	60	60	65	65	N/A	N/A
Earnings cap	Joined before 1 June 1989 uncapped, capped otherwise at £160,800	Capped at £160,800	Capped at £160,800	Capped at £150,600	Uncapped	Minimum earnings £6,032 p.a. Maximum earnings £46,350 p.a. (2018/19)
Pensionable salary growth before the earnings cap is applied	Limited at 1% p.a.	Limited at 1% p.a.	Limited at 1% p.a.	No restriction	N/A	N/A
Employee contribution (% of pensionable salary)	7.50%	7.50%	4%	6%	Minimum employee contribution is 4%	3% of qualifying earnings (2018/19)

BBC Board Annual Remuneration Report

Annual remuneration of the BBC Board and Executive Committee – detail of remuneration received

The table below provides full details of the remuneration received by all BBC Board members for 2018/19. The Board was first constituted on 3 April 2017 under the implementation of the 2016 Charter and Agreement, which set out new governance arrangements for the BBC.

Steve Morrison was the Chair of the Remuneration Committee until 31 July 2018; Nicholas Serota assumed this role from 1 August 2018. Details of the chairs of each of the various BBC committees can be found on page 98-99. Each Chair receives £5,000 per annum in addition to their base fees. These fees are included in the table below. All fees are shown pro-rata where appropriate.

BBC Board

Details of remuneration received (values in £000s)

	Appointment term start date	Appointment term end date	Year	Fees/ base pay	Taxable benefits*	Pension-related single figure	Performance related	Total
Non-executive directors								
David Clementi**	16/02/2017	16/02/2021	2018/19	£100	£13	£0	£0	£113
			2017/18	£100	£14	£0	£0	£114
Simon Burke	03/04/2017	03/07/2019	2018/19	£38	£0	£0	£0	£38
			2017/18	£37	£0	£0	£0	£37
Tanni Grey-Thompson	03/04/2017	02/04/2021	2018/19	£33	£0	£0	£0	£33
			2017/18	£33	£0	£0	£0	£33
Ian Hargreaves	03/04/2017	02/04/2020	2018/19	£38	£0	£0	£0	£38
			2017/18	£37	£0	£0	£0	£37
Tom Ilube	03/04/2017	02/04/2020	2018/19	£38	£0	£0	£0	£38
			2017/18	£37	£0	£0	£0	£37
Steve Morrison***	03/04/2017	02/04/2021	2018/19	£40	£0	£0	£0	£40
			2017/18	£37	£0	£0	£0	£37
Nicholas Serota	03/04/2017	02/04/2021	2018/19	£36	£0	£0	£0	£36
			2017/18	£33	£0	£0	£0	£33
Ashley Steel	03/04/2017	02/04/2020	2018/19	£38	£0	£0	£0	£38
			2017/18	£33	£0	£0	£0	£33
Elan Closs Stephens	20/07/2017	19/07/2020	2018/19	£38	£0	£0	£0	£38
			2017/18	£23	£0	£0	£0	£23
Total non-executive directors			2018/19	£399	£13	£0	£0	£412
			2017/18	£370	£14	£0	£0	£384
Executive directors								
Tony Hall**	03/04/2017	n/a****	2018/19	£450	£25	£0	£0	£475
			2017/18	£450	£30	£0	£0	£480
Anne Bulford	03/04/2017	31/03/2019	2018/19	£435	£0	£0	£0	£435
			2017/18	£435	£0	£0	£0	£435
Tim Davie*****	03/04/2017	02/04/2021	2018/19	£400	£2	£40	£200	£642
			2017/18	£400	£2	£41	£248	£691
Ken MacQuarrie	03/04/2017	02/04/2021	2018/19	£325	£2	£0	£0	£327
			2017/18	£250	£2	£0	£0	£252
Total executive directors			2018/19	£1,610	£29	£40	£200	£1,879
			2017/18	£1,535	£34	£41	£248	£1,858
Total Board			2018/19	£2,009	£42	£40	£200	£2,291
			2017/18	£1,905	£48	£41	£248	£2,242

* Taxable benefits: car allowance, private medical insurance and other taxable expenses.

** The Chairman and Director-General are entitled to a car and driver but have no entitlement to a personal car allowance or fuel allowance. During 2017/18 and 2018/19 access to these arrangements has also been made available to all other executive directors on a shared basis.

*** Steve Morrison chaired both the Remuneration and Scottish Nations Committees during the year, receiving additional Chair fees in respect of both these positions.

**** The role of Director-General is a permanent member of the Board.

***** Tim Davie's role as CEO, BBC Studios is funded entirely by the BBC's commercial revenues and not paid for, or subsidised by, the licence fee. Payment of any bonus is subject to the achievement of an overall headline profit and cash for that subsidiary, with targets approved by the Remuneration Committee. The performance-related remuneration relates to the amount earned in the year.

The table below provides full details of the remuneration received by all BBC Executive Committee members for 2018/19, compared to the previous year. Remuneration for members shown below relates solely to the period of time when they served on the Executive Committee. For full annual amounts, please refer to the Disclosures section on page 111.

Total Executive Committee remuneration for 2018/19 has risen since 2017/18, due to the increased membership of the Committee in the year (15 members, compared to ten members in 2017/18).

BBC Executive Committee members

Details of remuneration received (values in £000s)

	Date appointed to Committee	Year	Base pay	Taxable benefits	Pension related single figure**	Performance related	Total
Tony Hall	02/04/2013	2018/19	£450	£25	£0	£0	£475
		2017/18	£450	£30	£0	£0	£480
Anne Bulford	21/06/2013	2018/19	£435	£0	£0	£0	£435
		2017/18	£435	£0	£0	£0	£435
Tim Davie*	01/11/2012	2018/19	£400	£2	£40	£200	£642
		2017/18	£400	£2	£41	£248	£691
Ken MacQuarrie	22/09/2016	2018/19	£325	£2	£0	£0	£327
		2017/18	£250	£2	£0	£0	£252
Charlotte Moore	06/07/2016	2018/19	£370	£2	£32	£0	£404
		2017/18	£333	£2	£36	£0	£371
Clare Sumner***	01/04/2018	2018/19	£170	£0	£17	£0	£187
		2017/18	–	–	–	–	–
David Jordan***	01/04/2018	2018/19	£171	£8	£0	£0	£179
		2017/18	–	–	–	–	–
Francesca Unsworth	01/01/2018	2018/19	£340	£2	£0	£0	£342
		2017/18	£85	£0	£0	£0	£85
Gautam Rangarajan***	01/06/2018	2018/19	£146	£1	£26	£0	£173
		2017/18	–	–	–	–	–
Glyn Isherwood***	09/04/2018	2018/19	£318	£0	£0	£0	£318
		2017/18	–	–	–	–	–
James Purnell	19/03/2013	2018/19	£315	£0	£3	£0	£318
		2017/18	£295	£0	£25	£0	£320
John Shield***	01/04/2018	2018/19	£218	£0	£1	£0	£219
		2017/18	–	–	–	–	–
Kerris Bright***	18/06/2018	2018/19	£283	£0	£0	£0	£283
		2017/18	–	–	–	–	–
Matthew Postgate	01/04/2016	2018/19	£310	£0	£31	£0	£341
		2017/18	£310	£0	£34	£0	£344
Valerie Hughes-D'Aeth	01/08/2014	2018/19	£310	£0	£0	£0	£310
		2017/18	£310	£0	£0	£0	£310
<i>Remuneration relating to former Executive Committee members****</i>		2017/18	£623	£2	£76	£136	£837
Total Executive Committee		2018/19	£4,561	£42	£150	£220	£4,953
		2017/18	£3,491	£38	£212	£384	£4,125

* Tim Davie's role as CEO, BBC Studios is funded entirely by the BBC's commercial revenues and not paid for, or subsidised by, the licence fee. Payment of any bonus is subject to the achievement of an overall headline profit and cash for that subsidiary, with targets approved by the Remuneration Committee.

** Employee pension contributions are ordinarily made via a salary sacrifice arrangement as an employer contribution, with a corresponding reduction in salary. Base salaries for executive directors have not been adjusted to reflect the impact of salary sacrifice to enable like-for-like comparison with prior years before salary sacrifice was introduced. The pension-related single figure is generally calculated at 20 times the increase in the accrued pension over the year net of inflation, less the directors' defined benefit contributions, plus the employer's defined contributions. This is also shown in detail in the defined benefits pension prospective entitlements table.

*** John Shield, Clare Sumner and David Jordan joined the Executive Committee on 1 April 2018, and Gautam Rangarajan joined the Executive Committee on 1 June 2018. Therefore no figures are reported for the 2017/18 period; Glyn Isherwood and Kerris Bright were appointed to the BBC in April and June 2018 respectively and therefore received no remuneration in 2017/18.

**** Remuneration relates to Mark Linsey and James Harding, who stepped down from the Executive Committee during 2017/18.

Total remuneration – Board and Executive Committee

There has been an increase in the overall total annual remuneration for the Board and Executive Committee in 2018/19, predominantly as a result of the increase in membership of the Executive Committee in 2018/19 to 15 members (previously ten in 2017/18).

Total remuneration (values in £000s)	2018/19	2017/18
Total Executive Committee (including Board executive directors)	£4,953	£4,125
Board non-executive directors	£412	£384
Total annual remuneration	£5,365	£4,509

Defined benefit pension prospective entitlements (values in £000s)

	Age at 31 March 2019	Section	Accrued pension 31 March 2019 (or retirement/ leaving the Board if earlier)	Accrued pension 1 April 2018 (or joining the Board if after)	Director DB contributions (via salary sacrifice) 2018/19	Pension-related single figure
Tim Davie	51	CAB 2011	18	15	9	40
Charlotte Moore	50	New benefits	31	28	11	32
Matthew Postgate	44	New benefits	35	32	11	31
Francesca Unsworth	61	Old benefits	117	114	9	0
Gautam Rangarajan	47	CAB 2011	17	15	8	26

Notes:

Tim Davie is an active member of the CAB 2011 section from January 2012 and retains a deferred benefit in the new benefits section for service up to that date. The accrued pension shown relates to CAB 2011 only.

Charlotte Moore joined the BBC on 1 May 2006. The pension figures shown include the period before she was appointed as an executive director.

Matthew Postgate joined the BBC on 1 June 2005. The pension figures shown include the period before he was appointed as an executive director.

Francesca Unsworth joined the BBC in 1983. The pension figures shown include the period before she was appointed as an executive director.

Gautam Rangarajan joined the BBC in 1993 and was appointed as an executive director on 1 June 2018. The pension figures shown include the period before he was appointed as an executive director. He is an active member of the CAB 2011 section from January 2012 and retains a deferred pension in the old benefits section for service up to that date. The accrued pension shown relates to CAB 2011 only.

Comparative pay across the BBC

In 2011 the BBC voluntarily agreed to report the top to median public service earnings multiple as proposed in the Hutton report 'Fair Pay in the Public Sector'. Since 2011 the BBC has published these figures on an annual basis.

The table below provides a summary of the Director-General to BBC staff median earnings and executive directors to median earnings figures since 2011. The sample group for the executive directors group has changed since 2017/18 following the expansion of the Executive Committee membership in 2018/19.

The Public Service staff median has changed from 10.7 to 10.2 in 2018/19.

	2019	2018	2017	2016	2015	2014	2013	2012	2011
Director-General earnings	10.2	10.7	10.2	10.4	10.7	10.9	11	16.5	16.8
Executive directors' median earnings	7.0	7.7	7.7	8.19	8.2	8.2	8.1	8.7	8.9

Notes:

Earnings calculation includes: basic pay, bonus, continuing allowances, overtime and other non-continuing allowances. Median earnings figures are calculated using Director-General and executive directors' annual salaries.

These figures exclude roles which are funded entirely by the BBC's commercial operations, such as the CEO, BBC Studios.

The table below provides a summary of the changes to the Director-General's cash earnings for 2018/19 versus the change in pan-BBC median earnings over the same period. There have been no changes to the Director-General's remuneration in 2018/19.

	2018/19 (values in £000s)	Change from 2017/18
Director-General earnings	£450	0%
Pan-BBC median earnings	£44	5%

Severance

No severance was paid to executive directors during the year ended 31 March 2019.

Outside interests

With the prior agreement of the Director-General, executive members of the BBC Board may hold remunerated external directorships. The prime purpose of the external directorship should be to support personal and career development and thereby give back to the BBC.

Remuneration which arises from external directorships may be retained by the individual, but is subject to formal approval. Executive directors may also hold non-remunerated posts outside the BBC. No more than one to two days per month are permitted to fulfil all external duties.

During the year, one executive director held another remunerated external directorship, where fees were waived.

The BBC's commercial businesses

During 2018/19, the BBC had staff employed with three main commercial subsidiaries:

- BBC Studios
- BBC Studioworks
- BBC Global News

Remuneration within the commercial subsidiaries is subject to the BBC's governance and approval processes. The remuneration policy for the subsidiaries includes the contractual provision of an annual bonus available to eligible staff, including directors, and it varies between commercial entities. The full cost of base pay and annual bonus are self-funded by the commercial revenues of each subsidiary company and are not subsidised by the licence fee.

BBC Studios Company Bonus Scheme

The Remuneration Committee has oversight of the design and outturn of the BBC Studios Company Bonus Scheme. The 2018/19 scheme was built on two key measures:

- EBITDA, weighted 66.6%; and
- free cash flow, weighted at 33.3%.

Targets are set to ensure the achievement of the long-term business strategy for BBC Studios, and for 2018/19 incorporated 5% growth at target, and 10% growth at maximum.

All figures below in £ millions.

	Threshold	Target	Maximum
EBITDA	£144	£151	£158
Free cash flow	£110	£116	£127

Participation is limited to senior roles in key commercial areas, with threshold, target and maximum individual percentages set by grade. For the CEO, BBC Studios, the achievement of the targets above results in the following individual payments, subject to Remuneration Committee discretion and approval:

	Threshold	Target	Maximum
Bonus as % of salary	16%	40%	50%

2018/19 results

For 2018/19, the Remuneration Committee assessed the outturn of the BBC Studios bonus as above as BBC Studios exceeded the targets for both EBITDA and free cash flow in 2018/19. This resulted in a bonus payment of 50% (£200,000) to the CEO, BBC Studios in respect of the year's performance.

Pay disclosures

Projected 55:45 male:
female split of on-air
talent in 2019/20

20% BAME
representation
achieved on-air

Reduction in
numbers of men
earning over £500k

2018/19 – delivering on our commitments

Last year we published our second disclosure list, showing all those paid over £150,000 from licence fee funds within the year, as required by our Charter. In doing so, we provided more transparency on pay levels – using £10,000 bands instead of £50,000 and providing a breakdown of overall work conducted for each individual – and also set out a snapshot of how we expected the list to change over the course of 2018/19. This included ambitious targets to improve further the mix and balance of our highest paid on-air talent in the public service.

This year we publish our third list which shows we have made strong progress against those ambitions:

- we have met all the targets we forecast for ourselves last year, with our gender balance now showing a 60:40 male/female split over the year, compared to 76:24 in 2016/17, and with BAME levels on the list up at 20%;
- we are providing yet more transparency overall with a move to £5,000 bands, as recommended by Will Hutton in his transparency review; and
- our snapshot for where we stand today shows that we will make further significant progress in what we report at the end of 2019/20, with a projected gender split of 55:45 as of June 2019.

The data shows how far the BBC has come in improving female representation among our highest paid on-air stars – a huge transformation from the 76:24 split when we first published the data two years ago for 2016/17. Put together with our further significant reduction in the gender pay gap this year (see: bbc.com/aboutthebbc/reports/reports for more details) and our ground-breaking 50:50 project which is changing the look and feel of our coverage at all levels – not just the highest paid few – these changes tell a very clear story of a BBC committed to fair pay and taking action ahead of most in the media industry and the UK as a whole.

2018/19 results

In the following pages, we set out details of those individuals who received more than £150,000 from licence fee revenue. The Charter requirement is simply to publish amounts paid during the year, for these individuals, set out in bands. We are going beyond that requirement by publishing more detail of the work that on-air individuals did for the remuneration they received.

It is worth noting that, both on-air and off, we are operating in extremely competitive markets, as some recent high-profile departures have shown. This is particularly the case in some of the media markets in which we compete for creative and production-related talent, where pay inflation sits well above the UK median of 3%. This pressure, taken with the fixed £150,000 entry point to the list, suggests that more individuals will appear on these lists over time. Were the threshold for inclusion to be linked to inflation, we would expect the numbers on the list to be broadly flat over time. Nevertheless, as in previous years, we will continue to monitor and aim to reduce our total senior leader and on-air paybill as a whole.

Priorities for next year

Over the coming year, we will continue to focus on improving the balance in these lists – our snapshot shows that we aim to be at a 55:45 male/female split across 2019/20 for on-air roles and we will continue to push this toward an even distribution. We will also maintain our aim for BAME talent to make up at least 20% of the list.

In projecting pay for 2019/20, we are making some assumptions about the pattern of work throughout the next nine months. We have relied on contractual commitments, pay data from June 2019 and any publicly known changes to programmes, roles and schedules. Given the provisional nature of this snapshot data, this table has not been audited by the National Audit Office but has been subject to internal audit assurance procedures.

Report from the BBC Remuneration Committee of people paid more than £150,000 of licence fee revenue in the financial year

Under the terms of our Charter, we are required to publish the names of individuals working for the BBC, paid more than £150,000 from licence fee revenue in the financial year, set out in pay bands. These are shown by category: News, Radio, Sport, and presenters who work regularly across multiple parts of the BBC including Television. These figures also include payments from licence fee revenue made to individuals working under a contract for services. These figures exclude any recharges, amounts paid, and investments into programmes made by our commercial entities – for example BBC Studios. Payments made by independent producers, royalties, repeat fees, contractual and other recoverables and expenses are also excluded. Programme commitments have been drawn from contractual commitments or other patterns of work, and have been stated to the nearest 10. These have been consistently disclosed for each principal programme or genre. Single episodes have been excluded, unless this represents a significant part of an individual's work.

Summary of on-air talent paid more than £150,000 from licence fee revenue, including 2019/20 snapshot

	2017/18		2018/19		2019/20 Snapshot	
	Number	%	Number	%	Number	%
Men						
£150,000 – £199,999	16		16		15	
£200,000 – £299,999	11		16		15	
£300,000 – £399,999	3		7		5	
£400,000 – £499,999	7		3		4	
£500,000+	5		3		2	
Women						
£150,000 – £199,999	12		13		15	
£200,000 – £299,999	8		13		12	
£300,000 – £399,999	2		4		3	
£400,000 – £499,999	–		–		2	
£500,000+	–		–		1	
Totals						
Total Men	42	66%	45	60%	41	55%
Total Women	22	34%	30	40%	33	45%
Total	64	100%	75	100%	74	100%
Of which BAME	10	16%	15	20%	14	19%

Detailed on-air talent pay tables

Principal programme	Name	Programme commitments	Pay
News and Current Affairs			
<i>Today</i>	Nick Robinson	c.140 programmes c.55 episodes of <i>Political Thinking</i> 1 episode of <i>Panorama</i> and <i>NHS at 70</i> News Specials	£290,000 - £294,999
	John Humphrys	c.140 programmes	
	Mishal Husain	c.100 programmes c.40 days for BBC News bulletins 12 episodes of <i>From Our Home Correspondent</i>	£255,000 – £259,999
	Martha Kearney	c.140 programmes	£245,000 – £249,999
	Justin Webb	c.150 programmes	
<i>World at One</i>	Sarah Montague	c.140 programmes c.10 episodes of <i>HARDtalk</i>	£240,000 – £244,999
<i>PM</i>	Evan Davis	c.70 programmes c.60 days for <i>Newsnight</i> <i>The Bottom Line</i> on Radio 4	£275,000 – £279,999
	Eddie Mair	c.70 programmes	£155,000 – £159,999

Principal programme	Name	Programme commitments	Pay
<i>BBC News at Six</i> and <i>BBC News at Ten</i>	Huw Edwards	c.180 presentation days for BBC One & News Channel Elections and News Specials	£490,000 – £494,999
	George Alagiah	c.180 presentation days for BBC One	£315,000 – £319,999
	Sophie Raworth	c.150 presentation days for BBC One	£265,000 – £269,999
<i>Question Time</i>	Fiona Bruce	c.100 presentation days for BBC One c.10 episodes of <i>Question Time</i>	£255,000 – £259,999
<i>The Andrew Marr Show</i>	Andrew Marr	c.40 programmes c.20 editions of <i>Start the Week</i> BBC Documentaries	£390,000 – £394,999
<i>Newsnight</i>	Emily Maitlis	c.120 days for <i>Newsnight</i>	£260,000 – £264,999
<i>Victoria Derbyshire</i>	Victoria Derbyshire	Lead presenter on <i>Victoria Derbyshire</i>	£215,000 – £219,999
BBC News Channel	Clive Myrie	BBC News Channel, BBC One bulletins and location work	£200,000 – £204,999
	Reeta Chakrabarti	BBC News Channel, BBC One bulletins and location work	£170,000 – £174,999
	Ben Brown	BBC News Channel, BBC One bulletins and location work	£165,000 – £169,999
	Jane Hill	BBC News Channel, BBC One bulletins and location work	£155,000 – £159,999
	Joanna Gosling	BBC News Channel and BBC One bulletins Cover for <i>Victoria Derbyshire</i>	£150,000 – £154,999
BBC Radio News	Tina Daheley	<i>Radio 2 Breakfast Show</i> , <i>Newsbeat</i> and <i>Beyond Today</i> BBC One bulletin and <i>BBC Breakfast</i> cover c.40 episodes of <i>The Cultural Frontline</i> 1 episode of <i>Panorama</i> Cover for <i>Woman's Hour</i>	£185,000 – £189,999
<i>BBC Breakfast</i>	Louise Minchin	c.180 programmes <i>Triathlon: World Series</i>	£205,000 – £209,999
	Naga Munchetty	c.180 programmes	£190,000 – £194,999
	Charlie Stayt	c.180 programmes	
On-air editors and correspondents	Laura Kuenssberg	Political Editor	£250,000 – £254,999
	Jon Sopel	North America Editor	£240,000 – £244,999
	Jeremy Bowen	Middle East Editor	£215,000 – £219,999
	Amol Rajan	Media Editor c.40 episodes of <i>The Media Show</i> ; c.10 episodes of <i>Start the Week</i> and cover on BBC Radio 2 BBC Television and Radio Documentaries	£210,000 – £214,999
	Katya Adler	Europe Editor	£205,000 – £209,999
	Fergal Keane	Africa Editor	£195,000 – £199,999
	Mark Easton	Home Editor	£180,000 – £184,999
	James Naughtie	Presenter and Correspondent	£170,000 – £174,999
	Simon Jack	Business Editor	
	John Pienaar	Deputy Political Editor and <i>Pienaar's Politics</i>	£160,000 – £164,999
	Sarah Smith	Scotland Editor and <i>Sunday Politics</i>	
	Orla Guerin	International Correspondent	

PAY DISCLOSURES

Principal programme	Name	Programme commitments	Pay
Radio			
BBC Radio 1	Nick Grimshaw	c.80 editions of Radio 1 Breakfast Show c.110 editions of Radio 1 Drivetime Show <i>Biggest Weekend</i> and festival coverage	£310,000 – £314,999
	Scott Mills	c.210 editions of <i>The Scott Mills Show</i> Radio 1 Breakfast Show cover <i>Biggest Weekend</i> and festival coverage <i>Eurovision Song Contest</i>	£285,000 – £289,999
	Greg James	c.120 editions of Radio 1 Breakfast Show c.60 editions of Radio 1 Drivetime Show <i>Radio 1 Teen Awards</i> <i>Biggest Weekend</i> and festival coverage	£225,000 – £229,999
	Annie Mac	c.220 editions of <i>The Annie Mac Show</i> <i>Biggest Weekend</i> and festival coverage	£180,000 – £184,999
	Clara Amfo	c.190 editions of Radio 1 Mid Morning Show	£150,000 – £154,999
BBC Radio 2	Chris Evans	c.150 editions of <i>The Chris Evans Breakfast Show</i>	£1,250,000 – £1,254,999
	Steve Wright	c.220 editions of <i>Steve Wright in the Afternoon</i> c.50 editions of <i>Sunday Love Songs</i>	£465,000 – £469,999
	Zoe Ball	c.30 editions of <i>The Zoe Ball Breakfast Show</i> c.40 editions of Radio 2 <i>Saturday Afternoon Show</i>	£370,000 – £374,999
	Jeremy Vine	Daily show on Radio 2	£290,000 – £294,999
	Ken Bruce	c.220 editions of Radio 2 Mid Morning Show c.10 editions of <i>Friday Night is Music Night</i> <i>Eurovision Song Contest</i>	£280,000 – £284,999
	Jo Whiley	c.150 editions of Radio 2 Drivetime Show c.50 editions of Radio 2 Evening Show	£270,000 – £274,999
	Simon Mayo	c.150 editions of Radio 2 Drivetime Show c.40 editions of <i>Kermode and Mayo on 5 live</i>	£245,000 – £249,999
	Sara Cox	c.100 editions of Radio 2 Late Night Show c.50 editions of Radio 2 Teatime Show Radio 2 Breakfast cover c.10 editions of <i>Sounds of the 80s</i>	£235,000 – £239,999
	Trevor Nelson	c.80 editions of <i>Rhythm Nation</i> c.80 Weekend Shows on 1Xtra	£165,000 – £169,999
	BBC Radio 5 live	Nicky Campbell	c.200 editions of 5 live Breakfast Show c.200 editions of <i>Your Call</i>
Adrian Chiles		c.40 editions of <i>Chiles on Friday</i> c.40 editions of <i>Question Time Extra Time</i> c.20 other shows on 5 live and Radio 4 1 episode of <i>Panorama</i> <i>Christine and Adrian's Friendship Test</i>	£180,000 – £184,999
Nihal Arthanayake		c.190 editions of 5 live Early Afternoon Show c.40 editions of <i>The Big Debate</i> on Asian Network Radio 6 Music cover	£175,000 – £179,999
Rachel Burden		c.230 editions of 5 live Breakfast Show Cover for <i>BBC Breakfast & Your Call</i>	£170,000 – £174,999
Dotun Adebayo		c.160 editions of <i>Up All Night</i> c.190 editions of the Late Night Show on Radio London c.50 editions of <i>Dotun on Sunday</i> on Radio London	£150,000 – £154,999

Principal programme	Name	Programme commitments	Pay
BBC 6 Music	Lauren Laverne	c.140 editions of 6 Music Mid Morning Show c.60 editions of 6 Music Breakfast Show c.40 editions of <i>Recommends</i> c.30 editions of <i>Desert Island Discs</i> on Radio 4	£305,000 – £309,999
	Shaun Keaveny	c.160 editions of 6 Music Breakfast Show c.50 editions of 6 Music Afternoon Show	£160,000 – £164,999
Multiple stations	Vanessa Feltz	c.200 editions of Radio 2 Early Breakfast Show c.220 editions of Radio London Breakfast Show Radio 2 cover	£355,000 – £359,999
	Stephen Nolan	c.210 editions of <i>The Nolan Show</i> on Radio Ulster c.10 editions of <i>Nolan Live</i> on BBC 1 (NI) c.120 editions of 5 live Late Night Shows	£325,000 – £329,999
	Mark Radcliffe	c.200 editions of <i>Radcliffe and Maconie</i> c.50 editions of the <i>Folk Show</i>	£155,000 – £159,999
Sport			
Men's football	Gary Lineker	<i>Match of the Day</i> : Premier League and FA Cup <i>Sports Personality of the Year</i> FIFA World Cup	£1,750,000 – £1,754,999
	Alan Shearer	<i>Match of the Day</i> : Premier League and FA Cup FIFA World Cup	£440,000 – £444,999
	Jermaine Jenas	<i>Match of the Day</i> : Premier League and FA Cup FIFA World Cup	£210,000 – £214,999
	Ian Wright	<i>Match of the Day</i> : Premier League and FA Cup 5 live Sport	£205,000 – £209,999
Cricket	Jonathan Agnew	International test, one-day and Twenty20 series BBC Cricket Correspondent	£170,000 – £174,999
Tennis	Sue Barker	Wimbledon, Queen's, ATP World Tour Finals Australian Open <i>Sports Personality of the Year</i>	£195,000 – £199,999
	John McEnroe	Wimbledon	£190,000 – £194,999
Multiple sports	Gabby Logan	Athletics <i>Premier League Show</i> , FIFA World Cup and other football Rugby Autumn Internationals and Six Nations Commonwealth Games European Sports Championships <i>Sports Personality of the Year</i>	£290,000 – £294,999
	Mark Chapman	Twice weekly editions of 5 live sport Weekly Premier League highlights and <i>MOTD 2 Extra</i> Rugby League FIFA World Cup NFL	£230,000 – £234,999
	Clare Balding	Commonwealth Games Wimbledon European Sports Championships Equestrian <i>Sports Personality of the Year</i>	£175,000 – £179,999

Multiple genres and Television

There are a small number of individuals who have pre-existing multi-year relationships with BBC commissioning. Payments from BBC Studios have been removed from the disclosure, and they may also receive payments from independent producers. We also include in this section presenters who spend close to 50% of their time in more than one of TV, Radio, News and Sport.

Principal programme	Name	Programme commitments	Pay
Television	Mary Berry	BBC TV fee for a range of programmes and series	£195,000 – £199,999
Radio and Sport	Jason Mohammad	Daily Radio Wales programme Weekly 5 live programmes <i>Final Score</i> , FIFA World Cup and other football Snooker Commonwealth Games <i>Good Morning Sunday</i> on Radio 2	£355,000 – £359,999
News and Sport	Dan Walker	<i>Football Focus</i> and FIFA World Cup <i>BBC Breakfast</i>	£280,000 – £284,999
Radio and Television	Graham Norton	Weekly show and special features on Radio 2 BBC TV fee for a range of programmes and series	£610,000 – £614,999
	Claudia Winkleman	Weekly show on Radio 2 BBC TV fee for a range of programmes and series	£370,000 – £374,999

Senior executives

We already publish on our website the pay and expenses for all senior leaders earning over £150,000 in the BBC's public services. Under the terms of our Charter, we are required to publish a report from the Remuneration Committee listing all senior executives of the BBC paid more than £150,000 from licence fee revenue in the financial year, set out in pay bands. These figures exclude any recharges or amounts paid from our commercial entities.

Pay	Name	Role
Director-General		
£450,000 – £454,999	Tony Hall	Director-General
Executive Committee		
£370,000 – £374,999	Charlotte Moore	Director, Content
£340,000 – £344,999	Francesca Unsworth	Director, News and Current Affairs
£325,000 – £329,999	Ken MacQuarrie	Director, Nations and Regions
£315,000 – £319,999	Glyn Isherwood	Chief Financial Officer
£310,000 – £314,999	Valerie Hughes-D'Aeth	Chief HR Officer
	Matthew Postgate	Chief Technology and Product Officer
£305,000 – £309,999	James Purnell	Director, Radio and Education
£280,000 – £284,999	Kerris Bright	Chief Customer Officer
£275,000 – £279,999	Bob Shennan	Group Managing Director
£270,000 – £274,999	Sarah Jones	Group Legal Counsel
£225,000 – £229,999	John Shield	Director, Communications and Corporate Affairs
£175,000 – £179,999	David Jordan	Director, Editorial Policy and Standards
£170,000 – £174,999	Clare Sumner	Director, Policy
	Gautam Rangarajan	Director, Strategy
Corporate Functions		
£325,000 – £329,999	Bal Samra	Group Commercial Director
£210,000 – £214,999	Shirley Cameron	Group Financial Controller
£205,000 – £209,999	Dale Haddon	HR Director
	Balram Veliath	Director, Quality, Risk and Assurance
£200,000 – £204,999	Gillian Taylor	Director, Reward
£195,000 – £199,999	Anna Gronmark	HR Director, News and Current Affairs

Pay	Name	Role
£190,000 – £194,999	Joe Godwin	Director, Academy
	Peter Ranyard	Director, Corporate Legal
£175,000 – £179,999	Noel Scotford	Director, HR Systems and Business Analytics
£170,000 – £174,999	Rachel Currie	HR Director, Content, Radio and Education
	Claudia Giles	Legal Director
	Chris Rowsell	Head of Regulation
£165,000 – £169,999	Phil Harrold	Company Secretary
	Wendy Aslett	HR Director, Nations and Regions
£160,000 – £164,999	Claire Paul	Senior Head of Leadership and Development
	Sarah Gregory	Director, HR Operations
	Catherine Hearn	Director, Resourcing
£155,000 – £159,999	Isabel Begg	Head of Commercial Rights and Business Affairs
	Tim Cavanagh	Director, Workplace
	Alexis Hawkes	Legal Director
	Pipa Doubtfire	Director, Revenue Management
£150,000 – £154,999	Alan Bainbridge	Director, Corporate Real Estate
	Jessica Cecil	Director
Design and Engineering		
£210,000 – £214,999	Matt Grest	Director, Platform
£200,000 – £204,999	Stuart Page	Director, Product and Systems
	Robin Pembroke	Director, Product and Systems
£190,000 – £194,999	Chris Condon	Director, Product and Systems
£185,000 – £189,999	Kieran Clifton	Director, Distribution and Business Development
	Jatin Aythora	Chief Architect
	Andy Baker	Director, Engineering Operations
£180,000 – £184,999	Andy Conroy	Controller, Research and Development
	Gary Payne	Chief Information Security Officer
£165,000 – £169,999	Sarah Hayes	Director, BBC Archives
£160,000 – £164,999	Richard Cooper	Controller, Digital Distribution
	Andrew Kaczor	Finance and Operations Director
	Mike Ford	Programme Director
£155,000 – £159,999	Claire Hetherington	Head of Product
£150,000 – £154,999	John Parrott	Head of Architecture
Marketing and Audiences		
£170,000 – £174,999	Nick North	Director, Audiences
	Justin Bairamian	Director, BBC Creative
Nations and Regions		
£240,000 – £244,999	Ian Haythornthwaite	Chief Financial and Operating Officer
£180,000 – £184,999	Donalda MacKinnon	Director, Scotland
	Rhodri Talfan Davies	Director, Wales
£175,000 – £179,999	Peter Johnston	Director, Northern Ireland
£150,000 – £154,999	Chris Burns	Senior Head of Local Radio Commissioning
	Steve Carson	Senior Head of Multi-Platform Commissioning

PAY DISCLOSURES

Pay	Name	Role
Content		
£245,000 – £249,999	Piers Wenger	Controller, Drama Commissioning
£215,000 – £219,999	Dan McGolpin	Controller, iPlayer and Programming
	Alison Kirkham	Controller, Factual Commissioning
	Barbara Slater	Director, Sport
	Shane Allen	Controller, Comedy Commissioning
	Patrick Holland	Controller, BBC Two and BBC Four
£210,000 – £214,999	Kate Phillips	Controller, Entertainment Commissioning
£205,000 – £209,999	Rose Garnett	Director, BBC Films
£175,000 – £179,999	Lucy Richer	Senior Commissioning Editor, Drama
	Tom McDonald	Head of Specialist Factual Commissioning
£170,000 – £174,999	Cassian Harrison	Channel Editor, BBC Four
	Philip Bernie	Head of TV Sport
£165,000 – £169,999	Fiona Campbell	Controller, BBC Three
£160,000 – £164,999	David Brindley	Head of Popular Factual Commissioning
£155,000 – £159,999	Clare Sillery	Head of Documentary Factual Commissioning
£150,000 – £154,999	Jo Wallace	Senior Commissioning Editor, Entertainment
News and Current Affairs		
£205,000 – £209,999	Kamal Ahmed	Editorial Director
£195,000 – £199,999	Jamie Angus	Director, World Service Group
	Alan Dickson	Chief Financial and Operating Officer
£175,000 – £179,999	Jonathan Munro	Head of Newsgathering
£170,000 – £174,999	Mary Hockaday	Controller, World Service English
	Gavin Allen	Head of News Programmes
£165,000 – £169,999	Sarah Ward-Lilley	Managing Editor
£155,000 – £159,999	Joanna Carr	Head of Current Affairs
	James Gray	Deputy Head of Current Affairs
£150,000 – £154,999	Jon Zilkha	Senior Project Director
Radio and Education		
£210,000 – £214,999	Graham Ellis	Controller, Radio Production
	Alice Webb	Director, Children's
£200,000 – £204,999	Ben Cooper	Controller, Radio 1, 1Xtra and Asian Network
£195,000 – £199,999	Gwyneth Williams	Controller, Radio 4
£185,000 – £189,999	Charlotte Lock	Launch Director, Sounds
£180,000 – £184,999	Cheryl Taylor	Head of Content, Children's
£175,000 – £179,999	Alan Davey	Controller, Radio Three
£170,000 – £174,999	Helen Bullough	Head of Children's Production
£165,000 – £169,999	Jonathan Wall	Controller, 5 Live
£160,000 – £164,999	Rhona Burns	Finance and Operations Director

Pay	Name	Role
Former Staff		
£435,000 – £439,999	Anne Bulford	Deputy Director-General
£200,000 – £204,999	Richard Dawkins	Chief Financial and Operating Officer
	Neelay Patel	Director, Product and Systems
£190,000 – £194,999	Damian Kavanagh	Controller, BBC Three
£170,000 – £174,999	Elizabeth Kilgarriff	Senior Commissioning Editor (Drama)
£160,000 – £164,999	Mark Friend	Controller, Editorial Projects
£150,000 – £154,999	Colin Burns	Chief Design Officer
	Adrian Van Klaveren	Head of Strategic Change and Portfolio Management
	Tunde Ogungbesan	Head of Diversity and Inclusion

NAO opinion on pay disclosures

Independent Assurance Report to the Board of the British Broadcasting Corporation, acknowledging that Parliament also places reliance on the Group Accounts and Report

I have conducted independent assurance procedures on the disclosures included in the British Broadcasting Corporation (BBC) Annual Report arising from the requirement under the Royal Charter for the continuance of the BBC (the Royal Charter) to publish the names of all senior executives of the BBC paid more than £150,000 from licence fee revenue in that financial year; and the names of all other staff of the BBC paid more than £150,000 from licence fee revenue in that financial year set out in pay bands for the year-ended 31 March 2019. These disclosures comprise the Pay Disclosures as set out on pages 112 to 119 of the BBC's Annual Report (the subject matter) (the "Pay Disclosures").

My work is conducted in accordance with International Standards on Assurance Engagements (ISAE) 3000 Assurance Engagements Other Than Audits or Reviews of Historic Financial Information.

Respective responsibilities of the BBC Board and the Comptroller and Auditor General

For the reporting year covered by this report, the BBC Board was responsible for publishing information required by the Royal Charter as follows:

- the names of all senior executives of the BBC paid more than £150,000 from licence fee revenue in that financial year; and
- the names of all other staff of the BBC paid more than £150,000 from licence fee revenue in that financial year set out in pay bands for the year-ended 31 March 2019.

I am responsible for providing an opinion on whether, in all material respects, the subject matter is complete and accurate and has been properly prepared in accordance with the basis set out therein.

In conducting this work, my staff and I have complied with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the BBC in accordance with the ethical requirements that are relevant to my procedures. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

My approach

I have performed a reasonable assurance engagement as defined in ISAE 3000. A reasonable assurance engagement is to perform such procedures as to obtain information and explanations which I consider necessary to express an opinion on whether, in all material respects, the Pay Disclosures (the subject matter) are complete and accurate and have been properly prepared in accordance with the basis set out therein.

My work consisted of:

- Understanding the process adopted by the BBC to derive the Pay Disclosures, in particular the completeness and accuracy of information used;
- Testing the completeness of disclosures, including:
 - cross-reference to my BBC Group audit procedures relating to payroll and expenditure;
 - comparison to the prior year and my understanding of the BBC; and
 - review of individuals paid in the subsequent month who have been paid close to the disclosure threshold in 2018-19.
- Agreement of staff disclosure to payroll data or, where staff are not paid via BBC payroll, agreement of spend back to other BBC systems;
- Agreement of the spend per individual paid more than £150,000 of Licence Fee revenue into the appropriate salary banding;
- Recalculation of the volume of individuals included within each £5,000 band; and
- Review of the accompanying commentary for reasonableness and clarity around the basis of disclosure.

Inherent limitations

My assurance procedures have been designed to provide reasonable assurance. The objective of a reasonable assurance engagement is to reduce engagement risk to an acceptably low level in the circumstances of the engagement as the basis for a positive form of expression of my conclusion. It does not, however, eliminate this risk entirely. In preparing the disclosures, the BBC Board is required to make a number of judgements which inherently introduces an element of risk.

Opinion

Based on the results of my procedures, in my opinion, in all material respects the Pay Disclosures included on pages 112 to 119 are complete and accurate and have been properly prepared in accordance with the basis set out therein.

.....
Gareth Davies
Comptroller & Auditor General
 National Audit Office
 157-197 Buckingham Palace Road
 London SW1W 9SP
 21 June 2019

Nominations Committee Report

The Board Nominations Committee is responsible for appointments to the Board (with the exception of the Chairman and the nations' members) and Board committees.

The Nominations Committee consists of: the Chairman, Sir David Clementi; Simon Burke, the Senior Independent Director; the Director-General, Tony Hall and non-executive directors Sir Nicholas Serota and Ashley Steel. An additional non-executive director, Elan Closs Stephens, has been appointed to the Committee, with her term of appointment to start on 1 April 2019.

In addition to its responsibility for nominating appointments to the Board, the Committee is also responsible for nominating members to the sub-committees of the Board, and its main commercial subsidiaries. The Nominations Committee also considers and reviews the independence of Board members, including any conflicts of interest, and

ensures compliance with the Board Code of Practice. It assesses the composition of the Board and its associated committees in terms of the balance of skills and experience required, and to develop a succession planning strategy.

This year the Nominations Committee has met five times. It has appointed two new members to the Board. Francesca Unsworth, Director, News and Current Affairs, replaced Anne Bulford as an executive member of the Board from 1 April 2019 and Shirley Garrod was appointed as a non-executive director of the Board, with her term to start in July 2019. The Committee has also made a number of appointments to sub-committees of the Board. In addition, the Committee has also considered the governance and membership of the BBC's Commercial Holdings Board.

A large part of the work of the Committee this year has been in succession planning

for the departure of Simon Burke, the Senior Independent Director to the Board, and Chairman of the Board's Audit Committee. This has been a significant undertaking given the extensive role Simon has played. The Board has now appointed Shirley Garrod to take over the Chair of the Audit Committee, and Sir Nicholas Serota to assume the position of Senior Independent Director as of 3 July 2019.

This year the Nominations Committee also conducted an exercise to ensure that the BBC's governance structure was aligned with the requirements of the most recent Corporate Governance Code published in July 2018. As a result of that work, the Nominations Committee is now responsible for evaluating the performance of the Board and its associated sub-committees.

.....
Sir David Clementi
Chairman
 20 June 2019

Board committee attendance

	Board Ordinary	Audit and Risk Committee Member	Fair Trading Committee Member	Nominations Committee Member	Remuneration Committee Member	Editorial Guidelines & Standards Member	Nations Committee – England Member	Nations Committee – Scotland Member	Nations Committee – Wales Member	Nations Committee – N. Ireland Member
Number of meetings for the period	11	5	3	5	5	5	4	3	3	2
Non-executives										
David Clementi	11			5				3		2
Simon Burke	10	5		5						
Tanni Grey-Thompson	10				5	5				
Ian Hargreaves	11		3			5			3	
Tom Ilube	11	5	3				4			
Steve Morrison	11		2	5	5	5				
Nicholas Serota	11			5	5	5				
Ashley Steel	11	5		5			4			
Elan Closs Stephens	11		3						3	2
Executives										
Tony Hall	11			3		5				
Anne Bulford	10									2
Tim Davie	11									
Ken MacQuarrie	10						3	2	3	2

This table does not include business conducted offline and update meetings where no formal business was considered.

Audit and Risk Committee Report

Statement from the Chair of the Audit and Risk Committee

I am pleased to present the 2018/19 report of the Audit and Risk Committee (ARC) of the BBC Board.

Since coming into being in 2017 as part of the new governance arrangements under the BBC Charter, the Committee has continued to develop its understanding of the BBC, its key risks and the critical areas that are kept under review.

This year the Committee has been able to build on the firm foundations that we reported in the last Annual Report and Accounts, and has continued to provide scrutiny to the organisation whilst overseeing the ongoing development of the BBC's risk management framework.

Our workplan for this year has included:

- Ensuring that the work of the Committee continues to fulfil the requirements of the new Charter.
- Ensuring that the BBC's relationship with the NAO, as both statutory and value for money auditor, is professional and constructive. The NAO presents an update on its current and planned activity at every meeting.
- Taking a deeper look at selected BBC initiatives and areas of risk. Matters covered this year as part of the agendas have included: major projects, BBC Studios, data management and GDPR, resilience, cyber security, and changes to accounting standards and policies.
- Reviewing the risk profile of BBC Studios with particular reference to the changing risk profile following the BBC Worldwide and BBC Production merger.

- Monitoring the progress and implications of matters relating to pay and tax arrangements in the BBC.
- Overseeing the good progress in independent assurance and risk management in the BBC, as well as the timely implementation of internal audit and NAO actions.

During the year we monitored developments in relation to the handling of historic payments to people regarded as freelancers, and the consequent issues with tax and national insurance liability. A provision of £12 million in respect of this matter has been classified by the NAO as irregular. Whilst we would clearly have preferred not to be in this position, the Board considers that the approach being taken (including the settlement proposal which has led to the provision) is the most fair, and best protects the interests of licence fee payers.

We had five meetings during the year, each of which was attended by executives as appropriate, including the Director-General and Deputy Director-General. We also held private meetings with the NAO on each occasion. In addition, members of the Committee have access to, and meet on a regular basis, with the BBC Director of Quality, Risk and Assurance.

I am particularly pleased with the progress we have made in risk management. The Committee receives clear and detailed reports on strategic and operational risks, linked to the BBC's objectives. The use of metrics and up-to-date data has enabled the Committee to take a view on changes in risk and the sufficiency of mitigations. As part of our agenda, the Committee also undertakes deeper reviews into specific risk matters with relevant executive risk owners in attendance, as noted above.

During the year, the Committee has assessed its own effectiveness, using a survey of members combined with an independent review of our ways of working. In addition, the Internal Audit function was independently evaluated by the Institute of Internal Auditors (IIA). In both cases the results were very positive, and the findings and recommendations were reviewed and agreed by the Committee.

This is my final year of an eight-year tenure as Chair of the ARC (and preceding Executive Audit Committee). Throughout my time here I have been ably supported by fellow committee members as well as by a professional risk and assurance team and secretariat. The openness and professionalism of BBC staff who have presented to us over the years has been a source of great reassurance to the Committee and to me. I thank them all for the help they have given me.

The BBC faces significant challenges in addressing the enormous change which is affecting all of the markets in which it operates. Unlike many of its competitors, it has to do this under intense, diverse and constant scrutiny. In this context it needs to have first rate governance. I hope that the work of the Committee has helped to build this governance, and in general to ensure that licence fee payers' money is well cared-for and appropriately spent.

.....
Simon Burke
 Chair
 20 June 2019

Audit and Risk Committee Report Role

The main purpose of the ARC is to review and maintain oversight of the BBC's corporate governance, particularly with respect to financial reporting, internal control and risk management. In order to gain this assurance, the ARC has responsibility for:

- reviewing and overseeing the effectiveness of the BBC Group's internal control and risk management processes;
- providing oversight of the key risks facing the BBC Group and the actions being taken to mitigate those risks to an acceptable level;
- reviewing the activities and risks of the BBC's commercial subsidiaries, ensuring that risks are acceptably managed and that assurance is independent and sufficient;
- reviewing and challenging, where necessary, the actions and judgements of management in relation to the BBC's Annual Report and Accounts and related formal statements;
- overseeing and directing the work of the BBC's Internal Audit function, meeting with the Director of Quality, Risk and Assurance privately to discuss issues as necessary;
- giving due consideration to Parliament's expectations of the management of BBC resources, as expressed in reports of the Public Accounts Committee and Value for Money reports by the National Audit Office;
- reviewing the external auditors' proposed audit scope and strategy, ensuring no unjustified restrictions or limitations are made;
- reviewing the auditors' quality control procedures and steps taken by the auditor to respond to changes in regulatory and other requirements;
- meeting separately with the external auditors to discuss any matters the Committee or the auditors believe should be discussed privately;
- considering the independence of the external auditor;

- reviewing the BBC's systems for the detection and prevention of fraud and corruption; and
- reviewing arrangements by which staff of the company may, in confidence, raise concerns about possible improprieties in matters of financial reporting, illegality or other matters.

The ARC's Standing Orders set out in more detail our responsibilities. These were approved by the BBC Board in September 2018 and are reviewed regularly by the Committee. They can be read on our website: bbc.com/aboutthebbc/whoware/bbcboard/auditandrisk.

Membership

The ARC comprises three non-executive members, of whom one must have recent and relevant financial experience. The members who served during the past year are:

- Simon Burke (Chair)
- Tom Ilube
- Ashley Steel

Simon Burke, the Committee Chairman, has significant, recent and relevant financial experience. In addition, all of the members of the Committee are individuals who hold or have held senior positions in similar sized organisations and have the experience and skills to properly fulfil their responsibilities. When appropriate, the skills and experiences of members are augmented with advice from internal and external professionals – for example on matters such as developments in financial reporting.

This has been the final year of Simon Burke's tenure as Committee Chairman. His successor, Shirley Garrood, has been appointed by the Board and an induction programme is in place to ensure she is able to assume her responsibilities swiftly and effectively.

Committee meetings are also attended by the Director-General, the Chief Financial Officer, Group General Counsel, the Director of Quality, Risk and Assurance and senior representatives from Internal Audit, Risk Management, Finance and the National Audit Office, as the BBC's statutory auditors.

The Committee also meets privately, without any member of management present, with both Internal Audit and the auditors, on a regular basis.

During the year the Committee undertook an exercise to assess its own effectiveness. This was part of a wider review of BBC Board and sub-committee effectiveness facilitated by Internal Audit. The findings of the review were presented to Committee members.

Meetings

The Committee met five times during 2018/19, at key times in the reporting and audit calendar.

Minutes from the meetings are made available to the Board and summary minutes are published on the BBC website: bbc.com/aboutthebbc/whoware/bbcboard/auditandrisk. Additionally, the Chairman of the Committee reports back to the Board after each meeting on any issues where action or improvement is required. The Committee also provides views on the integrity of the financial statements before the Annual Report is approved by the Board as a whole.

Committee time was spent on the following areas in the past year.

Integrity of financial reporting

The Committee reviewed the integrity of the financial statements of the BBC. In doing so it:

- identified, through discussion with both management and the external auditor, the key risks of misstatement within the BBC's financial statements, including those areas where significant financial judgements were required and which have influenced the financial statements;
- discussed these risks with the auditor as part of the agreement of the external auditors' audit plan and also at the conclusion of the audit of the financial statements; and
- reviewed and challenged detailed papers received from management on those areas requiring significant financial judgement, taking account of the views of the auditor.

Set out below are the key areas of judgement and how the Committee has addressed them:

Area of judgement	The Committee's response
<p>Revenue recognition</p> <p>There is an inherent financial risk around revenue recognition relating to timing of recognition of revenue. The nature of the risk varies between the licence fee revenue in the public service and the commercial income. Licence fee revenue is treated as an amount due from the relevant Government department, principally the DCMS, on the basis that amounts receivable from licence fee payers will be paid across. Commercial revenue is more complex, with a number of different revenue streams including sale of content to global broadcasters, subscription income and revenue from the sale of physical and digital products. The complexity of contractual terms may require judgements in assessing when revenue can be recognised, which is based on the delivery of performance obligations and when control is transferred to the customer.</p>	<p>The Committee considers that the BBC's existing financial control systems should ensure that income is properly treated in the financial statements. The Committee has been briefed on the effect of the transition to IFRS 15 and is satisfied that it has been appropriately managed, reviewed and presented fairly in the financial statements. There is confidence that management understand the risks in this area and have suitable controls in place.</p>
<p>Employment and taxation provisions</p> <p>The financial statements include provisions of £25 million as part of the BBC's programme of restructuring. Judgements in this area are largely related to the timing of recognition of these provisions, the amount to be recognised and the amount which has been utilised in previous years. A number of other employment-related provisions exist in instances where the BBC has a present obligation as a result of a past event that is probable and can be reliably measured. Taxation, litigation and insurance provisions of £40 million include an amount for payments to, or on behalf of, presenters relating to Personal Service Companies (PSC) as set out on page 93 of the Chief Financial Officer's Review.</p>	<p>The Committee received reports on employment-related matters which could result in the recognition of potential liabilities before subsequently reviewing and discussing the level of provisions with management. This included consideration of new provisions and any release and utilisation of existing provisions. Management confirmed that they have applied a consistent approach to the identification, recognition and release of provisions across the BBC group. The Committee concluded it was satisfied with the level of provisions carried and the disclosure in respect of those provisions. The Committee also noted that the arrangement relating to individuals paid via intermediaries has been considered in relation the NAO regularity opinion.</p>
<p>Property – accounting treatment of BBC buildings and New Broadcasting House refinancing</p> <p>The BBC holds a significant property portfolio, which continues to be rationalised in order to reduce costs. The estate includes properties held under freehold and those held under finance and operating leases. Buildings which have been sub-let or available for sub-let may be classified as investment properties. Judgements relate to the future intentions for any vacant buildings and the related timescales. This can change the appropriate accounting treatment and affect the carrying value on the balance sheet. The derivative assets and liabilities connected to the underlying Broadcasting House lease structure are subject to sensitivities in market data in addition to an adjustment to the discount rate to take account of risk. As a result, net liabilities of £123 million have been recognised in relation to this arrangement. The transaction was implemented in a manner that limited any increase in the BBC's credit exposure to the derivative counter-parties involved. The special purpose vehicle established to redevelop Broadcasting House, Daunus Limited, is accounted for as a joint venture following an assessment of control. The BBC's interest in the entity is at cost, and no indicators of impairment have been identified.</p>	<p>The Committee reviewed reports from management, which explained the treatment for the most significant buildings, including the projected timescales for future activity and rationale for treatment. The detailed treatment of the Broadcasting House derivative assets and liabilities continue to be monitored. The Committee was satisfied that the treatment of these properties within the financial statements was consistent with management intention and in line with international financial reporting standards.</p>
<p>Capital projects</p> <p>The BBC undertakes multiple capital projects at any one time, which contribute to the overall strategy of the BBC. An assessment over the appropriateness of capitalisation, along with the valuation of any capitalised asset, is required. If a material capital project cannot be completed on time, or will not derive future benefit to the BBC, this could trigger an impairment charge.</p>	<p>Reports from management were reviewed, which explained the status of major capital projects and the approach taken to assess whether or not any impairment charge was required. The Committee was satisfied that the assessments of impairment undertaken by management were appropriate and in line with international financial reporting standards.</p>
<p>Pension scheme – assumptions impacting the accounting pension deficit</p> <p>The financial statements include a significant deficit on the balance sheet of £530 million for the BBC's defined benefit pension scheme. Judgements are required regarding the underlying assumptions used by the actuaries in calculating the pension deficit. Changes in these assumptions can result in large swings in the final numbers disclosed.</p>	<p>The Committee took advice from independent actuaries on the appropriateness of the assumptions used, including how these compare with those used by other organisations. Scrutiny focused in particular on the assumptions used regarding discount rates, inflation rates and mortality/life expectancy and how changes in these assumptions would affect the financial statements, including any movements in these from prior years. The Committee was satisfied that the assumptions used in the financial statements were reasonable, appropriate to the BBC and supported by independent actuarial specialists.</p>

Management confirmed to the Committee that they were not aware of any material misstatements or immaterial misstatements made intentionally to achieve a particular presentation. The auditors reported any misstatements that they had found in the course of their work and that no material amounts remain unadjusted. The Committee can confirm that it is satisfied that the external auditors have fulfilled their responsibilities with diligence and professional scepticism.

After reviewing the presentations and reports from management and consulting, where necessary, with the external auditors, the Committee is satisfied that the financial statements appropriately address the critical judgements and key estimates (both in respect to the amounts reported and the disclosures). The Committee is also satisfied that the significant assumptions used for determining the value of assets and liabilities have been appropriately scrutinised, challenged and are sufficiently robust.

The Committee reviewed the group financial statements and how these are positioned within the wider Annual Report. To assist this review, reports from management and from the internal and external auditors were considered, covering:

- the quality and acceptability of accounting policies, including their compliance with accounting standards;
- compliance with legal and regulatory requirements;
- the clarity of disclosures and their compliance with relevant reporting requirements; and
- whether the Annual Report as a whole is fair, balanced and understandable and provides the information necessary to assess the BBC's performance and strategy.

Effectiveness of internal controls and risk management framework

Internal controls assurance

The Committee focused during the year on the effectiveness of the BBC's system of internal controls, taking account of the findings from internal and external audit reports and other assurance activity across the Group. Specific areas considered during the year included:

- the trends and themes from Internal Audit activity, questioning representatives of Internal Audit on the outcomes of their work. A summary of every internal audit, including key findings and assurance rating, was reviewed by the Committee;
- actions arising from independent assurance activity, including internal and external audit and NAO Value for Money reviews, are monitored by the Committee for completion. This is an area followed up at every meeting to ensure that agreed actions in respect of any weaknesses found are being properly addressed;
- for areas which are considered high profile or have received critical assurance findings, the Committee ensures there is suitable follow up and scrutiny over the completion of any improvement plans or agreed actions;
- the Committee approved the BBC's Modern Slavery statement and reviewed the approach for ensuring compliance;
- regular whistleblowing reports and updates on levels of fraud and theft, along with the mechanisms in place to minimise and prevent these; and
- the findings and progress of actions from the audits of BBC commercial subsidiaries are considered. The CFO of BBC Studios attends to provide assurance on the control environment and management of risk in this subsidiary.

Risk management

The Committee considered the processes for managing significant risks within the BBC. This work is influenced by the assessment of the BBC's principal risks (as set out on page 125). There is a regular Committee agenda item where changes to the risk profile are reviewed and the effectiveness of the risk management process is assessed.

The Committee has overseen improvements to the BBC's overall management of risk, introducing greater detail into risk reporting and ensuring that mitigations and actions are aligned to the key strategic and operational objectives of the Corporation. Greater use of risk metrics and measures now enables the Committee to review risk at a more detailed level.

Effectiveness of Internal Audit

The work of Internal Audit is overseen by the Committee. This is a regular item at each meeting which the Director of Internal Audit also attends. During the year the Committee has:

- approved the plan of work for the coming year, ensuring that it is risk based and strikes a balance between providing assurance over core business processes and areas of emerging strategic risk;
- considered the findings from audit activity, focusing on audits with unsatisfactory outcomes and management's plans to address these;
- reviewed the rationale and approved the one-year extension of the Internal Audit co-source; and
- considered the resource requirements for Internal Audit and its capability.

The Committee continues to monitor the structure of the Internal Audit function and the operation of the current resourcing model, with a proportion of audits provided by an external partner. The Committee is satisfied that this arrangement is functioning well.

During the year an independent assessment of the Internal Audit function's effectiveness was validated by the Institute for Internal Auditors. The findings of this review and recommendations were presented to the Committee.

The ARC Chairman also meets with Internal Audit and Risk Management before each Audit Committee meeting, without management present, to provide the opportunity for open discussions.

Independence and effectiveness of our external auditors

Appointment of our external auditors

Under the 2016 Charter and Agreement, the NAO are appointed the BBC's statutory auditor for the duration of the Charter period.

Relationship with external auditors

The Committee oversaw the relationship with the NAO, including the scope of, and approach to, their work. Specific areas of focus this year have included:

- audit risk identification and alignment of this with management risk assessment;
- understanding of the elements of the audit process, ensuring the requirements expected of the BBC under the regularity and propriety opinions are understood; and
- private discussions with the auditors without management present.

Non-audit services

As one of the safeguards over the independence of the external auditors, the Committee has developed, and oversees, the BBC's policy on the commissioning of the auditors to provide non-audit services.

This policy defines the types of services which the external auditors can and cannot provide. Additionally, it includes thresholds above which any proposed non-audit work to be carried out by the external auditors must be approved in advance by the ARC. It also defines when work must be submitted for competitive tender.

The NAO does not undertake work which might compromise its ability to give independent opinion on the BBC's financial statements. Recruitment from the NAO into any senior management position in the BBC would require the prior approval of the ARC.

Risks and opportunities

Risks and opportunities affect the ability of the BBC to fulfil its Charter obligations and public purposes. Our approach to risk needs to reflect the unique nature of the BBC.

Our approach to risk management

In a rapidly changing media environment, the BBC must be able to confidently manage both strategic and operational risks, ensuring that it can continue to deliver our public purposes and value to all audiences. We must also take seriously our regulatory and statutory responsibilities. Just as taking risk is core to fulfilling our purposes and strategic ambitions, rigorous risk assessment and mitigation is the foundation of delivering what we do.

The BBC acknowledges the challenges of audience needs, as well as the opportunities this offers over the coming years. Throughout the Corporation, careful consideration of risks and opportunities contributes to the quality of our programmes, the excellence of the service we provide and our ability to serve our audiences.

Evolution of risk management at the BBC

Risk management at the BBC continues to evolve and develop. In 2018/19, we built upon our process of managing strategic and operational risks across the business. We now have an established set of risk metrics for strategic and operational risks and this process provides insight into how risks are being managed, and continues to provide early warning indicators of risk and supports risk-based decision-making.

The BBC Executive Committee and BBC Board have participated in deep-dive sessions to review strategic and operational risks, agree ownership, review their respective impact, likelihood and assessed the adequacy of the BBC's preparedness over these risks. Further deep dive sessions are planned during the course of the year. As part of continuous evolution, we plan to scan for emerging risks in the coming year.

Our principal strategic and operational risks and opportunities are set out overleaf.

Key to risk movement: anticipated movement in risk over the next 12 months

- ▲ Risk increasing
- No risk movement
- ▼ Risk decreasing

Public purposes

- 1 To provide impartial news and information to help people understand and engage with the world around them
- 2 To support learning for people of all ages
- 3 To show the most creative, highest quality and distinctive output and services
- 4 To reflect, represent and serve the diverse communities of all of the UK's nations and regions and, in doing so, support the creative economy across the UK
- 5 To reflect the UK, its culture and values to the world

Strategic risks and opportunities

Note: Strategic risks and opportunities are mapped to the Public Purposes (1-5) below

Principal risks and opportunities	Key mitigations
<p>1. Making sure everyone gets value from the BBC</p> <p>There is a risk that, as consumer behaviours change and online business models develop, the BBC does not continue to provide high-quality and relevant content and services to all licence fee payers. There is also a risk that, in adapting to these challenges, audiences on traditional platforms are not maintained. We may also not meet the needs of underserved audiences, including youth, nations and regions and BAME.</p> <p>1 2 3 4 5 ^</p>	<ul style="list-style-type: none"> — Re-invention of the iPlayer to become a destination service for young audiences. — Launch of BBC Sounds in 2018 which brings live and on-demand radio, music and podcasts into a single personalised product. — Delivering a year-round rhythm of stand-out moments and our ability to deliver public value. — Refreshing our content to appeal to younger audiences and to reflect the diversity of the UK. — A refreshed approach to diversity and inclusion that forms a key part of our strategy with clear focus areas on on-screen portrayal, commissioning and on-screen talent development and diversity within our workforce. — Transforming the BBC News experience for younger audiences e.g. via the launch of Beyond Today (BBC podcast for under 35s); BBC Young Reporter (special outreach project for young people) including the BBC Young Reporter of the Year competition. — Delivering content via digital platforms i.e. iPlayer exclusive content that is making a real impact with young people, stories on social media platforms that is converted to BBC website traffic, experimenting with short-form and long-form videos or news clips. — Audience metrics monitored, including reach, time spent with the BBC by demographics including young, BAME, nations and regions audiences and getting feedback, to drive informed decision-making. — Regular review of audience objectives, performance and trends at Executive Committee and Board meetings.
<p>2. World-class creativity</p> <p>Competition from other broadcasters and large scale consolidated players for content and talent continues to increase. In an external environment of cost inflation and digital disruption, there is a risk that we do not secure best quality content supply from investments, acquisitions and associate relationships. There is a risk that BBC Studios does not develop its creative pipeline, win external commissions or respond to intense competition for creative talent and disruption caused by global SVOD providers.</p> <p>There is also a risk that we do not achieve authentic diversity in programme content and on-air impartial reporting.</p> <p>2 3 4 5 ></p>	<ul style="list-style-type: none"> — Investing in new formats, high-end content, new series, new products and services for TV, radio and online for all audiences. — Entering into creative partnerships in order to secure rights to new content (e.g. comedy, drama) that are impactful. — Making iPlayer at the heart of live TV. — As part of our nations and regions strategy, we have launched BBC Scotland. We continue to invest in our production bases outside of London i.e. in Glasgow, Cardiff, Belfast, Salford, Bristol and Birmingham. — Focus on attracting and retaining the best creative talent. — On-air talent and programme diversity targets in place, with improved measurement tools. — Well-established editorial policy, with extensive monitoring and Executive Committee and Board review of exceptions. — Lobbying for a level playing field with other digital media organisations for a regulatory perspective. — New creative and business development leads within BBC Studios to focus on key genres and opportunities. — A streamlined and focused pitch process is in place. — Additional investment in development activity across all genres, with new creative and business development leads to identify opportunities.

Principal risks and opportunities	Key mitigations
<p>3. Global reach</p> <p>Our ambition to grow global reach may be impacted by the increasingly challenging market environment (with more choice for users and consumption turning to social media), especially where there is an over-reliance on news updates (rather than analysis and original journalism). The reliance of World Service on syndication creates a risk that audiences do not attribute content to the BBC. The current government investment in the World Service expires in September 2020.</p> <p>1 3 5 ></p>	<ul style="list-style-type: none"> — Output continues to be monitored, supported by research, to develop our proposition and to understand how we can continue to reach global audiences, including younger and female audience demographics. — Syndication contracts are carefully managed to ensure that we can continue to reach the broadest audience through trusted and reliable partners. — Greater attribution of content to the BBC (by audiences) to be addressed through improved branding and distinctive content. — Ongoing development of digital offerings to extend the reach of digital content. — Investment in marketing and in technical innovation to improve audience and performance measurement.
<p>4. Financial stability</p> <p>There is a risk that we do not effectively manage and/or offset the increasing cost of procuring intellectual property and rights, in an increasingly competitive environment, with rising content prices (especially sports and drama) and increasing rights scarcity requiring new ways of working and a focus on cost management. There is a risk of a real time licence fee decline, a rise in licence fee evasion, or increased cost of collection potentially impacting our funding model, services and scope. There is a risk that the BBC's commercial entities fail to respond to market challenges therefore reducing financial returns. Risk of a decline in advertising sales revenue for the BBC's commercial entities would be exacerbated by an economic downturn. Adverse changes to the actuarial valuation of the pension scheme represent a risk. A reduction in the BBC's credit rating would increase the cost of funding.</p> <p>1 2 3 4 5 ^</p>	<ul style="list-style-type: none"> — Multi-year savings targets are defined, underpinned by detailed plans, with outer years in progress. 95% of controllable spend covered by benchmarking (meeting Compete or Compare criteria). — Licence fee to increase in line with inflation until 2021/22. Cost of collection closely monitored, with actions in progress to reduce evasion rates. — A public consultation was launched on the future of free licence fee for over-75s with the results due later in 2019. — Clarity on pension costs through to the next valuation in 2019, and plans in place to eliminate the deficit and make the scheme self-sufficient by 2028. — Annual going concern and viability reviews to assess ongoing financial stability. — A clear plan to manage the implications of the Board decision relating to the over-75s licence fee concession. — Prioritisation of spend on content and services.
<p>5. Making the BBC an even greater place to work</p> <p>The extent of operational, organisational and culture change in progress creates a risk that the organisation is placed under significant strain. There is a risk that we are not able to retain employees in key areas due to pay challenges. Failure to meet our diversity and inclusion targets could dishearten employees. Should these risks arise, we may suffer a loss of key talent and/or an increase in staff turnover, an increased risk of grievance and the threat of industrial action.</p> <p>1 2 3 4 5 ></p>	<ul style="list-style-type: none"> — Change and Operations group ensures that business change is implemented in a consistent, coordinated way. Extensive staff communications, with engagement monitored through focus groups and biennial employee survey. — Clear diversity targets in place, with regular reporting to the Board, Centre of Excellence for diverse talent established and Diversity Commissioning Code of Practice implemented to ensure shared values and commitments. — Significant Board attention to equal pay and gender pay gap challenges, with a commitment to close the gender pay gap by 2020 and new pay principles introduced. Clearer career structures provided through the introduction of the BBC Career Path Frameworks. — Terms and conditions reviewed and modernised together with the Joint Unions. — A series of regular online pulse surveys are carried out to give real time insights to working life. — Transparency reviews of both Public Service and commercial operations conducted in the year with supporting actions implemented.

Operational risks and opportunities

Principal risks and opportunities	Key mitigations
<p>1. Health, safety and security</p> <p>The risk that we fail to protect our people, visitors, assets and premises both at home and abroad, which could result in physical or mental harm and/or disruption to the services that we provide.</p> <p>></p>	<ul style="list-style-type: none"> — Specialised training in place for staff on high-risk deployments (and their managers) and each deployment subject to thorough risk assessment. Scenario planning and simulation exercises conducted with key management teams. — Child protection controls include mandatory background checks for anyone working with children, supported by mandatory training and policies and compliance monitoring. — Ongoing security reviews for BBC premises and outside broadcasts, and close links in place with UK security authorities and cross-sector security forums. — Health and safety risk assessment process in place, supported by training and safety monitoring audits. All reported incidents investigated to identify any corrective action required.
<p>2. Business management and change</p> <p>The risk that we do not effectively manage our financial performance, critical project portfolio, business continuity plans, third party suppliers and anti-fraud processes, and in doing so subject the BBC to unexpected financial cost, a detrimental impact upon our reputation and/or regulatory intervention.</p> <p>The risk that we have not planned effectively and put mitigations in place to limit the impact on operations and services in the event of a no-deal exit from the European Union by the United Kingdom.</p> <p>></p>	<ul style="list-style-type: none"> — Detailed plans underpin savings targets and actions in progress to reduce licence fee evasion. — The Corporate Project Management Office (PMO) assures the business benefits and outcomes of critical projects. It assesses risk and delivery confidence through partnering project leaders and steering groups; monthly challenge cycle; executive reporting and independent health checks. Additionally, the PMO sets standards, supports development of project and change capability and ensures lessons are integrated back into business operations. — Procurement monitor spend to ensure that supplier contracts are in place, and to assess the adequacy of supplier management to deliver value for money. — Business continuity plans and crisis management processes in place, with regular exercises performed. — Detailed fraud risk assessments completed, the scope included risks of bribery, asset misappropriation, conflicts of interest, expenses, payroll, procurement and payment processes. — The BBC has put in place, as far as possible, mitigations in the event of a no-deal Brexit. The risks associated with the various scenarios are being monitored.
<p>3. Compliance</p> <p>The risk that we fail to comply with legal, regulatory and other standards/obligations (including internal requirements e.g. editorial compliance) pertaining to the BBC; this may result in reputational damage, loss of trust, legal action, fines or other penalties.</p> <p>^</p>	<ul style="list-style-type: none"> — Policies in place, aligned with legal and regulatory requirements, supported by training advice from subject matter experts, and detailed monitoring and reporting. — Oversight by the Data Protection Officer; GDPR-compliant policies and processes on data protection and privacy, including data subject rights and public-facing privacy policies; data protection training for staff; resilience of IT systems; access to in-house and external data protection legal advice. — Established editorial policy in place, with review in progress to ensure it remains fit for purpose. — Process in place to ensure compliance with Ofcom regulatory requirements, also supported by reporting and monitoring. — Ofcom complaints monitored with regular reporting to the Director-General and Executive Committee, and monthly Board reporting. — Specialist teams in place to support compliance with tax, legal e.g. employment, litigation, and other regulatory compliance requirements.

Principal risks and opportunities	Key mitigations
<p>4. Technology</p> <p>The risk that we fail to provide a resilient broadcasting service across all distribution channels and/or protect the confidentiality, integrity or availability of the BBC's data through a cyber-attack.</p> <p>Significant commercial and reputational risk from any uncontrolled release of content.</p> <p>></p>	<ul style="list-style-type: none"> — Single points of failure identified and actions taken as appropriate. Recovery plans in place and tested. Outages and adherence to recovery tie objectives closely monitored to ensure minimal disruption to broadcast services. — Extensive policies and procedures in place to prevent/detect cyber threats and liaison with the National Centre for Cyber Security to provide cyber risk intelligence. — Appropriate monitoring mechanisms are in place to provide threat monitoring services with incident management capabilities. — Mandatory Data Protection & Cyber Security training rolled out to the business.

Note: The risks listed do not comprise all those associated with the BBC and the numerical referencing does not denote an order of priority. Additional risks and uncertainties not presently known to management, or currently deemed to be less material, may also have an adverse effect on the Corporation. These less material risks are kept in view in case their likelihood or impact should show signs of increasing.

Risk management and internal control framework

The BBC's process for identifying, evaluating and managing significant risks is aligned with the Financial Reporting Council's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting. Risk management mechanisms are embedded within each division, with central coordination to identify, escalate and manage pan-BBC risks.

Assessing the effectiveness of risk management and internal control

The Board used a number of mechanisms to help it assess the effectiveness of the system of risk management and internal control across the BBC.

Risk oversight: The Board delegated responsibility for the specific review of risk and control processes to the Audit and Risk Committee. The Audit and Risk Committee met regularly to provide scrutiny and oversight over the effectiveness of controls and the management of risks (further information is provided on page 122).

Internal Audit: The Internal Audit function maintained its independent reporting line into the Chair of the Audit and Risk Committee and conducted a programme of audits aligned to the principal risks facing the BBC. Findings from these audits have been reported to senior management and the Audit and Risk Committee, with remediating actions tracked to completion.

External audits: The findings of external audit work performed by the National Audit Office have been reviewed by the Audit and Risk Committee, and any recommended actions are tracked to completion. In addition, the National Audit Office continued its programme of Value for Money audits.

Whistleblowing: A protected disclosure policy is in place, supported by a 'whistleblowing' hotline, administered by an independent external company to ensure anonymity. A non-executive director was named on the policy as the contact for the raising of the most serious concerns.

Viability Statement

In accordance with provision C2.2 of the 2014 revision of the UK Corporate Governance Code, the BBC Board has assessed the prospects of the Corporation over a longer period than the 12 months required by the 'going concern' provision. On an annual basis, the BBC Board considers a rolling three-year plan for the BBC.

The latest three-year plan, covering the period to 31 March 2022, was considered by the BBC Board in March 2019. A three-year horizon is considered appropriate as this is in line with the BBC's budgeting and planning process. The three-year plan considers cash flows as well as the financial covenants and credit facilities.

Key assumptions underpinning the three-year plan, and the associated cash flow forecast, are the licence fee settlement that set the financial parameters for the BBC from 2017/18 to 2021/22 and our 2015 document British Bold Creative that set out the BBC's vision, strategic aims and its offer to the public.

A robust assessment of the principal risks facing the Corporation, as described in the Annual Report and Accounts from page 125, has been undertaken, including those that would threaten its business model, future performance, solvency or liquidity. Sensitivity analysis is applied to the cash flow to model the potential effects should principal risks actually occur, individually or in unison. The peak borrowing requirement was calculated by modelling a combination of severe but plausible risks, however with the inclusion of mitigations, the cash flows remained within the borrowing limit throughout the three-year period.

Taking account of the BBC group's current position, the Board's recent decision on the funding of licences for the over-75 population, principal risks and the aforementioned sensitivity analysis, the Board has a reasonable expectation that the Corporation will be able to continue in operation and meet its liabilities as they fall due over the three-year period of the assessment.

Commercial Holdings Board Report

I was appointed to take over as the Chair of BBC Commercial Holdings Limited from BBC Director-General Tony Hall in April 2019, following a series of changes recommended by Christopher Saul's review of transparency in the BBC's commercial operations. This statement reports on the year to 31 March 2019.

The BBC is a public service organisation, funded by the licence fee for UK audiences. But as the high-quality content it produces has global appeal, it is also tasked with maximising its commercial revenues and promoting the BBC's brand and reputation around the world.

It was a strong year for the commercial businesses, which declared dividends paid in the year to the BBC of £73 million (2017/18: £38 million). It was a year of transformation internally, with the merger of BBC Studios and BBC Worldwide to form the new BBC Studios taking place at the very start of the financial year, and the results from the merged business show early signs of success. Additionally, much transformation has occurred externally, as changes in audience behaviour continue apace, providing both challenges and opportunities.

Financially, BBC Studios had a strong year, with headline sales of £1,373 million (2017/18: £1,411 million) and EBITDA of £159 million (2017/18: £105 million). Overall, the business delivered £243 million of returns to the BBC.

BBC Global News delivered a strong financial performance with income of £114 million (2017/18: £109 million) and EBITDA of £8 million (2017/18: £2 million). Audience reach also increased, with the global footprint of the BBC World News channel up by 2% and visitor numbers to bbc.com up by 6% in the year.

BBC Studioworks achieved a robust financial performance in the year, delivering income of £37 million (2018: £31 million) and EBITDA of £6 million (2018: £3 million). The year-on-year 19% increase in income reflects the impact of the re-introduction of the Television Centre facility into the company's portfolio. BBC Studioworks declared a cash dividend to the BBC Group, for the first time, of £0.8 million.

The commercial businesses do not exist just to generate financial returns, however. Each has an important role in the wider creative economy, developing creative ideas, investing in talent, training in specialist skills and capabilities and promoting British culture and creativity worldwide.

Looking forward, the BBC's commercial businesses will continue to play a critical role in support of licence fee revenue. They must demonstrate efficiency, the agility needed to respond to changes in our global marketplace and an absolute focus on the highest quality content.

Board meetings

The Board met seven times during the year. Elan Closs Stephens, Glyn Isherwood and Steve Morrison were appointed on 1 April 2019 so they did not attend any Board meetings as a director during the year. Anne Bulford, Mark Linsey and Anna Mallett resigned with effect from 31 March 2019, while Howard Stringer resigned with effect from 24 October 2018.

The attendance of directors of the company who served during the year is as follows:

Director	Attendance/Total
Tony Hall	6/7
Anne Bulford	7/7
Tim Davie	7/7
Tom Fussell	7/7
Sarah Jones	5/7
Mark Linsey	5/7
Anna Mallett	6/7
Dharmash Mistry	6/7
Bal Samra	7/7
Howard Stringer	1/4

Elan Closs Stephens

Chair

20 June 2019

Editorial Guidelines and Standards Committee Report

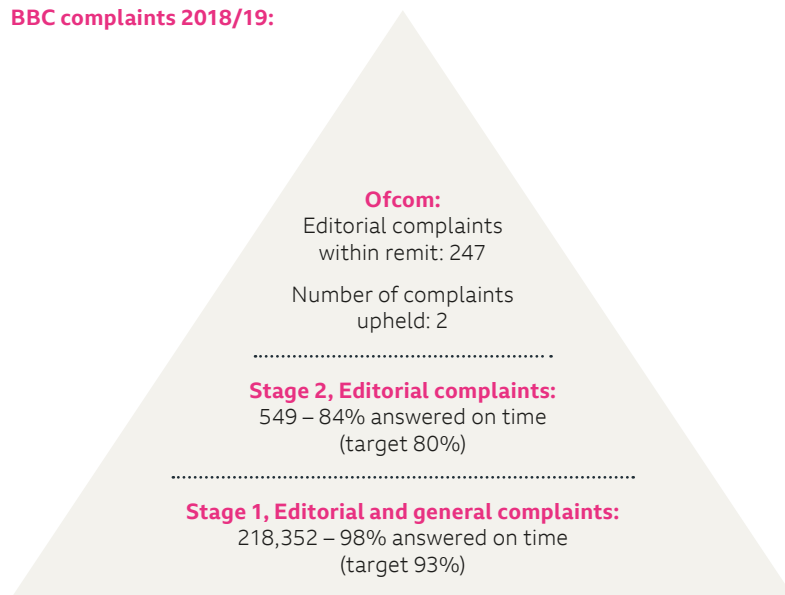
I am pleased to have continued as Chair of the Editorial Guidelines and Standards Committee this year. 2018/19 has seen the Committee deal with an important programme of work.

One of the main functions of the Committee in 2018/19 was to oversee revision of the BBC Editorial Guidelines on behalf of the BBC Board. The updated Guidelines are the first iteration under the new governance structure of the BBC. The Agreement requires the BBC to “set, publish, review periodically, and observe guidelines designed to secure appropriate standards in the context of the UK Public Services”. As noted in last year’s Annual Report, BBC Editorial Policy was commissioned by EGSC to revise the Guidelines. Editorial Policy was asked to bring drafts of the Guidelines to the Committee at various stages of the revision process. EGSC ensured that the revised Guidelines reflect advice based on lessons learnt from editorial breaches since the last update of the Guidelines, including updated privacy advice following the Sir Cliff Richard legal ruling of 2018. A public consultation on the final draft Guidelines (as approved by EGSC and the BBC Board) was held from Monday 4 October to Monday 12 November 2018. Editorial Policy was asked to assess the responses and make amendments to the Guidelines. These revised Guidelines were discussed and approved by EGSC and the BBC Board in March. The Guidelines are available online: bbc.co.uk/editorialguidelines.

A key priority for the BBC Board is to ensure the BBC continues to provide impartial high-quality output, as required by the Charter. We have been leading on this work on behalf of the BBC Board. Impartiality lies at the heart of public service broadcasting and in an era of misinformation and political division, the role of the BBC is even more fundamental in helping audiences understand issues. In addition to endorsing the principle of due impartiality required of all BBC content, the EGSC has encouraged a programme of work to ensure that all staff are familiar with the importance of the commitment to impartiality and that close attention is paid to audience feedback on this matter.

The Editorial Guidelines state that all BBC pre-recorded content is watched or listened to by two people prior to broadcast. Compliance forms must also be completed.

BBC complaints 2018/19:



Spot checks are undertaken on regular occasions by Internal Audit. The findings of these spot checks are reported to EGSC and, where there have been issues, we have asked BBC divisions to explain what has happened and that remedial action is taken to ensure the problem is resolved.

A key function of the Committee this year has been to ensure that the BBC’s complaints process runs smoothly and that all areas of the BBC abide by content standards as set out in the Editorial Guidelines and the Ofcom Broadcasting Code. 98% of complaints at Stage 1 and 84% of complaints at Stage 2 of the complaints process have been handled within the target timeframe: 10 working days for Stage 1 complaints; 20 working days for standard Stage 2 complaints and 35 working days for complex Stage 2 complaints. Where response times have fallen below the targets set by the Board, the reasons have been reported to the Board. An issue, caused by a technical problem, arose with the collation of the figures for Stage 2 complaints. This was reported to EGSC and rectified.

Ian Hargreaves
Chair

20 June 2019

Membership of the Editorial Guidelines and Standards Committee

The Editorial Guidelines and Standards Committee (EGSC) is responsible for content standards at the BBC. The EGSC comprises three non-executive directors and one executive director: Ian Hargreaves (Chair), Tanni Grey-Thompson, Nick Serota and Tony Hall. The EGSC meetings are also attended by the Director, Editorial Policy and Standards as the Principal Adviser to the Committee.

Ofcom

The ‘BBC First’ process, as set out in the Agreement, is working well. Ofcom in its first annual report on the BBC stated that the complaints process was effective and efficient. During this accounting period, Ofcom found the BBC to be in breach of the Broadcasting Code on two occasions, both of which had already been upheld by the BBC’s Executive Complaints Unit (ECU) at Stage 2 of the complaints process:

Today, BBC Radio 4, 10 August 2017 – Breach of Rule 5.1 (due accuracy in News). Ofcom felt that the presenter should have been prepared to provide challenge and context to Lord Lawson’s views on climate change, as appropriate.

Stephen: The Murder that Changed a Nation, BBC One, 19 April 2018 – Breach of Rule 7.1 (Fairness). The programme failed to mention that the complainant’s conviction and that of his colleague were subsequently quashed.

Ofcom also gave its first Opinion on a BBC online material complaint during this financial year. This Opinion related to a complaint by Carter-Ruck on behalf of Baroness Scotland. Ofcom said that the BBC had observed the relevant Guidelines and did not make any recommendation to the BBC in relation to this article.

In an exceptional decision, in February 2019 Ofcom decided to publish its reasons for not upholding a complaint about BBC coverage of the UK's exit from the EU. Ofcom stated that this was to provide guidance to broadcasters on the meaning of 'due' impartiality. Ofcom found that alternative viewpoints on the issues were sufficiently represented in the BBC programmes assessed (the subject of the complaint). This decision was an endorsement of the BBC's Stage 2 finding on the matter.

As requested by Ofcom, the BBC continues to publish on a fortnightly basis details of complaints which number over 100 and fall under the remit of the Broadcasting Code. These bulletins are published at: bbc.co.uk/complaints/comp-reports/reports-archive.

The BBC also publishes responses to significant complaints, and the findings of the Executive Complaints Unit, on the BBC Complaints site at: bbc.co.uk/complaints.

Editorial complaints and lessons learned

As in previous years, the majority of BBC content complied with the standards set by the BBC's Editorial Guidelines. However, the following serious breaches were noted by the Committee:

BBC Afrique, 28 April 2018. The station broadcast an interview with a human rights activist who made allegations of murder and attempted murder against the government and President of Burundi. The programme did not substantiate these allegations or offer a right of reply to the government and President. The BBC apologised for this serious editorial breach.

Human Planet, first broadcast in 2011. Following the discovery of another accuracy breach, the series has been withdrawn and is no longer available to licensees.

David Baddiel Tries to Understand: WiFi, BBC Radio 4, 24 October 2018. The programme contained factual inaccuracies about the properties, effects and propagation of electromagnetic waves. There were also mistakes in the selection of interviewees. The programme was revoked from on-demand platforms.

BBC News Pidgin featured on its website and Facebook page a propaganda video shot by a kidnapper in Cameroon. The video was taken down from both platforms and BBC Editorial Policy has provided bespoke training to the team.

In addition to these breaches, the Executive Complaints Unit found a total of 54 breaches of editorial standards this financial year (including ten cases in which the issue giving rise to the complaint had been resolved by action taken by the relevant division before the complaint was escalated to the ECU). All serious editorial breaches and upheld/partly upheld/resolved complaints are reported promptly to EGSC, together with action taken.

Nations Committee Reports

The four Nations Committees support the Board in reviewing and monitoring the output and performance of the BBC across the UK. This section provides a report from the Chair on the work of each Committee during the year.

Wales

Following on from the investment promised and acted upon by the Director-General, it has been a good year for BBC Wales, with last year's success *Keeping Faith* being followed with new drama *Hidden*, another co-production with S4C. BBC Wales commissions like *The Factory* were taken up by the network and the Committee was impressed with comedy commissions – a challenging area but one where Wales has talent. Our focus as a Committee will be on supporting re-investment and maintaining focus on landmark programming across drama, comedy and factual; building BBC Wales' online and audio impact; and strengthening and modernising news output.

I was joined on the Wales Committee by Ian Hargreaves, Ken MacQuarrie, Rhodri Talfan Davies and Rhys Evans, with other staff attending the meetings as required. During the year we met twice in Cardiff and once in Swansea, where we took part in an engagement session with younger audience members.

Over the year we discussed the media landscape in Wales with Ofcom Wales and met with the author of the independent review of S4C, Euryng Ogwen Williams. We were pleased that the relationship between S4C and the BBC was one of co-operation and understanding.

As part of our work we received regular updates on Out of London targets and Audience Performance in Wales, focusing in particular on BBC Radio Wales where extensive audience research had resulted in some programming changes. We were aware in particular of the move to streaming services among younger audiences.

At the start of this financial year, the developers handed over the keys of BBC Wales' new headquarters at Central Square in Cardiff. The huge enterprise of moving from Llandaff begins in autumn 2019. This will be the first facility in the UK to use IP technology across production and broadcast operations.

More detailed information on BBC performance in Wales can be found at pages 40 and 167 of this Annual Report.

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Elan Closs Stephens
 Chair, Wales Committee

Scotland

It's been an exciting year for the BBC in Scotland, most notably with the launch of the BBC Scotland channel in February 2019. Scotland is the only one of the four nations which now has two dedicated television channels – BBC Scotland and BBC ALBA – and the new channel means that over 900 hours of additional original content will be broadcast in Scotland every year. The Scotland Committee had an important role to play in supporting BBC Scotland during its preparations for the successful launch of the channel and we look forward to continuing to monitor its performance and celebrate its successes over the coming year.

Investment in our digital and engineering teams, plus the new roles created by the channel, has resulted in the creation of over 200 new BBC roles in Scotland this year; the biggest single investment in content production in a generation. Our technology hub based in Glasgow continues to grow and I'm pleased that it's becoming a centre of excellence for voice recognition and machine learning, amongst other specialisms.

It's also been a great year for programmes made in Scotland. These include *The Cry*, a four-part psychological drama for BBC One which was filmed in Scotland as well as Australia. In its first month the new Scotland channel broadcast some standout programming: *Inside Central Station*, which quickly became one of its most popular programmes; *Yes/No: Inside the Indyref*, which provided the inside story into one of the most monumental events in recent Scottish history; and *A View from the Terrace*, a light-hearted look at the world of Scottish football.

We celebrated the 10th anniversary of BBC Alba and I'm pleased that the channel now broadcasts weekend news for the first time, as well as delighting the newest generation of Gaelic speakers with CBeebies and CBBC programmes.

I was joined on the Scotland Committee by David Clementi, Ken MacQuarrie, Donalda MacKinnon (Director, Scotland) and Ian Small (Head of Public Policy and Corporate Affairs). This year we met in Glasgow, Dundee and Aberdeen. Whilst in Dundee and Aberdeen we engaged with representatives from the arts, business, cultural and education sectors to hear their views on BBC output and discuss ways in which we could collaborate further to help grow the creative industries.

Understanding and engaging with Scottish audiences is a key role of the Committee. The Committee considers the performance of all of the BBC's services in Scotland at every one of its meetings and in October 2018 we held an audience engagement session with 18 to 34 year olds based in Dundee. The participants expressed respect for the BBC and praised the high quality of its content; at the same time, we heard that they would like the BBC to make more programmes which feel relevant to young people. The arrival of the new BBC Scotland channel will help in this regard as it is already attracting new, younger viewers to the BBC. We look forward to engaging with audiences, particularly to hear their views on the Scotland channel, in the coming year.

More detailed information on BBC performance in Scotland can be found at pages 42 and 171 of this Annual Report.

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Steve Morrison
 Chair, Scotland Committee

Northern Ireland


During the year the Northern Ireland Committee has continued to monitor, review and support the BBC's work and performance in Northern Ireland. I continued to chair Committee meetings throughout the year in the absence of a BBC non-executive director (or Board Member) for Northern Ireland. This position has not been filled because it requires the involvement of the Executive at Stormont.

The Committee met in person twice during the year and visited Antrim to take part in an engagement session with younger audience members in the autumn. It also had the opportunity to meet with a cross-section of people from different sectors and organisations to hear their views on the BBC. I was joined on the Committee during the year by David Clementi, Peter Johnston, Nations Director, Northern Ireland, Anne Bulford, Deputy Director-General, and Elan Closs Stephens. Mark Adair, Head of Policy for Northern Ireland, also joined as a Committee member during the year.

In its work, the Committee received updates on BBC investment and output at local level, including developments linked to the refurbishment and extension of Broadcasting House, Belfast. It discussed the implementation of a new digital strategy for BBC news services in Northern Ireland and the continuing popularity of BBC Radio Ulster/Foyle and locally produced television programmes. We also heard about technological innovation and its benefits for BBC output and audiences and ongoing work to make our archives more generally accessible. More detailed information on BBC performance in Northern Ireland can be found at pages 44 and 175 of this Annual Report.

We know the important role that the BBC plays in supporting the creative industries in Northern Ireland. And it has helped to bring local talent, voices, places and concerns to a wider BBC network audience. Partnerships have underpinned much of this work and these will remain a priority over the next period in addition to work to engage younger audiences and to deliver against the BBC's programme and portrayal commitments for Northern Ireland. A significant year of programming lies ahead, across a range of genres and issues, and the Committee will keep all of this under review.

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Ken MacQuarrie
Chair, Northern Ireland Committee

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England

I am delighted to have been Chair of the England Committee over the last 12 months.

In the past year, in addition to existing members Tom Ilube (non-executive director) and Ken MacQuarrie (Director BBC Nations and Regions), the Committee has welcomed new members Helen Thomas (Director, BBC England) and Chris Burns (Head of BBC Local Radio in England). I would like to pass on my personal thanks to four people who are no longer Committee members; namely Alice Webb (Director, BBC Children's and Education), Joe Godwin (Director, BBC Midlands), Pat Connor (Director, BBC South West), and David Holdsworth (Controller, English Regions).

At the beginning of 2018, the Committee agreed that the key issues for the year should be youth and BAME audiences, and in particular how people in the major English cities viewed BBC content, as those areas were likely to be younger and more diverse. During the course of 2018, Committee members undertook audience groups sessions including meetings in Leicester at the Unity Boxing Club and the Belgrave Neighbourhood Centre, and in Leeds at the Priesthorpe School and the Hamara Centre. The Committee also visited Margate and met with local residents to explore their thoughts on our services. This provided us with a different perspective from an English coastal town.

With Helen Thomas I travelled to Jersey and Guernsey. Here we met with local representatives of these island communities where we were told about the importance of BBC local services to day-to-day lives. Finally, I visited the local radio station in Swindon. I talked with journalists who were on the front line of reporting the tragic novichok poisoning in Salisbury. The significance of having established local contacts with local people plays a vital part in enabling our journalists to report breaking news in a meaningful and timely way.

Through the year our engagement with audiences has provided the Committee with many insights, including the need to improve portrayal of BAME people in our programming and the strong desire to increase the content available on iPlayer, including extending its time availability. These are just two examples of what those we serve want from their public broadcaster.

We will continue to speak with people across England. Meanwhile I wish to thank all those people who have kindly taken the time to speak with me and the England Committee. We greatly appreciate your comments and support.

In October, Helen Thomas (as the new Director for BBC England) presented her new strategy for England. At the heart of the strategy is recognition of the need to champion all audiences across England, particularly underserved audiences. This means we have to transform the BBC's audience offer as well as helping to grow the creative and economic impact of BBC England. In Local Radio our mission will be not only to provide local news but to reflect and connect with audiences by owning the local conversation. We want to provide opportunities for those new to broadcasting and be a place that seeks to constantly innovate. In support of this Helen Thomas and Chris Burns visited all the BBC sites across England this year, in order to both hear from BBC staff and to deliver their key messages. This has laid the path for change over the coming year.

More detailed information on BBC performance in England can be found at pages 46 and 179 of this Annual Report.

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Ashley Steel
Chair, England Committee

Fair Trading Report

The last year has been one in which the Fair Trading Committee has focused on developing our oversight of the BBC's trading, separation and regulatory compliance mechanisms. Our work has been focused on deepening our understanding of the BBC's commercial subsidiaries, understanding the impacts of changes to commercial structures and forging closer relations with Ofcom, who set the framework for all Fair Trading matters.

The BBC's Fair Trading framework has been in place for many years and is well embedded in the organisation. It also continues to be of vital and increasing importance – it ensures that the BBC is equipped to meet its obligation to trade fairly with any and all third parties, and these issues are only becoming increasingly important as the balance of commercial activity in the Group grows.

The Committee's core business during the year has included:

- considering the BBC's processes for ensuring compliance with Ofcom's rules and reviewing compliance with these;
- taking a quarterly management report from the Executive, detailing specific engagement with upcoming and ongoing Fair Trading issues across the BBC;
- reviewing and monitoring targets for Fair Trading training across the BBC; and
- approval of all relevant publications and reports that the BBC must provide specifically to meet Ofcom's trading and separation rules.

During the year, the Committee also discussed the BBC's engagement with Ofcom's consultation on their updated trading and separation rules. We have noted the final conclusions of that consultation and are now overseeing the BBC's implementation of the new requirements. These include a statement of operational separation, which we refer to in this report and can be found on the BBC's website at: bbc.com/aboutthebbc/reports/policies.

Overall, from our work this year, we feel the system is working well and note there have been no Fair Trading complaints to report in the year. This is a welcome development and I hope gives assurance to those outside the BBC that our processes are working well.

Of course there is always more to do and we are not complacent – we want to be as transparent as possible and we welcomed Christopher Saul's conclusions following his review of Commercial Transparency in the BBC. In his report, Chris found that "the overall level of transparency of the commercial subsidiaries in the areas of governance, regulation and pay and reward is at least as good as that to be found at peer businesses." This was a welcome finding and gave the Committee reassurance that the framework is trusted, mature and well-functioning.

The development of the BBC's commercial governance has also been a key part of this year and it is welcome that the newly constituted Commercial Holdings Board (CHB) will continue to help to ensure that trading and separation requirements are a core consideration for CHB. I am looking forward to working closely with Elan Closs Stephens, as Chair of the CHB, to develop a strong assurance process during the coming year.

I would like to thank my colleagues on the Committee for their support, expertise and contributions to our meetings. During the year the members included Steve Morrison, Ian Hargreaves and Elan and we are supported by central Policy, Finance and Legal teams who are well versed in the issues at hand. It was also pleasing to note the findings of this year's Deloitte Fair Trading audit, which showed that the BBC has an established system of internal controls in this area. Their full opinion can be found on page 140.

All in all, I am confident that this report shows that the BBC is operating well within the frameworks set for us by Ofcom, and we are looking forward to the coming year when we will continue to broaden our work and develop our assurance of all that the BBC does in this important – and growing – area.

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Tom Ilube
Chair

20 June 2019

What do we mean by Fair Trading?

Fair Trading is the way that we describe our processes and practices which ensure that when we undertake commercial and trading activities we do so in a way that does not risk distorting the market. This means that the BBC trades on equivalent terms with its commercial subsidiaries and third parties – whether we are buying studio space or charging producers to use a BBC office when making a TV programme for us – and the BBC's commercial subsidiaries therefore receive no unfair competitive advantage as a result of their relationship with the BBC. Our processes and practices are aligned with Ofcom's trading and separation rules which form part of Ofcom's overarching operating framework for the BBC.

What does the Fair Trading Committee do?

The Fair Trading Committee (FTC) was established by the Board as a means to monitor and assure the appropriate financial and operational separation between the BBC's public service and commercial activities, in line with Ofcom's framework. The Committee was put in place voluntarily by the Board, in recognition of the importance the BBC places on transparency and commercial efficiency in the operation of its commercial subsidiaries.

The key function of the FTC is to oversee the BBC's compliance with our regulatory obligations for trading and separation between the public service and the commercial subsidiaries¹. The core responsibilities of the FTC include:

- considering reports on the extent to which the activities of the BBC are consistent with Ofcom's trading and separation requirements;
- keeping under review the BBC's compliance with Ofcom's trading and separation regulatory requirements;
- commissioning and receiving the annual independent audit of compliance controls;
- considering and approving for publication the BBC's transfer pricing methodologies; and
- ensuring that the BBC's transfer pricing methodologies are reviewed regularly.

¹ In 2018/19 – BBC Studios, BBC Studioworks and Global News Limited.

During the year, Ofcom has consulted on changes to its trading and separation rules, and published revised rules in February 2019. The BBC and the FTC engaged fully with this consultation and is now putting in place measures to implement the new rules. These new rules set out all of Ofcom's requirements for the BBC's commercial and trading activities, including their requirements for monitoring, reporting and transparency.

The framework requires the BBC to ensure that:

- all commercial activities are undertaken by separate commercial subsidiaries;
- all commercial subsidiaries are operationally separate from the public service BBC;
- the BBC provides goods and services to commercial subsidiaries on arm's length commercial terms, as we would with any third party;
- each of the BBC's commercial subsidiaries achieve a commercial rate of return; and
- there is appropriate transparency, monitoring and reporting on the activities of the subsidiaries.

To ensure that these rules are complied with, the FTC oversees and assures the BBC's processes and procedures to ensure that awareness and understanding of the framework is high. To do this, the BBC's Group Regulation team manages a targeted training programme for staff likely to encounter Fair Trading issues. The training has continued to be updated, revised and made more accessible to all eligible staff this year, including by targeting in-depth training at those employees working in areas of highest Fair Trading risk. The Fair Trading Committee has overseen these processes and monitored compliance with them.

The Committee is briefed on relevant regulatory and Fair Trading complaints received and handled by the BBC. Details of these are reported elsewhere in the Annual Report, though the Committee noted that no specific Fair Trading complaints were received in the year.

How the Committee works

In 2018/19, the FTC comprised four non-executive directors: Tom Ilube (Chair), Elan Closs Stephens, Ian Hargreaves and Steve Morrison. At the end of the year, Elan Closs Stephens stepped down from the Committee and assumed the role of Chair of the BBC's Commercial Holdings Board. The FTC's meetings were attended, during the year, by the Deputy Director-General, Director of Policy and the Head of Regulation, as well as the Group General Counsel and other advisers as necessary. Three Committee meetings were held during the year, with papers also approved offline where necessary (see page 121).

To support the framework, and to assure the BBC's approach to regularity and the use of public funds, the FTC continues to voluntarily commission an annual audit by independent auditors, and separately has been accredited with the ISO 9001:2008 quality standard. The auditors' report is set out on the next page.

Statement on operational separation

The FTC is satisfied that in 2018/19 the BBC has complied with all relevant operational separation requirements as set out in Ofcom's trading and separation rules. Alongside this report the BBC has published further details of the risks it has identified in this area, and the measures and controls the BBC has put in place to mitigate these risks.

For 2018/19, the FTC is not aware of any issues with the effectiveness of the measures and controls that the BBC has put in place to comply with Ofcom's requirements, as set out further on the BBC website. The FTC expects the BBC to provide quarterly updates on operational separation as part of the management report.

Having received reports from relevant senior management, and having considered the findings of the Fair Trading Audit, the Fair Trading Committee is satisfied that all commercial services have met the above criteria for the period 1 April 2018 to 31 March 2019.

Independent Fair Trading Auditors' Report to the BBC for the year ended 31 March 2019

We have audited, in our role as the BBC's Fair Trading auditors, the system of internal controls established within the BBC to provide the BBC with reasonable assurance that the BBC Board ('the Board') has complied with the Fair Trading aspects of Ofcom's Trading and Separation requirements for the year ended 31 March 2019 ('the Fair Trading Arrangements').

Our instructions for this engagement, including the scope of work to be undertaken, were agreed with the BBC's Fair Trading Committee (the 'FTC'), a sub-committee of the BBC Board. These instructions include agreement that our audit should be conducted in accordance with International Standard on Assurance Engagements ('ISAE') 3000, agreement on the limit of our liability in respect of this work and agreement that our duty of care in respect of this work is solely to the BBC. We are satisfied that the agreed scope of our audit was sufficient to enable us to express the opinion set out below.

Respective responsibilities of BBC Board and Fair Trading auditors

The Board is charged by Ofcom with establishing and operating a system of internal controls designed to ensure compliance with the BBC's Fair Trading Arrangements for the year ended 31 March 2019, including identifying and assessing risks that could threaten fair trading and designing and implementing responses to such risks.

As the BBC's Fair Trading auditor, it is our responsibility to form an independent view, based on our audit work, as to the extent to which the BBC has established, and applied, a system of internal controls which provide reasonable assurance that it has complied with the requirements of its Fair Trading Arrangements for the year ended 31 March 2019. We have reviewed specific decisions reached by the BBC on Fair Trading issues only in so far as this is necessary to form an opinion on the application of the system of internal controls.

Our opinion has been prepared for and only for the BBC in accordance with our instructions which were agreed with the Fair Trading Committee on behalf of the BBC. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any person other than the Board to whom this report is shown or into whose hands it may come, and no other person shall be entitled to rely on our opinion, save where expressly agreed by our prior consent in writing.

Our approach

We have performed a reasonable assurance engagement as defined in ISAE 3000. The objective of a reasonable assurance engagement is to perform such procedures as to obtain information and explanations which we consider necessary in order to provide us with sufficient appropriate evidence to express a conclusion on the BBC's compliance with its Fair Trading Arrangements for the year ended 31 March 2019.

Our work consisted of enquiry and testing to enable us to form a view as to whether an appropriate system of internal controls was in place. We conducted a risk-based analysis to identify those aspects of the BBC's Trading and Separation control regime that represents the most significant risk, and focused our detailed testing on those areas. Individual cases were selected from the BBC's fair trading log for review. In each case we examined written records and interviewed relevant parties to provide us with reasonable assurance that the system of internal control had been applied. Cases examined, and the areas of significant risk around which the work was focused, included examination of transfer pricing and separation arrangements, use of and payment for the BBC brand, and the application of the Royal Charter requirement that its commercial activities do not, as a result of their relationship with the UK Public Services, non-service activities or trading activities, distort the market or gain an unfair competitive advantage. We observed, through the course of our work, a culture of consultation and referral in respect of Fair Trading matters.

Inherent limitations

As with any system of control, it is not practicable to ensure that no errors or irregularities have occurred without being detected. Our audit work was designed to give the Board reasonable assurance as to the adequacy of the system of internal controls which was in place and being applied to deliver compliance with the requirements of its Fair Trading Arrangements for the year ended 31 March 2019. Further, because fair trading issues require judgements which ultimately might be tested in a court of law, competition authority or elsewhere, there is always a risk of challenge even where the system of internal controls has been followed and decisions have been taken with the greatest care.

Opinion

Based on the results of our procedures, in our opinion the BBC has established and has applied a system of internal controls that provide reasonable assurance that it has complied with the requirements of the Fair Trading Arrangements for the year ended 31 March 2019.

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Deloitte LLP
Chartered Accountants
 London
 20 June 2019

Statement of Board responsibilities in respect of the Annual Report and Accounts

The Charter requires the BBC to prepare an audited annual report and statement of accounts.

The Board has accepted its responsibility for the preparation of a strategic report, statements of compliance with applicable codes and regulations (including the Board remuneration report) and the statement of accounts which are intended to give a true and fair view of the state of affairs of the BBC and its subsidiaries (the 'Group') and of the income and expenditure for that period. The Board has prepared the accounts in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The Board must not approve the statement of accounts (or 'financial statements') unless it is satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and of the surplus or deficit for that period.

In preparing the financial statements, the Board has:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether they have been prepared in accordance with IFRS as adopted by the EU; and
- prepared the financial statements on the going concern basis as they believe that the BBC will continue in business.

The Board is responsible for keeping proper accounting records that are sufficient to show and explain the BBC's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements and the Board remuneration report comply with the Charter. It also has a general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the BBC and to prevent and detect fraud and other irregularities.

The responsibilities of the Board for ensuring that the BBC exercises rigorous stewardship of public money, including responsibility for the propriety and regularity of management of the BBC's resources, are set out in article 16 of the Charter.

The Board is responsible for the maintenance and integrity of the BBC's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Board members who held office at the date of approval of the Annual Report and Accounts, whose names and functions are listed in the Governance section of the Annual Report and Accounts, confirm that, to the best of each of their knowledge and belief:

- the financial statements, prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and deficit of the Group;
- the Annual Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces; and
- the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for licence fee payers to assess the Group's performance, business model and strategy.

Statement of disclosure of information to auditors

The Board members who held office at the date of approval of the Annual Report and Accounts confirm that, so far as they are each aware, there is no relevant audit information of which the BBC's auditors are unaware; and each Board member has taken all the steps that they ought to have taken as a Board member to make themselves aware of any relevant audit information and to establish that the BBC's auditors are aware of that information.

Going concern

The directors have prepared cash flow forecasts for a period in excess of a year from the date of approval of these financial statements, and have reviewed these forecasts, together with the sensitivities and mitigating factors in the context of available funds.

The directors are satisfied that the BBC is well placed to manage the risks and has adequate resources to continue in operation for the foreseeable future. As a result, the going concern basis has been adopted in the preparation of the financial statements.

This statement was approved by the Board.



Sir David Clementi
Chairman
20 June 2019

Performance against public commitments



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Nations' data packs

Detailed performance data by service in Wales, Scotland, Northern Ireland and England.

This section sets out our progress towards various public commitments. These commitments come from the Charter, the Agreement, our licence obligations and commitments we have made to deliver services for our audiences.

Regulatory compliance

This section sets out the BBC's performance against its commitments in the UK Public Services. The table below sets out regulatory conditions under Ofcom's Operating Licence. Compliance is measured across the 2018/19 financial year unless otherwise stated. The requirements below are arranged by public purpose. The majority of Operating Licence conditions first came into force on either 1 January or 1 April 2018. Therefore, 2018/19 is the first year in which we are reporting against the full Operating Licence. In some cases, we have reported compliance against Operating Licence conditions which were applicable in 2018, prior to the most recent issue of the licence in January 2019.

The BBC met all its Operating Licence conditions, with the two exceptions below:

- Radio 2 broadcast 257 hours of live music in 2018/19, due to the cancellation of some events;
- On our popular Gaelic language service Radio nan Gàidheal, 44% of the content broadcast in core hours was speech content, which is consistent with our historic performance. We are working with Ofcom to establish the correct quota for 2019/20.

Purpose One: To provide impartial news and information to help people understand and engage with the world around them

	Note	Quota	Result
BBC One			
News throughout the day		✓	✓
Hours of news	1	1,520 (280 in peak)	1,655 (295 in peak)
Hours of current affairs in peak	1	45	47
BBC One and BBC Two			
Hours of current affairs	1,2	450 (106 in peak)	568 (106 in peak)
CBBC			
News throughout the day		✓	✓
Hours of news		85	92
BBC News			
More international news than other main continuous news channels in the UK		✓	✓
More local/regional news than other main continuous news channels in the UK		✓	✓
Radio 1			
Hours of news in daytime each weekday, including two extended bulletins (one in peak)		1	1
Regular bulletins in daytime at weekends		✓	✓
1Xtra			
Hours of news in daytime each weekday, including two extended bulletins		1	1
Regular bulletins in daytime at weekends		✓	✓
Radio 2			
Weekly hours of news and current affairs		17 (3 in peak)	17 (3 in peak)
Regular bulletins		✓	✓
Radio 3			
News throughout the day		✓	✓
Radio 4			
Hours of news and current affairs		2,750	3,394
Daily reports of Parliamentary proceedings when Parliament is sitting		✓	✓
BBC Radio 5 live			
% of output that is news and current affairs		75	76
Extensive coverage of local and general elections, elections to the devolved chambers, and regular coverage of European and international politics		✓	✓
BBC 6 Music			
Weekly hours of news		6	6
BBC Asian Network			
Weekly hours of news and current affairs		24	24
BBC Online			
Adequate links to material provided by third parties		✓	✓

Notes

- 1 Measured across the 2018 calendar year
- 2 Measured across the two channels

Purpose Two: To support learning for people of all ages

	Note	Quota	Result
BBC One			
Hours of arts and music, including some in peak		45	63 (29 in peak)
BBC One and BBC Two			
Hours of religious programmes	1	115	141 (9 in peak)
BBC Two			
Hours of arts and music, including some in peak		175	221 (69 in peak)
BBC Four			
Hours of news arts and music programmes		175	236
CBeebies			
A range of content which supports pre-school children in their learning		✓	✓
CBBC			
Hours of drama		1,000	1,906
Hours of factual programmes		675	1,226
BBC ALBA			
Weekly hours for Gaelic language learners (originations only)	2	5	13
Radio 1			
Number of new documentaries		40	42
1Xtra			
Number of documentaries		40	43
Radio 2			
Hours of arts programming		100	131
Hours of new documentaries		130	130
Hours of religious output covering a broad range of faiths		170	199
Radio 3			
% of output that is live or specially recorded music		45	57
Number of live or specially recorded performances		440	501
Number of new musical works commissioned		25	32
Number of new documentaries on arts and cultural topics		35	38
Radio 4			
Hours of original documentaries		375	403
Hours of original religious programming		200	225
BBC 6 Music			
Hours of speech-based features, documentaries and essays		520	520
BBC Online			
Content which supports children and teenagers in their formal learning in all parts of the UK		✓	✓

Notes

1 Measured across the two channels

2 Originations includes programming first shown on other UK Public Services

Purpose Three: To show the most creative, highest quality and distinctive output and services

	Note	Quota	Result
Television			
% of hours that were originations			
	1,2		
BBC One		75	86
BBC One in peak		90	99
BBC Two		75	92
BBC Two in peak		90	95
BBC Four		75	92
BBC Four in peak		60	89
BBC News		90	98
BBC Parliament		90	98
CBBC		72	81
CBeebies		70	72
BBC ALBA		75	94
BBC Scotland	3	75	99
Hours of first-run originations across daytime and peak			
	2,4		
BBC One		4,000	4,344
BBC Two		2,200	2,826
CBBC		400	413
CBeebies		100	127
BBC One and BBC Two			
Hours of comedy programmes, some in peak	5	300	353 (215 in peak)
Radio			
Radio 1			
% of music in daytime from UK acts		45	47
% of new music in daytime, with significant proportion from new and emerging UK artists	6	50	52
Weekly hours of specialist music		60	67
Number of new sessions live or recorded within previous three months		175	182
Broader range of music than comparable providers, taking into account both number of plays and size of playlist, in daytime and peak		✓	✓
Number of major social action campaigns		2	3
Radio 2			
% of music in daytime from UK acts		40	49
% of new music in daytime, with significant proportion from new and emerging UK artists	7	20	28
Hours of live music		260	257
Hours of specialist music		1,100	1,193
Broader range of music than comparable providers, taking into account both number of plays and size of playlist, in daytime and peak		✓	✓
BBC Radio 5 live			
Number of sports with live commentary		20	20

Notes

- 1 Originations include all BBC commissioned programmes including repeats
- 2 Measured across the 2018 calendar year
- 3 The BBC Scotland channel launched on 24 February 2019
- 4 First-run originations do not include repeats
- 5 Measured across the two channels
- 6 41% of additions to the Radio 1 playlist during 2018 came from 'new and emerging UK artists'
- 7 17% of additions to the Radio 2 playlist during 2018 came from 'new and emerging UK artists'

Purpose Four: To reflect, represent and serve the diverse communities of the United Kingdom's nations and regions and, in doing so, support the creative economy across the United Kingdom

	Note	Quota	Result
Network Television			
Suitable range of programmes made outside the M25 area	1	✓	✓
% of hours made in... at a suitable range of production centres	1		
UK (outside the M25 area)		50	62
England (outside the M25 area)		30	37
Scotland		8	17
Wales		4	5
Northern Ireland		2	2
% of expenditure made in... at a suitable range of production centres	1		
UK (outside the M25 area)		50	51
England (outside the M25 area)		28	28
Scotland		8	10
Wales		5	6
Northern Ireland		3	3
BBC One			
Hours of news of national or regional interest throughout the day	1	4,300 (2,100 in peak)	4,761 (2,159 in peak)
BBC One and BBC Two			
Hours of programmes of national or regional interest (suitable range)	1,2	6,300	6,462
% of programmes made in the relevant location	1,2	95	99.7
Hours of non-news in peak	1,2	700	729
Hours of non-news adjacent to peak	1,2	280	315
BBC One Scotland			
Hours of news and current affairs		290	341
Hours of non-news programmes		155	215
A range of genres that reflects Scotland's culture		✓	✓
BBC Two Scotland			
Hours of non-news programmes, including Gaelic language output		200	228
A range of genres that reflects Scotland's culture		✓	✓
BBC One Wales			
Hours of news and current affairs		275	341
Hours of non-news programmes		65	130
BBC Two Wales			
Hours of non-news programmes		175	200
BBC One Wales and BBC Two Wales			
A range of genres that reflects Wales' culture	2	✓	✓
BBC One Northern Ireland			
Hours of news and current affairs		310	377
Hours of non-news programmes		90	102
BBC Two Northern Ireland			
Hours of non-news programmes		60	166
Irish language programming and Ulster-Scots programming		✓	✓
BBC One Northern Ireland and BBC Two Northern Ireland			
A range of genres that reflects Northern Ireland's culture	2	✓	✓
BBC Parliament			
Proceedings of the Scottish Parliament, Northern Ireland Assembly and Welsh Assembly		300	321
Network Radio			
% of network radio station expenditure outside the M25 area (some referable to Radio 1, Radio 2, Radio 3, Radio 4 and BBC Radio 5 live)		33.3	39
% of Radio 3 expenditure outside the M25 area		40	46

	Note	Quota	Result
BBC Online			
News and information for the English regions		✓	✓
Coverage of sport for the English regions		✓	✓
News and information for Scotland		✓	✓
Content in Gaelic		✓	✓
Coverage of sport in Scotland		✓	✓
News and information for Wales		✓	✓
Content in Welsh		✓	✓
Coverage of sport for Wales		✓	✓
News and information for Northern Ireland		✓	✓
Content in Irish and Ulster-Scots		✓	✓
Coverage of sport for Northern Ireland		✓	✓
Nations and Regional Services			
BBC Scotland			
A range of genres that reflects Scotland's culture		✓	✓
A suitable range of programmes including news	1	✓	✓
BBC ALBA			
Live news each weekday evening, including in peak, and a longer news review at weekends		✓	✓
BBC Local Radio			
% of daytime weekday output that is speech content	3,4	60	66
% of peak breakfast output that is speech content	3,4	100	100
News and information of particular relevance to the area and communities it serves throughout the day	3	✓	✓
Non-news content of particular relevance to the area and communities it serves	3	✓	✓
Weekly hours of original, locally made programming	4,5	95	118
BBC Radio Guernsey – Weekly hours of original, locally made programming		80	101
BBC Radio Jersey – Weekly hours of original, locally made programming		80	101
BBC Radio Somerset – Weekly hours of original, locally made programming		70	90
BBC Radio Scotland			
% of daytime weekday output that is speech content		60	94
% of peak breakfast output that is speech content		100	100
Weekly hours of news and current affairs		50	60
Several regional opt-outs each weekday, offering news, sport and information, and some evening regional opt-out community programming		✓	✓
Content and music of particular relevance to Scotland		✓	✓
BBC Radio nan Gàidheal			
% of daytime weekday output that is speech content		60	44
% of peak breakfast output that is speech content		100	100
News frequently across the day, particularly in breakfast peak and afternoon peak on weekdays and peak on weekends		✓	✓
Content and music of particular relevance to Scotland		✓	✓
BBC Radio Wales			
% of daytime weekday output that is speech content		60	67
% of peak breakfast output that is speech content		100	100
Weekly hours of news and current affairs		32	35
Content and music of particular relevance to Wales		✓	✓
BBC Radio Cymru			
% of daytime weekday output that is speech content		60	69
% of peak breakfast output that is speech content		100	100
Weekly hours of news and current affairs		23	24
Content and music of particular relevance to Wales		✓	✓
BBC Radio Ulster			
Weekly hours of news and current affairs		35	42

	Note	Quota	Result
BBC Radio Foyle			
Weekly hours of news and current affairs		20	23
BBC Radio Ulster and BBC Radio Foyle			
% of daytime weekday output that is speech content	2	60	66
% of peak breakfast output that is speech content	2	100	100
Content and music of particular relevance to Northern Ireland	2	✓	✓
Hours of indigenous minority language programming, including Irish and Ulster-Scots output	2	240	241

Notes

- 1 Measured across the 2018 calendar year
- 2 Measured across the two channels/stations
- 3 Applies to each BBC Local Radio station. Each station was compliant with the licence condition
- 4 Each station was compliant with the licence condition. The figure reported is the average figure across relevant stations
- 5 Applies to each BBC Local Radio station, except BBC Radio Guernsey, BBC Radio Jersey and BBC Radio Somerset

Other regulatory matters

Changes to the BBC's UK Public Services

Under the Charter and Agreement, the BBC has to assess whether changes to UK Public Services are material. If the changes are material, we are required to carry out a Public Interest Test, which must then be approved by Ofcom before the change can be made.

In 2017, the BBC conducted a Public Interest Test into the new BBC Scotland channel, which the Board approved and submitted to Ofcom for consideration in November 2017. Ofcom approved the launch of the new channel in June 2018. BBC Scotland was launched in February 2019.

During 2018/19, we have conducted three detailed materiality assessments of changes to UK Public Services. Of these, the BBC decided none were material:

- extending the availability of content on BBC iPlayer during 2018/19;
- further developments to BBC Sounds, including aggregating commercial radio and podcasts and offering a limited music streaming service; and
- amending the hours of the newly launched BBC Scotland channel to provide additional time for access services, such as signing.

In November 2018, Ofcom decided that the BBC's 2018/19 plans for BBC iPlayer were material and directed the BBC to carry out a Public Interest Test. In January 2019, the BBC published a consultation on its proposals to extend the availability of content on BBC iPlayer. In April 2019, the BBC approved the BBC iPlayer Public Interest Test and submitted it to Ofcom. Ofcom plans to complete its assessment and make a final decision by August 2019.

Changes to the BBC's commercial activities

Under the Charter and Agreement, the BBC has to assess whether changes to its commercial activities are material. During 2018, we assessed whether the UKTV transaction (the splitting of the business between the BBC and Discovery) was a material change. The BBC Board concluded that whilst a significant transaction for BBC Studios, this was not a material change.

Regulatory complaints

Under the Agreement between the BBC and the Secretary of State, the BBC is responsible for handling complaints, in a BBC First approach. This year we have received two complaints regarding competition requirements. In both cases we found that there was no breach of any of the BBC's obligations. We received no complaints regarding other non-editorial relevant requirements.

Issue	Service	Date of complaint	Outcome and remedy	Date of outcome
Procurement of audience voting services	Various	12 March 2018	No breach of competition requirements	30 April 2018
Participation in BARB	BARB	29 May 2018	No breach of competition requirements	4 July 2018

Annual Plan Commitments

Under the Charter, the BBC is required to publish an Annual Plan. As part of the Annual Plan, we made 103 public commitments to make the BBC distinctive. These commitments mainly relate to specific events or outcomes on our services that occurred over 2018/19.

Purpose	BBC commitment	Achieved
BBC One		
A mix of different genres and output	BBC One will continue to broadcast a demonstrably broader range of genres in peak time than any comparable channel	YES
	BBC One will showcase a wide range of content from across the UK including: three major dramas from BBC Wales	YES
Creative ambition	BBC One will broadcast at least 15 new drama titles during the year (subject to delivery timing)	YES – 19
	BBC One will showcase a wide range of content from across the UK including: fresh format development and more local comedy and drama from Northern Ireland	YES
	BBC One will showcase a wide range of content from across the UK including: new and returning series from Scotland	YES
Range of audiences	BBC One will aim to be the channel that reaches the most 16-34 year-olds	YES
	BBC One will aim to reach more than half of BAME audiences each week	BBC One reached 51.3% of BAME audiences on average across the year
BBC Two		
A mix of different genres and output	BBC Two will broadcast at least 50 hours of arts and music in peak time	YES – 69
Creative ambition	BBC Two will bring four new factual formats to the channel	YES – 5
	BBC Two will bring three new comedy or comedy entertainment shows to the channel	YES – 3
BBC Three		
A mix of different genres and output	BBC Three will commission substantial scripted content – including aiming to commission at least five long-form comedies, subject to delivery timing	YES – 11
UK original output	More than 90% of long-form commissions will be UK originations	YES – 98%
Range of audiences	BBC Three will aim to reach 5-10% of 16-34s a week (using a four-weekly average)	YES – 8%
BBC Four		
UK original output	BBC Four will broadcast at least 60 hours of originated factual programmes this year	YES – 106
Creative ambition	BBC Four will expand its international remit with at least three new factual acquisitions giving insight into global history and culture	YES – 3
CBBC		
A mix of different genres and output	Broadcast a broader range of genres than other children's television channels	YES
	CBBC will build on its commitment to deliver regular news on CBBC by promoting engagement through a new Newsround website	YES
Creative ambition	Support the mental health and wellbeing of UK children with specifically commissioned programmes on CBBC and the online offer <i>Own It</i> to help pre-teens develop their confidence and resilience online	YES
Range of audiences	Reflect the diversity of UK children to ensure everyone sees themselves and their lives represented on screen	YES
CBeebies		
A mix of different genres and output	Broadcast a broader range of genres than other children's television channels	YES
Creative ambition	CBeebies will build on its support for early years development with the launch of new learning and creativity apps	YES
Range of audiences	Reflect the diversity of UK children to ensure everyone sees themselves and their lives represented on screen	YES

Purpose	BBC commitment	Achieved
BBC News		
A mix of different genres and output	We will continue our commitment to daily in-depth sports news	YES
Range of audiences	It will be the UK news channel with the biggest reach	YES
BBC Parliament		
A mix of different genres and output	Brexit will continue to dominate Chamber coverage, with the main action moving between Commons and Lords, as well as in Committee and the European Parliament. The Speaker's Lecture series will focus on this with six of the most prominent political voices speaking on the subject, over the first half of the year	YES
	We will continue our commitment to cover European Parliamentary institutions	YES – 126 hours
UK original output	The centenary of women's suffrage will be examined through the parliamentary history of the campaign in a documentary on the MPs who fought to extend the vote. The Speaker's Lecture series in the second half of the year will develop the theme in the direction of present-day equality issues and political campaigns	YES
BBC ALBA		
A mix of different genres and output	BBC ALBA will celebrate its 10th anniversary and will launch a new weekend news offering, as well as playing a key supply role to the new BBC Scotland channel	The BBC Scotland channel launched in February. BBC ALBA will supply programming during 2019/20
Radio 1		
A mix of different genres and output	We will measure the overlap of the 100 most played songs on Radio 1 and key commercial stations each month to ensure we continue offering a distinct music mix	YES – see note 1
	Documentaries will focus primarily on the key challenges faced by young adults growing up in the UK today and aim to stimulate wider conversations as part of our Sunday afternoon <i>Life Hacks</i> programme	YES
	We will report on the range and depth of support for new music on Radio 1 and Radio 2 through analysis of their respective published playlists; and compare performance against the playlists of key commercial stations	YES – see note 2
UK original output	Radio 1's playlist will showcase the UK's most exciting new music, with extensive support for acts still to enjoy significant chart success. The Brit List in particular will offer a continuing commitment to emerging artists across the year	YES
Creative ambition	We will experiment with new podcast formats, including a number designed to offer opportunities for up-and-coming comedians	YES
	As part of BBC Music's 'Biggest Weekend', Radio 1 will head to Wales with a two-day celebration of live music in Swansea	YES
	Social action content will tackle issues around debt and sex and consent	YES
Range of audiences	Radio 1 will maintain an editorial focus on its key audience of listeners aged 15-29	YES
1Xtra		
A mix of different genres and output	We will continue developing the 1Xtra Talks brand, aiming to establish it in the minds of listeners as a home for documentaries and in-depth discussion that tackles key issues affecting young people in the UK today	YES
UK original output	1Xtra acts as a champion for new UK artists who get little mainstream media support. In daytime, at least 35% of the music will come from UK artists, with an intention that at least 50% of this will be 'new'	YES
Creative ambition	We are looking to build partnerships with community radio stations around the UK and will showcase some of the most exciting new DJs we find in a series of late-night specialist shows	YES
Range of audiences	1Xtra's programmes are designed with young adults in mind, aiming in particular to appeal to underserved BAME audiences	YES

Purpose	BBC commitment	Achieved
Radio 2		
A mix of different genres and output	We will measure the overlap of the 100 most played songs on Radio 2 and key commercial stations each month to ensure we continue offering a distinct music mix	YES – see note 3
	Radio 2 will play a more distinctive mix of music than comparable providers, with a daytime playlist which features a greater range of songs	YES – see note 4
	Radio 2 will broadcast a broad mix of genres and programming, including the <i>Arts Show</i> , 500 Words as well as specialist music output from jazz, folk, blues and soul to the popular <i>Sounds of the 80s</i> on the Red Button	YES
UK original output	Radio 2 will act as a showcase for new and heritage UK artists as well as BBC Introducing artists	YES
Creative ambition	Radio 2 will continue to be a champion of new and heritage artists, with a variety of live events around the UK, such as Radio 2 in Hyde Park, BBC Young Brass Final in Manchester, Radio 2 Folk Awards in Belfast, the Cheltenham Jazz Festival and the Edinburgh Festival	YES
	As part of BBC Music's 'Biggest Weekend', Radio 2 will head around the UK with a two-day celebration of live music in Perth and Coventry	YES
Range of audiences	Radio 2 will maintain its editorial focus on listeners aged over 35	YES
Radio 3		
A mix of different genres and output	Radio 3 will renew its commitment to putting cultural range at the heart of its offer. This includes relaunching its late-night speech and cutting-edge music zone	YES
	Radio 3 will renew its commitment to putting cultural range at the heart of its offer. This includes an expansion of its commitment to 'slow radio'	YES
	Radio 3 will renew its commitment to putting cultural range at the heart of its offer. This includes newly commissioned formats for world music and jazz programmes	YES
	Radio 3 will maintain its role in unique and challenging drama	YES
UK original output	Radio 3 will continue to promote new talent – whether through New Generation Artists, New Generation Thinkers or BBC Introducing. Plans will be developed for a returning on-air season highlighting young talent	YES
Creative ambition	Radio 3 will broadcast major seasons to mark key classical music anniversaries including 150 years since the death of Claude Debussy, the centenary of Gustav Holst's <i>The Planets</i> , 100 years since the birth of Leonard Bernstein and 40 years of <i>BBC's Young Musician</i> . Late-night specials will explore Japanese music and culture, and a major returning strand across the summer, autumn and winter will showcase how forests have been at the centre of the human imagination and great music and art	YES
Radio 4 and BBC 4 Extra		
A mix of different genres and output	Radio 4 will continue to support and promote new writing in its drama and comedy, as well as delivering the third series of the striking innovative drama serial <i>Tracks</i> and other digital-first projects	YES
	It will introduce a new run of stand-up comedy to Sunday evenings and continue to be the home of the BBC New Comedy Award	YES
	We will make over 600 hours of drama for Radio 4 and iPlayer Radio combined	600
	We will make 180 hours of comedy for Radio 4 and iPlayer Radio combined	YES – 248
	Radio 4 will continue to provide insight through its Brexit for the Perplexed brand	YES
	We will broadcast 55 hours of comedy each week on Radio 4 Extra	YES – 62
	We will broadcast 55 hours of drama each week on Radio 4 Extra	YES – 64
	Radio 4 Extra will continue its commitment to drama and comedy archive, as well as selecting from the best new speech audio and podcasts. It will continue to offer new comedy to younger listeners through its <i>Newsjack</i> franchise	YES
Creative ambition	Radio 4 will continue to produce significant landmark content to mark major events and anniversaries, which this year will include the Suffrage and Armistice centenaries, a 20-part series on key Chinese figures and a history of the NHS	YES

Purpose	BBC commitment	Achieved
BBC Radio 5 live and 5 live sports extra		
A mix of different genres and output	A broader range of sports on 5 live and 5 live sports extra than on any comparable service, including the World Cup, Ryder Cup and European Championships (multi sports) in Glasgow and Berlin	YES
	5 live will continue to tell the story of the UK's journey to Brexit through accessible and entertaining politics programmes such as <i>Question Time Extra Time</i> , <i>The Emma Barnett Show</i> , <i>Pienaar's Politics</i> and the <i>Brexitcast</i> podcast	YES
UK original output	5 live will showcase voices from around the UK through our daily phone-in <i>Your Call</i> , and through shows such as <i>5 live Breakfast</i> and <i>Afternoon Edition</i> going on the road delivering outside broadcasts	YES
Creative ambition	5 live will broadcast regular seasons shining a light on key issues such as mental health, homelessness and parenting. It will continue to innovate its content mix with a range of new podcasts including a fitness show aimed at women, a new arts programme and a sports archive show	YES
Range of audiences	5 live will continue to review its schedules, talent and on-air contributors to reflect the diversity of the UK	YES
	5 live sports extra aims to grow younger audiences through a range of magazine shows in addition to live sport (subject to regulatory approval)	This is an ongoing ambition. In 2018/19 we expanded our range of sports magazine podcasts
BBC 6 Music		
A mix of different genres and output	At least 30% of music in daytime will be new	YES
	300 live music sessions	YES – 316
	6 Music will provide a mix of specialist music programmes and documentaries, including a season on New York, hip hop and house music	YES
UK original output	6 Music remains committed to championing new and alternative music from the UK and beyond	YES
	6 Music will champion grassroots UK venues via its output including live events such as the Biggest Weekend and Indie Venues Week	YES
Creative ambition	6 Music will explore the arts with a number of series focusing on film, literature and the visual arts as well as the <i>Art is Everywhere</i> season, during which audiences will be inspired to make and share art of their own	YES
	6 Music will continue to develop its pioneering role as a curator of music, seeking greater diversity and a more even gender balance within its schedule and standout editorial seasons such as <i>3 Wise Women</i>	YES
	6 Music will showcase a range of landmarks and events including celebrations of the Second Summer of Love, a tour of UK independent venues and events such as The Great Escape Festival, the Cheltenham Jazz Festival and SXSW	YES
BBC Asian Network		
A mix of different genres and output	We will introduce a new late-night topical discussion show that focuses on key issues affecting young Asians in the UK today	YES
UK original output	The station will continue to act as a showcase for the British Asian Sound, with a minimum 30% of the music in daytime coming from UK artists	YES
Creative ambition	Following four successful Asian Network Comedy nights across the UK in 2017, we plan to showcase more up-and-coming comedians with a second series of shows in 2018	YES
Range of audiences	The station will offer a broad mix of music and speech programming designed primarily to entertain and engage young British Asian audiences	YES

Purpose	BBC commitment	Achieved
BBC Radio Scotland		
A mix of different genres and output	As Radio Scotland celebrates its 40th anniversary on air, the multi-award-winning <i>Breaking the News</i> will return and spearhead output at both The Glasgow International Comedy Festival and The Edinburgh Festival Fringe	YES
	Cross-collaboration with Entertainment will work towards developing a full multi platform offering of the show	YES
UK original output	The station will offer weekday localised news bulletins from Aberdeen, Inverness, Selkirk and Dumfries	YES
	News and community programmes will be offered as opt-outs in Orkney and Shetland	YES
Creative ambition	Key local role in showcasing the Biggest Weekend Music Day 2018	YES
BBC Radio Wales		
A mix of different genres and output	In April, Radio Wales launches a brand new monthly arts review programme. It will be presented by Gary Raymond, the editor of the Wales Arts Review	YES
UK original output	Biggest Weekend Music Day 2018 (May 2018) – pan-UK celebration of music live in Swansea’s Singleton Park	YES
	A number of new comedy writing initiatives and pilots are in flight. The focal point of these initiatives is a new BBC Wales scheme to find and develop the best writers – ‘Find me Funny’	YES
BBC Radio Cymru		
UK original output	We will launch a new breakfast show on Radio Cymru 2 (available on digital radio). The service will provide music and programming and real choice to new and existing Radio Cymru listeners alongside its existing news offer at breakfast peak	YES
BBC Radio Ulster and BBC Radio Foyle		
A mix of different genres and output	Create new platforms for the development of new comedy talent	YES
	New factual series including on natural history and local food	YES
UK original output	Fully support and locally enhance the Year of Music 2018; beginning with the hosting of the BBC Radio 2 Folk Awards in Belfast in April (which will be simulcast on Radio Ulster/ Foyle), then the Big Weekend Music Day at the Titanic’s Slipway in Belfast	YES
Range of audiences	Focus on talent and contributor refreshment with particular emphasis on ensuring diversity of voices across the station	YES
	Increase and refresh minority language output including a new Ulster-Scots magazine programme	YES
BBC Local Radio		
A mix of different genres and output	Local Radio will broadcast a BBC Introducing programme in each station’s schedule to offer more opportunities to new talent	YES
UK original output	Local Radio will test more formats for showcasing up-and-coming comedy talent across a number of stations	YES
Range of audiences	All Local Radio stations will provide output that is rooted in faith and ethics on Sunday mornings	YES

Purpose	BBC commitment	Achieved
BBC Online		
A mix of different genres and output	We will continue to offer audiences a wide range of content across all of our products, giving them more choice over what and how they consume BBC content online	YES
	This year we will enhance BBC News and BBC Sport Northern Ireland, providing greater consistency, increased depth of coverage including increased social media presence	YES
UK original output	We will continue to provide links to external stories provided by local and regional news providers within our Local News product	YES
	Where appropriate, we will support wider industry by hosting or signposting to their content. We are in the process of reviewing and updating our published policy around linking to external sites, to ensure it is fit for purpose and supports the best user experience online	YES – see https://www.bbc.co.uk/editorialguidelines/guidance/feeds-and-links
Creative ambition	We will launch a refreshed version of our digital audio product – giving audiences a highly personalised content offer across all our audio output and an improved browsing and content discovery experience	YES
	BBC Online will expand the interactive digital capabilities, content and experiences available to children. We will launch new apps that enable pre-school audiences to create and learn as well as collaboration and content creation apps for older pre-teens	YES
	We will capitalise on the success of <i>The Social</i> , rolling out across the BBC in 2018/19, with more short-form films and development of online drama such as <i>The Grey Area</i>	YES
Range of audiences	We will continue to use sign-in data collected from our audience to personalise our offer across our digital products, surfacing the best content that is most relevant to them	YES
	We will continue to lead the way in developing what public service broadcasting looks and feels like online, with curation and recommendations that inform, educate and entertain	YES

Notes

- 1 Across 2018/19, the average monthly overlap between the Top 100 most played songs on Radio 1 and Top 100 most played songs on: Capital London was 31; Kiss was 37; and Radio X was seven.
- 2 343 tracks were added to the Radio 1 playlist during 2018, with Radio 2 adding 319 – a wider variety than either Capital (139) or Heart (41).
- 3 Across 2018/19, the average monthly overlap between the Top 100 most played songs on Radio 2 and Top 100 most played songs on: Heart London was 12; Magic was eight; and Smooth was two.
- 4 Radio 2 played 9,365 different tracks between 06:00 and 19:00 during 2018. This compares to 704 different tracks on Heart, 1,214 on Magic, and 801 on Smooth.

General Duties

The Charter sets out a number of General Duties that apply to the BBC. This section sets out the BBC's progress against its General Duties – the measures for reporting were set out in the BBC Annual Plan for 2018/19.

1. Acting in the public interest

The BBC must act in the public interest, aiming to serve its audiences not just as consumers, but as members of a wider society, with programmes and services which, while seeking to inform, educate and entertain audiences, also serve wider public purposes. As a result, the BBC must ensure that the benefits (whether direct or indirect) of decisions relating to the mission or purposes outweigh the costs (whether direct or indirect); and have regard to economic, social and cultural benefits and costs.

Measure	Achieved
We will publish an Annual Plan and an Annual Report	YES
We will publish the number of complaints upheld where we have failed to comply with the BBC's obligations under the Charter and Agreement or with the Ofcom Operating Framework or World Service Licence	YES – see Other Regulatory Matters
We will publish the number of complaints upheld on BBC editorial matters and overall volumes of complaints made	YES – see Editorial Guidelines and Standard Report
We will publish performance measurement data, including data on the fulfilment of the public purposes, as described in previous chapters	YES – see Delivering the Public Purposes

2. Engagement with the public

The BBC must assess the views and interests of the public and audiences, including licence fee payers, across the whole of the United Kingdom. The BBC must make arrangements to ensure that the diverse perspectives and interests of the public and audiences, including licence fee payers, across the whole of the United Kingdom are taken into account in its decision-making.

Measure	Achieved
We will publish annually data on audiences' views about the BBC as part of the Annual Report	YES – see Delivering the Public Purposes
We will hold around six face-to-face events with audiences and report on the findings in the BBC's Annual Report, four of which will be delivered by the Board's Nations Committees	YES – see Audience Engagement Report

3. Market impact

The BBC plays a crucial role in the UK media and broadcasting market. In addition to serving audiences directly by providing content and services, it can contribute to the market more broadly, for example by promoting competition, supporting supply chains and encouraging sector-wide innovation. The BBC must have particular regard to the effects of its activities on competition in the UK. In complying with this duty the BBC must (a) seek to avoid unnecessary adverse effects on competition and (b) promote positive market impact.

Measure	Achieved
We will publish and consult on any planned material changes	YES – see https://www.bbc.com/aboutthebbc/reports/consultation/iplayerpit
We will publish annually the number of regulatory complaints upheld and actions taken in response	YES – see Other Regulatory Matters
We will publish the number of Ofcom enforcement actions in relation to compliance with the Ofcom Operating Framework in this area	YES – none
We will publish the outcomes of any Public Interest Tests	YES – we did not conclude any Public Interest Tests in 2018/19. We published the outcome of the BBC iPlayer Public Interest Test in April 2019

4. Openness, transparency and accountability

The BBC must observe high standards of openness and seek to maximise transparency and accountability. It must publish Board minutes, important decisions concerning changes to remit/services, and minutes of Committee meetings. The Board also needs to have regard to the benefits of consultation with interested persons.

Measure	Achieved
We will publish an Annual Plan that sets out the BBC's strategic priorities, creative plans, budget and any planned material changes to services	YES – see http://downloads.bbc.co.uk/aboutthebbc/reports/annualplan/annualplan_2019-20.pdf
We will publish the following after the relevant event:	YES – see https://www.bbc.com/aboutthebbc
— Minutes of the meetings of the Board	
— Important decisions concerning changes to the creative remit, work plan and material changes to the UK Public Services, non-service activities and commercial activities	
— Summary minutes of the meetings of committees of the Board	
We will publish an Annual Report and Accounts, containing a detailed summary of performance against our regulatory quotas; full financial details and accounts; and information required as part of our Equality Information Report	YES
We will continue to publish the salary disclosures required under the Charter relating to pay over £150,000, along with our voluntary regime of quarterly salary and expenses disclosure for senior managers	YES – see Remuneration Report
We will continue to publish data, as required, relating to our gender pay gap	YES
We will publish data showing how the promotion of any output of a UK Public Service focuses on output contributing substantially to the fulfilment of the Mission and promotion of the Public Purposes	YES – see Public Service Promotions
We will publish updated transfer pricing methodologies for all commercial subsidiaries by the end of 2018	YES – we published methodologies in April 2018 and have published updated methodologies alongside this report in line with Ofcom's new requirements

5. Partnership

The BBC will work collaboratively and in partnership, especially in the creative economy, in the public interest. It should partner with a wide range of organisations of all sizes, including commercial and non-commercial, throughout the UK. Partnerships should be fair and beneficial to all with due attribution and recognition for partners.

Measure	Achieved
We will collect and publish performance data on key partnership output and activities, including on the BBC's range of partnerships, range of partners, geographical breadth, and impact	YES

6. Diversity

The BBC must ensure it reflects the diverse communities of the whole of the United Kingdom through its output, the means by which its output and services are delivered, and in the organisation and management of the BBC. This includes support for the regional and minority languages of the UK.

Measure	Achieved
We will publish detailed diversity data for all our staff, including on socio-economic background, as part of our annual Equality Information Report	YES – see Equality Information Report
We will continue to monitor and update our progress against our diversity strategy, reporting on this on our website	YES – see https://www.bbc.co.uk/diversity/strategy
We will continue to publish gender pay gap information, and analysis of our pay gaps for other groups	YES – see https://www.bbc.com/aboutthebbc/reports/reports
We will also publish performance measurement data collected on the fulfilment of our fourth public purpose	YES – see Delivering the Public Purposes

7. Technology

The BBC must promote technological innovation, and maintain a leading role in research and development. To do this, it needs to seek to work in partnership with other organisations and share, as far as is reasonable, its research and development knowledge and technologies.

Measure	Achieved
We will continue to invest in the BBC's Research and Development (R&D) department in line with the BBC's long-term objectives	YES
We will continue to share our insights from R&D. We will use our web and social presence to highlight key messages to a wider audience	YES – see https://www.bbc.co.uk/rd
We will increase our investment in long-term innovation	YES
We track our innovation activity (e.g. projects and prototypes) annually and undertake regular reviews (e.g. every 5-10 years) of the long-term value created from our investment	YES – we published a review into our R&D activity in 2018, and are preparing data for a future review

8. Stewardship of public money

The BBC exercises rigorous stewardship of public money in accordance with the following principles:

- Regularity – Management of all of the BBC's resources must accord with the provisions of the Charter, Framework Agreement and other agreements the BBC enters into with Government Ministers
- Propriety – Management of all of the BBC's resources must meet high standards of public conduct, robust governance and duly consider the expectations of Parliament (including those of the Public Accounts Committee), which have been formally communicated to the BBC
- Value for money – Procurement, projects and processes must be systematically evaluated and assessed to provide confidence about the economy, effectiveness and efficiency of the project, taking into account the wider public interest, not just that of the BBC itself
- Feasibility – Proposals using public funds should be implemented accurately, sustainably and to the intended timetable

Measure	Achieved
True and Fair statutory accounts prepared in line with IFRS, based on unqualified audit opinion from the BBC's external auditors	YES
We will report on our mechanisms for provision of information to the Board and the Audit and Risk Committee on compliance with the Charter, to ensure that the transactions reflected in the BBC's financial statements have been applied to the purposes as intended and conform to the relevant frameworks governing them.	YES – subject to the position on regularity set out in the Chief Financial Officer's statement on page 88.
We will seek to receive a propriety opinion from the BBC's independent external auditors to ensure that the management of the BBC's resources has met high standards of public conduct	YES
We will comply with funding conditions as part of a separate funding agreement, e.g. grant funding for the BBC World Service	YES
Our response to Value for Money reviews conducted by the NAO or other commissioned parties	YES

9. Guidance and best practice

The BBC has to have regard to general guidance concerning the management of the affairs of public bodies and generally accepted principles of good corporate governance, where applicable and appropriate.

Measure	Achieved
We will audit our compliance with the UK Corporate Governance Code and principles of good corporate governance based on a general aim of compliance with the Code wherever possible	YES – see Governance
Our Annual Report will set out the BBC's performance against the Code; areas where the Code does not apply to the BBC; areas where the Charter overrides the Code; and areas where the BBC does not comply	YES – see Governance
We will also publish an annual Equality Information Report, in compliance with the Public Sector Equality Duty	YES – see Equality Information Report
An annual statement on licence fee collection will be audited by the NAO and laid before Parliament	YES
We will publish data on our gender pay gap, in line with relevant legislation	YES – see https://www.bbc.com/aboutthebbc/reports/reports
We will continue to comply with best practice in offering training on a range of issues such as anti-bribery, data protection and child protection	YES

10. General duties in relation to commercial activities

The BBC's commercial activities need to act in the public interest, engage with the public, and ensure openness and transparency. They must not distort the market nor gain an unfair competitive advantage.

Measure	Achieved
The Board Fair Trading Committee will continue to: keep under review the BBC's compliance with Ofcom's trading and separation requirements; commission an annual independent audit; review, consider and approve the BBC's transfer pricing methodologies; report progress in the BBC's Annual Report; and review the ongoing compliance of the commercial activities with the four commercial criteria	YES
We will abide by our published policy on material changes to commercial activities	YES
We will publish forthcoming potential material changes to commercial services in the BBC's Annual Plan, subject to issues of commercial confidentiality	YES
We will carry out the commercial test for any proposed material change to our commercial activities, and publish the proposed change once we have done so	YES
We will publish transfer pricing methodologies concerning our commercial subsidiaries, as required under Ofcom's Operating Framework	YES
We will continue to train key staff on compliance with the Fair Trading rules	YES
We will continue to meet our publication and information provision obligations to Ofcom, detailing the financial performance of our commercial subsidiaries and setting out detailed methodologies for transfer pricing within our group	YES
We will conduct a periodic review of our commercial activities by the end of 2018	YES – see http://downloads.bbc.co.uk/aboutthebbc/insidethebbc/howwework/reports/pdf/commercial_review_2018.pdf
We will publish the number of upheld complaints about compliance with the commercial activities requirements under the Charter and Agreement or in the Ofcom Operating Framework, and our response to such complaints	YES – None
We will publish the number of Ofcom enforcement actions in relation to compliance with the Ofcom Operating Framework in this area	YES – None
The Fair Trading Committee will report annually on its work in the Annual Report and Accounts	YES – see Fair Trading Report

Partnerships and collaboration

The BBC has a duty to work collaboratively in partnership with other organisations in the national interest. We cannot do this without the help, support and contribution of a vast array of partners, experts and contributors. A snapshot review of 2018/19 found that the BBC had 300 partnerships and collaborations, large and small, focused on public service activity that supports the creative economy right across the UK.

Our partnerships vary in size, scale and objective; the case studies below highlight some of our key 2018/19 outcomes, focusing on tackling fake news, deepening our commitment to science and history, finding new ways to engage audiences, and developing what we do across the UK.

Tackling fake news

This year we grew our successful Local Democracy Reporting Service, a key partnership with more than 100 media organisations, built around a shared research unit and a news hub, distributing more than 78,000 stories already with over 130 reporters in post. The scheme was recognised this year by the Culture Secretary as a “shining example of what can be done” and we will continue to grow it this year.

We also partnered with the DG7 group of global public service broadcasters, hosting their annual conference in December which considered issues of joint interest such as media freedom and journalist safety.

A focus on science and history

Our inspirational *Tomorrow's World* campaign came to an end in June however the main partners, Wellcome, Open University, Royal Society and Science Museum Group, continue to meet with commissioners across the BBC to share information regarding forward plans, including those for an ambitious 20-part series on Radio 4 and exhibition at The Science Museum, *The Art of Innovation*.

As part of its final initiative in May, the *Tomorrow's World* team launched an enquiry into GDPR awareness on the Open University's citizen science platform nQuire. The platform is now being used by a number of BBC teams, working with different academics, on projects such as:

- the *Forest 404* experiment, designed with Exeter and Bristol Universities to accompany the Radio 4 podcast drama and including 6,000 participants.
- the Feel Good Test, designed with UCL and launched as part of the Get Creative season, with 40,000 participants so far.

In 2018, the World War One partnerships with the Imperial War Museums (IWM) and 1418NOW came to a close. One of the most successful projects was the Peter Jackson film *They Shall Not Grow Old* which attracted an audience of nearly 4 million. We have agreed that our successful partnership with IWM will continue as we approach significant World War Two anniversaries in 2019/20.

Creative relationships to engage new audiences

We are also developing innovative partnerships in a variety of ways to engage and educate new audiences.

- Our long-standing partnership with the Open University celebrated its 50th anniversary this year with a series of major TV commissions and an extension into factual digital content.
- This spring, schoolchildren from London's East End took on the challenge of painting a picture in audio, inspired by the poem *Under Milk Wood*. They worked with the writing/mentoring centre Ministry of Stories on text creation, with production support from the BBC. Their final poem, *Round About Candle Street*, was showcased live on BBC London.
- BBC History also worked with Art UK and the homeless charity Accumulate; artist Sadie Edgington explored the sculpture collection at Broadcasting House with participants who then produced their own original sculptures.
- As part of the Dementia Partnership, the BBC developed a digital tool using its archive. BBC Music Memories helps users build playlists of personally meaningful music for use in reminiscence therapy.

Agile and flexible partnerships across the UK

This year short-term partnerships have been important in supporting our big Factual seasons such as *Plastics Watch*, where we worked with a wide range of organisations including *Surfers Against Sewage*, the Marine Conservation Society and the Women's Institute; Icons (National Portrait Gallery, Google Arts and Culture, Tate, British Library and others); and our mental health season (working with the Mental Health Foundation, Public Health England, Libraries Connected and the Reading Agency).

Our strategic partnership with the BFI has been extended to reflect our shared interest in film and film culture. It now covers talent development, co-funding discussions, film marketing support and windowing, as well as continuing to work on pan-BBC seasons and screenings together.

Meanwhile, BBC Arts is working with nine cultural organisations and funders across the UK to deliver three new talent development projects: *New Creatives* (England), *Now and Next* (Scotland), *Two Minute Masterpieces* (NI) and a scheme in Wales due to launch in 2019. While *Super Movers*, our partnership with the Premier League and Scottish PFL, inspires schoolchildren to become more active.

We also continue to broaden our archive partnerships working with the British Library, National Archives, National Library of Wales, Libraries NI, National Media Museum and others to open up access to our vast array of archive content.

BBC partnerships and collaborations: a snapshot in 2018/19

The table below presents the main collaborations and creative partnerships across the BBC.

BBC area	No. of partnerships/collaborations
Archive	9
Arts/Arts North	25
Academy (Birmingham)	15
Childrens (Salford)	4
Content/TV	15
Learning (Salford)	53
Sport (Salford)	12
News	5
Music	23
Radio	64
R&D	22
England Network Centres	16
Scotland	10
Wales	20
Northern Ireland	7
Total	300

This data includes programme making divisions, R&D and Training in network production centres across the UK. It does not record the activities of individual local radio stations.

Access services

The following table reports on the prevalence of access services across the BBC's television channels and on BBC iPlayer.

Audio

	Audio described hours		Total hours		Actual for year (%)		Target for year (%)	
	2018/19	2017/18	2018/19	2018/19	2017/18	2018/19	2017/18	
BBC One	1,925	1,966	8,736	22.0	22.5	20.0	20.0	
BBC Two	2,644	2,526	8,736	30.3	28.9	20.0	20.0	
BBC Four	1,419	1,257	3,178	44.6	39.7	20.0	20.0	
CBBC	1,995	1,850	5,090	39.2	36.4	20.0	20.0	
CBeebies	1,447	1,443	4,700	30.8	30.7	20.0	20.0	
BBC Scotland ¹	50	N/A	175	28.3	N/A	20.0	N/A	
Linear total	9,480	9,042	30,615					
BBC iPlayer ²	8,826	N/A	55,969 ³	15.8	N/A	N/A	N/A	

Sign interpreted

	Sign interpreted hours		Total hours		Actual for year (%)		Target for year (%)	
	2018/19	2017/18	2018/19	2018/19	2017/18	2018/19	2017/18	
BBC One	458	462	8,736	5.2	5.3	5.0	5.0	
BBC Two	459	458	8,736	5.3	5.2	5.0	5.0	
BBC Four	202	198	3,178	6.4	6.2	5.0	5.0	
CBBC	270	297	5,090	5.3	5.8	5.0	5.0	
CBeebies	252	253	4,700	5.4	5.4	5.0	5.0	
BBC Scotland ⁴	0	N/A	175	0.0	N/A	5.0	N/A	
BBC News	507	506	8,736	5.8	5.8	5.0	5.0	
Linear total	2,148	2,174	39,351					
BBC iPlayer ²	2,612	N/A	55,969 ³	4.7	N/A	N/A	N/A	

Subtitled

	Subtitled hours		Total hours		Actual for year (%)		Target for year (%)	
	2018/19	2017/18	2018/19	2018/19	2017/18	2018/19	2017/18	
BBC One	14,354	14,268	14,364	99.9	99.9	100	100	
BBC Two	9,492	9,542	9,503	99.9	99.9	100	100	
BBC Four	3,178	3,165	3,178	100	100	100	100	
CBBC	5,089	5,080	5,090	100	100	100	100	
CBeebies	4,699	4,704	4,700	100	100	100	100	
BBC Scotland	175	N/A	175	100	N/A	100	N/A	
BBC News	8,736	8,733	8,736	100	100	100	100	
BBC Parliament	1,629	1,390	8,736	18.6	15.9	N/A	N/A	
Linear total	47,352	46,882	54,482					
BBC iPlayer ²	51,533	N/A	67,407	76.5	N/A	N/A	N/A	

Notes

- BBC Scotland launched on 24 February 2019.
- Figures are for the number of programmes available on BBC iPlayer. S4C and World Service content is not included. For the five main broadcast channels, including nations and regional variants, 100% of content is subtitled, 20% audio described and 5% signed. This content including subtitles, audio description and signed versions is all made available on iPlayer, and we achieve the same levels for BBC Three programmes that are broadcast. iPlayer aggregates those main broadcast channels and other channels for which lower levels of access services are provided, so the overall figures for iPlayer are at a lower level than the main broadcast channels.
- The total number of programmes here excludes audio described and signed versions. These versions are included in the subtitled figures.
- Following discussions with Ofcom over scheduling, BBC Scotland began to broadcast signed programming on 29 April 2019.

Contestability

Under the Agreement between the BBC and the Secretary of State, the BBC must secure competition between BBC producers and external producers, whether independent producers or not, for production of television, radio and online content. More information on contestability in television can be found in the TV Supply Report, published in May 2019.

As required under the BBC Agreement, we have ensured that, for relevant television programmes, 40% of the previous in-house guarantee for drama, comedy, entertainment and factual has been opened up to competition. Also in line with the Agreement, we have removed the in-house guarantee for children's and non-news related current affairs programmes.

	Target (% of relevant hours)	% of hours contested	Target date	Achieved
TV ¹	100	56 ²	31 Dec 2027	In progress
— Drama, comedy, entertainment and factual in-house guarantee	40	43 ³	31 Dec 2018	Yes
Network radio ⁴	60	35 ⁵	31 Dec 2022	In progress
Online material ⁶	100	44 (% of relevant spend was external) ⁷	31 Dec 2027	In progress

Notes

- The BBC Agreement requires the BBC to ensure that, for relevant television programmes, at least 40% of the previous in-house guarantee for drama, comedy, entertainment and factual is opened up to competition by 31 December 2018; and to secure competition for 100% of relevant television programmes by 31 December 2027. The BBC is also required to remove the in-house guarantee for children's, sport and non-news related current affairs programmes by 31 December 2019.
- This figure is based on the number of hours broadcast in the 2018 calendar year, taking into account commissioning decisions made up to the end of December 2018.
- Methodology for this figure was published alongside the TV Supply Report in May 2019.
- The BBC Agreement requires the BBC to ensure that, for relevant radio programmes, it secures competition for at least 60% of relevant broadcasting time by 31 December 2022. Relevant radio programmes means all network radio programmes included in the UK Public Services except (a) news programmes; and (b) repeats, continuity, simulcasts, EBU material and autplayed music.
- This figure is based on the number of hours broadcast in 2018/19, taking into account commissioning decisions made up to the end of March 2019.
- The BBC Agreement requires the BBC to secure competition for 100% of relevant online material by the end of 2027. Relevant online material is all online material included in the UK Public Services except: (a) programmes included in the UK Public On Demand Programme Services; (b) news and news-related current affairs material; and (c) any material where the BBC considers that complying with the obligation would not secure value for money.
- We have used external spend as a proxy in this year's reporting, and will continue to develop our approach to reporting contested spend on relevant online material.

Network television supply

The following table shows the proportion of BBC network television hours levels produced by different supplier types.

	Proportion of all hours produced by qualifying independent producers for BBC television (%)			Proportion of all hours produced by non-qualifying independent producers for BBC television (%)			Proportion of all hours produced by PSB in-house for BBC television (%)			Proportion of all hours produced by BBC Studios for BBC television (%)		
	2018/19	2017/18	% point change	2018/19	2017/18	% point change	2018/19	2017/18	% point change	2018/19	2017/18	% point change
Drama	14	25	-11	18	19	-1	0	0	0	68	56	+11
Entertainment	30	26	+4	38	40	-2	0	0	0	32	34	-2
Comedy	39	39	0	25	20	+5	0	0	0	35	41	-5
Factual	35	30	+4	18	11	+6	4	5	-1	43	53	-10
Daytime	39	40	-1	29	27	+2	0	0	0	33	33	0
Sport	29	23	+6	0	0	0	71	77	-6	0	0	0
Children's	28	35	-8	14	19	-5	55	45	+1	3	1	+2
Total	32	31	+1	18	17	+2	22	23	-1	28	30	-2

Figures are based on qualifying programmes (as defined in the Independent Productions Order) delivered within each financial year. This means they exclude repeats and acquisitions. Data includes only network hours delivered within the relevant year.

Network radio supply

The following table shows the levels of all BBC network radio hours from different suppliers.

	Proportion of all hours produced by independent producers for BBC network radio (%)		Proportion of all hours produced by in-house PSB producers for BBC network radio (%)	
	2018/19	2017/18	2018/19	2017/18
Radio 1	19.4	15.9	80.6	84.1
1Xtra	9.6	12.6	90.4	87.4
Radio 2	46.2	24.5	53.8	75.5
Radio 3	12.7	15.7	87.3	84.3
Radio 4	20.1	18.4	79.9	81.6
BBC 4 Extra	57.8	50.4	42.2	49.6
BBC Radio 5 live and 5 live sports extra	24.7	21.8	75.3	78.2
BBC 6 Music	22.6	25.0	77.4	75.0
BBC Asian Network	13.1	15.0	86.9	85.0
Total	21.7	18.8	78.3	81.2

Distribution

Distribution of BBC content is key to delivering our mission and public purposes. The Charter sets out that the BBC must report on how it has made its output and services available to the public. This section sets out our progress this year.

How we distribute our services

98.5%

Digital Terrestrial Television (DTT) coverage of UK households

99%

AM/FM coverage of UK households

97.5%

DAB coverage of UK households

98%

Satellite availability to UK households

BBC iPlayer is available on

>2,500

types of TV device

BBC iPlayer is available on

>15,000

types of device overall

Note: The figures quoted for DTT and DAB related to coverage for services carried on the BBC's multiplexes. In addition, a small number of HD channels and nations and regions radio stations are made available via commercial multiplexes.

The BBC distributes its content with the goal of providing all audiences with full and convenient access to all of the services that are relevant to them. In 2018/19 we have continued to ensure that:

- We provide effectively universal broadcast coverage of our TV and radio services
- the BBC's video-on-demand (VOD) service was available on more consumer devices (from Smart TVs, to games consoles, to tablets) than any other VOD service in the UK
- the BBC created content tailored to the needs and expectations of users on popular social platforms, such as Facebook, Twitter and YouTube

The BBC has continued to play a leading role throughout 2018/19 in the clearance of the 700MHz spectrum band for use by future 5G mobile internet services. To date more than 40% of the transmitter network has successfully completed clearance, and over 15 million Freeview households have retuned their receivers, facilitated through a communications and support programme.

In addition to widespread availability, it is important that the ways in which our services are carried on third-party platforms are conducive to the delivery of our public mission. To this end, the BBC published its Distribution Policy in June 2018 following a public consultation, as required by our Royal Charter and its Framework Agreement. In the policy the BBC set out seven conditions that form the basis under which the BBC will distribute its UK public services:

- (a) Prominence – the placement of BBC content and services relative to those of other providers should be in line with audience needs and expectations
- (b) Editorial Control – the BBC retains editorial control of its content and its placement
- (c) Branding and Attribution – users should be able to easily identify which content on a platform is provided by the BBC
- (d) Quality – users should be able to enjoy a high quality experience of BBC content and services
- (e) Data – the BBC should have access to data about the usage of its services
- (f) Free Access – users should incur no incremental cost to access BBC content and services
- (g) Value for Money – arrangements should maximise cost-effectiveness of distribution to the licence fee payer

In collaboration with ITV, Channel 4 and network operator Arqiva, the BBC has extended its commitment to the Freeview television platform with a new five-year agreement. The shareholders' investment enables Freeview to accelerate its transition to being a fully hybrid (DTT and internet) platform offering the best in free-to-view live and on-demand TV.

Looking to the future, the BBC has been conducting trials of live radio broadcasting over 5G mobile networks in Stronsay, Orkney as part of the 5G RuralFirst initiative.

BBC Public Service promotions

The Agreement between the BBC and the Secretary of State sets out that the BBC must ensure that the promotion of any output of a UK Public Service or any such service in the UK Public Services focuses on output contributing substantially to the fulfilment of the mission and promotion of the public purposes. The BBC must publish information on such promotion, including:

- The number of minutes of promotions in each UK Public Service
- The time of day of such promotions
- Such other information it considers would be in the public interest to publish

We consider that promotion of the UK Public Services and their output is important so that our audiences are informed about the wide variety of content the BBC offers that informs, educates and entertains. Promotional material on the UK Public Services is produced and scheduled in line with our Editorial Guidelines.

This table sets out the total minutes of promotional material broadcast on each UK Public Service by time period in 2018/19.

	Morning	Daytime	Evening	Overnight	Total
BBC One	1,598	3,353	2,857	1,743	9,551
BBC Two	2,312	1,921	2,046	1,832	8,111
BBC Four	N/A	N/A	1,896	1,428	3,324
CBBC	1,850	2,069	1,135	N/A	5,054
CBeebies	1,939	1,955	15	N/A	3,909
BBC News	3,338	4,345	3,160	4,740	15,583
BBC Parliament	N/A	N/A	N/A	N/A	N/A
BBC ALBA	N/A	N/A	N/A	N/A	N/A
Radio 1	1,820	1,993	1,118	520	5,451
1Xtra	2,184	2,288	832	364	5,668
Radio 2	2,548	2,974	2,002	2,427	9,951
Radio 3	1,340	1,506	546	0	3,392
Radio 4	2,453	2,330	1,830	0	6,613
BBC Radio 4 Extra	2,377	2,545	1,802	2,317	9,041
BBC Radio 5 live	3,276	3,822	2,747	2,613	12,458
BBC Radio 5 live sports extra	N/A	N/A	N/A	N/A	N/A
BBC 6 Music	2,004	2,548	1,820	312	6,684
BBC Asian Network	1,220	1,993	1,118	520	4,851
BBC Radio Scotland	2,568	2,148	1,500	0	6,216
BBC Radio nan Gàidheal	N/A	N/A	N/A	N/A	N/A
BBC Radio Wales	2,160	2,532	1,644	744	7,080
BBC Radio Cymru	3,180	3,588	2,856	204	9,828
BBC Radio Ulster and BBC Radio Foyle	1,144	1,456	1,352	2,613	6,565
BBC Local Radio	N/A	N/A	N/A	N/A	6,754
BBC Red Button	N/A	N/A	N/A	N/A	N/A
BBC Online	N/A	N/A	N/A	N/A	N/A

Note
Time periods are defined as: morning, 6am – 11:59am; daytime, 12pm – 5:59pm; evening, 6pm – 10:59pm; overnight, 11pm – 5:59am. Minutes of promotions on radio here do not include the service trails for the programmes themselves; these figures are included in the following table. Promotions on BBC Parliament, BBC ALBA, BBC Radio 5 live sports extra and BBC Radio nan Gàidheal are not measured due to very low volume and frequency. The figure for BBC Local Radio is an average figure across all local radio stations in England. We do not have comparable data by daypart for these stations. Data is not available for promotions on BBC Red Button or BBC Online. We will report fully on BBC Scotland next year.

This table sets out the total minutes of promotional material for each UK Public Service by platform. For example, the first row sets out the number of minutes of promotions for BBC One on BBC One itself, on other BBC TV channels, and on radio.

	On Service	TV	Radio
BBC One	4,858	1,527	1,302
BBC Two	4,209	2,273	579
BBC Four	1,850	292	361
CBBC	4,785	417	36
Cbeebies	3,847	94	0
BBC News	13,246	464	144
BBC Parliament	N/A	N/A	N/A
BBC ALBA	N/A	N/A	N/A
Radio 1	4,851	160	0
1Xtra	5,668	11	13
Radio 2	7,961	166	41
Radio 3	2,713	0	122
Radio 4	5,092	0	199
BBC Radio 4 Extra	6,578	0	204
BBC Radio 5 live	7,445	9	102
BBC Radio 5 live sports extra	N/A	N/A	N/A
BBC 6 Music	5,013	60	672
BBC Asian Network	2,713	0	8
BBC Radio Scotland	5,496	108	48
BBC Radio nan Gàidheal	N/A	N/A	N/A
BBC Radio Wales	591	0	0
BBC Radio Cymru	821	0	0
BBC Radio Ulster and BBC Radio Foyle	2,509	897	221
BBC Local Radio	5,065	N/A	N/A
BBC Red Button	N/A	N/A	N/A
BBC iPlayer	See below	1,579	85
BBC Sounds	See below	582	1,475

Notes

Promotions on BBC Parliament, BBC ALBA, BBC Radio 5 live sports extra and BBC Radio nan Gàidheal are not measured due to very low volume and frequency. The figure for BBC Local Radio is an average figure across all local radio stations. Data is not available for promotions on BBC Red Button. We will report fully on BBC Scotland next year.

BBC iPlayer also carries promotional material. Pre-rolls, short video advertisements that automatically play directly before a featured programme, launched on BBC iPlayer on web in December 2015, and on BBC iPlayer on connected TVs in January 2019. The promotion consists of one pre-roll trailer before a selected programme, which solely plays on the first play in a session. Each pre-roll has a maximum duration of 30 seconds, but each trailer varies between 10 and 30 seconds. A user will not see the same pre-roll more than four times.

The vast majority of pre-rolls on BBC iPlayer promote BBC iPlayer content, either on demand or live. In 2018/19, there were two pre-rolls promoting podcasts on BBC Sounds: *EastEnders: The Podcast* (in November 2018) and *The Greatest Dancer Podcast* (in January 2019), solely placed in front of the corresponding programme. Pre-rolls are placed in front of all priority titles on BBC iPlayer. As of December 2018, CBBC pre-rolls are placed solely in front of CBBC programmes, and Cbeebies pre-rolls solely in front of Cbeebies programmes. A non-children's pre-roll is never placed in front of a children's title and vice versa. The BBC's priority titles are promoted with the pre-roll inventory and all placements are manually scheduled based on genre, tone and audience. The same user will get the same pre-roll on the same episode.

Some BBC podcasts available through BBC Sounds and third-party platforms carry promotional material for other BBC podcast content. Around three podcasts per week are agreed to be priority content, representing a range of genres to reflect the wide variety of BBC audio output. Promotional trails, each with a duration of 15-45 seconds, for these podcasts are produced and inserted into other podcasts, at the start, middle and/or end of the audio file. The choice and placement of these trails is at the discretion of the podcast producers. Some stations also trail their own content (e.g. Radio 4 promotes its content on Radio 4 podcasts).

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The BBC in Wales

Income

These numbers are estimated as figures for each nation have been calculated by applying the proportion of licensed premises to the total number of licences in force. The exact number of licences in force varies on a daily basis. The numbers of licensed premises are different to the number of licences in force as, in some cases, a premise may need more than one licence. Figures exclude concessionary licences for those living in residential care.

	2019 £m	2018 £m
Estimated income		
UK	3,690	3,830
Wales	184	191

For 2018/19 the fee for a standard household TV licence was £150.50.

Expenditure

Direct and indirect spend relating to programmes produced in the nation.

	2019 £m	2018 £m
Network content		
TV (including Sport and Childrens)*	49	50
Radio	3	3
Online and Red Button	1	1
Total network spend	53	54
Local content		
TV – BBC One	25	25
TV – BBC Two	8	10
Radio Wales	15	15
Radio Cymru	14	14
Online and Red Button	11	8
Total local spend	73	72
National Orchestra of Wales	5	5
S4C	22	26
Development	1	–
Distribution	25	26
Total	179	183

* Network content is attributed on an Ofcom basis, which excludes foreign productions.

TV hours by genre**Local opt-out hours^ (including repeats) on BBC One and BBC Two**

	2019 Hours	2018 Hours
Drama, Comedy, Entertainment, Music and Arts	49	37
Daily, Weekly News and Current Affairs	395	383
Sport and Leisure	152	144
Education, Factual and Religion	129	98
Total	725	662

^ Television content commissioned specifically for audiences in the nation.

S4C*

	2019 Hours	2018 Hours
Drama, Comedy, Entertainment, Music and Arts*	255	256
Daily, Weekly News and Current Affairs	257	264
Sport and Leisure	164	134
Education, Factual and Religion	5	5
Children's	1	11
Total	682	670

* This represents the television programmes commissioned, produced and funded by BBC Wales and supplied to S4C (excluding programmes commissioned directly by S4C from other producers). The total of hours for 2019 includes 126 hours of repeats (2018: 135 hours). This includes repeats where BBC Wales has incurred a charge associated with the transmission of the programmes.

Radio hours by genre**BBC Radio Wales**

	2019 Hours	2018 Hours
News and Current Affairs	1,862	1,789
General	5,590	5,685
Total	7,452	7,474

BBC Radio Cymru






	2019 Hours	2018 Hours
News and Current Affairs	1,186	1,295
General	6,445	5,763
Total	7,631	7,058

Headcount**Average headcount reflects those individuals employed to directly support the service produced in Wales**

	2019 Number	2018 Number
Average number of persons employed in the year	990	950

Average headcount of individuals based in Wales across all services including support functions

	2019 Number	2018 Number
Average number of persons employed in the year	1,231	1,208

Wales' performance by service – Television		Content (£m)	Reach (%)	Time spent watching a channel each week (hh:mm)
		We spent a total of £82 million on these services in Wales	Wales population who use the service each week	Length of time the average Wales viewer spent each week with the channel
	BBC One is our flagship service and the UK's most popular television channel. It unites and inspires the nation with high-quality programmes across a range of genres which includes news and current affairs, drama, comedy, entertainment and factual.	£66m 2017/18: £72m	70% 2017/18: 73%	07:50 2017/18: 08:21
	BBC Two is a mixed-genre channel with programmes of depth and substance. It includes the greatest amount and range of knowledge-building programming on the BBC, complemented by distinctive comedy, drama and arts programming.	£13m 2017/18: £12m	43% 2017/18: 49%	03:08 2017/18: 03:18
	BBC Four aims to be British television's most intellectually and culturally enriching channel, offering an ambitious range of UK and international arts, music, culture and factual programmes.	£3m 2017/18: £1m	11% 2017/18: 12%	01:38 [^] 2017/18: 01:43
	The CBBC channel offers a distinctive mixed schedule for 6-12 year olds, with mainly UK programmes served in a stimulating, creative and enjoyable environment.	– 2017/18: –	3% 2017/18: 4%	* 2017/18: 02:17
	CBeebies provides a mix of high-quality, mostly UK-produced, programmes designed to encourage learning through play in a consistently safe environment for children under six.	– 2017/18: –	5% 2017/18: 6%	* 2017/18: 04:06



Reach definition: 15+ minutes consecutive for all services and audiences in TV-owning households aged 4+.

Source: BARB (TV reach and time per viewer – all channels include simulcast HD channel where applicable).

N.B. BARB data available for the full 2018/19 financial year measures TV set viewing only, meaning that iPlayer viewing on other devices is not included in any of the reach and time figures. iPlayer viewing is growing, especially for young-skewed services such as CBeebies and CBBC.

[^] Lower sample size may be responsible for greater variability in the data.

* Sample size for time per user too low to report.











Wales' performance by service – News		Content (£m)	Reach (%)	Time spent watching or listening to a service each week (hh:mm)
		We spent a total of £nil on these services in Wales	Wales population who use the service each week	Length of time the average Wales viewer or listener spent each week with the service
	The BBC News Channel is a 24-hour impartial and independent news service offering breaking news, analysis and insight. It provides fast and comprehensive coverage of local, UK and international events as they unfold.	– 2017/18: –	10% 2017/18: 11%	03:43 2017/18: 03:07
	BBC Parliament is the UK's only channel dedicated to politics. It shows debates and committees from Westminster, Holyrood, Stormont, Cardiff Bay and Strasbourg as well as political programmes from across the UK.	– 2017/18: –	1% 2017/18: 1%	* 2017/18: 01:38

Reach definition: 15+ minutes consecutive for all services and audiences in TV-owning households aged 4+.

Source: BARB (TV reach and time per viewer).

Three-minute reach for BBC News Channel and BBC Parliament – in line with industry standards – would be 14% and 2% respectively (16% and 2% among 16+ population).

* Sample size for time per user too low to report.

Wales' performance by service – Radio		Content (£m) We spent a total of £3 million on these services in Wales	Reach (%) Wales population who use the service each week	Time spent listening to a service each week (hh:mm) Length of time the average Wales listener spent each week with the service
	BBC Radio 1 broadcasts a distinctive mix of new music and entertainment for 15-29 year olds as well as providing tailored news, documentaries and advice campaigns for young adults.	– 2017/18: –	21%** 2017/18: 24%	08:06 2017/18: 06:17
	BBC 1Xtra plays the best in contemporary black music, with a strong emphasis on delivering high-quality live music and supporting new artists.	– 2017/18: –	1%+ 2017/18: 2%	03:45~ 2017/18: 02:46
	BBC Radio 2 broadcasts a unique mix of music and speech programmes covering a diverse mix of live pop and rock, comedy, documentaries and religious output, as well as running social action campaigns to over 14 million listeners.	– 2017/18: –	36%^ 2017/18: 37%	14:05 2017/18: 12:36
	BBC Radio 3 centres on classical music, around which it provides a broad spectrum of jazz, world music, arts programmes, religion and drama. There is a strong emphasis on musical performance across the UK.	£2m 2017/18: £2m	3% 2017/18: 4%	05:32 2017/18: 05:25
	BBC Radio 4 is a mixed-speech radio station, offering in-depth news and current affairs and a wide range of other speech programmes including drama, readings, comedy, factual and magazine programmes.	£1m 2017/18: £1m	17% 2017/18: 18%	10:48 2017/18: 12:05
	Originally launched in 2002 as BBC 7, the station was relaunched in April 2011 as BBC Radio 4 extra. The digital-only network is the principal outlet for the BBC's archive of speech entertainment, including comedy, drama and readings.	– 2017/18: –	3% 2017/18: 3%	08:14 2017/18: 06:34
	BBC Radio 5 live broadcasts continuous news and live sports coverage, bringing major news stories and sports events to its listeners as they happen, and providing context through wide-ranging analysis and discussion.	– 2017/18: –	8% 2017/18: 8%	06:24 2017/18: 07:34
	BBC Radio 5 live sports extra brings a greater choice of live action to sports fans by extending live coverage of various sporting events.	– 2017/18: –	2% 2017/18: 2%	02:51 2017/18: 03:11
	BBC 6 Music is a digital radio station that entertains lovers of popular music with a service that celebrates the alternative spirit of popular music from the 60s to the present day, complemented by music news and documentaries.	– 2017/18: –	4% 2017/18: 3%	08:45 2017/18: 07:53
	BBC Asian Network offers speech and music appealing to British Asians, with a focus on news and current affairs. It broadcasts mainly in English, but does offer some programmes in other languages.	– 2017/18: –	<1% 2017/18: <1%	* 2017/18: *

Reach definition: 15+ minutes for all stations and audiences aged 15+.
Source: RAJAR (Radio reach and time per listener).


** Radio 1: amongst its target group of 15-29 year olds reach was 45% and time spent per listener was 07:01.

+ 1Xtra: amongst 15-24 year olds reach was 3%.

^ Radio 2: amongst its target group of 35+ year olds reach was 43% and time spent per listener was 14:53.

* Sample size for time per user too low to report.

~ Lower sample size may be responsible for greater variability in the data.

Wales' performance by service – Online		Content (£m) We spent a total of £12 million on these services in Wales
	BBC Online comprises the BBC's portfolio of online products on desktop, connected TV, mobile and tablet, including news, sport and weather; our children's services CBBC and CBeebies; and Knowledge & Learning – as well as IP delivered TV and radio services, with both live and on-demand programmes available on BBC iPlayer.	£12m 2017/18: £9m

The BBC in Scotland

Income

These numbers are estimated as figures for each nation have been calculated by applying the proportion of licensed premises to the total number of licences in force. The exact number of licences in force varies on a daily basis. The numbers of licensed premises are different to the number of licences in force as, in some cases, a premise may need more than one licence. Figures exclude concessionary licences for those living in residential care.

	2019 £m	2018 £m
Estimated income		
UK	3,690	3,830
Scotland	311	324

For 2018/19 the fee for a standard household TV licence was £150.50.

Expenditure

Direct and indirect spend relating to programmes produced in the nation.

	2019 £m	2018 £m
Network content		
TV (including Sport and Childrens)*	80	80
Radio	3	3
Online and Red Button	2	3
Total network spend	85	86
Local content		
TV – BBC One	40	42
TV – BBC Two	11	12
TV – BBC ALBA	9	8
TV – BBC Scotland	12	–
Radio Scotland	25	23
Radio nan Gàidhael	4	4
Online and Red Button	11	8
Total local spend	112	97
National Orchestra	5	5
Development	6	2
Distribution	41	42
Total	249	232

* Network content is attributed on an Ofcom basis, which excludes foreign productions.

TV hours by genreLocal opt-out hours[^] (including repeats) on BBC One and BBC Two

	2019 Hours*	2018 Hours
Drama, Comedy, Entertainment, Music and Arts	129	129
Daily, Weekly News and Current Affairs	417	453
Sport and Leisure	201	186
Education, Factual and Religion	113	113
Total	860	881

[^] Television content commissioned specifically for audiences in the nation.^{*} With the launch of the BBC Scotland channel, Scotland opt-outs on BBC Two ceased in February 2019.**BBC ALBA[‡]**

	2019 Hours	2018 Hours
Drama, Comedy, Entertainment, Music and Arts	605	602
Daily, Weekly News and Current Affairs	201	189
Sport and Leisure	250	220
Education, Factual and Religion	934	969
Children's	621	639
Total	2,611	2,619

[‡] In addition to the hours above there were 149 hours of continuity in 2019 (2018: 122 hours). The increase in these hours reflects 26 hours of Children's content, produced by BBC Scotland, within the continuity slots.**BBC Scotland channel**

Launched on 24 February 2019. Full-year data not yet available as the channel was only in operation for 6 weeks in 2018/19.

Radio hours by genre**Radio Scotland**

	2019 Hours	2018 Hours
News and Current Affairs	3,227	3,098
General	5,455	5,429
Total	8,682	8,527

Radio nan Gàidhail


	2019 Hours	2018 Hours
News and Current Affairs	643	656
General	4,240	4,241
Total	4,883	4,897

Headcount**Average headcount reflects those individuals employed to directly support the service produced in Scotland**

	2019 Number	2018 Number
Average number of persons employed in the year	988	924

Average headcount of individuals based in Scotland across all services including support functions

	2019 Number	2018 Number
Average number of persons employed in the year	1,203	1,108

Scotland's performance by service – Television		Content (£m)	Reach (%)	Time spent watching a channel each week (hh:mm)
		We spent a total of £131 million on these services in Scotland	Scotland population who use the service each week	Length of time the average Scotland viewer spent each week with the channel
	BBC One is our flagship service and the UK's most popular television channel. It unites and inspires the nation with high-quality programmes across a range of genres which includes news and current affairs, drama, comedy, entertainment and factual.	£87m 2017/18: £85m	70% 2017/18: 72%	07:44 2017/18: 08:14
	BBC Two is a mixed-genre channel with programmes of depth and substance. It includes the greatest amount and range of knowledge-building programming on the BBC, complemented by distinctive comedy, drama and arts programming.	£30m 2017/18: £35m	45% 2017/18: 48%	03:02 2017/18: 03:13
	BBC Four aims to be British television's most intellectually and culturally enriching channel, offering an ambitious range of UK and international arts, music, culture and factual programmes.	£4m 2017/18: £4m	12% 2017/18: 14%	01:46 2017/18: 01:56
	The CBBC channel offers a distinctive mixed schedule for 6-12 year olds, with mainly UK programmes served in a stimulating, creative and enjoyable environment.	£6m 2017/18: £8m	2% 2017/18: 3%	* 2017/18: 01:58
	CBeebies provides a mix of high-quality, mostly UK-produced, programmes designed to encourage learning through play in a consistently safe environment for children under six.	£4m 2017/18: £2m	5% 2017/18: 6%	04.09 [^] 2017/18: 04:11



Reach definition: 15+ minutes consecutive for all services and audiences in TV-owning households aged 4+.

Source: BARB (TV reach and time per viewer – all channels include simulcast HD channel where applicable).

N.B. BARB data available for the full 2018/19 financial year measures TV set viewing only, meaning that iPlayer viewing on other devices is not included in any of the reach and time figures. iPlayer viewing is growing, especially for young-skewed services such as CBeebies and CBBC.

[^] Lower sample size may be responsible for greater variability in the data.

* Sample size for time per user too low to report.











Scotland's performance by service – News		Content (£m)	Reach (%)	Time spent watching or listening to a service each week (hh:mm)
		We spent a total of £nil on these services in Scotland	Scotland population who use the service each week	Length of time the average Scotland viewer or listener spent each week with the service
	The BBC News Channel is a 24-hour impartial and independent news service offering breaking news, analysis and insight. It provides fast and comprehensive coverage of local, UK and international events as they unfold.	– 2017/18: –	9% 2017/18: 10%	03:33 2017/18: 03:38
	BBC Parliament is the UK's only channel dedicated to politics. It shows debates and committees from Westminster, Holyrood, Stormont, Cardiff Bay and Strasbourg as well as political programmes from across the UK.	– 2017/18: –	1% 2017/18: 1%	* 2017/18: 02:05

Reach definition: 15+ minutes consecutive for all services and audiences in TV-owning households aged 4+.

Source: BARB (TV reach and time per viewer).

Three-minute reach for BBC News Channel and BBC Parliament – in line with industry standards – would be 13% and 2% respectively (14% and 2% among 16+ population).

* Sample size for time per user too low to report.

Scotland's performance by service – Radio		Content (£m)	Reach (%)	Time spent listening to a service each week (hh:mm)
		We spent a total of £3 million on these services in Scotland	Scotland population who use the service each week	Length of time the average Scotland listener spent each week with the service
	BBC Radio 1 broadcasts a distinctive mix of new music and entertainment for 15-29 year olds as well as providing tailored news, documentaries and advice campaigns for young adults.	– 2017/18: –	15%** 2017/18: 17%	06:10 2017/18: 06:07
	BBC 1Xtra plays the best in contemporary black music, with a strong emphasis on delivering high-quality live music and supporting new artists.	– 2017/18: –	1%+ 2017/18: 1%	* 2017/18: 05:55
	BBC Radio 2 broadcasts a unique mix of music and speech programmes covering a diverse mix of live pop and rock, comedy, documentaries and religious output, as well as running social action campaigns to over 14 million listeners.	– 2017/18: –	24%^ 2017/18: 28%	10:53 2017/18: 11:40
	BBC Radio 3 centres on classical music, around which it provides a broad spectrum of jazz, world music, arts programmes, religion and drama. There is a strong emphasis on musical performance across the UK.	£2m 2017/18: £2m	3% 2017/18: 3%	05:32 2017/18: 06:42
	BBC Radio 4 is a mixed-speech radio station, offering in-depth news and current affairs and a wide range of other speech programmes including drama, readings, comedy, factual and magazine programmes.	£1m 2017/18: £1m	12% 2017/18: 15%	10:19 2017/18: 09:41
	Originally launched in 2002 as BBC 7, the station was relaunched in April 2011 as BBC Radio 4 extra. The digital-only network is the principal outlet for the BBC's archive of speech entertainment, including comedy, drama and readings.	– 2017/18: –	3% 2017/18: 3%	07:32 2017/18: 04:24
	BBC Radio 5 live broadcasts continuous news and live sports coverage, bringing major news stories and sports events to its listeners as they happen, and providing context through wide-ranging analysis and discussion.	– 2017/18: –	6% 2017/18: 6%	05:55 2017/18: 06:25
	BBC Radio 5 live sports extra brings a greater choice of live action to sports fans by extending live coverage of various sporting events.	– 2017/18: –	1% 2017/18: 1%	02:13~ 2017/18: 03:06
	BBC 6 Music is a digital radio station that entertains lovers of popular music with a service that celebrates the alternative spirit of popular music from the 60s to the present day, complemented by music news and documentaries.	– 2017/18: –	4% 2017/18: 4%	09:01 2017/18: 09:57
	BBC Asian Network offers speech and music appealing to British Asians, with a focus on news and current affairs. It broadcasts mainly in English, but does offer some programmes in other languages.	– 2017/18: –	1% 2017/18: <1%	* 2017/18: *

Reach definition: 15+ minutes for all stations and audiences aged 15+.
Source: RAJAR (Radio reach and time per listener).


** Radio 1: amongst its target group of 15-29 year olds reach was 30% and time spent per listener was 05:43.

+ 1Xtra: amongst 15-24 year olds reach was 2%.

^ Radio 2: amongst its target group of 35+ year olds reach was 29% and time spent per listener was 11:40.

* Sample size for time per user too low to report.

~ Lower sample size may be responsible for greater variability in the data.

Scotland's performance by service – Online		Content (£m)
		We spent a total of £13 million on these services in Scotland
	BBC Online comprises the BBC's portfolio of online products on desktop, connected TV, mobile and tablet, including news, sport and weather; our children's services CBBC and CBeebies; and Knowledge & Learning – as well as IP delivered TV and radio services, with both live and on-demand programmes available on BBC iPlayer.	£13m 2017/18: £11m

The BBC in Northern Ireland

Income

These numbers are estimated as figures for each nation have been calculated by applying the proportion of licensed premises to the total number of licences in force. The exact number of licences in force varies on a daily basis. The numbers of licensed premises are different to the number of licences in force as, in some cases, a premise may need more than one licence. Figures exclude concessionary licences for those living in residential care.

	2019 £m	2018 £m
Estimated income		
UK	3,690	3,830
Northern Ireland	97	101

For 2018/19 the fee for a standard household TV licence was £150.50.

Expenditure

Direct and indirect spend relating to programmes produced in the nation.

	2019 £m	2018 £m
Network content		
TV (including Sport and Childrens)*	24	20
Radio	2	2
Online and Red Button	1	1
Total network spend	27	23
Local content		
TV – BBC One	24	25
TV – BBC Two	5	5
Radio Ulster/Foyle	18	18
Online and Red Button	8	7
Total local spend	55	55
Distribution	12	15
Total	94	93

* Network content is attributed on an Ofcom basis, which excludes foreign productions.

TV hours by genre**Local opt-out hours[^] (including repeats) on BBC One and BBC Two**

	2019 Hours	2018 Hours
Drama, Comedy, Entertainment, Music and Arts	39	46
Daily, Weekly News and Current Affairs	412	421
Sport and Leisure	70	88
Education, Factual and Religion	161	156
Total	682	711

[^] Television content commissioned specifically for audiences in the nation.

Radio hours by genre**BBC Radio Foyle/Ulster**






	2019 Hours	2018 Hours
News and Current Affairs	3,210	3,253
General	4,985	5,114
Total	8,195	8,367

Headcount**Average headcount reflects those individuals employed to directly support the service produced in Northern Ireland**

	2019 Number	2018 Number
Average number of persons employed in the year	648	610

Average headcount of individuals based in Northern Ireland across all services including support functions

	2019 Number	2018 Number
Average number of persons employed in the year	685	645

Northern Ireland's performance by service – Television		Content (£m)	Reach (%)	Time spent watching a channel each week (hh:mm)
		We spent a total of £53 million on these services in Northern Ireland	Northern Ireland population who use the service each week	Length of time the average Northern Ireland viewer spent each week with the channel
	BBC One is our flagship service and the UK's most popular television channel. It unites and inspires the nation with high-quality programmes across a range of genres which includes news and current affairs, drama, comedy, entertainment and factual.	£38m 2017/18: £36m	69% 2017/18: 70%	06:06 2017/18: 06:31
	BBC Two is a mixed-genre channel with programmes of depth and substance. It includes the greatest amount and range of knowledge-building programming on the BBC, complemented by distinctive comedy, drama and arts programming.	£10m 2017/18: £8m	38% 2017/18: 41%	02:33 2017/18: 02:42
	BBC Four aims to be British television's most intellectually and culturally enriching channel, offering an ambitious range of UK and international arts, music, culture and factual programmes.	£1m 2017/18: £2m	11% 2017/18: 11%	01:34[^] 2017/18: 01:41
	The CBBC channel offers a distinctive mixed schedule for 6-12 year olds, with mainly UK programmes served in a stimulating, creative and enjoyable environment.	£3m 2017/18: £3m	5% 2017/18: 5%	* 2017/18: 02:35
	CBeebies provides a mix of high-quality, mostly UK-produced, programmes designed to encourage learning through play in a consistently safe environment for children under six.	£1m 2017/18: £1m	7% 2017/18: 7%	04:04[^] 2017/18: 04:00



Reach definition: 15+ minutes consecutive for all services and audiences in TV-owning households aged 4+.

Source: BARB (TV reach and time per viewer – all channels include simulcast HD channel where applicable).

N.B. BARB data available for the full 2018/19 financial year measures TV set viewing only, meaning that iPlayer viewing on other devices is not included in any of the reach and time figures. iPlayer viewing is growing, especially for young-skewed services such as CBeebies and CBBC.

[^] Lower sample size may be responsible for greater variability in the data.

* Sample size for time per user too low to report.










Northern Ireland's performance by service – News		Content (£m)	Reach (%)	Time spent watching or listening to a service each week (hh:mm)
		We spent a total of £nil on these services in Northern Ireland	Northern Ireland population who use the service each week	Length of time the average Northern Ireland viewer or listener spent each week with the service
	The BBC News Channel is a 24-hour impartial and independent news service offering breaking news, analysis and insight. It provides fast and comprehensive coverage of local, UK and international events as they unfold.	– 2017/18: –	6% 2017/18: 7%	02:35 2017/18: 02:43
	BBC Parliament is the UK's only channel dedicated to politics. It shows debates and committees from Westminster, Holyrood, Stormont, Cardiff Bay and Strasbourg as well as political programmes from across the UK.	– 2017/18: –	1% 2017/18: 1%	* 2017/18: 02:37

Reach definition: 15+ minutes consecutive for all services and audiences in TV-owning households aged 4+.

Source: BARB (TV reach and time per viewer).

Three-minute reach for BBC News Channel and BBC Parliament – in line with industry standards – would be 10% and 2% respectively (12% and 2% among 16+ population).

* Sample size for time per user too low to report.

Northern Ireland's performance by service – Radio		Content (£m)	Reach (%)	Time spent listening to a service each week (hh:mm)
		We spent a total of £2 million on these services in Northern Ireland	Northern Ireland population who use the service each week	Length of time the average Northern Ireland listener spent each week with the service
	BBC Radio 1 broadcasts a distinctive mix of new music and entertainment for 15-29 year olds as well as providing tailored news, documentaries and advice campaigns for young adults.	– 2017/18: –	17%** 2017/18: 18%	05:13 2017/18: 04:34
	BBC 1Xtra plays the best in contemporary black music, with a strong emphasis on delivering high-quality live music and supporting new artists.	– 2017/18: –	<1+ 2017/18: 1%	* 2017/18: *
	BBC Radio 2 broadcasts a unique mix of music and speech programmes covering a diverse mix of live pop and rock, comedy, documentaries and religious output, as well as running social action campaigns to over 14 million listeners.	– 2017/18: –	14%^ 2017/18: 15%	07:46 2017/18: 08:14
	BBC Radio 3 centres on classical music, around which it provides a broad spectrum of jazz, world music, arts programmes, religion and drama. There is a strong emphasis on musical performance across the UK.	£1m 2017/18: £1m	2% 2017/18: 2%	04:16~ 2017/18: 03:27~
	BBC Radio 4 is a mixed-speech radio station, offering in-depth news and current affairs and a wide range of other speech programmes including drama, readings, comedy, factual and magazine programmes.	£1m 2017/18: £1m	11% 2017/18: 11%	07:18 2017/18: 07:51
	Originally launched in 2002 as BBC 7, the station was relaunched in April 2011 as BBC Radio 4 extra. The digital-only network is the principal outlet for the BBC's archive of speech entertainment, including comedy, drama and readings.	– 2017/18: –	2% 2017/18: 2%	04:16~ 2017/18: 03:56~
	BBC Radio 5 live broadcasts continuous news and live sports coverage, bringing major news stories and sports events to its listeners as they happen, and providing context through wide-ranging analysis and discussion.	– 2017/18: –	9% 2017/18: 11%	05:55 2017/18: 04:15
	BBC Radio 5 live sports extra brings a greater choice of live action to sports fans by extending live coverage of various sporting events.	– 2017/18: –	2% 2017/18: 2%	* 2017/18: 01:56~
	BBC 6 Music is a digital radio station that entertains lovers of popular music with a service that celebrates the alternative spirit of popular music from the 60s to the present day, complemented by music news and documentaries.	– 2017/18: –	2% 2017/18: 2%	07:26~ 2017/18: 05:11~
	BBC Asian Network offers speech and music appealing to British Asians, with a focus on news and current affairs. It broadcasts mainly in English, but does offer some programmes in other languages.	– 2017/18: –	<1% 2017/18: <1%	* 2017/18: *

Reach definition: 15+ minutes for all stations and audiences aged 15+.

Source: RAJAR (Radio reach and time per listener).


** Radio 1: amongst its target group of 15-29 year olds reach was 36% and time spent per listener was 05:28.

+ 1Xtra: amongst 15-24 year olds reach was 1%. Sample size for time per user was too low to report.

^ Radio 2: amongst its target group of 35+ year olds reach was 18% and time spent per listener was 08:43.

* Sample size for time per user too low to report.

~ Lower sample size may be responsible for greater variability in the data.

Northern Ireland's performance by service – Online		Content (£m)
		We spent a total of £9 million on these services in Northern Ireland
	BBC Online comprises the BBC's portfolio of online products on desktop, connected TV, mobile and tablet, including news, sport and weather; our children's services CBBC and CBeebies; and Knowledge & Learning – as well as IP delivered TV and radio services, with both live and on-demand programmes available on BBC iPlayer.	£9m 2017/18: £8m

The BBC in England

Income

These numbers are estimated as figures for each nation have been calculated by applying the proportion of licensed premises to the total number of licences in force. The exact number of licences in force varies on a daily basis. The numbers of licensed premises are different to the number of licences in force as, in some cases, a premise may need more than one licence. Figures exclude concessionary licences for those living in residential care.

	2019 £m	2018 £m
Estimated income		
UK	3,690	3,830
England	3,085	3,201

For 2018/19 the fee for a standard household TV licence was £150.50.

Expenditure

Direct and indirect spend relating to programmes produced in the nation.

	2019 £m	2018 £m
Network content		
TV (including Sport and Childrens)*	1,246	1,138
Radio	290	276
Online and Red Button	160	136
Total network spend	1,696	1,550
Local content		
TV – BBC One	105	100
Radio English Regions	124	118
Online and Red Button	16	15
Total local spend	245	233
Orchestras and performing groups	19	17
Development	60	54
Distribution	116	125
Total	2,136	1,979

* Network content is attributed on an Ofcom basis, which excludes foreign productions.

TV hours by genreLocal opt-out hours[^] (including repeats) on BBC One and BBC Two

	2019 Hours	2018 Hours
Daily, Weekly News and Current Affairs	4,115	4,108
Sport and Leisure	23	24
Education, Factual and Religion	26	22
Total	4,164	4,154

[^] Television content commissioned specifically for audiences in the nation.**Radio hours by genre****BBC English Regions**

	2019 Hours	2018 Hours
General	230,223	216,023
Total	230,223	216,023






Headcount

Average headcount reflects those individuals employed to directly support the service produced in England

	2019 Number	2018 Number
Average number of persons employed in the year	2,656	2,590

Average headcount of individuals based in England across all services including support functions



	2019 Number	2018 Number
Average number of persons employed in the year	14,320	13,740

England's performance by service – Television		Content (£m)	Reach (%)	Time spent watching a channel each week (hh:mm)
		We spent a total of £1,303 million on these services in England	England population who use the service each week	Length of time the average England viewer spent each week with the channel
	BBC One is our flagship service and the UK's most popular television channel. It unites and inspires the nation with high-quality programmes across a range of genres which includes news and current affairs, drama, comedy, entertainment and factual.	£868m 2017/18: £774m	66% 2017/18: 68%	06:57 2017/18: 07:14
	BBC Two is a mixed-genre channel with programmes of depth and substance. It includes the greatest amount and range of knowledge-building programming on the BBC, complemented by distinctive comedy, drama and arts programming.	£325m 2017/18: £309m	41% 2017/18: 44%	03:00 2017/18: 03:07
	BBC Four aims to be British television's most intellectually and culturally enriching channel, offering an ambitious range of UK and international arts, music, culture and factual programmes.	£35m 2017/18: £30m	12% 2017/18: 13%	01:43 2017/18: 01:44
	The CBBC channel offers a distinctive mixed schedule for 6-12 year olds, with mainly UK programmes served in a stimulating, creative and enjoyable environment.	£50m 2017/18: £55m	4% 2017/18: 4%	02:24 2017/18: 02:36
	CBeebies provides a mix of high-quality, mostly UK-produced, programmes designed to encourage learning through play in a consistently safe environment for children under six.	£25m 2017/18: £25m	6% 2017/18: 7%	04:04 2017/18: 04:14

Reach definition: 15+ minutes consecutive for all channels and services and audiences in TV-owning households aged 4+ (TV).

Source: BARB (TV reach and time per viewer – all channels include their simulcast HD channel where applicable).

N.B. BARB data available for the full 2018/19 financial year measures TV set viewing only, meaning that iPlayer viewing on other devices is not included in any of the reach and time figures. iPlayer viewing is growing, especially for young-skewed services such as CBeebies and CBBC.



England's performance by service – News		Content (£m)	Reach (%)	Time spent watching or listening to a service each week (hh:mm)
		We spent a total of £48 million on these services in England	England population who use the service each week	Length of time the average England viewer or listener spent each week with the service
	The BBC News Channel is a 24-hour impartial and independent news service offering breaking news, analysis and insight. It provides fast and comprehensive coverage of local, UK and international events as they unfold.	£46m 2017/18: £43m	8% 2017/18: 9%	02:50 2017/18: 02:39
	BBC Parliament is the UK's only channel dedicated to politics. It shows debates and committees from Westminster, Holyrood, Stormont, Cardiff Bay and Strasbourg as well as political programmes from across the UK.	£2m 2017/18: £2m	1% 2017/18: <1%	02:01[^] 2017/18: 01:43

Reach definition: 15+ minutes consecutive for all services and audiences in TV-owning households aged 4+.

Source: BARB (TV reach and time per viewer).

Three-minute reach for BBC News Channel and BBC Parliament – in line with industry standards – would be 12% and 1% respectively (13% and 2% among 16+ population).

[^] Lower sample size may be responsible for greater variability in the data.

England's performance by service – Radio		Content (£m)	Reach (%)	Time spent listening to a service each week (hh:mm)
		We spent a total of £290 million on these services in England	England population who use the service each week	Length of time the average England listener spent each week with the service
	BBC Radio 1 broadcasts a distinctive mix of new music and entertainment for 15-29 year olds as well as providing tailored news, documentaries and advice campaigns for young adults.	£41m 2017/18: £37m	17%** 2017/18: 17%	06:13 2017/18: 06:19
	BBC 1Xtra plays the best in contemporary black music, with a strong emphasis on delivering high-quality live music and supporting new artists.	£7m 2017/18: £6m	2%+ 2017/18: 2%	04:16 2017/18: 04:44
	BBC Radio 2 broadcasts a unique mix of music and speech programmes covering a diverse mix of live pop and rock, comedy, documentaries and religious output, as well as running social action campaigns to over 14 million listeners.	£49m 2017/18: £49m	27%^ 2017/18: 28%	11:56 2017/18: 11:55
	BBC Radio 3 centres on classical music, around which it provides a broad spectrum of jazz, world music, arts programmes, religion and drama. There is a strong emphasis on musical performance across the UK.	£33m 2017/18: £33m	4% 2017/18: 4%	06:12 2017/18: 05:57
	BBC Radio 4 is a mixed-speech radio station, offering in-depth news and current affairs and a wide range of other speech programmes including drama, readings, comedy, factual and magazine programmes.	£89m 2017/18: £83m	20% 2017/18: 22%	11:05 2017/18: 11:04
	Originally launched in 2002 as BBC 7, the station was relaunched in April 2011 as BBC Radio 4 extra. The digital-only network is the principal outlet for the BBC's archive of speech entertainment, including comedy, drama and readings.	£3m 2017/18: £3m	4% 2017/18: 4%	06:10 2017/18: 05:38
	BBC Radio 5 live broadcasts continuous news and live sports coverage, bringing major news stories and sports events to its listeners as they happen, and providing context through wide-ranging analysis and discussion.	£45m 2017/18: £44m	10% 2017/18: 10%	06:43 2017/18: 06:36
	BBC Radio 5 live sports extra brings a greater choice of live action to sports fans by extending live coverage of various sporting events.	£3m 2017/18: £3m	2% 2017/18: 2%	03:15 2017/18: 03:18
	BBC 6 Music is a digital radio station that entertains lovers of popular music with a service that celebrates the alternative spirit of popular music from the 60s to the present day, complemented by music news and documentaries.	£12m 2017/18: £11m	5% 2017/18: 5%	09:24 2017/18: 09:15
	BBC Asian Network offers speech and music appealing to British Asians, with a focus on news and current affairs. It broadcasts mainly in English, but does offer some programmes in other languages.	£8m 2017/18: £7m	1% 2017/18: 1%	05:16 2017/18: 05:27


Reach definition: 15+ minutes for all stations and audiences aged 15+.

Source: RAJAR (Radio reach and time per listener).

** Radio 1: among its target group of 15-29 year olds reach was 31% and time spent per listener was 06:00.

+ 1Xtra: among 15-24 year olds reach was 6% and time spent was 03:20.

^ Radio 2: among its target group of 35+ year olds reach was 34% and time spent per listener was 12:47.

England's performance by service – Online		Content (£m)
		We spent a total of £176 million on these services in England
	BBC Online comprises the BBC's portfolio of online products on desktop, connected TV, mobile and tablet, including news, sport and weather; our children's services CBBC and CBeebies; and Knowledge & Learning – as well as IP delivered TV and radio services, with both live and on-demand programmes available on BBC iPlayer.	£176m 2017/18: £151m

Independent Assurance Report to the Board of the British Broadcasting Corporation, acknowledging that Parliament also places reliance on the Group Accounts and Report

I have conducted independent assurance procedures on the disclosures included in the British Broadcasting Corporation (BBC) Annual Report arising from the requirement under the Royal Charter for the continuance of the BBC (the Royal Charter) to publish the provision for the United Kingdom's nations and regions, including how the BBC delivered the creative remit in the nations and regions. These disclosures comprise performance against the BBC's public purpose to reflect, represent and serve the diverse communities of the United Kingdom's nations and regions and support the creative economy, as set out on pages 166 to 182 of the BBC's Annual Report.

My work is conducted in accordance with International Standards on Assurance Engagements (ISAE) 3000 Assurance Engagements Other Than Audits or Reviews of Historic Financial Information.

Respective responsibilities of the BBC Board and the Comptroller and Auditor General

For the reporting year covered by this report, the BBC Board was responsible for publishing information required by the Royal Charter as follows: the provision for the United Kingdom's nations and regions, including how the BBC delivered the creative remit in the nations and regions for the year-ended 31 March 2019 (the subject matter) ("Nations Report").

I am responsible for providing an opinion on whether, in all material respects, the subject matter is complete and accurate and has been properly prepared in accordance with the basis set out therein.

In conducting this work, my staff and I have complied with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the BBC in accordance with the ethical requirements that are relevant to my assurance engagement. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

My approach

I have performed a reasonable assurance engagement as defined in ISAE 3000. A reasonable assurance engagement is to perform such procedures as to obtain information and explanations which I consider necessary to express an opinion on whether, in all material respects, the Nations Report (the subject matter) is complete and accurate and has been properly prepared in accordance with the basis set out therein.

My work consisted of understanding the process adopted by the BBC to derive the disclosures, in particular the completeness and accuracy of information used. This enabled me to design procedures in response to risks identified. I performed procedures in relation to the figures disclosed which included: agreement to third party evidence such as data issued by the Broadcasters Audience Research Board (BARB); agreement to scheduling reports; cross-reference to disclosures made in the BBC Group financial statements; recalculation and confirmation of mathematical accuracy; and agreement of headcount data to payroll reports.

Inherent limitations

My assurance procedures have been designed to provide reasonable assurance. The objective of a reasonable assurance engagement is to reduce engagement risk to an acceptably low level in the circumstances of the engagement as the basis for a positive form of expression of my conclusion. It does not, however, eliminate this risk entirely. In particular, in preparing the disclosures, the BBC Board is required to make a number of judgements which inherently introduces an element of risk.

Opinion

Based on the results of my procedures, in my opinion, in all material respects the Nations Report set out on pages 166 to 182 is complete and accurate and has been properly prepared in accordance with the basis set out therein.

Gareth Davies Comptroller & Auditor General

National Audit Office
157-197 Buckingham Palace Road
London SW1W 9SP
21 June 2019

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The Certificate and Report of the
Comptroller and Auditor General

The Certificate and Report of the Comptroller and Auditor General to the Board of the British Broadcasting Corporation, acknowledging that Parliament also places reliance on the Group Accounts and Report

Opinion on financial statements

I certify I have audited the financial statements of the British Broadcasting Corporation (BBC) for the year ended 31 March 2019, which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income/loss;
- the consolidated balance sheet;
- the consolidated statement of changes in equity;
- the consolidated cash flow statement; and
- the related notes, including the significant accounting policies.

The financial reporting framework that has been applied in their preparation is the Royal Charter for the continuance of the British Broadcasting Corporation and International Financial Reporting Standards as adopted by the European Union. I have also audited the information in the Remuneration Report that is described as having been audited.

In my opinion the consolidated financial statements:

- give a true and fair view of the state of the group's affairs as at 31 March 2019 and of its deficit for the year then ended; and
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

Opinion on regularity

In my opinion, except for the £12 million costs associated with the provision referred to in the Basis for my qualified regularity opinion below, in all material respects, the income and expenditure recorded in the consolidated financial statements conform to the authorities which govern them.

Basis for my qualified regularity opinion

I have qualified my audit opinion on regularity on these financial statements in relation to the recognition of a provision of £12 million. Note F10 provides details on this provision, setting out that it relates to the BBC's commitment to "settle the historic issues, at an acceptable cost to the licence fee, which resolves most of the retrospective claims that HMRC may have against the presenters in respect of any misclassification of their employment status... The BBC has approached HMRC with a view to reaching a settlement of...the PAYE and NIC due under IR35 where individuals have been paid via intermediaries".

The BBC first disclosed its intentions in relation to a settlement with HMRC in its 2017-18 Annual Report and Accounts. My predecessor's report upon those accounts stated "I shall, of course, expect the BBC to have proper regard to its obligation, set out in the Royal Charter for the continuance of the BBC, to exercise rigorous stewardship of public money in accordance with the principles of regularity, propriety, value for money and feasibility, and shall take this into account as necessary in my reports next year."

The BBC's Board acknowledges that it considers this is an irregular use of the licence fee but sets out the BBC's reasons for embarking on this course of action on page 93. The BBC Board considers the settlement "...offers the best value for money of the available settlement options and resolves the historic issues in a way which is fair to all sides."

Whilst acknowledging the BBC Board's rationale, I consider that the BBC, in committing to make such payments to HMRC, is settling, ex gratia, the tax liabilities of third parties. I therefore consider that this expenditure does not accord with the BBC's Charter obligations with respect to the principle of regularity and have qualified my opinion on regularity accordingly.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Respective Responsibilities of the BBC Board and the Comptroller and Auditor General section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the BBC in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

The regularity framework that has been applied comprises:

- the Royal Charter for the continuance of the British Broadcasting Corporation;
- the Agreement between Her Majesty's Secretary of State for Digital, Culture, Media and Sport and the British Broadcasting Corporation; and
- other agreements the BBC has entered into with Government Ministers.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that I identified.

I consider the following areas of particular audit focus to be those areas that had the greatest effect on my overall audit strategy, the allocation of resources in my audit and directing the efforts of the audit team in the current year. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by my audit but only those areas that had the greatest effect on my overall audit strategy, allocation of resources and direction of effort. I have not, for example, included detailed information relating to the general work I have performed around the presumed risk of management override of controls, which are areas where my work has not identified any matters to report.

The areas of focus were discussed with the Audit and Risk Committee; their report on matters that they considered to be significant to the financial statements is set out on pages 201 to 257. The description of the risks below should be read in conjunction with the Audit and Risk Committee’s report.

I identified three key audit matters in 2017/18 which are no longer applicable in 2018/19. These are:

- **Creation of BBC Studios Ltd.** BBC Studios Limited was established as a separate legal entity in 2017/18, having previously been a division of the BBC Public Service Broadcaster. No audit procedures were necessary in 2018/19 as BBC Studios Ltd continued as a separate legal entity;
- **Service spend disclosures.** The BBC no longer includes these disclosures in its financial statements following the introduction of new reporting requirements by the BBC’s regulator, Ofcom; and
- **Implementing new regularity requirements.** In 2017/18, the Royal Charter explicitly included, for the first time, the concepts of regularity and propriety. The BBC was required to assess existing policies and processes and determine whether amendment or update was necessary to respond to the new requirements. Since these concepts are no longer new, the audit procedures undertaken to assess the implementation of these new policies and processes in 2017/18 has not been necessary this year. However, specific regularity requirements are incorporated into key audit matters as appropriate.

Key audit matter description	The scope of my audit work in response	The findings I communicated to the Audit and Risk Committee
<p>Key audit matters relating to my opinion on the financial statements Accounting for employment-related matters (including regularity) <i>Refer to the Audit and Risk Committee report page 122 and note F10 of the financial statements.</i></p> <p>During 2017/18, matters relating to pay at the BBC rose to prominence and I identified this as a key audit matter. These matters have continued to develop during 2018/19. These include:</p> <ul style="list-style-type: none"> — continuing discussions with HMRC regarding historic tax liabilities arising from the incorrect tax status classification of individuals engaged by the BBC on a freelance basis. The BBC has recognised a provision for the amount it is prepared to contribute to historic tax liabilities that may arise and to protect individuals' tax status; — continued implementation of changes to IR35 rules that came into effect in 2017/18; and — equal pay claims. <p>I have assessed a significant risk to my audit because establishing the existence, completeness and valuation of provisions or contingent liabilities involves management's judgement and estimation; moreover, there are high levels of Parliamentary interest in these issues.</p> <p>Under the current Royal Charter the BBC is required to make disclosures in its Annual Report in relation to people paid more than £150,000 from the licence fee. The results of my separate reporting engagement on these disclosures are set out on page 120.</p>	<p>I have made enquiries of management and the BBC's legal team to understand these issues and I have assessed the reasonableness of management's key judgements and assumptions arising from these matters.</p> <p>My audit procedures have included reviewing Board papers and minutes and assessing management's processes and controls for identifying and evaluating the financial reporting implications of these matters.</p> <p>I have tested key provisions and contingent liabilities relating to employment issues, as well as a sample of other provisions based on risk and value. My procedures included agreeing liabilities and disclosures to underlying evidence, and, where appropriate, recalculating the amounts recognised or disclosed in the financial statements.</p> <p>I reviewed the disclosure of provisions and contingent liabilities in the financial statements to assess their accuracy, completeness and consistency with financial reporting requirements and my understanding of the issues.</p> <p>I have considered whether the nature of the transactions recognised in relation to employment-related matters accords with the requirements of the BBC's framework of authorities and Parliamentary intentions.</p>	<p>On the basis of the procedures performed, I consider that the accounting treatment adopted for these transactions is appropriate.</p> <p>In respect of my considerations in respect of regularity, I have qualified my audit opinion on regularity on these financial statements in relation to the recognition of a provision of £12 million. I explain my reasons for doing this in the basis for my qualified regularity opinion on page 185.</p>

Complex property transactions

Total net book value of property, plant and equipment – £1,028 million (2017/18: £1,038 million). Refer to notes D1 (financial disclosures) and note H (accounting policies) and the risks set out in the Audit and Risk Committee report on page 122.

The BBC has a large and diverse portfolio of properties. The arrangements for these properties include owned assets, investment properties and assets held under finance or operating leases.

The BBC has a borrowing limit set by the Secretary of State for Digital, Culture, Media and Sport; this affects the ways the BBC can finance major projects. Sale and leaseback arrangements, including those facilitated through special purpose vehicles as a means to raise finance on the bond markets, are one method the BBC has used to fund certain estates projects.

In managing its property portfolio and related financing arrangements, certain past transactions have given

I have carried out work to understand the BBC's overall property strategy and any changes that could have a consequent financial statement impact.

My procedures included making enquiries of management; review of Board minutes and business plans and visiting certain key properties.

A: Properties held under leasing arrangements

- For the BBC's material leases, I have assessed whether these leases should be accounted for as finance or operating leases. My audit procedures included considering the reasonableness of management's key assumptions and judgements and checking these for consistency with the underlying contractual documentation.
- I have considered the reasonableness of the key assumptions used by management in the finance lease accounting models. I checked the

On the basis of the procedures performed, I consider that the accounting treatment adopted for these complex property transactions is appropriate.

I am content that, in respect of IFRS 16, management has made sufficient disclosures around the impact this new standard will have for the BBC Group.

Key audit matter description	The scope of my audit work in response	The findings I communicated to the Audit and Risk Committee
<p>Key audit matters relating to my opinion on the financial statements</p>		
<p>Complex property transactions continued</p>		
<p>rise to accounting treatments which are not straightforward and require the application of judgement. I have deemed complex transactions arising from the BBC's property strategy to be a significant risk area for my audit. The following complex property transactions involve significant judgement and have been key areas of focus for my work:</p>	<p>key model inputs to the terms of the lease agreements and other expected inputs. I assessed the mechanical accuracy of the models and re-performed the calculation of the lease amounts included in the financial statements. I assessed the reasonableness of management's calculations by comparing the outputs of my work to the amounts calculated by management.</p>	
<p>A: Properties held under leasing arrangements</p>		
<ul style="list-style-type: none"> — The classification of significant legacy leasing arrangements in respect of the BBC's New Broadcasting House and White City sites in London and its Pacific Quay site in Glasgow, as finance or operating leases. 	<ul style="list-style-type: none"> — I have reviewed the key assumptions and calculations used by management in determining the disclosures for the expected impact of the adoption of IFRS 16, Leases, in 2019/20. 	
<ul style="list-style-type: none"> — The valuation of the BBC's major finance lease assets and liabilities involves the use of complex models to calculate the valuations. 	<p>B: New Broadcasting House re-financing</p> <p>I have assessed the reasonableness of the accounting treatment in relation to the classification and valuation of the cash flow swaps used in the past re-financing of the New Broadcasting House sale and leaseback. My audit procedures included assessing the reasonableness of management's key valuation assumptions and judgements. Using corporate finance specialists, I checked management's key assumptions and judgements for consistency with underlying contracts, published rates and market practice; and I assessed the sensitivity of management's valuations to changes in key assumptions.</p>	
<ul style="list-style-type: none"> — In 2018/19, the BBC has been required to determine changes in lease assets and liabilities arising from IFRS 16, <i>Leases</i>, which becomes applicable from 1 April 2019. The BBC is required to include disclosure in the 2018/19 financial statements regarding the expected impact of adopting IFRS 16, <i>Leases</i>. 	<p>C: Property disposals</p>	<p>I have considered management's key judgements in relation to the accounting treatments adopted for certain past and planned disposals of property. My audit procedures included checking the basis of deferred sale proceeds and overage agreements to underlying contracts; and reviewing board minutes and business plans to confirm the completeness of property disclosed as held for sale.</p>
<p>B: New Broadcasting House re-financing</p>		
<ul style="list-style-type: none"> — The valuation of the series of significant derivative cash flow swaps which form the basis of the 2016/17 refinancing of the New Broadcasting House sale and leaseback arrangement. The valuation of these swaps involves judgement and is highly sensitive to the assumptions made. 		
<p>C: Property disposals</p>		
<ul style="list-style-type: none"> — The existence and valuation of deferred sales proceeds and the treatment of an overage clause in relation to a past disposal of land, where judgement is required regarding the treatment of these items in the financial statements. 		
<ul style="list-style-type: none"> — The classification, completeness and valuation of property available-for-sale which could have a material impact on the financial statements. 		

Key audit matter description	The scope of my audit work in response	The findings I communicated to the Audit and Risk Committee
<p>Key audit matters relating to my opinion on the financial statements</p>		
<p>Risk of fraud in revenue recognition</p>		
<p><i>Total revenue recognised – £4,889 million (2017/18: £5,062 million). Refer to note A1 (financial disclosures) and note H (accounting policies) and the risks set out in the Audit and Risk Committee report on page 122.</i></p> <p>International Standards on Auditing (UK) require me to consider whether or not there is a risk of fraud in respect of revenue recognition. Given the scale and nature of the BBC's income streams, I have not rebutted this risk. My scoping work has identified the following transactions streams as areas of specific focus for my audit:</p> <p><i>Licence fee revenue (£3,690 million (2017/18: £3,830 million))</i></p> <p>The BBC's primary source of funding is derived from the Television Licence Fee (the 'licence fee'). The Telecommunications Act 2003 requires that licence fees must be paid to the BBC which, in turn, must remit the amounts collected to the Consolidated Fund. The BBC Licence Fee Unit uses an outsourced service provider, Capita, to collect licence fees on its behalf.</p> <p>Licence fees collected are brought to account within the BBC Television Licence Fee Trust Statement ('the Trust Statement'). This is a separate account, which I also audit. The licence fee revenue recorded in the BBC consolidated financial statements is a grant-in-aid funding settlement, paid directly to the BBC from the Secretary of State for Digital, Culture, Media and Sport from sums drawn down for the Consolidated Fund in respect of licence fees issued in the year.</p> <p>The licence fee income and balances recorded in the Trust Statement provide an authoritative expectation of the amount of licence fee funding the BBC receives in the year from the Secretary of State, and which it recognises in its financial statements.</p> <p>Licence fee funding includes a settlement of £468 million in 2018/19 from the Department for Work and Pensions (DWP), in relation to the provision of free television licences to over-75s. DWP funding will continue in relation to free television licences for over-75s until June 2020 and will gradually withdraw each year until that date. 2018/19 DWP funding was £187 million less than in 2017/18. In June 2019, the BBC Board announced arrangements for over 75s that will come into effect in June 2020. Further information is included in Note G8.</p>	<p>In relation to the licence fee revenue grant recognised in the BBC's consolidated financial statements, I have assessed the reasonableness of the BBC's licence fee revenue recognition policy, including against IFRS 15, <i>Revenue from Contracts with Customers</i>. I have substantively tested the amounts and the timing of licence fee revenue funding paid to the BBC by the Secretary of State for Digital, Culture, Media and Sport; and the amounts and timing of payments made by the Department for Work and Pensions to the BBC in respect of television licences issued free-of-charge to over-75s.</p> <p>Given that the licence fee revenue and balances recorded in the Trust Statement provide an authoritative expectation as to the related licence fee grant funding and balances recorded in the consolidated financial statements, I have carried out audit procedures on the BBC Licence Fee Unit collection systems and processes and on related transactions and balances reported in the Trust Statement. These included obtaining assurance on the completeness and occurrence of licence fee income recorded in the Trust Statement by using IT audit procedures on key licence fee collection systems and testing a sample of in-year transactions and year-end balances.</p> <p>I have also obtained assurance over the proper operation of cut-off by examining evidence showing cash receipts and licences issued around the year end.</p> <p>I have considered whether there are any implications for going concern and viability arising from the reduction in DWP funding year-on-year.</p>	<p>On the basis of the procedures I have performed I consider licence fee revenue funding and related balances to be appropriately recognised and reported. I have considered the recognition point of licence fee revenue within the BBC's consolidated financial statements and consider this to be appropriate. I have considered the implications for viability and going concern in the context of the reduction of DWP funding and new arrangements for over 75s and have not identified any concerns. I have recommended management enhance disclosures in relation to this, which they have done.</p>

Key audit matter description	The scope of my audit work in response	The findings I communicated to the Audit and Risk Committee
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Key audit matters relating to my opinion on the financial statements

Risk of fraud in revenue recognition continued

The grant-nature of the licence fee revenue recorded by the BBC means that revenue recognition for this income stream is, generally, not complex. Licence fee revenue recognition in the related Trust Statement is also, generally, not complex. This is because income is recognised on issuance of a licence and the amount for each licence type is a fixed price. However this judgement has required further consideration by management in 2018/19 due to the adoption of IFRS 15, *Revenue from Contracts with Customers*.

I have assessed a risk in this area because of the importance of licence fee funding to the BBC and the Parliamentary and public interest in it, as well as the significant sums involved. Consequently, I consider that there may be an incentive to manage and report this revenue in ways that meet management’s or licence fee payers’ expectations. This might involve the BBC or other parties involved in the licence fee revenue collection and reporting process. I consider that there is a heightened risk around the year end of revenue recognition being managed to achieve particular results and this has been a key focus of my testing in this area.

Commercial revenue and profit recognition (£1,199 million (2017/18: £1,232 million))

There are a number of revenue streams from different sources within the BBC’s commercial subsidiaries, including subscriber revenues, distribution and sale of BBC branded products. Audit risk arises from the level of judgement in respect of the completeness and cut-off of revenue. In 2018/19 this risk has developed to also consider the timing of revenue recognition in light of the adoption of IFRS 15 *Revenue from Contracts with Customers*. This risk is particularly relevant within BBC Studios Group as the largest commercial subsidiary and where most revenue is earned from outside of the BBC Group.

One of the largest revenue streams within BBC Studios Group relates to the distribution of content. Commercial distribution rights acquired by the BBC relating to this content are treated as intangible assets within BBC Studios Group’s financial statements. In March 2019 BBC Studios entered into a series of agreements with Discovery Inc to provide content, including landmark natural history programmes, future BBC-commissioned landmark natural history programmes and rights to programming across factual genres. This agreement supports Discovery Inc’s launch of a global SVOD service.

I have carried out work to understand the nature of the BBC’s commercial profits including reviewing contractual documentation and management reporting, making enquires of management responsible for BBC commercial activities (both within the UK and at significant territories overseas, both by value and by risk). I have also researched wider market practice in relation to revenue recognition in the media sector. I used this understanding to assess the reasonableness of revenue recognition policies adopted by the BBC’s commercial subsidiaries, focusing my attention on the highest risk and most significant revenue streams: channels, distribution, and format sales.

My testing included: undertaking detailed analysis of key revenue streams and identifying transactions with the greatest risk for further analysis, reviewing significant revenue contracts to understand the key features and confirming that they have been treated appropriately in the financial statements (with particular focus on the requirements of IFRS 15, *Revenue from Contracts with Customers*); and, considering transactions arising around the year end, for evidence of delivery and licence period start dates. I have particularly focused on the year end, as the timing of BBC Studios Group

I have concluded that commercial revenue and profit is appropriately recognised and reported. I have considered the principles adopted by the BBC, in particular the new requirements of IFRS 15 *Revenue from Contracts with Customers* which came into effect during the reporting period, in relation to point of revenue recognition and the policies adopted to amortise distribution rights, and found these to be appropriate.

I identified an audit difference in relation to the accrual of royalty payments to a third party. On bringing this to management’s attention, management adjusted the financial statements accordingly.

Key audit matter description	The scope of my audit work in response	The findings I communicated to the Audit and Risk Committee
Key audit matters relating to my opinion on the financial statements		
Risk of fraud in revenue recognition <i>continued</i>		
<p>BBC Studio Group's revenue is affected by judgements in relation to the point at which revenue relating to the distribution of content arises and the timing and nature of the agreements with Discovery Inc, in particular, represent risks around cut-off and completeness of revenue.</p> <p>In addition, management must exercise judgement in the following areas which could have a material impact on profit:</p> <ul style="list-style-type: none"> — the amortisation of commercial distribution rights. Amortisation is based on the expected revenue profile of the programme portfolio. As a key area of judgement, risks arise as changes in assumptions could have a material impact on profit; — revenue associated with productions. Although the majority of production revenue is generated from within the BBC Group, a material amount is derived from outside the group. There are risks around completeness, cut-off and recoverability of this revenue; — impairment of investments. I provide further commentary on this in the key audit matter relating to accounting for investments, associates and joint ventures. 	<p>revenue is skewed towards March to coincide with the BBC Showcase event, and the agreement entered into between BBC Studios and Discovery Inc.</p> <p>I have also assessed the judgements made in respect of amortising commercial distribution rights. I reviewed the basis on which the amortisation principles were determined, comparing these to the known and forecast timing of the realisation of the value of these rights. I considered whether any amendments were required to the policy in light of developments in BBC Studio Group's business, and wider market practice, during the reporting period.</p>	

Capitalisation and major projects

Total value of assets under construction – £117 million (2017/18: £103 million). Refer to note D1 (financial disclosures) and note H (accounting policies). Refer to the Audit and Risk Committee report on page 122.

A number of significant projects support the BBC's strategy, many of which are capitalised in the BBC's financial statements. These projects relate to digitalisation, enhancing technology, and changes in the way the BBC engages with audiences, as well as capital construction projects. Judgement is required around the appropriate capitalisation of expenditure and also the valuation of assets generated where there are risks that the expected benefits may not be delivered as planned.

I have assessed the governance and control arrangements relating to the most significant projects currently in progress. I have sample tested transactions and balances relating to these projects to confirm these have been appropriately recognised as assets under construction or asset additions.

I have reviewed the procedures implemented by the BBC to determine whether impairment is necessary. Alongside this, I have reviewed Board minutes, made enquires with project managers and undertaken my own research to determine whether there are any indicators of impairment.

I consider major projects to be appropriately accounted for in the BBC's consolidated financial statements.

Key audit matter description	The scope of my audit work in response	The findings I communicated to the Audit and Risk Committee
<p>Key audit matters relating to my opinion on the financial statements</p>		
<p>Valuation of the pension scheme liability</p>		
<p><i>Total value of pension scheme liability – £530 million (2017/18: £518 million). Refer to note C6 (financial disclosures) and note H (accounting policies) and the risks set out in the Audit and Risk Committee report on page 122.</i></p> <p>The BBC has a significant pension deficit. The scheme was subject to triennial valuation at March 2016, and the BBC and pension scheme trustees have agreed a revised repayment plan to reduce the scheme deficit. The valuation of the net pension liability reported in the accounts is highly judgemental, and changes to assumptions can result in material changes to the valuation. Given this, I have assessed the valuation of the pension deficit as a significant risk to my audit. The March 2019 triennial valuation is underway and I will consider its implications for my audit next year.</p>	<p>I have understood the BBC’s pension scheme arrangements and assessed the processes and controls used by management to account for them.</p> <p>Using actuarial experts I have assessed the reasonableness of key assumptions used in determining the scheme liability, benchmarking them against other schemes; and I have assessed the nature and appropriateness of BBC context-specific assumptions. I have also assessed the expertise and independence of the BBC’s actuaries.</p> <p>I have taken assurance from the work of the BBC Pension Scheme auditors in relation to the valuation of scheme assets.</p> <p>I have tested data inputs used in determining the valuation, including employer contributions and scheme membership data.</p> <p>I have tested the accounting entries recognised to the underlying work performed by the BBC’s actuaries and reviewed disclosures made to confirm these are in accordance with accounting standards.</p>	<p>I am satisfied that the methodology and approach adopted by the BBC is appropriate for the valuation of the pension scheme liability in the BBC’s consolidated financial statements.</p> <p>My challenge of the reasonableness of assumptions has found that these all sit within the range I would expect when compared to market practice. I consider that the disclosures relating to pension assets and liabilities comply with the requirements of accounting standards.</p>
<p>Accounting for investments in associates and joint ventures</p>		
<p>Total value of interests in associates and joint ventures – £257 million. (2017/18: £240 million). Refer to note E3 (financial disclosures) and note H (accounting policies) and the risks set out in the Audit and Risk Committee report on page 122.</p> <p>The BBC Group comprises over 100 separate subsidiaries and over 60 associates and joint ventures. On preparing its consolidated financial statements, the BBC must make judgements around the control exercised over each entity to determine whether to consolidate the entity or recognise it as an associate, joint venture or investment.</p> <p>When consolidating entities into the BBC’s consolidated financial statements, there are risks associated with the completeness of adjustments made to eliminate intra-group transactions and adjustments made to recognise the assets, liabilities and results of subsidiaries, associates and joint ventures.</p> <p>Management must also exercise judgement as to the valuation attributed to its investments, within the consolidated financial statements.</p>	<p>Given the significant levels of management judgement involved in determining the appropriate group accounting treatment and the sensitivity of the consolidated financial statements to these judgements, I have assessed the accounting treatment of the following BBC investments as giving rise to a significant risk to my audit:</p> <p>A. Daunus Limited: Daunus Limited is a special purpose vehicle established as part of the sale and leaseback arrangement which facilitated the redevelopment of New Broadcasting House. The financial statements are highly sensitive to the accounting treatment adopted, as this judgement has a material impact on the financial statements and the BBC’s outturn against its borrowing limits.</p>	<p>I am satisfied that the group consolidation has been properly performed. This includes the decision not to consolidate the financial statements of UKTV Media Holdings, where the BBC considers control did not pass until after the year-end.</p> <p>I am content that the accounting treatment adopted in respect of the BBC Group’s investments in associates and joint ventures is appropriate.</p>

Key audit matter description	The scope of my audit work in response	The findings I communicated to the Audit and Risk Committee
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Key audit matters relating to my opinion on the financial statements

Accounting for investments in associates and joint venture *continued*

- B. UKTV Media Limited:** given UKTV's significance to the BBC's financial statements. UKTV is held by the BBC in a joint venture arrangement with Discovery Inc. In April 2019, BBC Studios announced it would enter into an agreement with Discovery Inc so that BBC Studios would take full control of UKTV's entertainment channels. This deal concluded in June 2019. In light of this announcement, there are risks associated with the assessment of control at 31 March 2019 and reporting of the acquisition in the post-balance sheet period under IFRS 3, *Business Combinations*.
- C. New Video Channel America LLC:** as BBC Studios Distribution owns 50.1% of this entity but does not consolidate it.

I performed the following procedures in relation to each of these investments:

- A. Daunus Limited:** I assessed the reasonableness of management's past judgement on the treatment of its investment in Daunus Limited as an equity-accounted joint venture. My audit procedures included considering the reasonableness of management's key assumptions and judgements, checking these for consistency with the underlying contractual documentation and obtaining evidence that, in practice, joint control is exercised over the relevant activities of Daunus. I have assessed the reasonableness of the valuation of the Daunus investment by reference to Daunus's audited accounts.
- B. UKTV Media Limited:** I have reviewed the underlying contractual documentation in place and assessed management's treatment of UKTV as a joint venture in the financial statements. I have considered management's assessment of whether indicators of control existed at 31 March 2019 and the sufficiency of disclosures of the acquisition of UKTV's entertainment channels in the post-balance sheet period. Through my group audit procedures I have confirmed the BBC Group's share of UKTV Media Limited's underlying profits.

Key audit matter description	The scope of my audit work in response	The findings I communicated to the Audit and Risk Committee
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Key audit matters relating to my opinion on the financial statements
Accounting for investments in associates and joint ventures continued

C. New Video Channel America LLC:
 I have reviewed the past judgement that, although BBC Studios Distribution owns 50.1% of New Video Channel America, it does not control the entity and therefore does not consolidate it on a line-by-line basis. I have reviewed underlying contractual agreements and minutes of the relevant Board and committee meetings to understand the substance of the arrangement in place. Through my group audit procedures I have confirmed the BBC Group’s share of New Video Channel America LLC’s underlying profits.

I assessed the controls established by the BBC to consolidate the transactions and balances relating to its subsidiary entities, and to completely and accurately process consolidation adjustments and appropriately eliminate intra-group transactions. I tested the consolidation process using group audit procedures and sample testing of intra-group transactions. I set out further information on my group audit procedures later in this report.

Accounting for programme assets
 Total value of programme assets – £743 million (2017/18: £726 million). Refer to note B3 (financial disclosures) and note H (accounting policies) and the risks set out in the Audit and Risk Committee report on page 122.

The BBC capitalises the costs associated with making a programme as work-in-progress during the course of a production, and releases these assets from the Statement of Financial Position at the point a programme is delivered (in the case of BBC Studios) or transmitted (in the case of the Public Service Broadcaster). At the point these programme assets are released, revenue and costs are recognised in the Consolidated Income Statement as appropriate. Where costs have been capitalised and remain as work-in-progress at the year end, management must consider whether there are any indicators of impairment: for example, where a programme may no longer be broadcast.

The valuation of programme assets is a highly material estimate in the accounts, and there is a significant amount of judgement over both the initial value and the impairment of these assets.

I have assessed the policy adopted by management in respect of programme asset as a key accounting judgement, including an assessment against IFRS and the wider practice within the media industry. This included undertaking walkthroughs of the process for valuing programme assets and the end-to-end process following a programme life-cycle through the various BBC entities, to ensure a consistent approach to the recognition of costs and revenue and that this is appropriately addressed on consolidation.

I substantively tested a sample of programme assets to confirm that these had been accounted for in accordance with the policy adopted by management.

I understood and evaluated the approach to managing production costs and identifying indicators of impairment and considered potential indicators of impairment of programme assets through my wider understanding of the business. This included a review of Board minutes, considering wider information, and holding discussions with the programme and production accounting teams to assess the controls over programme spend.

I consider programme assets to be appropriately accounted for in the BBC’s consolidated financial statements.

Key audit matter description	The scope of my audit work in response	The findings I communicated to the Audit and Risk Committee
Key audit matters relating to my opinion on the financial statements		
Accounting for programme assets <i>continued</i>		
<p>There is a risk that the approach to valuation will result in material misstatement of the balance sheet, or that the processes to identify impairment of programme assets are not sufficient to identify material overstatement of the balance sheet.</p>		
<p>In 2017/18, I identified accounting for programme assets as a risk within my separate audits of BBC Commercial Holdings Ltd and BBC Studios Ltd. During 2018/19, BBC Studios Group reviewed the process for accounting for programme assets, in particular around the allocation of overheads to individual programmes which had resulted in audit adjustments in 2017/18. In light of these developments, along with the increasing value of programme assets and the number of arrangements entered into with parties outside of the BBC Group, I consider it appropriate to also consider this a risk at BBC Group level.</p>		

Application of materiality

I applied the concept of materiality in both planning and performing my audit, and in evaluating the effect of misstatements on my audit and on the financial statements. This approach recognises that financial statements are rarely absolutely correct, and that an audit is designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement or irregularity. A matter is material if its omission or misstatement would, in the judgement of the auditor, reasonably influence the decisions of users of the financial statements.

	Group materiality	Benchmark
Overall materiality	£25 million (2017/18: same)	0.5% of Group revenue (2017/18: same)
Performance materiality	£18.75 million (2017/18: same)	75% of overall materiality (2017/18: same)
Reporting threshold	£250,000 (2017/18: same)	

Based on my professional judgement, I determined the overall materiality for the BBC's consolidated financial statements at £25 million, which is approximately 0.5% of BBC Group revenue. I chose this benchmark because, in my professional judgement, income is the key driver of the BBC's business; in particular, licence fee revenue and commercial income generated by the BBC is a key driver of stakeholder interest. Parliament and the public have an interest in the way in which the BBC is funded and how it spends its funds. The level of licence fee revenue and commercial income determines the resources available to the BBC and drives strategic decisions around spending and investment.

As well as quantitative materiality there are certain matters that, by their very nature, would if not corrected influence the decisions of users, for example:

- remuneration disclosures;
- matters that could result in a modification of the regularity opinion; and
- any adjustment that would affect the overall position of the primary statements at the margin; for example that would result in the surplus reported in the consolidated income statement becoming a deficit, or vice-versa.

Assessment of such matters would need to have regard to the nature of the misstatement and the applicable legal and reporting framework, as well as the size of the misstatement.

I applied the same concept of materiality to my audit of regularity. In planning and performing audit work in support of my opinion on regularity and evaluating the impact of any irregular transactions, I took into account both quantitative and qualitative aspects that I consider would reasonably influence the decisions of users of the financial statements

I have also reported any unadjusted misstatements exceeding my reporting threshold of £250,000 to the BBC Audit & Risk Committee, as well as differences below this threshold that, in my view, warranted reporting on qualitative grounds.

Total unadjusted audit differences reported to the Audit Committee have decreased net expenditure and increased net assets by £nil.

Respective responsibilities of the BBC Board and the Comptroller and Auditor General

As explained more fully in the Statement of Board Responsibilities, the Board is responsible for the preparation of the consolidated financial statements and for being satisfied that they give a true and fair view and conform to the authorities which govern them.

My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (ISAs) (UK).

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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or

error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the BBC's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the BBC's ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the income and expenditure reported in the financial statements conform to the authorities which govern them.

Group audit approach

The scope of my Group audit was determined by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level.

The BBC Group comprises over 100 subsidiaries, along with a number of associates and joint ventures. There are three levels of consolidation within the BBC Group:

- **Level 1:** BBC Group, comprising the BBC Public Service Broadcaster (PSB), PSB subsidiaries, and BBC Commercial Holdings Group;
- **Level 2:** BBC Commercial Holdings Group, comprising BBC Commercial Holdings Limited and subsidiary companies, including, BBC Studios Group, BBC Global News companies, BBC Studioworks Limited and BBC Children's Productions Limited; and
- **Level 3:** BBC Studios Group, comprising BBC Studios Productions Limited, BBC Studios Distribution Limited and subsidiary companies.

Level 1: BBC Group

Total revenue: £4,889m

Significant components and auditors

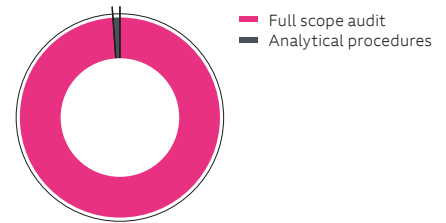
- BBC Public Service Broadcaster (NAO)
- BBC Commercial Holdings Group (NAO)

Sampled non-significant components

None – due to coverage achieved from significant components

Analytical procedures on non-significant components

We performed analytical procedures on the remaining components.



Level 2: BBC Commercial Holdings Group

Total revenue: £1,542m

Significant components and auditors

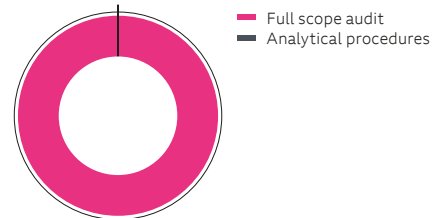
- BBC Studios Ltd (NAO)
- BBC Global News Ltd (NAO)
- BBC Commercial Holdings Ltd (NAO)

Sampled non-significant components

- BBC Studioworks Ltd (NAO)
- BBC Children's Productions Ltd (NAO)

Analytical procedures on non-significant components

We performed analytical procedures on the remaining components.



Level 3: BBC Studios Group

Total revenue: £1,189m

Significant components and auditors

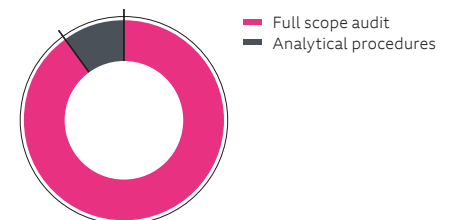
- BBC Studios Productions Ltd (NAO)
- BBC Studios Distribution Ltd (NAO)
- 2 entertain Videos Ltd (NAO)
- UK Programme Distribution Ltd (NAO)
- BBC Studios Australia Pty Limited (Grant Thompson)
- BBC Studios Americas incorporated (NAO)
- New Video Channel America LLC (KPMG)
- UKTV Media Holdings Ltd (KPMG)

Sampled non-significant components

- BBC Worldwide France SARL (KPMG)
- BBC Grafton House Productions Ltd (NAO)
- BBC Natural History and Factual Productions Ltd (NAO)
- BBC Comedy Productions Ltd (NAO)

Analytical procedures on non-significant components

We performed analytical procedures on the remaining components.



This audit opinion relates to the BBC Group, at level 1. My group audit approach has been designed to enable me to form an opinion on these consolidated financial statements, and my assessment of significant components and the nature of the work I have performed is as follows:

I have had direct involvement in the audit strategy of the BBC's significant components, including those significant components where I have not been appointed as auditor. I have issued Group Audit Instructions to all significant components by size and risk and also to a sample of other components, which enable me to obtain the necessary assurances required for my audit opinion on the BBC's consolidated financial statements. For significant components where I have not been appointed as auditor, I have met and discussed the audit strategy, significant audit risks and findings from component auditors' work. For these component audits I have also met with component management and attended planning and closing meetings. Under the terms of the Group Audit Instructions I issued, full statutory audit procedures in accordance with local adaptations of International Standards on Auditing have been conducted and I have satisfied myself that sufficient work has been undertaken to provide the necessary assurances for my audit opinion on the BBC's consolidated financial statements. The components subject to these procedures are described as 'full scope audit' components in the table on page 197.

For other components I have undertaken other procedures to gain the necessary assurances for my audit opinion on the BBC's consolidated financial statements. This included evaluating and testing the BBC's group-wide controls, and performing analytical and enquiry procedures to address the risk of residual misstatement.

Other information

The BBC Board is responsible for the other information. The other information comprises information included in the Annual Report, other than the parts of the Remuneration Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be

materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

I am specifically required to address the following items and to report uncorrected material misstatements in the other information, where I conclude that those items meet the following conditions:

- fair, balanced and understandable: the statement given by the directors that the Annual Report and Accounts taken as a whole are fair, balanced and understandable and provide the necessary information to enable users to assess the entity's performance, business model and strategy, is materially inconsistent with my knowledge obtained in the audit; or
- Audit and Risk Committee reporting: the section describing the work of the Group Audit & Risk Committee does not appropriately address matters communicated by me to the Audit Committee.

I also have nothing to report in this regard.

Other matters prescribed by the terms of my engagement

Remuneration
In addition to my audit of the BBC's consolidated financial statements, the Board has engaged me to audit the information in the Board Remuneration Report that is described as having been audited, which the Board has decided to prepare as if the BBC were required to comply with the requirements of Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulation 2008 (SI 2008 No 410) made under the Companies Act 2006.

In my opinion the parts of the Board Remuneration Report which I have been engaged to audit have been properly prepared in accordance with Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulation 2008, as if those requirements were to apply to the BBC Group.

I also report to you if, in my opinion, certain disclosures of directors' remuneration required have not been made. I have nothing to report arising from this duty.

The Strategic and Governance reports

In my opinion, based on the work undertaken in the course of the audit, the information given in the Strategic and Governance reports for the financial year are consistent with the financial statements and have been prepared in accordance with applicable legal requirements.

Based on my knowledge and understanding of the BBC and its environment obtained during the course of the audit, I have identified no material misstatements in these reports.

The corporate governance statement

In my opinion, based on the work undertaken in the course of the audit, the information given in the corporate governance statement in respect of internal control and risk management systems in relation to financial reporting processes is consistent with the accounts and has been prepared in accordance with applicable law.

In my opinion, based on the work undertaken in the course of the audit, rules 7.2.2, 7.2.3 and 7.2.7 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority have been complied with.

Based on my knowledge and understanding of the BBC and its environment obtained during the course of the audit, I have identified no material misstatements in this information.

Matters on which I report by exception

Adequacy of accounting records information and explanations received

- I report to you if, in my opinion:
- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my staff;
 - the financial statements and the part of the Remuneration report to be audited are not in agreement with the accounting records and returns;
 - certain disclosures of directors' remuneration specified by law are not made;
 - I have not received all of the information and explanations I require for my audit; or
 - a corporate governance statement has not been prepared.

I have nothing to report arising from this duty.

The Board's assessment of principal risks and future prospects

Under International Standards on Auditing (UK & Ireland), I am required to report to you if I have anything material to add, or to draw attention to, in relation to the Board's disclosures in the Annual Report and Financial Statements:

- confirming that they have carried out a robust assessment of principal risks facing the BBC, including those that would threaten its business model, future performance, solvency or liquidity;

- describing those risks and explaining how they are being managed or mitigated;
- on whether they considered it appropriate to adopt the going concern basis, and their identification of any material uncertainties to the entity's ability to continue over a period of at least 12 months from the date of approval of the financial statements; and
- explaining how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the BBC will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

I have nothing material to add, or to draw attention to, on these matters.

Report

My report is set out on page 200.

.....
Gareth Davies

Comptroller and Auditor General

National Audit Office
 157-197 Buckingham Palace Road
 London, SW1W 9SP
 21 June 2019

The Report of the Comptroller and Auditor General to the Board of the British Broadcasting Corporation, acknowledging that Parliament also places reliance on the Group Accounts and Report

Other than those observations I have set out above, including those in my Opinion on regularity and in the Basis for my qualified regularity opinion which relate to the BBC's recognition of a £12 million provision as disclosed in Note F10, I have no further observations to make on these financial statements.

.....
Gareth Davies

Comptroller and Auditor General

National Audit Office
157-197 Buckingham Palace Road
London, SW1W 9SP
21 June 2019

The BBC's consolidated financial statements

These financial statements comprise both the primary statements and additional supporting disclosure notes. The primary statements are:

Consolidated income statement

The income the BBC receives and expenditure incurred by the Group's operations during the financial year.

Consolidated statement of comprehensive (loss)/income

Items of income and expense, including reclassification adjustments, that are not directly recognised in the income statement and hence are charged or credited directly against or to reserves.

Consolidated balance sheet

The statement of the assets and liabilities of the BBC at a specific point in time, the financial year end.

Consolidated statement of changes in equity

Components that make up the capital and reserves of the Group and the changes to each component during the financial year.

Consolidated cash flow statement

Cash generated by the BBC from its operations and how those cash flows have been used.

Consolidated income statement

	Note	2019 £m	2018 £m
Licence fee income	A1	3,690	3,830
Other income	A1	1,199	1,232
Total income	A1	4,889	5,062
Total operating costs	A1	(4,977)	(4,854)
Share of results of associates and joint ventures	E3	36	36
Group operating (deficit)/surplus		(52)	244
Gains on disposal	G4	36	5
Other gains and losses	G5	7	25
Net financing costs	F11	(65)	(95)
(Deficit)/surplus before taxation		(74)	179
Taxation	G1.1	5	1
(Deficit)/surplus for the year		(69)	180
Attributable to:			
BBC		(70)	179
Non-controlling interests		1	1
(Deficit)/surplus for the year		(69)	180

Consolidated statement of comprehensive (loss)/income

	Note	2019 £m	2018 £m
(Deficit)/surplus for the year		(69)	180
Other comprehensive income:			
Remeasurement on defined benefit pension schemes	C6.2	38	737
Total items that will not be reclassified to the income statement in the future		38	737
Currency translation adjustment	G7.3	15	(29)
Gains on cash flow hedges	G7.2	2	26
Deferred tax charge on financial instruments		(1)	(5)
Total items that may be reclassified to the income statement in the future		16	(8)
Other comprehensive income net of tax		54	729
Total comprehensive (loss)/income for the year		(15)	909
Attributable to:			
BBC		(16)	908
Non-controlling interests		1	1
Total comprehensive (loss)/income for the year		(15)	909

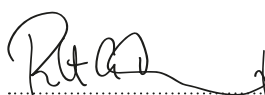
Consolidated balance sheet

	Note	As at 31 March	
		2019 £m	2018 £m
Non-current assets			
Intangible assets (including goodwill)	E1	247	233
Property, plant and equipment	D1	1,028	1,038
Investment properties	D2	70	74
Interests in associates and joint ventures	E3	257	240
Trade and other receivables	F7.1	38	64
Investments		–	1
Derivative financial instruments	G3.2	449	429
Deferred tax assets	G1.5	8	6
		2,097	2,085
Current assets			
Programme-related assets and other inventories	B3	743	726
Trade and other receivables	F7.2	1,131	975
Contract assets	A4.3	4	–
Derivative financial instruments	G3.2	2	9
Current tax assets	G1.4	29	36
Cash and cash equivalents	F1	468	523
		2,377	2,269
Current liabilities			
Trade and other payables	F9.2	(1,014)	(1,054)
Contract liabilities	A4.3	(119)	–
Borrowings	F4.1	(30)	(19)
Provisions	F10	(83)	(56)
Derivative financial instruments	G3.2	(3)	(5)
Current tax liabilities		(7)	(12)
		(1,256)	(1,146)
Non-current liabilities			
Trade and other payables	F9.1	(43)	(79)
Contract liabilities	A4.3	(21)	–
Borrowings	F4.2	(824)	(838)
Provisions	F10	(60)	(48)
Derivative financial instruments	G3.2	(552)	(518)
Deferred tax liabilities	G1.5	(16)	(14)
Pension liabilities	C6.1	(530)	(518)
		(2,046)	(2,015)
Net assets			
		1,172	1,193
Attributable to the BBC:			
Operating reserve	G7.1	1,162	1,199
Hedging reserve	G7.2	1	–
Translation reserve	G7.3	34	19
Other reserves	G7.4	(27)	(27)
		1,170	1,191
Non-controlling interests		2	2
Total capital and reserves		1,172	1,193

The financial statements were approved by the Board and authorised for issue on 20 June 2019, and signed on their behalf by:



Tony Hall
Director-General



Glyn Isherwood
Chief Financial Officer

Consolidated statement of changes in equity

	Note	Operating reserve £m	Hedging reserve £m	Translation reserve £m	Other reserves £m	Total £m	Non-controlling interests £m	Total £m
At 1 April 2017		283	(21)	48	(2)	308	–	308
Surplus for the year		179	–	–	–	179	1	180
Currency translation adjustment	G7.3	–	–	(29)	–	(29)	–	(29)
Cash flow hedges	G7.2	–	26	–	–	26	–	26
Deferred tax on financial instruments		–	(5)	–	–	(5)	–	(5)
Remeasurement of defined benefit pension scheme	C6.2	737	–	–	–	737	–	737
Total comprehensive income/(loss) for the year		916	21	(29)	–	908	1	909
Release of financial assets		–	–	–	(3)	(3)	–	(3)
Changes in non-controlling interest		–	–	–	(22)	(22)	1	(21)
At 31 March 2018 as previously stated*		1,199	–	19	(27)	1,191	2	1,193
First-time adoption of IFRS 15**		(5)	–	–	–	(5)	–	(5)
At 31 March 2018 Restated		1,194	–	19	(27)	1,186	2	1,188
(Deficit)/surplus for the year		(70)	–	–	–	(70)	1	(69)
Currency translation adjustment	G7.3	–	–	15	–	15	–	15
Cash flow hedges	G7.2	–	2	–	–	2	–	2
Deferred tax on financial instruments		–	(1)	–	–	(1)	–	(1)
Remeasurement of defined benefit pension scheme	C6.2	38	–	–	–	38	–	38
Total comprehensive (loss)/income for the year		(32)	1	15	–	(16)	1	(15)
Dividends declared in year		–	–	–	–	–	(1)	(1)
At 31 March 2019		1,162	1	34	(27)	1,170	2	1,172

* The Group has applied IFRS 15 *Revenue from Contracts with Customers* using the cumulative effect method. Under this method, the comparative information is not restated. See note A4.

** See accounting policies in section H.

Consolidated cash flow statement

	Note	2019 £m	2018 £m
Operating activities			
Cash generated from operations	F6	255	583
Tax reimbursed		6	6
Net cash from operations		261	589
Investing activities			
Interest received	F11	9	6
Financing income relating to swap transactions		11	10
Dividends received from associates and joint ventures	E3	27	39
Dividends paid to non-controlling interests		(1)	–
Proceeds from sale of operations		32	–
Proceeds from disposal of investments		–	9
Proceeds from disposal of associates and joint ventures		–	2
Acquisition of interests in associates and joint ventures		(4)	(12)
Acquisition of subsidiary net of cash acquired		(2)	(8)
Purchases of other intangible assets		(192)	(157)
Purchases of property, plant and equipment		(130)	(126)
Net cash used in investing activities		(250)	(237)
Financing activities			
Interest paid	F11	(4)	(8)
Proceeds from increase in borrowings		11	–
Repayments of borrowings		(2)	(3)
Payment of obligations under finance leases		(73)	(74)
Net cash used in financing activities		(68)	(85)
Net (decrease)/increase in cash and cash equivalents		(57)	267
Cash and cash equivalents at beginning of the year	F2	523	256
Effect of foreign exchange rate changes on cash and cash equivalents		2	–
Cash and cash equivalents at the end of the year	F2	468	523

Key themes for the BBC

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Notes to the accounts

A. Where the BBC's income comes from

The BBC generates its income from a number of key sources, each source funding different parts of the BBC's activity. The notes in this section provide information on the performance in the year for each segment of the BBC Group.

The distinction between the various income sources is important as the BBC must not cross-subsidise its commercial activities through its PSB Group or grant-funded activities. However, the performance of the Group's commercial activities generates profits that are distributed back to the BBC and contribute towards the funding of PSB Group activities.

The BBC's operating segments are reported in a manner consistent with the internal reports provided to the BBC Board, who are responsible for making strategic decisions, allocating resources and assessing performance of the operating segments.

Segmental information provided to the BBC Board is aligned to the BBC's income sources. The reportable segments are:

- **PSB Group** – Primarily receives licence fee income and is responsible for the Group's Public Service activities;
- **BBC Studios** – Generates income from exploiting the various assets of the BBC, for example by licencing programme formats, selling international rights, merchandising and production facilities. Income is also generated through subscription fees from the broadcast of the group's channels on pay television platforms and from the production of programme content across factual, drama, comedy and entertainment genres; and
- **Other commercial** – These have been aggregated for reporting purposes as they meet the conditions set out in IFRS 8 *Operating Segments*. This includes the Global News group, BBC Studioworks Limited, BBC Children's Productions Limited and the commercial holding companies.

The BBC Studios group was reported as two separate segments, BBC Studios Distribution Limited and BBC Studios Productions Limited, in the previous year. These have been reported as one group to the Board throughout the current year.

Group adjustments reflect eliminations required for trading activity between the segments detailed above.

The prices charged for services provided between the PSB Group and the commercial activities are determined on an arms length basis in accordance with Ofcom's Trading and Separation Obligations and the BBC's published transfer pricing methodologies.

The BBC has adopted IFRS 15 *Revenue from Contracts with Customers* during the year, resulting in additional disclosures on the different types of income streams by segment and information on the timing of income recognition.

Included within this section is additional information to meet Ofcom's Commercial and Trading Reporting requirements, for example the income breakdown within note A3.

A. Where the BBC's income comes from continued
A1 Income and operating results

2019	Note	PSB Group £m	BBC Studios £m	Other commercials £m	Group adjustments £m	Group £m
Licence fee income	A2	3,690	-	-	-	3,690
Total income from contracts with customers	A4.2	187	1,189	183	(484)	1,075
Grant income		89	-	-	-	89
Rental and associated income		46	-	-	(16)	30
Other income		5	-	-	-	5
Total other income		327	1,189	183	(500)	1,199
Total income	A3	4,017	1,189	183	(500)	4,889
Depreciation and amortisation	B1	(151)	(173)	(3)	-	(327)
Other operating costs		(3,925)	(967)	(175)	417	(4,650)
Total operating costs	B2	(4,076)	(1,140)	(178)	417	(4,977)
Share of results of associates and joint ventures	E3	-	36	-	-	36
Group operating (deficit)/surplus		(59)	85	5	(83)	(52)
Gains on disposal		-	36	-	-	36
Other gains and losses		-	15	(8)	-	7
Operating segment result		(59)	136	(3)	(83)	(9)
Financing income	F11					23
Financing costs	F11					(88)
Net financing costs	F11					(65)
Deficit before taxation						(74)
Taxation	G1.1					5
Deficit for the year						(69)

2018*	Note	PSB Group £m	BBC Studios £m	Other commercials £m	Group adjustments £m	Group £m
Licence fee income	A2	3,830	-	-	-	3,830
Total income from contracts with customers	A4.2	161	1,236	159	(451)	1,105
Grant income		88	-	-	-	88
Rental and associated income		44	-	-	(13)	31
Other income		8	-	-	-	8
Total other income		301	1,236	159	(464)	1,232
Total income	A3	4,131	1,236	159	(464)	5,062
Depreciation and amortisation	B1	(153)	(185)	(1)	-	(339)
Other operating costs		(3,942)	(1,014)	(161)	602	(4,515)
Total operating costs	B2	(4,095)	(1,199)	(162)	602	(4,854)
Share of results of associates and joint ventures	E3	-	36	-	-	36
Group operating surplus/(deficit)		36	73	(3)	138	244
Gain on disposal of non-current assets		-	5	-	-	5
Other gains		-	9	16	-	25
Operating segment result		36	87	13	138	274
Financing income	F11					26
Financing costs	F11					(121)
Net financing costs	F11					(95)
Surplus before taxation						179
Taxation	G1.1					1
Surplus for the year						180

* The presentation of this table has been amended to reflect the disclosure requirements of IFRS 15 *Revenue from Contracts with Customers*.

A. Where the BBC's income comes from continued

A2 Licence fee income

	Licence fee 2019 £	Licences in force 2019 Number '000	Total income 2019 £m	Licence fee 2018 £	Licences in force 2018 Number '000	Total income 2018 £m
Colour	150.50	21,408	3,205	147.00	21,611	3,157
Monochrome	50.50	5	–	49.50	6	–
Concessionary	7.50	167	1	7.50	167	1
Over 75s	–	4,603	468	–	4,455	655
		26,183	3,674		26,239	3,813
Quarterly payment scheme premium			16			17
Total licence fee income			3,690			3,830

During the year, 3 million (2018: 3 million) colour licences were issued under the quarterly payment scheme at a premium of £5 each (2018: £5).

Households in which one or more persons over the age of 75 reside, as their primary residence, are entitled to a free licence. The obligation for the BBC to take over the funding for free TV licences for the over-75s was phased in from April 2018 and will be fully handed over in 2020, at which point the BBC will no longer receive any funding from the Department for Work and Pensions for over-75s.

A3 PSB income

	2019			2018		
	External income £m	Intra-group income £m	Total income £m	External income £m	Intra-group income £m	Total income £m
Licence fee income	3,690	–	3,690	3,830	–	3,830
Content and format sales	11	32	43	10	31	41
Production fees	29	8	37	28	6	34
Royalties	16	16	32	16	18	34
Advertising income	2	–	2	1	1	2
Consumer products (including ticket sales)	21	1	22	16	1	17
Other contract income	20	31	51	7	26	33
Total income from contracts with customers	99	88	187	78	83	161
Grant income	89	–	89	88	–	88
Rental and associated income	30	16	46	31	13	44
Other income	5	–	5	7	1	8
Total other income	124	16	140	126	14	140
Total income	3,913	104	4,017	4,034	97	4,131

A. Where the BBC's income comes from continued

A4 Income from contracts with customers

The BBC has applied IFRS 15 *Revenue from Contracts with Customers* using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under IAS 18 *Revenue* and IAS 11 *Construction Contracts*. The details of accounting policies under IAS 18 and IAS 11 are disclosed separately if they are different from those under IFRS 15.

A4.1 Significant accounting policy

The BBC's income recognition policy and main sources of income are noted under section H 'Basis of preparation of the financial statements and other accounting policies' on page 248 onwards.

Content and format sales are recognised on the later of the licence period start date or when the associated programme has been delivered. In the comparative period, this income was recognised when the associated programme was available for delivery.

Minimum guarantee revenue on right to use licences are also recognised on the later of the licence period start date or when the associated programme has been delivered. In the comparative period, all minimum guarantees were spread over the licence period.

A4.2 Disaggregation of income

In the following table, income is disaggregated by segment, income streams and timing of income recognition. See note G10 for a geographical split of total income which differs to contract income primarily by licence fee income (see note A2).

2019	Note	PSB Group £m	BBC Studios £m	Other commercials £m	Group adjustments £m	Group £m
Income streams						
Content and format sales		43	412	–	(32)	423
Production income		37	492	69	(403)	195
Royalties		32	32	–	(16)	48
Advertising income		2	23	68	(1)	92
Subscription fees		–	141	46	–	187
Consumer products (including ticket sales)		22	89	–	(1)	110
Other contract income		51	–	–	(31)	20
	A1, A3	187	1,189	183	(484)	1,075

Timing of transfer of goods and services

Point in time		138	1,048	147	(450)	883
Over time		49	141	36	(34)	192
	A1	187	1,189	183	(484)	1,075

2018	Note	PSB Group £m	BBC Studios £m	Other commercials £m	Group adjustments £m	Group £m
Income streams						
Content and format sales		41	414	–	(31)	424
Production income		34	506	50	(388)	202
Royalties		34	37	–	(4)	67
Advertising income		2	21	68	(1)	90
Subscription fees		–	150	41	–	191
Consumer products (including ticket sales)		17	108	–	(1)	124
Other contract income		33	–	–	(26)	7
	A1, A3	161	1,236	159	(451)	1,105

Timing of transfer of goods and services

Point in time		121	1,086	131	(424)	914
Over time		40	150	28	(27)	191
	A1	161	1,236	159	(451)	1,105

A. Where the BBC's income comes from continued**A4 Income from contracts with customers** continued**A4.3 Contract balances**

Contract assets (accrued income) primarily relate to the BBC's right to consideration for work completed but not billed at the reporting date. Contract liabilities (deferred income) primarily relate to the consideration received from customers in advance of transferring a good or service. The following table provides analysis on significant changes to contract assets and liabilities during the year:

	Contract assets £m	Contract liabilities £m
At 1 April 2018	–	–
Balance transferred following adoption of IFRS 15	3	(64)
Decrease due to balance transferred to trade receivables	(3)	–
Decrease due to income recognised in the period	–	50
New contract assets	4	–
Increase due to cash received in advance and not recognised as income during the year	–	(126)
At 31 March 2019	4	(140)
Presented within:		
Current	4	(119)
Non-current	–	(21)
	4	(140)

A4.4 Transaction price allocated to the remaining performance obligations

The following table includes income expected to be recognised in the future related to the performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

	2020 £m	2021 £m	2022 £m	Beyond £m
Content and format sales	127	54	34	183
Production income	19	82	18	214
Royalties	3	2	2	5
Advertising income	9	–	–	–
Subscription fees	101	34	16	16
Consumer products (including ticket sales)	9	8	7	–
Other contract income	1	1	1	–
	269	181	78	418

No consideration from contracts with customers is excluded from the amounts presented above.

The BBC applies the practical expedient allowable by paragraph 121 of IFRS 15 and does not disclose information about the remaining performance obligations that have original expected durations of one year or less.

A4.5 Contract costs

There were no capitalised commission fees or any other contract costs in the current year or prior year.

Applying the practical expedient in paragraph 94 of IFRS 15 *Revenue from Contracts with Customers*, the BBC recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the assets that the BBC otherwise would have recognised is one year or less.

A5 Contribution of commercial activities

A dividend of £73 million (2018: £38 million) was declared by BBC Commercial Holdings Limited to the PSB Group. In addition, a dividend of £1 million was declared by BBC Property Limited to PSB Group.

In the year ended 31 March 2019, the following dividends were declared to BBC Commercial Holdings Ltd:

- £65 million by BBC Studios (2018: £71 million);
- £43 million by BBC Global News, of which £41 million was a dividend in specie (2018: nil); and
- £1 million by BBC Studioworks (2018: nil).

The dividends above are not identifiable in the consolidated primary statements as they are eliminated during the consolidation process.

BBC Studios also declared a £1 million dividend to minority interest holder Sid Gentle during the year (2018: nil) which reduces the non-controlling interest proportion of the BBC's equity accordingly.

B. How the BBC spends the funds

This section analyses the total operating costs incurred by the BBC.

B1 Total operating costs

Total operating costs have been arrived at after charging the following items:

	Note	2019 £m	2018 £m
Intangible fixed assets, property, plant and equipment and other investments			
Depreciation			
– owned assets	D1	101	105
– leased assets	D1, D2	35	35
Amortisation of intangible fixed assets	E1	191	199
Impairment of investments in associates and joint ventures	E3	1	–
Impairment of intangible assets	E1	21	1
Inventories			
Write-downs of programme-related assets recognised as an expense		2	5
Other operating costs			
Payments under operating leases			
– land and buildings		52	52
– plant and machinery		8	8
– other		62	65
Net loss on disposal of tangible* and intangible fixed assets		–	7
Audit fees (see below)		2	2
Research costs ¹		21	17
Online and TV development		76	66
Net exchange differences on settled transactions		(8)	22
Impairment of trade receivables	F8	7	2
Staff costs	C2	1,480	1,397

* The loss on disposal of tangible fixed assets represents adjustments to depreciation on disposals made in the ordinary course of business.

The National Audit Office served as independent external auditor for the years ended 31 March 2019 and 31 March 2018.

The following table presents the aggregate fees for professional services and other services rendered by the external auditors to the BBC:

	2019 £m	2018 £m
For the audit of the BBC's annual accounts	1	1
For the audit of subsidiaries of the BBC	1	1
Total audit and audit-related assurance services	2	2
Total fees paid	2	2

Non-audit services with other auditors (primarily taxation compliance services) totalled £0.2 million (2018: £0.2 million).

B2 Analysis of total operating costs by commercial activities

	BBC Studios		Other commercials		Total commercials	
	2019 £m	2018 £m	2019 £m	2018 £m	2019 £m	2018 £m
Cost of sales	880	975	166	123	1,046	1,098
Distribution costs	54	52	–	–	54	52
Administration expenses	206	172	12	39	218	211
Total operating costs	1,140	1,199	178	162	1,318	1,361

Administration expenses include impairment costs of £21 million as detailed within note B1.

1 See Glossary for further details

B. How the BBC spends the funds continued**B3 Programme-related assets and other inventories**

The main output of the BBC is the production of programmes for broadcast and the sale of rights for others to broadcast. This note discloses the amounts for those programmes that are in production, completed programmes that are ready for broadcast but not yet aired, and rights secured to broadcast programmes produced independently of the BBC. Inventory for the BBC's commercial activities is also contained in this note.

	2019 £m	2018 £m
Programme-related assets		
– Rights to broadcast acquired programmes and films	99	95
– Prepayments to acquire future programme-related rights	432	382
– Completed programmes	67	52
– Programmes in production	139	190
Total programme-related assets	737	719
Other inventories	6	7
Total programme-related assets and other inventories	743	726

C. What the BBC spends on its people

The BBC employs a significant number of people. It also provides pension benefits to both current and past employees. This section is broken into two main parts; the first details employee numbers (excluding freelancers and agency staff), costs and transactions with members of the BBC Executive Committee and BBC Board who served during the year. The second presents the key information relating to the BBC Group's pension plans.

The analysis provided in the pension notes is based on the IAS 19 *Employee Benefits* estimate of the scheme's assets and liabilities as at 31 March 2019. The most recent actuarial valuation of the pension scheme completed by Willis Towers Watson showed a funding shortfall of £1,769 million at 1 April 2016.

Further information on the analysis of the BBC Pension Scheme assets and the assumptions underlying the liabilities are set out in note G2.

C1 Persons employed

The average number of persons employed in the year was:

	Average for the year	
	2019 Number	2018* Number
PSB Group	19,231	18,210
BBC Studios	2,714	2,963
Other commercials	456	258
Group total	22,401	21,431

* Prior year results have been adjusted to exclude casual staff.

Other commercials included 165 Ad Sales staff transferred from BBC Studios on 1 April 2018. The PSB Group also included an average of 90 technology staff transferred from BBC Studios during the year.

Within the averages above, 2,907 (2018: 2,855) part-time employees have been included at their full-time equivalent of 1,840 (2018: 1,786).

In addition to the above, the BBC employed an average full-time equivalent of 1,350 (2018: 1,187) persons on a casual contract.

C2 Employee remuneration

	Note	2019 £m	2018* £m
Salaries and wages		1,078	1,019
Social security costs		132	120
Pension costs			
Main scheme (defined benefit)	C6.3	224	227
Other schemes	C6.3	46	31
		1,480	1,397

* Prior year results have been adjusted to exclude casual staff.

The employer cash contributions to the defined benefit pension scheme are borne by each business.

Employee pension contributions made via salary sacrifice are included within pension costs, with a corresponding reduction in salaries and wages.

C3 Remuneration of the BBC Board

The total emoluments of the members of the BBC Executive Committee and BBC Board are disclosed in the remuneration report.

C. What the BBC spends on its people continued

C4 Key management personnel compensation

Key management personnel are those people who have authority and responsibility for planning, directing and controlling the activities of the BBC. This includes members of the BBC Executive Committee and BBC Board, including the non-executive directors (see the BBC executive remuneration report).

Information about the BBC's structure, senior staff salaries and expenses are published on the BBC's website.

Key management personnel compensation is as follows:

	2019 £m	2018 £m
Short-term employee benefits	5.8	4.7
Post-employment benefits	0.2	0.3
	6.0	5.0

C5 Related party¹ transactions with key management personnel

Charlotte Moore has a close family member who is a director of Perry Images Limited. During the year, this company provided a trivial amount of service to the BBC. There were no outstanding balances as at 31 March 2019 relating to this company. Tanni Grey-Thompson received £3,000 as an on-air contributor during the year.

C6 Group pension plans

The following section includes the key notes relating to BBC Group pension plans and, more specifically, the BBC Pension Scheme¹. Further supplementary notes on the assumptions underpinning the value of the BBC Pension Scheme assets and liabilities are disclosed in note G2.

As the BBC Group has two defined benefit pension schemes, the BBC Pension Scheme and the Unfunded Scheme, the information in this section analyses the liability and income statement charge between the two schemes (note C6). Separate analysis follows in respect of the BBC Pension Scheme to highlight the points outlined below (note C7).

The defined benefit pension schemes give rise to liabilities which are included on the BBC Group balance sheet as the BBC bears the risks of investment returns, life expectancies and inflation, which impact the future pension payment amounts. The net liability consists of two component parts:

- scheme liabilities: the present value of the future pension payments the BBC is required to pay in respect of employee service performed up to the balance sheet date; and
- scheme assets: the assets held by the pension fund, into which the BBC pays annual contributions. These assets are used to fund the payments to retired members and to generate returns to fund future pension payments.

The BBC Group's defined contribution plans do not give rise to balance sheet pension assets/liabilities as there is no ongoing liability for the employer from these plans once the contributions due for the year have been settled. The expenditure on the defined contribution scheme shown in these accounts represents the BBC's contributions during the financial year.

C6.1 Pension liabilities included in the balance sheet

The pension liabilities included in the BBC Group balance sheet comprise both the BBC Pension Scheme and the Unfunded Scheme and are analysed below:

	Pension liabilities	
	2019 £m	2018 £m
BBC Pension Scheme	(522)	(510)
Unfunded Scheme	(8)	(8)
Total	(530)	(518)

¹ See Glossary for further details

C. What the BBC spends on its people continued

C6 Group pension plans continued

C6.2 Group pension plans

	BBC Pension Scheme 2019 £m	Unfunded Scheme 2019 £m	Total 2019 £m	BBC Pension Scheme 2018 £m	Unfunded Scheme 2018 £m	Total 2018 £m
Deficit in scheme at the start of the year	(510)	(8)	(518)	(1,141)	(8)	(1,149)
Movement in the year:						
Current service cost ¹	(206)	-	(206)	(227)	-	(227)
Contributions (from employer)	191	-	191	155	-	155
Past service costs ^{1*}	(18)	-	(18)	-	-	-
Administration costs incurred	(7)	-	(7)	(9)	-	(9)
Net finance cost ¹	(10)	-	(10)	(25)	-	(25)
Remeasurement ¹ gains	38	-	38	737	-	737
Deficit in scheme at the end of the year	(522)	(8)	(530)	(510)	(8)	(518)

* For the period ending 31 March 2019 this is in respect of an allowance in relation to Guaranteed Minimum Pension equalisation.

The assumptions for pension scheme liabilities of the Unfunded Scheme are the same as the main scheme. As the scheme is unfunded there are no assets.

C6.3 Pension charges in consolidated income statement

	Note	Defined benefit schemes		Defined contribution scheme £m	All schemes £m
		BBC Pension Scheme £m	Unfunded Scheme £m		
2019					
Current service cost	C2	(206)	-	(46)	(252)
Past service costs	C2	(18)	-	-	(18)
Administration costs		(7)	-	-	(7)
Total operating charge		(231)	-	(46)	(277)
Net finance cost	F11	(10)	-	-	(10)
Net cost in consolidated income statement		(241)	-	(46)	(287)
2018					
Current service cost	C2	(227)	-	(31)	(258)
Administration costs		(9)	-	-	(9)
Total operating charge		(236)	-	(31)	(267)
Net finance cost	F11	(25)	-	-	(25)
Net cost in consolidated income statement		(261)	-	(31)	(292)

1 See Glossary for further details

C. What the BBC spends on its people continued

C7 BBC Pension Scheme

The BBC Pension Scheme is closed to new entrants. It provides pensionable salary-related benefits on a defined benefit basis.

The pension scheme is administered by a fund that is legally separated from the BBC Group. The Trustees of the pension fund are required by law to act in the interest of the fund and of all relevant stakeholders of the scheme. The pension scheme Trustees manage the plan in the short, medium and long term. They make funding decisions based on valuations which take a longer-term view of the assets required to fund the scheme's liabilities.

The pension scheme exposes the BBC to the following actuarial risks:

Risk	Description
Investment risk	Actual returns may differ from expected returns. If the return on assets is below the discount rate, it will create a deficit. Investments are diversified, across and within asset classes, to avoid over-exposure to any one asset class or market.
Currency risk	Movements in exchange rates can impact the sterling value of overseas assets held. The scheme ensures that overseas investments are diversified across currencies and buys forward rate contracts in order to partially hedge against US dollar and euro exposures.
Counterparty risk	A counterparty may default whilst owing money to the scheme. Collateral is posted by the counterparty for long-term transactions when the valuation of the transaction is favourable to the scheme.
Interest risk	A fall in interest rates would cause the present value of liabilities to rise. To mitigate this risk, the scheme's Trustees invest in bonds, derivatives and other investments with predictable long-term cash flows that will tend to rise in price if interest rates fall.
Longevity risk	Longer life expectancy would increase the scheme's liabilities. The scheme's Trustees regularly assess the possibility and value of hedging the scheme's longevity risk.
Inflation risk	An increase in expected inflation will cause the present value of liabilities to rise if it is not accompanied by a rise in interest rates. To mitigate this risk, the scheme's Trustees invest in index-linked bonds, derivatives and other assets whose value is likely to increase if inflation rises.
Liquidity risk	The scheme may not have sufficient liquid assets to allow it to meet its liabilities and other obligations as they fall due. The amount of cash held to pay benefits is assessed well in advance to minimise unforeseen sales and transaction costs and the large majority of the scheme's assets are invested in highly liquid assets.
Custody risk	The collapse of the scheme's custodian could result in a significant proportion of the scheme's assets being frozen or put at risk of loss. The scheme undertakes rigorous due diligence of the custodian relationship and conducts regular service level reviews.

C7.1 Scheme financial position

Accounting valuations of the scheme are performed by Willis Towers Watson, consulting actuaries. Formal actuarial valuations are undertaken at least every three years.

IAS 19 valuation ¹	Note	2019 £m	2018 £m
Scheme assets	G2.2	17,183	16,476
Scheme liabilities	G2.1	(17,705)	(16,986)
Deficit		(522)	(510)
Percentage by which scheme assets cover liabilities		97%	97%

Key movements in the year are shown in notes G2.1 and G2.2.

A deferred tax asset or liability in relation to the scheme does not arise for the BBC because most of the BBC's public service activity is not subject to taxation.

¹ See Glossary for further details

C. What the BBC spends on its people continued

C7 BBC Pension Scheme continued

C7.1 Scheme financial position continued

The sensitivities of the scheme's liabilities to changes in the principal assumptions are set out below:

2019	Assumption used	Movement	Impact on scheme liabilities %	(Increase)/ decrease on scheme liabilities £m
Discount rate	2.3%	decrease 0.1%	2.2%	(398)
Discount rate	2.3%	increase 0.1%	1.7%	299
Retail price inflation rate	3.2%	decrease 0.1%	1.7%	304
Retail price inflation rate	3.2%	increase 0.1%	1.8%	(312)
Mortality rate	See note G2.5	decrease 1 year	4.6%	808
Mortality rate	See note G2.5	increase 1 year	4.4%	(771)

2018	Assumption used	Movement	Impact on scheme liabilities %	(Increase)/ decrease on scheme liabilities £m
Discount rate	2.4%	decrease 0.1%	2.3%	(391)
Discount rate	2.4%	increase 0.1%	1.7%	289
Retail price inflation rate	3.1%	decrease 0.1%	1.8%	309
Retail price inflation rate	3.1%	increase 0.1%	1.9%	(316)
Mortality rate	See note G2.5	decrease 1 year	3.9%	659
Mortality rate	See note G2.5	increase 1 year	4.0%	(684)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation due to the likelihood of some correlation between assumptions.

In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

C7.2 Funding the scheme

The 2016 actuarial valuation by Willis Towers Watson of the pension scheme showed a funding shortfall of £1,769 million. Consequently, a recovery plan was agreed between the BBC and the pension scheme Trustees which details the contribution amounts to be paid by the BBC over an 11-year period starting in 2017. Future contributions are to be paid to the pension scheme on or before the due dates shown below.

Due date	Amount £m	Due date	Amount £m
31 March 2020	145	31 March 2025	195
31 March 2021	195	31 March 2026	195
31 March 2022	180	31 March 2027	195
31 March 2023	185	31 March 2028	195
31 March 2024	195	31 December 2028	195

The next formal actuarial valuation is to be performed as at 1 April 2019.

Contribution rates	Projection		
	2020 %	2019 %	2018 %
Employer	31.4	31.4	16.7
Employee (Old and New Benefits)	7.5	7.5	7.5
Employee (Career Average Benefits 2006)	4.0	4.0	4.0
Employee (Career Average Benefits 2011)	6.0	6.0	6.0

The member contributions to the scheme are mainly paid via a salary sacrifice arrangement. These have been treated as employer contributions.

On the basis of the pension assumptions above, contributions totalling £160 million are expected to be paid in 2019/20.

C. What the BBC spends on its people continued**C7 BBC Pension Scheme** continued**C7.3 Scheme cash flows (day-to-day liquidity)**

Below are the cash flows related to the BBC Pension Scheme (not included in the Group results). As the scheme is closed to new entrants, the level of contribution from employees will decrease (as members retire, there are no new entrants to replace the reduction in employee contributions).

	2019 £m	2018 £m
Contributions including additional voluntary (employer and employee)	194	157
Investment income	292	253
Cash inflows	486	410
Payments of pensions and transfers out	(511)	(509)
Expenses	(29)	(9)
Net cash outflow	(54)	(108)

D. The property, technology and equipment used by the BBC to make and distribute its programmes

The BBC uses a significant number of assets in its operations. This section sets out those assets the BBC intends to continue to use, those to be disposed of and any disposals made during the year.

D1 Property, plant and equipment

	Land and buildings* £m	Plant and machinery £m	Furniture and fittings £m	Assets under construction £m	Total £m
Cost					
At 1 April 2017	1,005	1,075	130	132	2,342
Additions	–	9	1	121	131
Transfer to intangible assets	–	–	–	(27)	(27)
Brought into service	25	89	9	(123)	–
Disposals	(9)	(51)	(6)	–	(66)
Exchange movements	(1)	–	(1)	–	(2)
At 31 March 2018	1,020	1,122	133	103	2,378
Additions	–	6	–	124	130
Transfer to intangible assets	–	–	–	(8)	(8)
Brought into service	30	62	10	(102)	–
Disposals	(6)	(66)	(1)	–	(73)
At 31 March 2019	1,044	1,124	142	117	2,427
Depreciation					
At 1 April 2017	372	798	93	–	1,263
Charge for the year	41	86	9	–	136
Disposals	(7)	(46)	(6)	–	(59)
At 31 March 2018	406	838	96	–	1,340
Charge for the year	47	76	9	–	132
Disposals	(6)	(66)	(1)	–	(73)
At 31 March 2019	447	848	104	–	1,399
Net book value					
At 31 March 2019	597	276	38	117	1,028
At 31 March 2018	614	284	37	103	1,038

Included above are assets held under finance leases at net book value of:

	Land and buildings* £m	Plant and machinery £m	Furniture and fittings £m	Assets under construction £m	Total £m
At 31 March 2019	442	3	–	–	445
At 31 March 2018	471	5	–	–	476

* Land and buildings are not separable and therefore reported collectively.

D2 Investment properties

	2019 £m	2018 £m
Cost		
At 1 April and 31 March	131	131
Depreciation		
At 1 April	57	53
Charge for the year	4	4
At 31 March	61	57
Net book value (held under finance lease)	70	74

At 31 March 2019, the BBC held investment properties valued at £176 million (2018: £175 million). The valuation of these investment properties was carried out by independent valuers Lambert Smith Hampton, in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation Professional Standards. In estimating the fair value¹ of the properties, the highest and best use of the properties is their current use.

The property rental income earned by the BBC from its investment properties, which are leased out under operating leases, amounted to £20 million (2018: £19 million). Direct operating expenses incurred on the investment properties, which generated rental income during the year, amounted to £20 million (2018: £17 million). There were no direct operating expenses incurred on the investment properties which did not generate rental income during the year (2018: nil).

¹ See Glossary for further details

E. Investments in the BBC's commercial activities

This section is primarily driven by the commercial activities of the BBC and includes information on assets used to generate economic benefits for the BBC. Also included are intangible assets such as goodwill and programme rights, balances held to represent the BBC's interest in associates and joint ventures and the results of any sale of operations that have occurred.

E1 Intangible assets

	Goodwill £m	Programme rights ¹ £m	Software £m	Other intangibles £m	Total £m
Cost					
At 1 April 2017	36	871	216	15	1,138
Additions	2	151	5	10	168
Disposals	–	–	(68)	–	(68)
Transfer from property, plant and equipment	–	–	27	–	27
Exchange movements	(1)	(2)	–	(1)	(4)
At 31 March 2018	37	1,020	180	24	1,261
Additions	19	169	22	9	219
Disposals	–	(5)	(5)	–	(10)
Transfer from property, plant and equipment	–	–	8	–	8
Exchange movements	–	2	–	–	2
At 31 March 2019	56	1,186	205	33	1,480
Amortisation and impairment					
At 1 April 2017	–	743	149	7	899
Charge for the year	–	169	26	4	199
Disposals	–	–	(68)	–	(68)
Impairment	1	–	–	–	1
Exchange adjustments	–	(2)	–	(1)	(3)
At 31 March 2018	1	910	107	10	1,028
Charge for the year	–	152	29	10	191
Disposals	–	(5)	(4)	–	(9)
Impairment	21	–	–	–	21
Exchange adjustments	–	2	–	–	2
At 31 March 2019	22	1,059	132	20	1,233
Net book value					
At 31 March 2019	34	127	73	13	247
At 31 March 2018	36	110	73	14	233

E2 Goodwill¹

All goodwill is recognised in BBC Studios and allocated by cash-generating unit¹ (CGU) as follows:

	2019 £m	2018 £m
Consumer distribution	4	25
Independent production company	21	2
Other	9	9
	34	36

The Group tests goodwill for impairment in the accounting period in which a business combination takes place; thereafter annually, or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions used for these calculations are those regarding discount rates and growth rates. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to each CGU.

¹ See Glossary for further details

E. Investments in the BBC's commercial activities continued

E2 Goodwill¹ continued

Consumer distribution business

The goodwill in this CGU arose as a result of the acquisition of 2 Entertain Limited on 6 August 2009. The cash flow projections used in determining value in use are based on the current business plan approved by management, which covers a five-year period, after which cash flows have been extrapolated using an expected long-term growth rate of -34% (2018: -4%).

A discount rate of 8.8% (2018: 9.3%) has been applied to the cash flows.

The main assumption on which the forecast cash flows are based is the trends in the global DVD market. The Group performed an operational review of the DVD business, concluding that sales are declining by an average of approximately 22% per year, which the Group extrapolated to calculate the expected decline on EBITDA for this business.

As a result of the changes in the global DVD market, management made the decision to impair the Goodwill in the consumer distribution business by £21 million in 2018/19 as a result of the annual impairment review.

Independent production company

The 2018 goodwill balance arose as a result of the acquisition of Sid Gentle Films Limited on 25 January 2018. In 2019 additional goodwill arose on step-acquisition of Lookout Point Limited on 5 July 2018.

The cash flow projections used in determining value in use for both CGUs are based on the current business plans approved by management, which cover a five-year period, after which cash flows have been extrapolated using an expected long-term growth rate of 1%.

A discount rate of 10.4% has been applied to the cash flows.

Management believes that no reasonable change in the key assumptions on which the value in use of these CGUs are based would result in an impairment.

E3 Interests in associates¹ and joint ventures¹

This note details the BBC's share of net assets in associates and joint ventures, along with the impact that they have on the income statement. Details of significant associates and joint ventures along with principal subsidiary undertakings, including their activities, are provided in note G6.

	2019 £m	2018 £m
Interests in associates	199	192
Interests in joint ventures	58	48
Total interests in associates and joint ventures	257	240
Share of results of associates	11	12
Share of results of joint ventures	25	24
Total share of results of associates and joint ventures	36	36

The movements in associates and joint ventures during the year were as follows:

	Associates 2019 £m	Joint ventures 2019 £m	Total 2019 £m	Associates 2018 £m	Joint ventures 2018 £m	Total 2018 £m
At 1 April	192	48	240	205	53	258
Additions	3	1	4	6	1	7
Disposals	(6)	-	(6)	(2)	-	(2)
Share of results	11	25	36	12	24	36
Adjustment to provision for unrealised profits	1	(1)	-	(1)	1	-
Dividends receivable	(12)	(15)	(27)	(9)	(30)	(39)
Foreign exchange translation gains/(losses)	11	-	11	(19)	(1)	(20)
Impairment	(1)	-	(1)	-	-	-
At 31 March	199	58	257	192	48	240

Additions relate predominantly to investments in independent production companies.

¹ See Glossary for further details

E. Investments in the BBC's commercial activities continued**E3 Interests in associates¹ and joint ventures¹** continued

The following table presents the Group's share of material associates during the year:

	New Video Channel America LLC 2019 £m	YouView Limited 2019 £m	New Video Channel America LLC 2018 £m	YouView Limited 2018 £m
Non-current assets	272	–	145	–
Current assets	105	5	90	5
Current liabilities	(156)	(6)	(28)	(8)
Non-current liabilities	(6)	(62)	(8)	(45)
Net assets/(liabilities)	215	(63)	199	(48)
Group's share of net assets	108	–	100	–
Provision for unrealised profit	(5)	–	(5)	–
Goodwill	66	–	62	–
Group's share of net assets of material associates	169	–	157	–
Income	145	10	130	12
Profit/(loss) after tax	24	(14)	24	(31)
Share attributable to other parties	(12)	14	(12)	31
Share of results of material associates	12	–	12	–

The following table presents the Group's share of material joint ventures during the year:

	Daunus Limited 2019 £m	UKTV Media Limited 2019 £m	Daunus Limited 2018 £m	UKTV Media Limited 2018 £m
Non-current assets	555	18	558	9
Current assets	61	248	60	241
Current liabilities	(58)	(124)	(53)	(129)
Non-current liabilities	(691)	(48)	(703)	(51)
Net (liabilities)/assets	(133)	94	(138)	70
Group's share of net assets	–	47	–	35
Provision for unrealised profit	–	–	–	(4)
Group's share of net assets of material joint ventures	–	47	–	31
Income	17	332	15	328
(Loss)/profit after tax	(3)	53	5	54
Share attributable to other parties	3	(27)	(5)	(27)
Share of results of material joint ventures	–	26	–	27

Daunus Limited prepares its financial statements to a 30 November accounting reference date and under Financial Reporting Standard 102. Adjustments are therefore made to align these to the Group. The Group is unable to receive dividends from Daunus Limited until 2033 due to restrictions mandated within this entity.

¹ See Glossary for further details

F. Managing funding (including future costs)

This section contains the notes to the balance sheet that detail the funding of the BBC as well as the assets and liabilities that are primarily used in the day-to-day transactions of the BBC.

The BBC collects licence fees from UK households on behalf of the Consolidated Fund. This is passed up to the Fund as reflected in the BBC's Television Licence Fee Trust Statement¹. Licence fee income, whilst derived from the amount collected directly from licence fee payers, therefore represents a grant-in-aid from DCMS within the Group financial statements.

This section sets out the external borrowings of the BBC and the related disclosures required by the DCMS. The BBC is subject to two specific limits to its borrowings:

- the Public Service net borrowing limit of £1,050 million is set by the Secretary of State for the DCMS in accordance with the Framework Agreement between the BBC and DCMS. Of this limit, £850 million is specifically for finance leases; and
- under a direction granted by the Secretary of State for the DCMS a net borrowing limit of £350 million has been set for the BBC commercial group.

The borrowing limits have been adjusted in the interim for the impact of adopting IFRS 16 *Leases* from 1 April 2019 to 31 March 2020. A net borrowing limit of £2,200 million, of which £2,000 million is specifically for leases, will apply to Public Service and a borrowing limit of £500 million, of which £150 million is specifically for leases, will apply to the BBC commercial group for the duration of 2019/20. A permanent adjustment will be in place from 1 April 2020.

F1 Cash and cash equivalents

	2019 £m	2018 £m
Cash at bank, available on demand	118	119
Short-term deposits	350	404
Total	468	523

F2 Analysis of net debt for DCMS borrowing limits

	At 1 April 2018 £m	Cash flows £m	Non-cash changes £m	Exchange £m	At 31 March 2019 £m
Total cash and cash equivalents	523	(55)	–	–	468
Loans and loan notes	(182)	(9)	–	(12)	(203)
Derivatives associated with borrowings	8	–	13	–	21
Finance leases	(675)	–	24	–	(651)
Net debt	(326)				(365)
Made up of:					
PSB Group	(239)				(382)
Centre House Productions	1				–
BBC Studios	39				40
Other commercial businesses	(127)				(23)
Net debt	(326)				(365)

F3 Reconciliation of net funds/(debt) to the DCMS borrowing limits

	Public Services ¹			
	Net funds excluding finance leases £m	Finance lease borrowings £m	Net debt £m	BBC commercial group* £m
2019				
Net funds/(debt)	269	(651)	(382)	17
Net borrowing limit	(200)	(850)	(1,050)	(350)
Headroom	469	199	668	367
2018				
Net funds/(debt)	435	(674)	(239)	(88)
Net borrowing limit	(200)	(850)	(1,050)	(350)
Headroom	635	176	811	262

* Under the terms of the DCMS agreement, the BBC Commercial Holdings Group must satisfy two financial covenants, which need to be satisfied throughout the respective period. During 2018/19 and 2017/18, the BBC Commercial Holdings Group was in compliance with both of these covenants.

¹ See Glossary for further details

F. Managing funding (including future costs) continued**F4 Borrowings****F4.1 Borrowings due within one year**

	2019 £m	2018 £m
Bank loan	9	1
Obligations under finance leases	21	18
	30	19

F4.2 Borrowings due after more than one year

	2019 £m	2018 £m
Bank loan	194	181
Obligations under finance leases	630	657
	824	838

Analysis of the BBC's borrowing facilities is set out in note F5.

F4.3 Obligations under finance leases¹

The aging of obligations under finance leases is as follows:

	2019 £m	2018 £m
Within one year	21	18
Between one and five years	118	112
Over five years	512	545
	651	675

Under the terms of the lease agreements, the BBC has the right to share in the residual value of one of its key finance lease properties, Pacific Quay. This share will be passed to the BBC as either a cash flow at the end of the lease arrangement, or a reduction in rentals if the lease agreement is extended for a further term. In addition, the BBC has the right to repurchase each property at the end of the respective lease agreements.

Interest rates are fixed at the contract date. Leases with a carrying value of £649 million (2018: £669 million) have contingent elements included within their contracts and result in contingent rents of £32 million (2018: £29 million) being included in operating costs.

F4.4 Operating leases¹

The total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2019 £m	2018* £m
Within one year	79	73
Between one and five years	197	211
Over five years	334	337
	610	621

* In advance of the adoption of IFRS 16 Leases on 1 April 2019 the BBC has undertaken an exercise to reassess its operating lease commitments and the contracts included within. The results of this exercise are reflected in the updated disclosure.

The BBC's operating lease agreements primarily relate to land, office space, computers and other IT equipment. Certain contracts include renewal options, stepped rents or annual RPI uplifts (which are accounted for on a straight-line basis) or periodic rent reviews. All leases have been entered into on commercial terms.

The BBC has entered into a number of property sublease arrangements. The total future minimum sublease income expected to be received under non-cancellable subleases at 31 March is:

	2019 £m	2018 £m
Within one year	23	26
Between one and five years	108	94
Over five years	240	245
	371	365

¹ See Glossary for further details

F. Managing funding (including future costs) continued
F5 Borrowing facilities

Facility	Interest rate	Total available 31 March 2019 £m	Drawn down at 31 March 2019 £m	Total available 31 March 2018 £m	Drawn down at 31 March 2018 £m	Expiry or review date
PSB Group						
Sterling revolving credit facility agreement	LIBOR* plus 0.3% rising to LIBOR* plus 0.15% on utilisations over 1/3 and LIBOR* plus 0.45% on utilisations over 2/3	200	–	200	–	July 2020
Uncommitted money market lines (short-term borrowings)	The interest rate on uncommitted money market lines are determined when traded with the bank	25	–	25	–	Reviewed annually
GBP overdraft	Bank base rate plus 1.5%	5	–	5	–	Reviewed annually
Multicurrency overdraft	Banks' short-term offered rates for the relevant currency plus 1%	5	–	5	–	Reviewed annually
Overdraft*	Bank base rate plus 1%. Excess usage at bank base rate plus 2%	1	–	1	–	Reviewed annually
BBC Commercial Holdings Limited						
Multicurrency, revolving credit facility agreement for loans and letters of credit	LIBOR* plus 0.45% rising to LIBOR* plus 0.15% on utilisations over 1/3 and LIBOR* plus 0.15% on utilisations over 2/3	210	–	210	–	March 2024
Overdraft or money market lines	Money market line – margin of 1.0% (2018: 1.0%)	20	–	20	–	Reviewed annually
US Private Placement	Fixed interest at 2.36%	28	28	28	28	June 2020
US Private Placement**	Fixed interest at 2.71%	165	165	153	153	June 2020
BBC Studios Distribution Limited						
Overdraft*	Bank base rate plus 1% if drawn down in sterling. Bank currency overdraft rate plus a 1% margin if drawn down in other currencies	2	–	2	–	Reviewed annually
Bank loan	Three-month GBP LIBOR plus 1.75%	9	1	–	–	November 2021
Bank loan	Three-month GBP LIBOR plus 1%	3	3	9	1	August 2019
Bank loan	Three-month GBP LIBOR plus 1%	6	6	–	–	October 2019

* The base rate used varies according to the currency drawn. GBP drawings are linked to LIBOR.

** The US\$216 million US placement is hedged to a sterling value of £143 million, valued at the time of the facility being put in place.

There have been no defaults or breaches of covenants on these facilities during the year (2018: none).

F. Managing funding (including future costs) continued**F6 Cash generated from operations**

	Note	2019 £m	2018 £m
Group (deficit)/surplus before taxation		(74)	179
Depreciation, amortisation and impairment	B1	349	340
Difference between pension charge and cash contribution		41	81
Fair value impact of derivatives associated with loans		(13)	19
Fair value impact of other derivatives		24	6
Loss on disposal of tangible and intangible fixed assets		-	7
Gain on disposal of investments		-	(4)
Gain on deemed disposal of associate		(7)	-
Gain on sale and termination of operations	G4	(29)	-
Other gains and losses		(15)	-
Share of results of associates and joint ventures	E3	(36)	(36)
Financing income (excluding fair value swaps)		(10)	(26)
Financing costs (excluding fair value swaps)		74	80
Increase in programme-related assets and inventories	B3	(17)	(113)
(Increase)/decrease in receivables and contract assets		(94)	81
Increase/(decrease) in payables and contract liabilities		23	(22)
Increase/(decrease) in provisions	F10	39	(9)
Cash generated from operations		255	583

F7 Trade and other receivables

This note discloses the balances that are owed to the BBC by third parties and prepayments made by the BBC.

F7.1 Other receivables due after more than one year

	2019 £m	2018 £m
Trade receivables	30	44
Other receivables	4	16
Prepayments	2	2
Amounts owed by associates and joint ventures	2	2
Total	38	64

F7.2 Trade and other receivables due within one year

	2019 £m	2018 £m
Trade receivables	235	237
Licence fee receivables	401	405
Amounts owed by associates and joint ventures	45	32
VAT recoverable	57	31
Prepayments	142	80
Accrued income	163	132
Other receivables	88	58
Total	1,131	975

F. Managing funding (including future costs) continued**F8 Expected credit losses**

Included in the BBC's contract assets (see note A4.3) and trade and other receivables at 31 March 2019 are balances of £37 million (2018: £51 million) which are past due at the reporting date but not impaired. The aged analysis of these balances is as follows:

	2019 £m	2018 £m
Up to three months	28	35
Three to six months	3	5
Over six months	6	11
	37	51

In determining the recoverability (likelihood of receiving payment) of a contract asset or trade and other receivable the BBC considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date as well as future considerations around the current state of the UK and overseas economies and any industry specific issues. Receivables are provided for based on the probability of expected credit losses for each receivable.

Amounts charged to the impairment provision are written off when there is no expectation of recovery. Subsequent recoveries of amounts previously written off are credited to the income statement. The impairment provision stands at £10 million at 31 March 2019 (2018: £5 million).

Movements in the BBC's provision for impairment of trade receivables and contract assets (see note A4.3) can be shown as follows:

	2019 £m	2018 £m
Balance at the beginning of the year	5	8
Charge for the year	7	2
Amounts written off as unrecoverable	(1)	(2)
Amounts recovered during the year	(1)	(3)
Balance at the end of the year	10	5

F9 Trade and other payables

This note details the amounts payable to third parties by the BBC.

F9.1 Trade and other payables due after more than one year

	2019 £m	2018 £m
Accruals and deferred income	–	6
Rights creditors	16	39
Other payables	27	34
Total	43	79

F9.2 Trade and other payables due within one year

	2019 £m	2018 £m
Trade payables	159	163
Rights creditors	135	156
Salary and wages payables	93	89
Licence savings stamp deposits and savings cards	43	44
Amounts owed to associates and joint ventures	19	9
Accruals	213	218
Deferred income	18	68
Licence fee payable	245	238
Other taxation and social security	32	26
Other payables	57	43
Total	1,014	1,054

F. Managing funding (including future costs) continued

F10 Provisions and contingent liabilities

	At 1 April 2018 £m	Charge for the year £m	Utilised during the year £m	Released during the year £m	At 31 March 2019 £m
Property	42	10	–	(3)	49
Taxation, litigation and insurance	19	31	(6)	(4)	40
Restructuring	17	35	(21)	(6)	25
Other	26	24	(20)	(1)	29
Total	104	100	(47)	(14)	143
Included in current liabilities	56				83
Included in non-current liabilities	48				60
Total	104				143

Property

The BBC has obligations to restore leased properties to their original condition at the end of the lease term. Property provisions are made for the cost of such restoration works as determined by the properties' discounted net present value or the market value of the gross square footage.

Taxation, litigation and insurance

Taxation, litigation and insurance provisions relate to ongoing legal, insurance and compensation claims against the BBC. The BBC makes specific provision for its best estimate of any damages and costs which may be awarded. A provision is only made to the extent that the BBC considers it probable that there will be an outflow of economic benefits and the amount can be reliably estimated. There are a number of provisions within this balance, including balances corrected to Personal Service Company's payments that may be required.

In 2017, the Government introduced new legislation relating to the tax accountability for payments to intermediaries in the public sector. HMRC introduced a new analysis tool for employment status (the Check Employment Status for Tax – the CEST) and other written guidance which continues to be revised and updated in relation to its application to the production and broadcast industry. These changes have led to a number of new questions and issues arising in relation to the assessment of tax status across the industry, as the new guidance indicates that a larger proportion of on-air presenters should be treated as employed for tax purposes than previously. HMRC has raised a number of questions with the BBC over its treatment of on-air talent engagements for tax purposes. Concurrently, a number of on-air presenters, across the industry, are facing investigations from HMRC about how tax and NI has been applied in the past to their engagements via a Personal Service Company.

The BBC's discussions with HMRC and presenters on these matters continues. Conversations to date have enabled the BBC to calculate an estimated liability which is included within the taxation, litigation and insurance provision. The provision is calculated by looking at all individuals affected and then applying some overarching assumptions, based on conversations with HMRC and recent legal rulings. The aim is still to settle the historic issues, at an acceptable cost to the licence fee, which resolves most of the retrospective claims that HMRC may have against the presenters in respect of any misclassification of their employment status. This avoids the lengthy and costly alternative of mediation between presenters and the BBC in resolving the historic misclassification issue. The BBC has approached HMRC with a view to reaching a settlement of:

- 1 the PAYE and NIC due where individuals were directly engaged as sole-traders (with set-off for tax and NIC they have already paid). This is the BBC's liability in any event; and
- 2 the PAYE and NIC due under IR35 where individuals have been paid via intermediaries (with set-off for corporate tax and dividends tax). £12 million has been provided for settling the historic tax issues in relation to intermediaries.

In assessing whether a settlement with HMRC would represent an appropriate way to address the employment status issues facing the BBC and its presenters, three key considerations were taken into account:

- 1 the nature and extent of any liability attributable to the BBC from the misclassification of employment status;
- 2 the significant impact these issues are having on the BBC and its presenters; and
- 3 whether or not a settlement with HMRC would represent a more efficient and cost-effective approach than the mediation process that was previously being considered as a mechanism for addressing these issues and/or continued involvement in tax tribunal cases.

Restructuring

Restructuring provisions are determined by the probable costs relating to reorganisations, relocations and redundancies in the BBC. The restructuring balance at 31 March 2019 predominantly relates to the redundancies generated through ongoing savings strategies.

Other

Other provisions include amounts relating to employment matters and other items arising across the BBC in the normal course of business, none of which are individually material.

Contingent liabilities

There were no contingent liabilities in the current year.

F. Managing funding (including future costs) continued**F11 Net financing costs**

Set out below is an analysis of the financing income and expenses incurred in the year. These amounts include interest relating to finance lease liabilities (see note F4.3) and defined benefit pension schemes (see note C7).

	Note	2019 £m	2018 £m
Financing income			
Interest income		9	6
Unwinding of discounted receivables		1	–
Exchange gain on borrowings		–	20
Fair value gains on swaps classified as fair value through surplus/deficit		13	–
		23	26
Financing costs			
Interest expense		(4)	(8)
Unwinding of discounted payables		(2)	–
Exchange loss on borrowings		(12)	–
Change in fair value of instruments classified as fair value through surplus/deficit		(14)	(41)
Interest on obligations under finance leases		(46)	(47)
		(78)	(96)
Interest cost on pension plan liabilities ¹	C6.3	(10)	(25)
		(88)	(121)
Net financing costs		(65)	(95)

F12 Long-term commitments not reflected in the balance sheet – contracts placed for future expenditure

This note shows amounts to which the BBC is contractually committed, but which do not meet the criteria for inclusion in the balance sheet. It includes fixed (but not variable) payments due under outsourcing contracts for the life of those contracts.

Functions covered by these long-term outsourcing contracts include IT support, content distribution and transmission, facilities management and elements of finance support.

	2019 £m	2018 £m
Fixed asset additions	41	40
Programme acquisitions and sports rights	1,225	1,370
Independent programmes	314	150
Other fixed payments on long-term outsourcing arrangements	1,981	2,345
	3,561	3,905

Long-term commitments not reflected in the balance sheet are payable as follows:

	2019 £m	2018 £m
Within one year	949	875
Between one and five years	1,827	2,101
Over five years	785	929
	3,561	3,905

¹ See Glossary for further details

G. Other**G1 Taxation****G1.1 Recognised in the income statement**

The charge for the year, based on the rate of corporation tax of 19% (2018: 19%) comprised:

	Note	2019 £m	2018 £m
Current tax			
UK corporation tax		(21)	(13)
Foreign tax		20	27
Adjustments in respect of prior years		(3)	(1)
Total current tax		(4)	13
Deferred tax¹			
Origination and reversal of temporary differences		(1)	(5)
Changes in tax rate		-	(8)
Adjustments in respect of prior years		-	(1)
Total deferred tax		(1)	(14)
Total taxation credit in the consolidated income statement	G1.2	(5)	(1)

G1.2 Reconciliation of taxation expense

The PSB Group is liable to taxation on activities yielding a taxable profit including rent, royalties and interest receivable; it does not therefore receive relief for all its expenditure. The commercial subsidiaries in the BBC Group are taxed in accordance with tax legislation. As the BBC Group's public sector 'free-to-air' broadcasting activities are not subject to taxation, the tax charge is primarily driven by the results of the commercial businesses. The items affecting the standard rate of corporation tax are explained below:

	Note	2019 £m	2018 £m
(Deficit)/surplus before tax		(74)	179
(Deficit)/surplus before tax multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)		(14)	34
Effects of:			
Public service activities			
Public service taxable external income		8	6
Non-taxable public service activities		45	(13)
Commercial activities			
Disallowed expenditure (including goodwill impairment)		3	3
Losses utilised forward		(3)	(5)
High-end television tax relief		(39)	(21)
Tax-exempt capital loss		-	(1)
Tax differential on overseas earnings		3	16
Tax differential in associates and joint ventures		(5)	(10)
Changes in the tax rate		-	(8)
Adjustments in respect of prior years		(3)	(2)
Total tax credit for the year	G1.1	(5)	(1)

G1.3 Factors that may affect future tax charges

The Finance Bill 2016 was enacted on 6 September 2016. This reduced the corporation tax rate to 17% from April 2020. As this rate reduction has been substantively enacted at the balance sheet date, the deferred tax assets have been calculated at 17% in line with when the company anticipates temporary differences to unwind.

As part of the 2016 Budget, the Chancellor announced the Business Tax Road Map, which included measures to limit the utilisation of brought forward losses and interest deductions. These were included in Finance (No. 2) Act 2017, which was substantially enacted on 31 October 2017, and applies from 1 April 2017.

There are many future changes to worldwide taxation systems as a result of the potential adoption by the UK and individual territories of measures relating to the OECD Base Erosion and Profit Shifting Actions. The Group continues to actively monitor developments and evaluate their potential impact. The BBC does not expect the future tax rate to be materially impacted by these changes to the international tax landscape.

¹ See Glossary for further details

G. Other continued

G1 Taxation continued

G1.4 Current tax assets

The current tax assets totalling £29 million (2018: £36 million) includes £30 million (2018: £28 million) due in respect of film tax credits outstanding on high-end drama and comedy productions.

G1.5 Deferred tax assets/(liabilities)

	Fixed asset temporary differences £m	Provisions £m	Financial instruments £m	Associates and joint ventures £m	Programme rights £m	Other £m	Net deferred tax (liability)/asset £m
At 1 April 2018	7	5	(5)	(21)	(7)	13	(8)
Net (charge)/credit to the income statement	(2)	2	(1)	–	–	2	1
Exchange differences	–	(1)	–	–	–	–	(1)
At 31 March 2019	5	6	(6)	(21)	(7)	15	(8)

Deferred tax asset/(liability) presented within:	2019 £m	2018 £m
Non-current assets	8	6
Non-current liabilities	(16)	(14)
	(8)	(8)

The BBC has unrecognised deferred tax assets arising on capital losses totalling £139 million (2018: £139 million) and trade losses totalling £23 million (2018: £28 million). These assets have not been recognised on the basis that there is insufficient certainty that future gains or profits will arise against which the BBC can utilise these losses.

The BBC also has unrecognised deferred tax assets arising on excess management expenses totalling £4 million and non-trade loan relationship losses totalling £14 million. These assets have not been recognised on the basis that there is insufficient certainty that future gains or profits will arise against which the BBC can utilise these losses.

There is no time limit for the utilisation of either of these losses.

G2 Pension plans

This note sets out the additional detailed disclosures related to the BBC Pension Scheme which were not included in note C6 or C7.

G2.1 Changes in the present value of plan liabilities¹

The table below illustrates the movement on the scheme liabilities during the year. The key items which affect this are the additional year of pension benefits earned, any gains or losses relating to participants leaving the pension scheme, changes in assumptions made and benefits paid out during the year.

	2019 £m	2018 £m
Opening present value of plan liabilities	16,986	16,886
Current service cost	206	227
Past service cost	18	–
Administration cost	7	9
Interest on pension plan liabilities	401	407
Remeasurement (gains)/losses:		
– Experience adjustments	(64)	111
– Changes in financial assumptions ¹	663	(151)
Contributions by plan participants	1	1
Benefits paid and expenses	(513)	(504)
Closing present value of plan liabilities	17,705	16,986

¹ See Glossary for further details

G. Other continued**G2 Pension plans** continued**G2.2 Changes in the fair value of plan assets**

The table below illustrates the movement on the plan assets during the year. The key items which affect this are the additional year of contributions made, changes in the value of the pension plan assets (including the investment return) and benefits paid during the year.

The employee contributions to the scheme by members are mainly paid through a salary sacrifice arrangement. These have been treated as employer contributions.

	2019 £m	2018 £m
Opening fair value of plan assets	16,476	15,745
Interest income on assets	391	382
Remeasurements on plan assets ¹	637	697
Contributions by employer	191	155
Contributions by plan participants	1	1
Benefits paid and expenses	(513)	(504)
Closing fair value of plan assets	17,183	16,476

G2.3 Plan assets

The allocation of assets by the pension fund Trustees is governed by the need to manage risk against the desire for high returns and any liquidity needs. A high percentage of assets are held in equities which the Trustees expect will produce higher returns in the long term.

Type of asset	2019		2018	
	£m	%	£m	%
Held at quoted market prices:				
Equities	1,284	7	1,260	8
Pooled vehicles	1,242	7	1,259	8
Repurchase agreements	(2,004)	(12)	(1,570)	(10)
Fixed interest bonds	3,106	18	3,073	19
Index-linked bonds	7,303	44	6,501	39
Derivatives	47	–	97	1
Other assets:				
Property				
– UK	1,013	6	944	5
– Pooled investment vehicles	540	3	492	3
Alternatives*	4,434	26	4,101	25
Cash and other current assets	218	1	319	2
Total assets	17,183	100	16,476	100
Actual return on pension plan assets**	1,028		1,049	

* Alternatives are investments in asset classes other than the traditional quoted equities, bonds, property and cash. They include investments in private equity, private credit, hedge funds, infrastructure and renewable energy investments. They are generally illiquid investments as some may require sufficient time to find buyers willing to pay full market value. They are useful for managing risk as they enhance portfolio diversification and potentially reduce risk as their cash flows can be well suited to meeting the scheme's liabilities.

** This constitutes realised gains from the receipt of investment income (e.g. dividends and rent), transactions where assets are sold and unrealised fair value changes.

The pension fund Trustees and the BBC have agreed to a long-term plan of achieving full funding on a discount rate equal to the yield on liability-matching gilts plus 0.5% p.a. The Trustees have also established a framework for setting the scheme's strategic asset allocation based on the Scheme's funding ratio, with the intention of not taking more risk than is necessary to return to full funding over the horizon of the plan.

G. Other continued

G2 Pension plans continued

G2.4 BBC Pension Scheme gains/(losses) in the consolidated statement of comprehensive (loss)/income

	2019 £m	2018 £m
Return on plan assets (excluding amounts included within interest)	637	697
Remeasurement gains/(losses) ¹ arising from:		
– Experience adjustments	64	(111)
– Changes in financial assumptions	(663)	151
Net gain recognised in the consolidated statement of comprehensive (loss)/income	38	737

G2.5 Principal actuarial assumptions

The calculation of the scheme liabilities requires a number of financial and demographic assumptions to be made. The principal assumptions used by the actuaries at the balance sheet date were:

Principal financial assumptions	2019 %	2018 %
Rate of increase in salaries	1.0	1.0
Rate of increase in pension payments:		
Old Benefits*	3.2	3.1
New Benefits*	3.0	2.9
Career Average Benefits (2006)*	2.4	2.4
Career Average Benefits (2011)*	2.1	2.0
Inflation assumption (RPI)	3.2	3.1
Inflation assumption (CPI)	2.2	2.1
Discount rate ¹	2.3	2.4

* For more information on the different pension arrangements, please refer to the remuneration report.

The average life expectancy assumptions for members, after retiring at 60 years of age, are as follows:

Principal demographic assumptions	2019 Number of years	2018 Number of years
Retiring today:		
Male	27	27
Female	30	29
Retiring in 20 years:		
Male	29	29
Female	31	31

The mortality assumptions have been selected to reflect the characteristics and experience of the membership of the scheme. These are based on the assumptions used for the actuarial valuation which was carried out for funding purposes as at 1 April 2016. The standard 'S2' series of tables, published by the CMI, reflect recent research into mortality experience in the UK. A subset of these tables has been used for males and females, with a multiplier of 118% for males and 96% for females. For the allowance for future improvements, the CMI 2016 core projection has been adopted with a long-term trend of 1.25% for both males and females.

G2.6 Scheme membership analysis and maturity¹ profile

Principal demographic assumptions	2019 Number	2018 Number
Contributors	9,337	9,827
Pensioners	19,922	19,763
Dependants	4,351	4,316
Deferred pensioners	28,430	28,927

The total number of scheme beneficiaries as at 31 March 2019 was 48,478 (2018: 49,272). Membership numbers in the table above are higher as members can hold more than one record. For example, contributing members who have transferred to the Career Average Benefits 2011 section from another section of the scheme may have a deferred pensioner record for their benefits built up in the Old Benefits, New Benefits or Career Average Benefits 2006 sections and a contributing record for their Career Average Benefits 2011 benefits.

¹ See Glossary for further details

G. Other continued**G2 Pension plans** continued**G2.6 Scheme membership analysis and maturity¹ profile** continued

The average duration of the benefit obligation at the end of the reporting period is 21 years (2018: 21 years). This number can be subdivided into the duration related to:

- contributors: 26 years (2018: 26 years);
- pensioners: 14 years (2018: 14 years); and
- deferred pensioners: 28 years (2018: 28 years).

G3 Financial instruments

This section details the financial instruments held by the BBC. A financial instrument is a contract that results in one entity recording a financial asset (a contractual right to receive financial assets, e.g. cash) in their accounts and another entity recording a financial liability.

G3.1 Financial risk management

The BBC's financial risk management operations are carried out by a BBC Group Treasury function, within parameters defined formally within the policies and procedures manual agreed by the Treasury Management Group which has delegated authority from the BBC Board.

The BBC Group Treasury function uses financial instruments to raise finance and to manage financial risk arising from the BBC's operations in accordance with its objectives, which are:

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

The BBC takes a risk averse approach to the management of interest rate fluctuations and foreign currency trading and has implemented a clear economic hedging policy to minimise volatility in the financial results. A small number of the forward foreign currency contracts entered into by the BBC were designated as hedging instruments in effective cash flow hedges. Hedge accounting is only applied where there is appropriate designation and documentation.

The BBC is exposed to the following areas of risk arising from financial instruments:

Risk	Exposure arising from	Measurement	Management
Market risk – currency risk	Transactions and balances denominated in foreign currencies	Cash flow forecasting	Forward foreign currency contracts
Market risk – interest risk	Long-term borrowings at variable rates	Projected borrowing requirements	Interest rate swaps, caps and collars
Liquidity risk	Borrowings and other financial liabilities	Rolling cash flow forecasts	Monitoring cash flow forecasts and covenant compliance
Credit risk	Counterparty default on contractual obligations	Credit ratings and aging analysis	Assessment of financial reliability, collateral and other credit enhancements

¹ See Glossary for further details

G. Other continued

G3 Financial instruments continued

G3.1 Financial risk management continued

Currency risk

Although the BBC is principally a UK-based organisation, some transactions are undertaken in currencies other than sterling.

The BBC's commercial operations are undertaken in a range of global markets and a significant proportion of BBC Studio's and Global News' incomes are generated outside the UK, and as a result are exposed to foreign exchange risk arising from various currencies – principally US dollar, the euro and the Australian dollar. Due to movements in exchange rates, the amount the BBC expects to receive or pay when it enters into a transaction may differ from the amount that it actually receives or pays when it settles the transaction.

The BBC takes a risk averse approach to the management of currency risk and has implemented clear policy parameters utilising forward foreign currency contracts to minimise volatility in the financial results. A substantial proportion of the BBC's material net foreign currency exposures are economically hedged.

The BBC is mainly exposed to US dollars; however, due to the relative size of this exposure in comparison to the BBC's sterling-denominated business, the BBC does not consider this to be significant. The BBC generally enters into forward currency contracts to manage, or hedge, this currency risk. This allows the BBC to reduce risk by settling transactions at known exchange rates.

The overall income or expenditure to be recognised in relation to contracts denominated in foreign currencies (and the related hedges) is therefore fixed; however, where these contracts span financial years, the recognition of the fair value of the forward currency contracts results in timing gains or losses in each financial year. These timing gains or losses are as a result of market conditions and not variances in underlying contract value.

As a result, the BBC has mitigated its underlying exposure to currency fluctuations and therefore has not presented sensitivity analysis as any potential variation is insignificant.

At 31 March 2019, the BBC had entered into a net commitment to sell foreign currencies amounting to £242 million (2018: £82 million) that mature in the period through to 2023 in order to fix the sterling cost of commitments through this period (mainly euros and US dollars).

The BBC applies hedge accounting for trades taken out by one of its commercial subsidiaries in respect of their forecast foreign currency transactions¹. Net gains (before tax and non-controlling interests) recognised in the hedging reserve on forward foreign exchange contracts in hedge relationships at 31 March 2019 were £2 million (2018: £26 million). These amounts are recognised in the income statement in the period when the hedged forecast transaction impacts the income statement.

The ineffective portion recognised in operating costs arising from such hedges was immaterial in both the current and prior year.

Interest rate risk

BBC Commercial Holdings' 2013 private placement included a tranche of fixed rate sterling debt alongside a tranche of fixed rate US dollar debt, with the latter swapped to fixed rate sterling throughout the period of the instrument. Since March 2003, BBC Commercial Holdings has borrowed using its revolving credit facilities at floating rates of interest and then using interest rate swaps, caps and collars to manage the BBC's exposure to interest rate fluctuations and provide greater certainty of cash flows. Interest rate swaps, caps and collars are entered into based on projected borrowing requirements, therefore differences will occur between the notional amount of the swaps, caps and collars and the actual borrowing requirements. By taking out the interest rate swaps, caps and collars the BBC has mitigated underlying exposure to interest rate fluctuations and hence no sensitivity analysis has been presented as any potential variation is insignificant.

Sterling fixed rate borrowings are achieved by entering into interest rate swap transactions; all outstanding swaps mature by the end of June 2020. In total, £165 million (2018: £154 million) of swaps were entered into. The coverage is £28 million lower (2018: £27 million lower) than the current level of bank loans of £193 million (2018: £181 million).

Other price risk of financial assets

The BBC invests surplus cash in money market funds and money market deposits, therefore it is not subject to other price risks, such as market price risk.

Liquidity risk

Liquidity risk is the risk that the BBC will not be able to meet its financial obligations as they fall due. The BBC is subject to limits on its borrowings set by the Secretary of State in accordance with the Agreement between the BBC and DCMS (see note F2). In order to comply with these limits, together with the terms of any individual debt instruments, the BBC's Group Treasury function manages the BBC's borrowings by regularly monitoring cash flow forecasts. The BBC holds its surplus liquidity in term deposit accounts with highly rated financial institutions.

The bank loans of the BBC's commercial operations are subject to debt covenants based on the BBC's earnings before interest and taxation. The covenants are in respect of net borrowings and net interest coverage. The BBC is active in the monitoring of its debt covenants which have been met at 31 March 2019.

¹ See Glossary for further details

G. Other continued**G3 Financial instruments** continued**G3.1 Financial risk management** continued

The following table sets out the contractual undiscounted cash flows (including interest) of financial liabilities:

2019	Carrying value £m	Total contractual cash flows £m	Less than one year £m	Between one and five years £m	Over five years £m
Non-derivative financial liabilities					
Trade and other payables	(456)	(456)	(413)	(43)	-
Bank loans and overdrafts	(203)	(223)	(15)	(208)	-
Obligations under finance leases	(651)	(1,060)	(66)	(277)	(717)
Derivative financial liabilities					
Forward foreign currency contracts – fair value through surplus/deficit	(6)	(6)	(3)	(3)	-
Cash flow swaps	(549)	(549)	-	-	(549)

2018	Carrying value £m	Total contractual cash flows £m	Less than one year £m	Between one and five years £m	Over five years £m
Non-derivative financial liabilities					
Trade and other payables	(417)	(417)	(392)	(25)	-
Bank loans and overdrafts	(182)	(202)	(6)	(196)	-
Obligations under finance leases	(675)	(1,128)	(64)	(278)	(786)
Derivative financial liabilities					
Forward foreign currency contracts – fair value through other comprehensive income	(2)	(2)	(2)	-	-
Forward foreign currency contracts – fair value through surplus/deficit	(4)	(4)	(2)	(2)	-
Cash flow swaps	(516)	(516)	-	-	(516)
Embedded derivatives	(1)	(1)	-	(1)	-

Credit risk

Credit risk is the risk of financial loss to the BBC if a counterparty defaults on its contractual obligation.

Depending on how exchange rates and interest rates move between the time the BBC enters into the transaction and at the year end reporting date, derivatives can either be profitable ('in the money') or loss-making in their own right. However, the rationale in entering into these derivatives is not to profit from currency markets or interest rate fluctuations, but to provide stability to the BBC's cash flows. Other than where hedge accounting is applied, the movements relating to these derivatives (i.e. where they are either in profit or loss-making) are taken to the BBC's statement of income and expenditure for the year.

The BBC's credit risk management policy in relation to other trade receivables involves regularly assessing the credit quality of customers, taking into account several factors such as their financial position and historical performance. The carrying amount of financial assets included in the financial statements represents the BBC's maximum exposure to credit risk in relation to these assets.

G3.2 Fair value¹ of financial instruments

When calculating the fair value of the BBC's financial instruments (subsequent to the initial recognition), the technique used is determined with reference to the classification in the 3-level hierarchy set out below. This disclosure helps to show the level of judgement that the BBC has used in calculating fair values, subsequent to the initial recognition.

Fair value hierarchy levels 1 to 3 are based upon the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted market prices (unadjusted) in active markets;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

No transfers between these categories have occurred during the period.

¹ See Glossary for further details

G. Other continued

G3 Financial instruments continued

G3.2 Fair value¹ of financial instruments continued

	Carrying value			Total £m	Fair value hierarchy for those carried at fair value or at amortised cost where fair value differs			
	Amortised cost £m	Fair value through surplus/deficit £m	Fair value through other comprehensive income £m		Level 1 £m	Level 2 £m	Level 3 £m	Total £m
2019								
Cash and cash equivalents	468	-	-	468				
Trade and other receivables	713	-	-	713				
Derivative financial assets:								
Forward foreign currency contracts ¹	-	3	1	4	4	-	-	4
Cash flow swaps	-	426	-	426	-	426	-	426
Interest rate swaps	-	21	-	21	-	21	-	21
Other investments	14	-	-	14	-	-	205	205
Investment properties	70	-	-	70	-	-	176	176
Total financial assets	1,265	450	1	1,716	4	447	381	832
Trade and other payables	(444)	(12)	-	(456)	-	-	(12)	(12)
Bank loans and overdrafts	(203)	-	-	(203)				
Derivative financial liabilities:								
Forward foreign currency contracts ¹	-	(6)	-	(6)	(6)	-	-	(6)
Cash flow swaps	-	(549)	-	(549)	-	(549)	-	(549)
Obligations under finance leases	(651)	-	-	(651)	-	-	(906)	(906)
Total financial liabilities	(1,298)	(567)	-	(1,865)	(6)	(549)	(918)	(1,473)

	Carrying value			Total £m	Fair value hierarchy for those carried at fair value or at amortised cost where fair value differs			
	Amortised cost £m	Fair value through surplus/deficit £m	Fair value through other comprehensive income £m		Level 1 £m	Level 2 £m	Level 3 £m	Total £m
2018								
Cash and cash equivalents	523	-	-	523				
Trade and other receivables	646	-	-	646				
Unquoted equities	1	-	-	1	-	-	1	1
Derivative financial assets:								
Forward foreign currency contracts ¹	-	11	1	12	12	-	-	12
Cash flow swaps	-	418	-	418	-	418	-	418
Interest rate swaps	-	8	-	8	-	8	-	8
Other investments	14	-	-	14	-	-	194	194
Investment properties	70	-	-	70	-	-	175	175
Total financial assets	1,254	437	1	1,692	12	426	370	808
Bank loans and overdrafts	(182)	-	-	(182)				
Trade and other payables	(392)	(25)	-	(417)	-	-	(25)	(25)
Derivative financial liabilities:								
Forward foreign currency contracts ¹	-	(4)	(2)	(6)	(6)	-	-	(6)
Cash flow swaps	-	(516)	-	(516)	-	(516)	-	(516)
Embedded derivatives	-	(1)	-	(1)	-	-	(1)	(1)
Obligations under finance leases	(675)	-	-	(675)	-	-	(936)	(936)
Total financial liabilities	(1,249)	(546)	(2)	(1,797)	(6)	(516)	(962)	(1,484)

¹ See Glossary for further details

G. Other continued**G3 Financial instruments** continued**G3.2 Fair value¹ of financial instruments** continued

Due to their short-term nature, the carrying value of cash and cash equivalents, short-term bank loans, trade and other receivables and trade and other payables, is approximately equal to their fair value.

Level 2 – cash flow swap derivatives

Cash flow swaps represents derivative financial assets of £426 million (2018: £418 million) and derivative financial liabilities of £549 million (2018: £516 million) relating to the financing arrangement of Broadcasting House. These swaps, which expire between 2033 and 2045, are valued with reference to relevant SONIA and LIBOR yield curves, subject to appropriate credit risk adjustments where necessary. An adjustment of 250 basis points is applied to a specific leg of the swaps to reflect credit risk as the arrangement with the counterparty is not collateralised. These assumptions and inputs are reviewed on an annual basis, along with the completion of sensitivity analysis. A change in the credit risk adjustment, reflecting the cumulative market movements since the inception of the swap, would result in an increase in the net liability of £2 million. The net liability would decrease by £7 million should an alternative appropriate index be used as a proxy for the credit risk adjustment, taking into account the cumulative movements since inception of the swap.

Level 3 financial instruments

The change in fair value of level 3 financial instruments is reconciled as follows:

	2019		2018	
	Financial assets £m	Financial liabilities £m	Financial assets £m	Financial liabilities £m
At 1 April	370	(962)	412	(999)
Payments	-	68	-	67
Settlements	-	-	-	2
Unwinding of discount recorded within finance expense	-	(48)	-	(48)
Disposal of available for sale asset	-	-	(7)	-
Additions	-	-	1	(22)
IFRS 9 cumulative catch-up	(1)	1	-	-
Change in fair value recorded in other gains and losses	-	15	-	4
Change in fair value	12	8	(36)	34
At 31 March	381	(918)	370	(962)

The IFRS 9 *Financial Instruments* cumulative catch-up adjustment to opening reserves has a net impact of nil. Under IAS 39, unquoted equities were measured at cost and are now measured at fair value under IFRS 9. The change in value of £1 million between the balance at 31 March 2018 under IAS 29 and 1 April 2019 under IFRS 9 has been released as a debit to the opening reserves. Embedded derivatives relating to financial asset host contracts are no longer separated under IFRS 9 and instead the contract is measured entirely under amortised cost. The change in value of £1 million between the balance at 31 March 2018 under IAS 39 and 1 April 2019 under IFRS 9 has been released as a credit to the opening reserves.

Other investments – Daunus Limited

In order to facilitate the redevelopment and subsequent financing arrangement relating to Broadcasting House, the BBC holds an investment in Daunus Limited, which is included within level 3 financial instruments with a fair value of £205 million (2018: £193 million). The BBC holds a 20% (2018: 20%) share of the issued share capital (preferential in nature), due to mature in 2033, at which point the BBC receives certain rights in respect of Broadcasting House. The BBC's share in Daunus Limited entitles it to the first £125 million (plus RPI from the start of the lease) of any proceeds on termination of the lease. The fair value has therefore been derived from £125 million, inflated by RPI and subsequently discounted to 31 March 2019. The estimated interest rate used was 2.9% (2018: 3.6%) and the rate used to discount the future cash flows was 1.5% (2018: 1.8%). These assumptions and inputs are reviewed on an annual basis, along with the completion of a sensitivity analysis. A change in the adjustment applied to the respective interest rate of +1.0% would result in an increase in the net assets by £32 million (2018: £32 million) whilst a reduction in the respective interest rate of -1.0% would result in a decrease in the net assets of £28 million (2018: £28 million).

The fair value of the investment in Daunus Limited is not included on the balance sheet as it is equity accounted for through the income statement (see note E3). This is due to the BBC sharing joint control with other investors, including voting power and right to veto over relevant activities, along with significant shared exposure to variable returns. The assumptions relating to Daunus Limited are reviewed on an annual basis, along with the completion of a sensitivity analysis. Whilst the reported profit or loss of Daunus Limited is not a significant input, the decision that Daunus Limited is a joint venture is a significant judgement.

¹ See Glossary for further details

G. Other continued

G3 Financial instruments continued

G3.2 Fair value¹ of financial instruments continued

Obligations under finance leases

Level 3 financial liabilities also include the BBC's obligations under finance leases, with a fair value of £906 million (2018: £936 million), which predominantly relate to the lease of three properties. This is £255 million higher than their carrying value (2018: £261 million). The fair value has been determined by recalculating the finance lease liability using current market interest rates with an appropriate risk adjustment. The movement in interest rates between inception of each finance lease and the balance sheet date creates a difference between carrying value and fair value. These assumptions and inputs are reviewed on an annual basis, along with the completion of a sensitivity analysis relating to the aforementioned three property leases. A change in the interest rate applied of +0.5% would result in a decrease in the liability of £32 million (2018: an increase of +0.25% would result in a decrease in the liability of £18 million) whilst a reduction in the respective interest rate of -0.5% would result in an increase in the net liability of £34 million (2018: a reduction of -0.25% would result in an increase in the net liability of £18 million).

These leases also include provisions to provide for the BBC's share of any appreciation in market value.

G4 Gains on disposals

	2019 £m	2018 £m
Gain on disposal of Good Food	29	–
Other gains	7	5
	36	5

G5 Other gains and losses

	2019 £m	2018 £m
Change in fair value of derivative financial instruments	(8)	21
Change in fair value of put options over non-controlling interests	15	2
Decrease in earn-out payments due in respect of prior acquisitions	–	2
	7	25

G6 Interests in associates, joint ventures and subsidiaries

The BBC Group holds (directly and indirectly) interests in the associates, joint ventures and subsidiaries listed below which, except where otherwise stated, are incorporated in Great Britain and registered in England and Wales.

G6.1 Significant associates and their activities

Name of entity	Place of incorporation and principal place of business	Holding of issued ordinary shares %	Activity
YouView TV Limited	England and Wales	14.2%	Multiplatform broadcasting
New Video Channel America LLC*	United States	50.1%	TV channel operator
3sixtymedia Limited**	England and Wales	10.0%	Production

* Whilst BBC Studios Distribution Limited retain a significant influence over New Video Channel America LLC and has the rights to variable returns, it is not deemed to have control and is therefore recognised as an associate undertaking.

** The BBC holds 10% of the total share capital of 3sixtymedia Limited but 20% of the Class A ordinary shares, which gives it significant influence.

G6.2 Significant joint ventures and their activities

Name of entity	Place of incorporation and principal place of business	Holding of issued ordinary shares %	Activity
Commercial joint ventures:			
UKTV Media Holdings Limited	England and Wales	50%	TV channel operator
Danus Limited*	England and Wales	20%	Property

* The BBC holds 20% of the total share capital of Danus Limited but 66% of the voting rights. Other shareholders retain certain veto rights and therefore this entity is recognised as a joint venture.

1 See Glossary for further details

G. Other continued**G6 Interests in associates, joint ventures and subsidiaries** continued**G6.3 Subsidiary undertakings¹**

Name of entity	Registered address
Directly owned commercial subsidiaries: (all 100% owned unless stated)	
BBC Commercial Holdings Limited	Broadcast Centre Media Village, 201 Wood Lane, London W12 7TP
BBC Property Limited	
BBC Property Investment Limited	
BBC Property Development Limited	
Centre House Productions Limited	
BBC News Limited	
BBC Free to View (Satellite) Limited	
BBC Free to View Limited	
Media Applications Technologies Limited	
BBC Subscription Television Limited	
BBC Investments Limited	
BBC Digital Programme Services Limited	
World Service Trading Limited	London Broadcasting House, Portland Place, London W1A 1AA
BBC World Service Holdings Limited	
DSHS Limited	The Lighthouse, 201 Wood Lane, London W12 7TQ
Indirectly owned commercial subsidiaries: (all 100% owned unless stated)	
BBC Studios Limited (formerly BBC Studios Group Limited)	1 Television Centre, 101 Wood Lane, London W12 7FA
BBC Studios Distribution Limited (formerly BBC Worldwide Limited)	
2 Entertain Limited	
2 entertain Management Limited	
2 entertain Video Limited	
BBC Video Limited	
MCI Music Publishing Limited	
Demon Music Group Limited	
Crimson Productions Limited	
F-Beat Records Limited	
Demon Records Limited	
BBC Earth MD (WWD) Limited	
BBC Earth Productions (Life) Limited	
BBC Earth Productions Limited	
BBC Earth Productions (Giant Films) Limited	
Earth Film Productions Limited	
BBC Magazine Holdings Limited	
BBC Studios Corporate Services Limited	
BBC Studios Investments Limited	
BBC Studios Drama Productions Limited	
BBC Studios Productions Limited	
Tonto Films and Television Limited	
BBC Studios Channel Investments Limited	
Mortimer Productions Limited	
UK Programme Distribution Limited (92.683% owned)	
beeb Rights Limited (88.402% owned)	
BBC Global News Holdings Limited	Broadcasting House, Portland Place, London W1A 1AA
BBC Global News Limited	
BBC World Distribution Limited	
BBC.com Limited	
BBC Studios Productions Limited	1 Television Centre, 101 Wood Lane, London W12 7FA
BBC Grafton House Productions Limited	
BBC Children's Productions Limited	
BBC Comedy Productions Limited	
BBC Natural History and Factual Productions Limited	
BBC Natural History Giant Screen Limited	
BBC Studios Productions (Clifton) Limited	
BBC Store Limited	

¹ See Glossary for further details

G. Other continued

G6 Interests in associates, joint ventures and subsidiaries continued

G6.3 Subsidiary undertakings¹ continued

Name of entity	Registered address
BBC Studioworks Limited	Room N101, Neptune House, BBC Elstree Centre, Clarendon Road, Borehamwood, Hertfordshire WD6 1JF
Baby Cow Productions Limited (72.994% owned)	1 Television Centre, 101 Wood Lane, London W12 7FA
Baby Cow Manchester Limited	
Baby Cow Productions (Hunderby) Limited	
Baby Cow Productions (Partridge) Limited	
Baby Cow Productions (Red Dwarf) Limited	
Baby Cow Films Limited	
Alan Partridge Limited	
Baby Cow Animation (Warren) Limited	
Baby Cow Animation (Wussywat) Limited	
Baby Cow Animation Limited	
Baby Cow Films (Zoe) Limited	
The Last Holiday Limited	
Sid Gentle Films Limited (51% owned)	Charles House, 5-11 Regent Street, St James's Way, London SW1Y 4LR
Sid Gentle Films (Corfu) Limited	
Sid Gentle Films (Gaiman) Limited	
Sid Gentle Films (KE2) Limited	
Sid Gentle Films (Killing Eve) Limited	
Sid Gentle Films (OLIVE) Limited	
Sid Gentle Films (SS-GB) Limited	
Sid Gentle Films (TD4) Limited	
Sid Gentle Films (The Durrells) Limited	
Lookout Point Limited	Hammer House, 113-117 Wardour Street, London W1F 0UN
A Suitable Company Limited	
AMP 1 Limited	
Evergreen Television Limited	
LOOKOUT POINT (LES MISERABLES) Limited	
LOOKOUT POINT (SHIBDEN) Limited	
Lookout Point Acquisition Limited	
Off Stone Productions Limited	
Lookout Point (The Collection) Limited	
BBC Studios Canada Limited	409 King Street West, 5th Floor, Toronto, ON, M5V 1K1, Canada
BBC Studios PTE. Limited	3 Anson Road, #17-03 Springleaf Tower, Singapore 079909
BBC Studios Japan Limited	Tokyo Club Bldg., 10F, 3-2-6 Kasumigaseki, Chiyoda-ku, Tokyo 100-0013, Japan
BBC Studios Productions Nordics ApS	Mosedalvej 14, 2500 Valby, Denmark
BBC.com US, Inc	c/o Corporation Trust Centre, 1209 Orange Street, Wilmington 19801, United States New Castle, Delaware 19801
Nine Productions1 Inc	650-699 Howe Street Vancouver, British Columbia, V6 0B4, Canada
BBC Studios France	18-20 Quai du Point du Jour, Bat. A, 92100 Boulogne-Billancourt, France
BBC Studios Channel Investments (Ontario) Limited	Toronto Dominion Bank Tower, Toronto Dominion Center, Toronto, ON M5K 1E6, Canada
2004370 Inc	66 Wellington Street West 470, Toronto Dominion Bank Tower, Toronto M5k 1EG, Canada
BBC Studios Americas Inc	1120 Avenue of the Americas, 5th Floor, New York, NY 10036-6700, United States

¹ See Glossary for further details

G. Other continued**G6 Interests in associates, joint ventures and subsidiaries** continued**G6.3 Subsidiary undertakings¹** continued

Name of entity	Registered address
Adjacent Productions, LLC Bad Wolf Productions LLC BBC Studios Reality Productions LLC Global Hybrid Productions LLC Lime Grove Productions LLC Sun Never Sets Productions LLC Studios Competition Productions LLC	10351 Santa Monica Boulevard, Los Angeles, CA 90025, United States
BBC Studios Americas Investments Inc	The Corporation Trust Company, Corporation Trust Centre, 1209 Orange Street, Wilmington 19801, United States
BBC Studios Australia Holdings Pty Limited BBC Studios Australia Pty Limited BBC Studios Productions Australia Pty Limited	Level 1, 35-51 Mitchell Street, McMahons Point NSW 2060, Australia
BBC Studios Germany GmbH Erste Weltweit Medien GmbH	Kaiser-Wilhelm-Ring 17-21, 50672 Köln, Germany
BBC Worldwide Holdings B.V	Prins Bernhardplein 200, 1097 JB Amsterdam, Netherlands
BBC Studios India Private Limited	Construction House A Wing, 401- 4th Floor, Off Linking Road, 24th Road, Khar (W), Mumbai 400 052 India
BBC Studios Africa (Pty) Limited	Office 003H3 Ground Floor, 10 Melrose Boulevard, Melrose Arch, Melrose North 2196, SA
BBC Studios Intermediadora de Programadora Estangeira Limited	Rua Ferreira de Araujo, 741, Andar 1, Pinheiros, São Paulo SP 05.428-002 Brazil
BBC Studios Polska Sp z o.o.	Pl. Bankowy 1, 00-139 Warszawa, Poland
BBC Worldwide Mexico S.A de C.V BBC Worldwide Channels Mexico S.A de C.V	Avenida Paseo de la Reforma No 115, Piso 4 Lomas de Chapultepec, Distrito Federal 11000 Mexico
Worldwide Knowledge (Beijing) Business Consulting Company Ltd	Unit 7, Floor 9, West Tower, Genesis Building, 8 Xinyuan South Road, Chaoyang District, Beijing 100027
BBC Studios Productions (Africa) (Pty) Limited	24 18th Street, Menlo Park 0081, Maxars House, 5 St Davids Place, Parktown 2193, SA
Rapid Blue	263 Oak Avenue, Ferndale, Randburg, 2194, South Africa
BBC Global News (Japan) Limited (incorporated in Japan)	Tokyo Club Bldg., 3-2-6, Kasumigaseki, Chiyoda-ku, Tokyo, 100-0013, Japan
BBC Global News (Singapore) Private Limited (incorporated in Singapore)	#12-08/08 Shaw Tower, 100 Beach Road Singapore 189702, Singapore
BBC Global News (India) Private Limited (incorporated in India)	Unit No. 301, 3rd Floor, D-2, Southern Park, District Centre, Saket, New Delhi, 110017
BBC Global News US LLC (incorporated in America)	Corporation Service Company, 80 State Street, Albany, New York, 12207-2543

¹ See Glossary for further details

G. Other continued**G7 Reserves****G7.1 Operating reserve**

The operating reserve reflects accumulated profits to date and the one-off cumulative catch-up adjustment of £5 million due to the transition to IFRS 15 *Revenue from Contracts with Customers*, hence this will amount to the difference in 2017/18 closing and 2018/19 opening retained earnings. The cumulative catch-up adjustment is an entry to opening retained earnings to reflect the changes in income recognition due to IFRS 15 under the modified retrospective transition method. Refer to the accounting policies section for further information on the transition.

G7.2 Hedging reserve

The hedging reserve is used to record the effective portion of cumulative net changes in the fair value of cash flow hedging instruments, related to hedged transactions that have not yet occurred (net of tax). During the current year, losses of £4 million were removed from the hedging reserve and debited to income in the income statement (2018: £17 million).

G7.3 Translation reserve

The translation reserve comprises all foreign exchange differences arising since the transition to IFRS, from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the BBC's net investment in foreign subsidiaries.

G7.4 Other reserves

Other reserves include the fair value of put option liabilities arising on acquisition of subsidiaries and the difference between the cost of investment and net assets of entities acquired which are held under common control.

G8 Post-balance sheet events

On 11 June 2019, the UKTV group, a joint venture previously owned by BBC Studios Distribution Limited and Southbank Media Limited, was demerged and had its ownership restructured. The three leisure-themed channels were separated from the group, and BBC Studios obtained 100% ownership and control of UKTV Holdings Limited and its remaining seven entertainment channels, as well as UKTV Play and the UKTV brand. The principal reason for this acquisition was that these channels are closely aligned to BBC Studio's own content strategy and supply. The total cash payment due from BBC Studios of £173 million is payable over two years. This includes a cash consideration of £106 million in relation to the channels acquisition, and the assumption of £67 million of debt, previously financed by the joint venture counterparty. This acquisition was financed through existing borrowing facilities. As outlined in note E3, for the year ended 31 March 2019, UKTV had total revenues of £332 million and profit of £53 million, and had gross assets of £266 million and net assets of £94 million. Owing to the timing of the transaction occurring close to the date of signing of the 2019 financial statements, full acquisition accounting has not yet been completed, including calculation of goodwill on acquisition and potential recognition of other intangible assets. Full acquisition accounting information is expected to be provided in the financial statements for the year ending 31 March 2020.

Following a public consultation, the BBC Board announced on the 10 June 2019 that it has decided from June 2020 any household with someone aged over 75 who receives Pension Credit will be entitled to a free TV licence paid for by the BBC. This decision means everyone will continue to receive the best programmes and services that the BBC can provide.

G9 Related party transactions

The following table represents transactions with related parties excluding key management personnel.

	Associates, joint ventures and other investments		BBC Pension Scheme	
	2019 £m	2018 £m	2019 £m	2018 £m
Rendering of services	83	90	-	-
Receiving of services	(89)	(102)	-	-
Pension contributions	-	-	191	155
Dividends received	28	39	-	-
	22	27	191	155

	Amounts owed by related parties		Amounts owed to related parties	
	2019 £m	2018 £m	2019 £m	2018 £m
Associates, joint ventures and other investments	47	34	(19)	(9)
	47	34	(19)	(9)

In all transactions, terms were negotiated on an arm's length basis.

The BBC also enters into various transactions with Government and local authorities on an arm's length basis. These transactions include council tax agreements and corporation tax payments.

Related party transactions with key management personnel are disclosed in note C5.

G. Other continued**G9 Related party transactions** continued

During the year the BBC received less than £0.1 million of income and incurred less than £0.1 million of expenditure with BBC Children in Need. At 31 March 2019, the BBC had a debtor balance of £0.6 million (2018: £0.5 million) with this entity, predominantly relating to the recharge of employee costs. At year end, the BBC also had a debtor balance of £0.6 million with Media Action UK (2018: £0.6 million).

At the end of the year the BBC was owed £0.4 million (2018: £0.4 million) by the BBC Pension Scheme and was due to pay £0.6 million (2018: £0.4 million) to the BBC Pension Scheme.

G10 Segment reporting**Geographical location of income and non-current assets**

	PSB Group £m	BBC Studios £m	Other commercials £m	Group adjustments £m	Group £m
2019					
Non-current assets excluding deferred tax and financial instruments:					
UK	1,307	289	278	(512)	1,362
America	2	186	–	–	188
Australia	–	14	–	–	14
Rest of world	68	8	–	–	76
	1,377	497	278	(512)	1,640
Additions included in non-current assets and investments	133	218	2	(2)	351
External income:					
UK	3,997	529	67	(500)	4,093
America	9	241	33	–	283
Australia	1	70	7	–	78
Rest of world	10	349	76	–	435
	4,017	1,189	183	(500)	4,889
2018*					
Non-current assets excluding deferred tax and financial instruments:					
UK	1,334	267	279	(511)	1,369
America	2	190	–	–	192
Australia	–	14	–	–	14
Rest of world	70	5	–	–	75
	1,406	476	279	(511)	1,650
Additions included in non-current assets and investments	243	181	146	(262)	308
External income:					
UK	4,120	567	48	(464)	4,271
America	6	256	33	–	295
Australia	–	76	3	–	79
Rest of world	5	337	75	–	417
	4,131	1,236	159	(464)	5,062

* The presentation of this table has been adjusted to reflect more granularity over the results.

H. Basis of preparation of the financial statements and other accounting policies

The BBC is incorporated in the United Kingdom by Royal Charter.

Statement of accounting policies

The BBC is required to select and apply accounting policies for each type of transaction entered into throughout the year and in the preceding year. An accounting policy will specify the timing for recognising and derecognising assets, liabilities, income and expenditure, how those items will subsequently be measured and where they are presented in the statement of total income and expenditure, balance sheet and statement of cash flows.

Use of estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates that affect the reported performance and position of the BBC, or areas where assumptions or estimates are significant to the consolidated financial statements.

It also requires management to exercise judgement in applying the BBC's accounting policies. These areas involve a higher degree of judgement or complexity.

The areas involving a higher degree of judgement or complexity are set out below and in more detail in the related notes:

- Income recognition (note A);
- Provisions and accruals (notes F10 and F9);
- Property, plant and equipment (note D1);
- Pension scheme and actuarial assumptions (note C7); and
- Derivative financial assets and liabilities (note G3).

Basis of preparation

These consolidated financial statements for the BBC have been prepared in accordance with IFRS as adopted by the EU. Additional analysis is also presented to meet regulatory additional requirements including those prescribed by DCMS, Ofcom or the Charter.

The financial statements are principally prepared on the historical cost basis. Exceptions are noted within the relevant section of the notes.

Where items are sufficiently significant by virtue of their size or nature, they are disclosed separately in the financial statements in order to aid the reader's understanding of the BBC's financial position and performance.

Adoption of new and revised accounting standards

The following new and revised EU-endorsed accounting standards have been adopted for the first time. They have been applied since 1 April 2018 and have not had a significant impact on the results or financial position of the BBC:

- IFRS 9 Financial Instruments;
- IFRS 15 Revenue from Contracts with Customers (including Clarifications to IFRS 15 Revenue from Contracts with Customers);
- Classification and Measurement of Share-based Payment Transactions (amendments to IFRS 2);
- Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (amendments to IFRS 4);
- Transfers of Investment Property (Amendments to IAS 40);
- Annual Improvements to IFRS 2014-2016 Cycle (Amendments to IFRS 1);
- Annual Improvements to IFRS 2014-2016 Cycle (Amendments to IAS 28); and
- IFRIC 22 Foreign Currency Transactions and Advance Consideration.

IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 *Financial Instruments: Recognition and Measurement*.

As a result of the adoption of IFRS 9, the BBC has also adopted consequential amendments to IAS 1 *Presentation of Financial Statements*, which require impairment of trade receivables and other contract assets to be presented in a separate line item in the statement of profit or loss where material. As this is not material to the Group it continues to be reported within operating expenditure. Impairment losses on other financial assets are presented separately under finance costs, similar to the presentation under IAS 39, again due to materiality considerations.

Additionally, the BBC has adopted consequential amendments to IFRS 7 *Financial Instruments: Disclosures* that are applied to disclosures about the current financial year but have not been generally applied to comparative information. The adoption of IFRS 9 did not result in a material adjustment to previously reported results.

Further detail on how the BBC accounts for financial instruments can be found on page 253.

H. Basis of preparation of the financial statements and other accounting policies continued

A summary of the changes in classification of financial instruments resulting from the new accounting standards is disclosed in the table below:

	Classification under IAS 39	Classification under IFRS 9
Forward foreign currency contracts – fair value through other comprehensive income	Fair value through other comprehensive income	Fair value through other comprehensive income
Forward foreign currency contracts – fair value through surplus/deficit	Fair value through surplus/deficit	Fair value through surplus/deficit
Unquoted equities	Available for sale	Fair value through surplus/deficit
Trade and other receivables	Loans and receivables	Amortised cost
Cash and cash equivalents	Loans and receivables	Amortised cost
Bank loans	Loans and receivables	Amortised cost
Trade and other payables	Loans and receivables	Amortised cost
Other creditors (put options)	Fair value through surplus/deficit	Fair value through surplus/deficit

IFRS 15 Revenue from Contracts with Customers

The BBC has adopted IFRS 15 with a date of initial application of 1 April 2018. IFRS 15 establishes a comprehensive framework for determining whether, how much and when, revenue is recognised. It replaces IAS 18 Revenue, IAS 11 *Construction Contracts* and related interpretations.

The BBC has applied IFRS 15 using the cumulative effect method – i.e. by recognising the cumulative effect of applying IFRS 15 as an adjustment to the opening balance of equity at 1 April 2018. Therefore, the comparative information has not been restated and continues to be reported under IAS 18 and IAS 11. The details of the significant changes and quantitative impact of the changes are set out below.

The cumulative catch-up adjustment required under the cumulative effect method is made up exclusively from Content and format sales other than a £1 million adjustment to interests in associates and joint ventures that relates to production fee income. Overall the effect on income is immaterial due to similar contract values over 2019. Materially affected line items are shown in the table above. No other line items would have been materially affected had IFRS 15 not been adopted for the 2019 financial statements. Comparative prior year periods have not been adjusted.

The impact of this change in the current year has been to reduce income by £6 million and operating costs by £2 million, giving a net reduction on profit for the year of £4 million.

On the balance sheet, investments in joint ventures and associates increased by £1 million, trade and other payments reduced by £1 million and operating reserves increased by £0.3 million (of which £5 million related to the brought forward position).

There has been no impact of adopting IFRS 15 on the BBC's consolidated statement of comprehensive (loss)/income or consolidated cash flow statement.

Further detail on how the BBC accounts for income from contracts with customers can be found on page 248.

Going concern¹

The financial statements are prepared on a going concern basis. The directors believe this to be appropriate for the reasons set out below.

The directors have prepared and reviewed cash flow forecasts for the 24-month period to 31 March 2021, a period in excess of a year from the date of approval of these financial statements. In the directors' judgement, the key factors in these forecasts are the continuity of the Charter and licence fee, the BBC Pension Scheme deficit and the resultant deficit recovery payments agreed with the pension scheme Trustees, and the realisation of planned cost savings under the 'Strategic Plan' programme.

The Charter and licence fee give the BBC a secure source of income, however the timing of cash flows is an important factor in the consideration of going concern given the borrowing restrictions agreed with the DCMS for both the PSB Group (£200 million) and the commercial operations of the BBC (£350 million). An additional £2 billion is available to the PSB Group in 2020 to fund leases and £150 million for the commercial operations.

The BBC has external funding available, including a £200 million sterling revolving credit facility which expires on 31 July 2020, which is currently unutilised. PSB net debt at 31 March 2019 was £382 million, which equates to a headroom of £668 million against the external funding available.

The BBC also has a £380 million multicurrency revolving credit facility available to the BBC commercial operations, with funding split between a US\$259 million US Private Placement (fixed through foreign exchange swap transactions at £171 million) until June 2020 and a £210 million facility until March 2024. As at the year end, the BBC had drawn down £193 million of the facilities available (2018: £181 million).

The directors of the BBC have reviewed the cash flow forecasts and available external borrowing facilities. Together with the sensitivities and mitigating factors in the context of available funds, they expect the BBC to be able to meet its debts as they fall due for the foreseeable future.

As a result, the directors are satisfied that the going concern basis is appropriate for the preparation of these financial statements.

Basis of consolidation

The BBC financial statements include the results of the BBC and all businesses controlled by the BBC (subsidiaries) together with the BBC's share of the results of businesses over which the BBC has significant influence but not control (associates) and those which the BBC jointly controls (joint ventures).

¹ See Glossary for further details

H. Basis of preparation of the financial statements and other accounting policies *continued*

The BBC accounts for its interests in associates and joint ventures using the equity method. The equity method means that the BBC presents its interest in associates or joint ventures as a single line item in the balance sheet, measured at the cost of the investment plus the share of the net result, less dividends received. The equity accounted result for the year is presented as a single line item in the statement of income and expenditure.

Changes in the BBC's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions, being movements between reserves attributable to the BBC and non-controlling interests. A non-controlling interest is the interest in a subsidiary that is not owned, directly or indirectly, by the BBC. The non-controlling interest reflects the amount of the net result for the year and the net assets/(liabilities) which are not attributable to the BBC. The carrying amounts of non-controlling interests are adjusted to reflect any changes in their, and the BBC's, relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the BBC.

When the BBC loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the net assets of the subsidiary (including attributable goodwill) and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to the income statement or transferred directly to retained earnings as appropriate. The fair value of any interest retained in the former subsidiary at the date when control is lost is regarded as the cost on initial recognition of an investment in an associate or joint venture.

Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given by the BBC in exchange for control of the acquire. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date. Subsequent adjustments to the fair values of net assets acquired are made within 12 months of the acquisition date where original fair values were determined provisionally. These adjustments are accounted for from the date of acquisition. Transaction costs that the BBC incurs in connection with a business combination, such as legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred. On acquisition, the BBC recognises any non-controlling interest either at fair value or at the non-controlling interest's proportionate share of net assets.

When control is obtained in successive share purchases (a 'step acquisition') it is accounted for using the acquisition method at the acquisition date. The previously held interest is remeasured to fair value at the acquisition date and a gain or loss is recognised in the income statement.

Foreign currency transactions

Transactions in foreign currencies are translated into sterling at the rates of exchange ruling at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at the rate of exchange ruling at that date. Foreign currency gains or losses arising from the translation of assets and liabilities at these rates of exchange, together with exchange differences arising from transactions settled during the year, are included in the income statement within operating costs. Non-monetary assets and liabilities measured at historical cost are translated into sterling at the rate of exchange on the date of initial recognition.

Financial statements of foreign operations

The assets and liabilities of foreign operations are translated into sterling at the rate of exchange ruling at the balance sheet date. The income and expenses of foreign operations are translated into sterling at average rates of exchange ruling during the financial period, which is a good approximation for the actual rate. Exchange differences arising on translation are recognised directly in the translation reserve.

On disposal of an investment in a foreign operation, the associated translation reserve balance is released to the income statement.

Accounting policies relevant to section A

Licence fee income

Income from television licences is treated as an amount due from the relevant Government department, principally the DCMS. This represents the value of licences issued in the year, less a deduction for refunds and cancellations.

Where an element of the licence fee income has been ring-fenced by the Government for a specific purpose, that income is recognised when it is due, except if it becomes virtually certain that the BBC's expenditure on the ring-fenced purposes will be less than the ring-fenced income already received. In this case, the relevant amount of licence fee income, as agreed with the Government, will be repayable and recognised as such in the year the obligation to repay arises.

Other income

Other income arises from activities such as the sale of goods, provision of services and granting of licences. Income is measured after deductions for value added tax, any other sales taxes, trade discounts and sales between BBC companies.

Income from contracts with customers

Income is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Income recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. The complexity of individual contractual terms may require the BBC to make judgements in assessing when the triggers for income recognition have been met, particularly whether the BBC has sufficiently fulfilled its obligations under the contract to allow income to be recognised.

Income is recognised either when the performance obligation in the contract has been performed ('point in time') or 'over time' as control of the performance obligation is transferred to the customer. A performance obligation must meet one of the three criteria in IFRS 15 to meet 'over time' recognition. The default category, if none of these criteria are met, is 'point in time' recognition. Further detail on the category of income recognition for each income stream can be found below.

H. Basis of preparation of the financial statements and other accounting policies *continued*

IFRS 15 provides more comprehensive guidance for contracts to licence intellectual property, or contracts where licence of intellectual property is a significant component. Each performance obligation is identified and evaluated as to whether it represents a right to access the content (revenue recognised over time) or represents a right to use the content (revenue recognised at a point in time), and all three of the criteria referred to above must be met to meet the definition of a 'right to access' licence. The majority of the Group's contracts to licence intellectual property have defaulted to a 'right to use' licence and recognised at a 'point in time'.

The transaction price, being the amount to which the BBC expects to be entitled and has rights to under the contract, is allocated to the identified performance obligations. Most of the BBC's income is derived from fixed price contracts and therefore the amount of income to be earned from each contract is determined by reference to those fixed prices. Royalties, as the exception, are generally set as a metric/percentage of sales generated.

The allocation of the transaction price to the performance obligations is at the amount that depicts the consideration to which the BBC expects to be entitled in exchange for goods or services transferred. This is generally done in proportion to the stand-alone selling prices.

The BBC's main sources of contract income are recognised as follows:

— *Content and format sales*

Licence fees from programme content and programme formats are recognised on the latter of the start of the licence period (taking into account any holdback dates) or when the Group's performance obligations have been satisfied. For content sales the performance obligation will generally be to deliver the associated programme to the customer, therefore income is recognised 'episodically' – on delivery of each episode. For format sales, there are two performance obligations – to provide the format 'bible' and in some cases production assistance. Income is allocated to each of these performance obligations based on stand-alone selling prices and recognition at the two separate 'points in time'. The payment terms are over the term of the contract.

— *Production income*

Production income is recognised on delivery of the related programme or on a stage of completion basis, depending on the nature of the contract with the customer. The performance obligation is satisfied on delivery of the finished tape to the customer, therefore income is recognised at a 'point in time'. The payment terms are over the term of the contract.

— *Subscription fees*

Subscription fees on pay channel platforms and from subscriptions to print and online publications and services are recognised as earned, pro rata over the subscription period. The performance obligation is to provide the subscription service over the period of the contract. This performance obligation meets the definition of 'right to access' as the customer simultaneously receives and consumes the benefits as the Group provides the service. Therefore, subscription fee income is recognised 'over time'. Minimum guarantees related to subscription fee income are recognised pro-rata straight line over the contract life, in line with 'over time' recognition. The payment terms are quarterly in arrears.

— *Advertising income*

Advertising income is recognised on transmission or publication of the advertisement. The performance obligation is satisfied at this 'point in time' – when each advertisement occurs. The payment terms are over the term of the contract.

— *Consumer products*

Income generated from the sale of consumer products is recognised at the time of delivery. Income from the sale of goods is stated net of deductions for actual and expected returns based on management judgement and historical experience. The performance obligation is delivery of the products, and therefore income is recognised at a 'point in time'. The payment terms are over the term of the contract.

— *Royalties*

Royalty income arising from sales and usage-based royalties are recognised at the later of when the subsequent sales or usage occurs, or the performance obligation has been satisfied. Minimum guarantees related to royalty income are recognised on delivery of the completed content to the customer, with any subsequent royalties recognised as earned. Therefore, royalty income is recognised at a 'point in time'. The payment terms are over the term of the contract.

Other income

— *Grant income*

Grants from Government departments are recognised as income in the financial year that they relate to. Grants from other public bodies are recognised as income consistently with the related costs, provided that there is reasonable assurance that the BBC will comply with any conditions attached to the grant and that the grant will be received.

— *Rental income*

Rental income is recognised on a straight-line basis over the term of the lease.

Use of estimates and judgements – income recognition

The largest income stream for the BBC is licence fee income; received from DCMS. This also gives rise to the largest receivable to the BBC, which is calculated based upon the value of licences issued in the year, less a deduction for refunds and cancellations. The expected credit loss in relation to this balance is not material, and takes into the account the creditworthiness of DCMS. Income recognition in the BBC's commercial operations is complex however, with a number of different income streams including sale of content to global broadcasters, subscription income and income from the sale of consumer products. The complexity of individual contractual terms may require the BBC to make judgements in assessing when the criteria for recognising income have been satisfied, particularly whether the BBC has sufficiently fulfilled its obligations under the contract to allow income to be recognised.

Costs of obtaining long-term contracts and costs of fulfilling contracts

The costs of fulfilling contracts do not result in the recognition of a separate asset because:

- such costs are included in the carrying amount of inventory for contracts involving the sale of goods; and
- for service contracts, income is recognised over time by reference to the stage of completion, meaning that control of the asset is transferred to the customer on a continuing basis as work is carried out. Consequently, no asset for work in progress is recognised.

H. Basis of preparation of the financial statements and other accounting policies *continued*

The group has taken advantage of the practical exemptions:

- not to account for significant financing components where the time difference between receiving consideration and transferring control of goods (or services) to its customer is one year or less; and
- expense the incremental costs of obtaining a contract when the amortisation period of the asset otherwise recognised would have been one year or less.

Accounting policies relevant to section B

Completed originated programmes, programmes in production and prepayments to acquire future programme-related rights

Programme assets reported as inventory effectively represent the BBC's right to broadcast. The BBC's right to sell programme rights are, however, recognised within intangible assets.

Completed originated programmes and programmes in production are held at cost.

Cost includes all direct costs, production overheads and a proportion of other attributable overheads. The proportion of programmes necessarily taking a substantial period of time to produce is small and, as such, no borrowing costs are included in cost.

Where, exceptionally, it becomes certain that a programme is unable to be broadcast, the full value of the programme is written off to the income statement.

Programme development costs are expensed to the income statement until such time as there is a strong indication that the development work will result in a commissioned programme¹, when any further costs are recognised as programme-related assets.

Originated programmes that are still in production at the balance sheet date are recognised as programmes in production, except that prepayments to acquire future programme-related rights are shown separately where the BBC has made payments to independent producers, or the holders of certain rights (for example, rights to broadcast sporting events), to receive the programme on completion.

Rights to broadcast acquired programmes and films

The rights to broadcast acquired programmes and films are recognised at cost. The costs of acquired programmes and films are expensed on first transmission except to the extent that the number of further showings are contractually agreed, when they are expensed according to the expected transmission profile. Assets and liabilities relating to acquired programmes are recognised at the point of payment or commencement of the licence period, whichever is earlier. Agreements for the future purchase of rights whose licence period has not commenced and where there has been no payment by the balance sheet date are disclosed as purchase commitments.

Where the BBC has invested in independent productions, in addition to broadcasting rights, the BBC may obtain rights to future royalties from the sale of rights associated with the production. These residual interests are recognised initially at cost subject to amortisation as royalties are received and impaired if anticipated royalties do not materialise.

Accounting policies relevant to section C

Other employee benefits

Other short and long-term employee benefits, including holiday pay and long service leave, are recognised as an expense over the period in which they accrue.

Termination benefits

Termination benefits are expensed at the earlier of when the BBC can no longer withdraw the offer of those benefits and when the BBC recognises costs for a restructure.

Defined contribution plans

The amounts charged as expenditure for the defined contribution plans represent the contributions payable by the BBC for the accounting period.

Defined benefit plans

The defined benefit plans, of which the majority of staff are members, provide benefits based on pensionable pay. The assets of the BBC's Pension Scheme are held separately from those of the BBC.

Pension scheme assets are measured at fair value. Pension scheme liabilities are measured using the projected unit credit method. The present value of scheme liabilities is calculated by discounting estimated future cash outflows at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities.

Remeasurement comprising gains and losses and the return on scheme assets (excluding interest) are recognised immediately in the balance sheet with a charge or credit to the statement of comprehensive income in the period in which they occur. Remeasurement recorded in the statement of comprehensive income is not recycled. When the benefits of a plan are changed the resulting change in benefit that relates to past service is recognised immediately in the income statement. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. Defined benefit costs are split into three categories:

- current service cost, past-service cost and gains and losses on settlements and curtailments;
- net interest expense or income; and
- remeasurement.

The current service cost and past-service cost are included within operating costs in the consolidated income statement. Curtailments gains and losses are accounted for as past-service cost. Net interest expense or income relating to the funded defined benefit pension plans is included within 'finance income' or 'finance costs', as relevant, in the consolidated income statement.

Administration costs directly related to the management of plan assets are deducted from the return on plan assets, which are recorded as remeasurements in the statement of comprehensive income. Other administrative scheme expenses associated with running the scheme are recorded within operating expenses when incurred.

The retirement benefit obligation recognised in the consolidated balance sheet represents the deficit or surplus in the BBC's defined benefit schemes. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the schemes or reductions in future contributions to the schemes.

¹ See Glossary for further details

H. Basis of preparation of the financial statements and other accounting policies *continued*

Use of estimates and judgements – post-retirement benefits

The pension costs and obligations of the BBC's defined benefit schemes are calculated on the basis of a range of assumptions, including the discount rate, inflation rate, salary growth and mortality. Differences arising as a result of actual experience differing from the assumptions, or future changes in the assumptions, will be reflected in subsequent periods. A small change in assumptions can have a significant impact on the valuation of the liabilities. Further analysis on the sensitivity of pension assumptions is given in note C7.1.

Accounting policies relevant to section D

Owned assets

Other than as noted below, items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Leased assets

Assets held under finance leases are capitalised within property, plant and equipment and depreciation is provided as appropriate. On initial recognition the asset is measured at the lower of its fair value and the present value of the minimum lease payments.

Depreciation

Depreciation is provided to write off the cost of each item of property, plant and equipment, less its estimated residual value, on a straight-line basis over its estimated useful life. The major categories of property, plant and equipment are depreciated as follows:

— Land and buildings

Freehold land – not depreciated
Freehold buildings – 50 years
Freehold building improvements – 10 to 50 years
Leasehold buildings – shorter of 50 years or life of lease
Leasehold building improvements – shorter of 50 years or life of lease

— Plant and machinery

Computer equipment – 3 to 5 years
Electrical and mechanical infrastructure – 10 to 25 years
Other – 3 to 10 years

— Furniture and fittings – 3 to 10 years

Depreciation methods, estimated useful lives and residual values are reviewed at each reporting date.

— Use of estimates and judgements – capital projects

The BBC is completing a number of significant capital projects for which amounts have been capitalised on the BBC's balance sheet. The most critical estimates that the capitalised values are based upon is the recoverability of these assets, dependent on the achievement of project completion, and the assets being used in the manner intended as part of the original business case.

Investment properties

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of the properties (see depreciation on land and buildings above). The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are included in the profit and loss when the changes arise.

Lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Payments made under finance leases are apportioned between financing costs and the reduction of the outstanding liability. The financing costs are allocated to each period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Use of estimates and judgements – leases

The determination of whether an arrangement is, or contains, a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys the right to use the asset.

In assessing whether a lease is an operating lease or a finance lease, judgement needs to be exercised in determining whether or not substantially all the risks and rewards of ownership of the leased asset are held by the BBC. Given that finance leases are recognised as liabilities, and operating leases are not, this can have a significant effect on the reported financial position of the BBC. Another key judgement is the determination of the commencement date of a lease.

When determining the accounting for a finance lease, the BBC has assessed whether it has the right to use the leased asset at the inception¹ of the lease, or whether this right passes at a later date ('the commencement date').

Where a significant site is being redeveloped, occupation may occur in distinct phases; consequently, the leased asset and liabilities are recognised based on the proportion of the site occupied at each commencement date.

Accounting policies relevant to section E

Programme-related intangible assets

The BBC's right to sell programme rights is recognised within intangible assets. Programme assets reported as inventory effectively represent the BBC's right to broadcast, however.

Programme-related intangible assets, which include programme rights and residual programme rights, are stated at cost, after writing off the costs of programmes that are considered irrecoverable, less accumulated amortisation. The cost and accumulated amortisation of programme-related intangible assets are reduced by programmes which are fully written off.

¹ See Glossary for further details

H. Basis of preparation of the financial statements and other accounting policies *continued*

Research and development expenditure – internally generated intangible assets

Expenditure on research activities is written off in the income statement when incurred.

Expenditure on development activities is included on the balance sheet as an asset only if both of the following conditions are met:

- it is probable that the asset will generate future economic benefits; and
- the development costs of the asset can be measured reliably.

The assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

For the PSB Group it is generally unlikely that future economic benefits in the form of cash inflows will be received, and as a result, other than assets created for use by the business in delivering its public purposes, development costs are only capitalised by the BBC Group's commercial businesses.

Other intangible assets

Other intangible assets acquired separately by the BBC are stated at cost less accumulated amortisation and any accumulated impairment losses. The identifiable intangible assets acquired as part of a business combination are shown at fair value at the date of acquisition (in accordance with IFRS 3 Business Combinations) less accumulated amortisation and any accumulated impairment losses.

Amortisation¹

Amortisation is charged to the income statement on a systematic basis over the estimated useful lives of intangible assets, from the date that they are available for use, unless such lives are indefinite.

Amortisation methods, useful lives and residual values are reviewed at each balance sheet date and adjusted if appropriate.

The useful lives and amortisation methods of other classes of intangible asset are as follows:

UKTV carrier agreement	Straight line	Unexpired term of agreement
Software	Straight line	2 – 5 years
Other	Straight line	3 – 8 years

Amortisation of distribution rights is charged to the income statement to match the average income profile over its estimated average marketable life.

Impairment¹: Non-financial assets

At each balance sheet date, the BBC reviews the carrying amount (net amount held on the balance sheet) of those assets that are subject to amortisation, to determine whether there is an indication that any of those assets has suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss.

For goodwill, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. For the purposes of impairment testing, assets are grouped at the lowest level at which they generate separately identifiable cash flows (cash-generating units). In assessing value in use, the estimated future cash flows are

discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. Where a cash-generating unit is impaired, the impairment loss will first be allocated to reduce goodwill and then to the other assets of the cash-generating unit on a pro rata basis, except that the carrying amount of any individual asset will not be reduced below its separately identifiable recoverable amount.

Impairment losses in respect of goodwill are not reversed. In respect of assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

Goodwill

Goodwill is recorded in the balance sheet as the difference between the fair value of the consideration transferred by the BBC and the recognised amount of non-controlling interests in the acquire compared to the fair value of the identifiable assets and liabilities acquired. These are all measured at the date of acquisition. Where the consideration is less than the net assets acquired, the difference is recognised immediately in the income statement.

Acquisitions prior to 1 April 2007 – as part of the adoption of IFRS, in accordance with IFRS 1 *First-time adoption of IFRS*, the Group elected to restate only those business combinations that occurred on or after 1 April 2007. In respect of acquisitions prior to 1 April 2007, goodwill is recognised at deemed cost, being the amount previously recognised under UK accounting standards, subject to being tested for impairment at that date. Goodwill arising in periods up to 1 April 1998 remains offset against the operating reserve, as was permitted by UK GAAP at the time.

Goodwill arising on the acquisition of associates and joint ventures is included in the carrying amount of the associate or joint venture and is tested for impairment as part of the overall balance.

Subsequent measurement of separately recognised goodwill – goodwill is tested annually for impairment and is measured at cost less any accumulated impairment losses. For the purposes of impairment testing the goodwill is allocated to cash-generating units on the basis of those expected to benefit from the relevant business combination.

Use of estimates and judgements – impairment of goodwill

The determination of whether goodwill is impaired requires an estimation of the value in use of the cash-generating units. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate that reflects current market assessments of the risks specific to the asset and the time value of money, in order to calculate present value. The estimation process is complex due to the inherent risks and uncertainties associated with long-term forecasting. If different estimates of the projected future cash flows or a different selection of an appropriate discount rate or long-term growth rate were made, these changes could materially alter the projected value of the cash flows of the asset, and as a consequence materially different amounts would be reported in the financial statements.

¹ See Glossary for further details

H. Basis of preparation of the financial statements and other accounting policies *continued*

Accounting policies relevant to section F

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method¹.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (those necessarily taking a substantial period of time to get ready for their intended use) are added to the cost of those assets, until such time as the assets are ready for their intended use.

Originated programmes can be qualifying assets, but those necessarily taking a substantial period of time to get ready for broadcast are a small proportion of overall programme investment. Any borrowing costs that could be attributed to those programmes are not significant and, therefore, no borrowing costs are capitalised.

All finance income and other borrowing costs are recognised in income and expense in the period in which they are incurred.

Use of estimates and judgements – provisions

Judgements are employed in determining if a past event has given rise to a present obligation that will result in probable payment by the BBC that can be measured reliably. Estimation techniques are used, following the review of such events, if it is determined that a provision is required. Such techniques are used in the calculation of the best estimate of the amount required to settle obligations, including determining how likely it is that expenditure will be required by the BBC. This can be very complex, especially when there is a wide range of possible outcomes. The BBC recognises decommissioning liabilities as part of the initial cost of the asset, discounted to present value. The BBC reassesses whether there has been a change in this liability based on the facts and circumstances at each balance sheet date.

Any provisions that are payable over a number of years (other than deferred tax) are discounted to net present value at the balance sheet date using a discount rate appropriate to the particular provision concerned.

Accounting policies relevant to section G

Taxation

The tax charge for the period comprises both tax currently payable and deferred tax. Taxation is recognised in the income statement except to the extent that it relates to items recognised directly in reserves, in which case it is recognised in reserves.

Current tax is the expected tax payable for the year, using tax rates that are enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. In respect of tax currently payable:

- the PSB Group is not liable to corporation tax on any surplus licence fee income or grants received from Government departments; however, it is fully liable for corporation tax on capital gains and on all its other external income. Expenditure on capital assets is not eligible for capital allowances giving rise to temporary differences that would lead to deferred tax assets or liabilities. Movements of fair value adjustments in the income statement give rise to deferred tax balances.
- the BBC's commercial subsidiaries are liable for corporation tax based on taxable profit for the year.

Current tax assets and current tax liabilities are offset if, and only if, there is a legally enforceable right to offset the recognised amounts; and the entity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is provided using the balance sheet liability method on any temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the tax rates expected to apply in the period when the liability is settled or the asset is realised using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset only where there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

- the same taxable entity; or
- different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Financial instruments

The BBC classifies its financial assets and liabilities into one of the categories discussed below, depending on the purpose for which the asset was acquired. Other than financial instruments in a qualifying hedging relationship, the BBC's accounting policy for each category is as follows:

Amortised cost

The BBC's financial assets measured at amortised cost comprise trade and other receivables, contract assets, cash and cash equivalents and borrowings. The BBC's financial liabilities measured at amortised cost comprise trade and other payables, contract liabilities and borrowings. They principally arise from the provision of goods and services, but also incorporate other types of financial assets/liabilities where the objective is to collect or receive contractual cash flows and the contractual cash flows are solely payments of principal and interest.

Trade and other receivables and contract assets

Trade and other receivables and contract assets are recognised initially at fair value and subsequently at amounts considered recoverable (amortised cost). Estimates are used in determining the level of receivables that will not be collected. These estimates include factors such as historical experience, the current state of the UK and overseas economies and industry specifics. A provision for impairment of trade and other receivables and contract assets is recognised based on the simplified approach using the lifetime expected credit losses. During this process the probability of non-payment is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade and other receivables and contract assets.

The most significant trade and other receivable is the licence fee receivable, which represents amounts due from the DCMS for licence fee payments not yet collected but due. The calculation of this balance carries a degree of estimation (see page 249), however the expected credit loss is not material, reflecting the credit risk of DCMS.

Changes in the carrying amount of the allowance are recognised in the income statement within total operating costs.

¹ See Glossary for further details

H. Basis of preparation of the financial statements and other accounting policies *continued*

Contract liabilities

A contract liability is recognised when payment is received prior to the associated performance obligation being fulfilled. It is released to revenue when the performance obligation is satisfied.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of less than three months (short-term deposits). Cash and cash equivalents also include licence fee funds collected on behalf of HM Treasury, which are excluded from the Group's net funds and in respect of which a separate creditor is recognised.

Fair value through surplus/deficit

This category comprises derivatives. Those in-the-money derivatives are financial assets whilst those out-the-money are financial liabilities.

The BBC does not enter into speculative derivative contracts; however, some derivative financial instruments are used to manage the BBC's exposure to fluctuations in interest rates (interest rate swaps¹, caps¹ and collars¹) and foreign currency exchange rates (foreign currency forward contracts and currency options).

Derivative financial instruments, excluding derivatives held as qualifying hedges, are initially recognised at fair value and are subsequently remeasured to fair value at the balance sheet date with movements recorded in the income statement.

Interest rate swaps, caps and collars

The fair value is the estimated amount that the BBC would receive or pay to terminate the swap, cap or collar at the balance sheet date, taking into account current interest rates, the current creditworthiness of swap, cap or collar counterparties and the creditworthiness of the BBC.

Foreign currency forward contract rates

The fair value of foreign currency forward contract rates is determined using forward exchange rates at the balance sheet date.

Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

Derivatives embedded in hybrid contracts with a financial asset host within the scope of IFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate.

Derivatives embedded in hybrid contracts with hosts that are not financial assets within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through surplus/deficit.

If the hybrid contract is a quoted financial liability, instead of separating the embedded derivatives, the BBC generally designates the whole hybrid contract at fair value through surplus/deficit.

Other investments

The BBC has strategic investments in listed and unlisted entities which are not accounted for as subsidiaries, associates or joint ventures. These investments were previously classed as available for sale under IAS 39, and are now held at fair value through surplus/deficit.

Fair value through other comprehensive income

Certain derivatives designated as cash flow hedges are recognised at fair value through other comprehensive income. See hedge accounting below for further details.

Hedge accounting

Where hedge accounting is applied, the BBC has elected to adopt the hedge accounting requirements of IFRS 9 *Financial Instruments*. The BBC enters into hedge relationships where the critical terms of the hedging instruments and the hedged item match. Hedge effectiveness is determined at the origination of the hedging relationship. Quantitative effectiveness tests are performed at each period end to determine the continuing effectiveness of the relationship. In instances where changes occur to the hedged item which results in the critical terms no longer matching, the hypothetical derivative method is used to assess effectiveness.

The BBC designates certain derivatives as cash flow hedges by documenting the relationship between the hedging instrument and the hedged item, along with the risk management objectives and its strategy for undertaking various hedge transactions. Where the hedge is deemed to have been effective, the effective portion of any changes in the fair value of the derivatives that are designated in the hedge are recognised in other comprehensive income. The accumulated amount in the cash flow hedge reserve is reclassified to profit or loss in the same period as the hedged cash flows affect profit or loss. Any ineffective portion of the hedge is recognised immediately in the income statement.

Use of estimates and judgements – impairment of financial assets

Financial assets are assessed at each balance sheet date to determine whether there is any objective evidence of impairment. Judgement is required when considering the factors in determining whether there is objective evidence of impairment; which include significant financial difficulty of the counterparty and breach of contract. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. All impairment losses are recognised in the income statement.

Reserves

The operating reserve is the accumulated surplus/deficit to date.

The hedging reserve is used to record the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred (net of tax).

The translation reserve is used to record exchange differences arising from the retranslation of the net assets and results of overseas subsidiaries.

The other reserve includes fair value gains and losses on financial assets recognised through other comprehensive income and the fair value of put option liabilities arising on acquisition of subsidiaries.

¹ See Glossary for further details

H. Basis of preparation of the financial statements and other accounting policies *continued*

New standards and interpretations not yet adopted

At the date of authorisation of these financial statements, the following standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

- IFRS 16 Leases;
- IFRIC 23 Uncertainty over Income Tax Treatments;
- Amendments to IFRS 9 (Oct 2017) Prepayment Features with Negative Compensation;
- Amendments to IAS 28 (Oct 2017) Long-term Interests in Associates and Joint Ventures;
- Annual Improvements to IFRS Standards 2015-2017 Cycle (Dec 2017);
- Amendments to IAS 19 (Feb 2018) Plan Amendment, Curtailment or Settlement;
- IFRS 17 Insurance Contracts; and
- Amendments to IFRS 10 and IAS 28 (Sept 2014) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

The directors do not expect that the adoption of the standards and interpretations above would have a material impact on the financial statements of the Group in future periods, except for IFRS 16.

IFRS 16 Leases (date of adoption: 1 April 2019) replaces IAS 17 Leases. IFRS 16 impacts the accounting for lessees. For applicable lease agreements IFRS 16 requires the recognition of lease assets and lease liabilities, representing the right to use the leased item and the respective future lease payments. The rental expense on operating leases previously recognised within the income statement is replaced by a depreciation charge and a finance charge. This will apply to all relevant leases unless the term is less than 12 months or the underlying asset has a low value. The BBC has chosen not to apply IFRS 16 to intangible assets.

The BBC has chosen to adopt IFRS 16 on a cumulative catch-up basis and therefore the cumulative impact on previous years' results will be recognised within equity at the beginning of the period. As at 1 April 2019 a right of use asset and lease liability will be recognised for all relevant leases not previously recognised as finance leases for accounting purposes under IAS 17. These reflect the right to use leased assets and the future lease payments respectively. The initial value of the right of use asset will consist of the present value of the minimum lease payments adjusted for any lease payments made prior to the commencement of the lease, any lease incentives received less accruals and prepayments associated with the lease. Leases previously recognised as finance leases under IAS 17 will be transitioned into the first IFRS 16 reporting period at carrying value and remeasured to bring the cumulative impact of any rent reviews based on an index or rate and the assessment of purchase options onto the balance sheet.

When valuing a lease, future payments are discounted to present value to evaluate the book value of liabilities. In order to determine the appropriate discount rate to use, the BBC applies an incremental borrowing rate where the rate implicit in the lease is not available. Where the asset has an underlying value of more than £1 million, a rate is calculated according to the specific details of the relevant contract, taking into account factors such as lease term and lease currency. For leases of assets valued at less than £1 million, the revolving credit facility rate is used.

The BBC determines the lease term applicable for IFRS 16 (including purchase options and extension/termination options) according to its enforceable rights and obligations under the contract. For example, where a contract allows either party to terminate with no more than an insignificant penalty, that termination option is reflected in the lease term.

The Group has elected to adopt the following practical expedients on transition:

- not to capitalise a right-of-use lease asset or related lease liability where the lease expires before 31 March 2020;
- to use hindsight in determining the lease term;
- to exclude initial direct costs from the measurement of the right-of-use asset; and
- to apply the portfolio approach where a group of leases has similar characteristics.

Lessor accounting, relating to the BBC's investment property portfolio, is similar to IAS 17 with the exception of intermediate sublease arrangements. The review performed over these contracts, however, has led the BBC to conclude that one property should no longer be classified as an investment property but held as a lease receivable. A reclassification will therefore be performed on adoption of IFRS 16 with the net brought-forward impact recognised through reserves. No further material impacts are expected.

Based on the information currently available, on adoption of IFRS 16 on 1 April 2019, non-current assets are expected to increase by c.£1,300 million, liabilities increase by c.£1,220 million and operating reserves increase by c.£80 million. Assuming the BBC's leases in operation remain unchanged during 2020, income from investment properties is expected to reduce by c.£17 million, operating expenditure is expected to reduce by c.£31 million and net financing costs are expected to increase by c.£18 million, resulting in an overall net deficit impact of £4 million for the BBC.

The adoption of IFRS 16 will see a c.£20 million improvement in cash flow generated from operating activities, offset by a corresponding decline in cash flow from financing activities. There is, however, no overall cash flow impact from the adoption of the new standard.

Glossary

The table below explains the financial terms used within the financial statements:

Term	Note	Definition
Amortisation	H	Amortisation is the reduction reflected in the carrying value of the asset as a consequence of the regular use of that asset by the organisation.
Associate	E3	An associate is an entity that the BBC has significant influence over, but that does not meet the definition of a joint venture or subsidiary. Significant influence is the power to participate in the financial and operating decisions of an entity but is not control or joint control over those policies.
BBC's Television Licence Fee Trust Statement		A set of financial statements containing an annual report and accounts on income from licence fee customers. The document also contains reports by the National Audit Office who have audited the financial statements and the processes for collecting the licence fee.
Cash flow swaps	G3.2	The BBC's cash flow swaps exchange a series of variable cash flows for a series of fixed cash flows.
Cash-generating units	E2	Cash-generating units are the smallest group of assets that can independently generate cash flows.
Changes in demographic and financial assumptions	G2.1	Changes in demographic and financial assumptions represent the changes in estimates used to value the future liability. Demographic assumptions include mortality rates, staff turnover and early retirement. Financial assumptions encompass items such as discount rate and future salary levels.
Commissioned programme	H	A commissioned programme is where an agreement has been made for the programme to be produced for broadcast.
Credit risk	G3.1	Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation.
Current service cost	C6.2	The current service cost is the underlying cost to the BBC of pension rights earned by employees during the year.
Deferred tax	G1.1	Deferred tax is the amount of income tax payable or recoverable in future periods in respect of taxable or deductible temporary differences, the carry forward of unused losses, and/or the carry forward of unused tax credits. Temporary differences are differences between the carrying amount of an asset or liability in the statement of financial position and its tax base, where the tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.
Derivative	G3.2	A derivative is an asset or liability that is dependent on, or derives its value from, another asset or liability and is to be settled in the future.
Discount rate	G2.5	The discount rate for the IAS 19 valuation has been derived with reference to market yields at the end of the reporting period on AA-rated sterling-denominated corporate bonds with maturities consistent with the estimated term of the post-employment benefit obligations. Certain types of bonds are excluded from the calculating model, either because they have unusual features, are relatively small or potential outliers, in order to remove the distortion that might otherwise occur from including unusual, less liquid or potentially misrated bonds. Extrapolation is performed when the profile of the scheme's expected benefit outflow is longer than the cash flows of the available bonds.
Effective interest rate	H	An effective interest rate is the rate used to discount future cash flows over the life of the contract back to present value.
Fair value	D, G	The fair value of an asset is the amount for which the asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.
Finance lease	F4.3	A finance lease is a lease where the lessee has substantially taken on the risks and rewards of ownership and operating the asset. As such, both the asset and future liability are recognised on the balance sheet.
Foreign currency transactions	G3.1	As these financial statements are prepared in sterling, the BBC's foreign currency transactions and balances must be translated at appropriate exchange rates, into sterling. This means that variations in exchange rates can cause the valuation of investments to fluctuate, even when there has been no change in the health of the underlying business.
Forward foreign currency contracts	G3.2	Under forward exchange contracts you buy or sell a currency at a fixed exchange rate with delivery made on a given date or dates in the future.
Going concern	H	The directors are required to make a statement that the BBC is a going concern, which means it can meet its debts and continue trading for a period of at least 12 months from the date on which these financial statements were signed.

Term	Note	Definition
Goodwill	E2	Goodwill is the difference between the monetary value paid for a business and the fair value of its net assets. It represents the premium the purchaser is prepared to pay for the business. Where the BBC does not own an entity outright, the other shareholders are known/disclosed as non-controlling interests.
IAS 19 valuation	C7.1	The IAS 19 valuation takes assets at their market value and discounts the accrued liabilities by reference to the discount rate of an AA-rated corporate.
Impairment	H	An impairment occurs when the carrying value of an asset is higher than the amount that is recoverable from its use or sale.
Inception	H	Inception is the point at which a contract is confirmed; this is normally the point at which the contract is signed.
Interest cost on pension plan liabilities	F11	The interest cost on pension plan liabilities represents the increase during the year in the value of the plan liabilities because the benefits are one year closer to settlement.
Interest rate caps	G3.1	Interest rate caps protect against interest rates rising, by setting an upper limit (cap) on the floating interest rate, whilst still allowing the benefit of falling interest rates.
Interest rate collars	G3.1	Interest rate collars are the same as interest rate caps except that there is also a lower limit set to the floating interest rate.
Interest rate swaps	G3.1	Interest rate swaps effectively swap a floating rate loan into a fixed rate loan, or vice versa.
Joint venture	E3	A joint venture is where the BBC has joint control over an entity with another partner(s).
Maturity	G2.6	The maturity of a scheme provides an indication of the cash requirements of the scheme and the likely attitude of the Trustees to risk within their investment policy. The more mature a scheme, the more likely that Trustees will favour low-risk investments.
Net finance income/(cost)	C6.2	Net finance income/(cost) is the difference between the expected return on assets and the interest liabilities.
Operating lease	F4.4	An operating lease is a lease where the lessee has not taken on the risks and rewards of owning and operating the asset. The lessee (the BBC) is hiring rather than buying an asset.
Past service cost	C6.2	The past service charges arise from changes to the terms and conditions relating to members' defined retirement benefits, resulting in a credit for years of service already given.
Pension scheme	C6	On retirement, members of the BBC's defined benefit pension scheme are paid their pensions from a fund which is kept separate from the Group, to which the BBC makes cash contributions.
Plan liability	G2.1	The plan liability represents the expected amount of money that will be needed in the future to pay employees for their current and future service to the company.
Programme rights	E1	Programme rights are rights held by the BBC that permit a future transmission of a particular programme or event.
Public services	F3	Public services in this context represent the PSB Group.
Put option	G3.2	A put option issued by the BBC provides the holder the rights, but not the obligation, to require the BBC to buy shares at a future date and price determined by the option agreement.
Related parties	C5	Related parties include key management personnel, their immediate families and external entities controlled by them.
Remeasurement gains and losses	G2.4	These gains and losses arise from actual performance being different from that predicted. Only defined benefit schemes give rise to gains and losses in the statement of comprehensive income/(loss).
Remeasurements	C6.2	Remeasurements which arise from actual performance being different from that predicted give rise to gains and losses in the statement of comprehensive income.
Remeasurements on plan assets	G2.2	Remeasurements on plan assets represent the amount by which the assets held by the scheme (such as equities, bonds and property) have performed better or worse than the expected prior year value.
Research costs	B1	Research costs are incurred to explore ideas for new programmes or assets, such as the BBC iPlayer. Research costs are where the ideas are generated, some of which are then developed further into a plan or design where the costs are then categorised as development.
Subsidiary undertaking	G6.3	A subsidiary undertaking is an entity that is directly or indirectly controlled by the BBC. Control exists where the BBC has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account.

Equality Information Report

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Freelance Equality Information

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Staff Equality Information

Our annual Equality Information Report provides an update on the progress we have made in relation to equality, diversity and inclusion for our workforce.

Staff

(reporting is shown separately for our staff and freelancers)

All staff and leadership: 31 March 2019

Workforce	31 March 2019	2020 Target
Women (all staff)	47.9%	50%
Women (Leadership – Bands E+)	43.8%	50%
Disability (all staff)	10.2%	8%
Disability (Leadership – Bands E+)	8.7%	8%
BAME (all staff)	15.3%	15%
BAME (Leadership – Bands E+)	11.5%	15%
LGBT (all staff)	10.8%	8%
LGBT (Leadership – Bands E+)	11.4%	8%

Age

All staff age distribution by division: 31 March 2019

Division	Total	Age band (numbers)						Age band (%)					
		<20	20-29	30-39	40-49	50-59	60+	<20	20-29	30-39	40-49	50-59	60+
Content	871	*	150	280	305	115	21	*	17.2	32.2	35.0	13.2	2.4
Corporate, Policy & External Affairs	215	*	50	67	58	30	10	*	23.2	31.2	27.0	14.0	4.6
Deputy Director-General Group	5,640	56	1,156	1,731	1,482	1,004	211	1.0	20.5	30.7	26.3	17.8	3.7
Nations and Regions	6,051	*	665	1,445	1,876	1,632	430	*	11.0	23.9	31.0	27.0	7.1
News and Current Affairs	3,254	*	348	866	925	936	178	*	10.7	26.6	28.4	28.8	5.5
Radio and Education	1,933	*	306	551	503	452	120	*	15.8	28.5	26.0	23.4	6.2
UK Public Service	17,964	61	2,675	4,940	5,149	4,169	970	0.3	14.9	27.5	28.7	23.2	5.4
World Service Group	1,472	*	152	498	452	295	75	*	10.3	33.8	30.7	20.1	5.1
BBC Studios	2,127	*	472	687	608	313	46	*	22.2	32.3	28.6	14.7	2.2
Other	264	*	51	75	62	66	10	*	19.3	28.4	23.5	25.0	3.8
Grand Total	21,827	62	3,350	6,200	6,271	4,843	1,101	0.3	15.4	28.4	28.7	22.2	5.0

Leadership staff age distribution by division: 31 March 2019

Division	Total	Age band (numbers)						Age band (%)					
		<20	20-29	30-39	40-49	50-59	60+	<20	20-29	30-39	40-49	50-59	60+
Content	198	*	*	31	107	53	*	*	*	15.7	54.0	26.8	*
Corporate, Policy & External Affairs	69	*	*	19	25	17	*	*	*	27.6	36.2	24.6	*
Deputy Director-General Group	1,042	*	*	263	419	308	46	*	*	25.2	40.2	29.6	4.4
Nations and Regions	680	*	*	74	274	278	53	*	*	10.9	40.3	40.9	7.8
News and Current Affairs	591	*	*	74	215	257	44	*	*	12.5	36.4	43.5	7.4
Radio and Education	239	*	*	39	105	75	20	*	*	16.3	43.9	31.4	8.4
UK Public Service	2,819	*	*	500	1,145	988	177	*	*	17.7	40.6	35.1	6.3
World Service Group	200	*	*	25	81	78	14	*	*	12.5	40.5	39.0	7.0
BBC Studios	541	*	17	134	239	134	17	*	3.1	24.8	44.2	24.8	3.1
Other	17	*	*	*	*	*	*	*	*	*	*	*	*
Grand Total	3,577	*	28	662	1,470	1,209	208	*	0.8	18.5	41.1	33.8	5.8

All staff data reflects UK-based employee contracts only. Leadership is defined as Band E and above. Totals for each characteristic differ due to varying disclosure rates.
 * Data has been replaced with an asterisk where figures are below sample size.

All staff age distribution by Job Family: 31 March 2019

Job Family	Total	Age band (numbers)						Age band (%)					
		<20	20-29	30-39	40-49	50-59	60+	<20	20-29	30-39	40-49	50-59	60+
Commissioning	177	*	*	30	87	46	*	*	*	16.9	49.2	26.0	*
Programming	10,281	*	1,400	2,968	3,164	2,274	472	*	13.6	28.9	30.8	22.1	4.6
Sales/Marketing	576	*	157	229	129	51	10	*	27.3	39.7	22.4	8.9	1.7
Support/Admin	3,401	51	611	918	934	737	150	1.5	18.0	27.0	27.4	21.7	4.4
Technical/ Engineering	5,526	*	810	1,495	1,438	1,411	371	*	14.7	27.1	26.0	25.5	6.7
Not Allocated	1,866	*	364	560	519	324	92	*	19.5	30.0	27.8	17.4	4.9
Grand Total	21,827	62	3,350	6,200	6,271	4,843	1,101	0.3	15.4	28.4	28.7	22.2	5.0

Leadership staff age distribution by Job Family: 31 March 2019

Job Family	Total	Age band (numbers)						Age band (%)					
		<20	20-29	30-39	40-49	50-59	60+	<20	20-29	30-39	40-49	50-59	60+
Commissioning	136	*	*	22	71	37	*	*	*	16.2	52.2	27.2	*
Programming	1,683	*	*	208	704	651	113	*	*	12.4	41.8	38.7	6.7
Sales/Marketing	106	*	*	41	40	21	*	*	*	38.7	37.7	19.8	*
Support/Admin	785	*	*	181	301	251	44	*	*	23.1	38.3	32.0	5.6
Technical/ Engineering	480	*	*	102	197	165	16	*	*	21.3	41.0	34.4	3.3
Not Allocated	387	*	13	108	157	84	25	*	3.4	27.9	40.6	21.7	6.4
Grand Total	3,577	*	28	662	1,470	1,209	208	*	0.8	18.5	41.1	33.8	5.8

All staff age distribution by grade bands: 31 March 2019

Grade band	Total	Age band (numbers)						Age band (%)					
		<20	20-29	30-39	40-49	50-59	60+	<20	20-29	30-39	40-49	50-59	60+
A	406	*	154	59	54	83	55	*	38.0	14.5	13.3	20.4	13.6
B	2,431	*	786	584	496	429	135	*	32.3	24.0	20.4	17.7	5.6
C	7,018	*	1,459	2,330	1,686	1,221	320	*	20.8	33.2	24.0	17.4	4.6
D	6,658	*	383	2,092	2,206	1,661	316	*	5.8	31.4	33.1	24.9	4.8
E	2,094	*	15	466	837	659	117	*	0.7	22.2	40.0	31.5	5.6
F	868	*	*	81	389	347	51	*	*	9.3	44.8	40.0	5.9
SL	228	*	*	10	84	119	15	*	*	4.4	36.8	52.2	6.6
Not Allocated	2,124	58	553	578	519	324	92	2.7	26.1	27.2	24.4	15.3	4.3
Grand Total	21,827	62	3,350	6,200	6,271	4,843	1,101	0.3	15.4	28.4	28.7	22.2	5.0

All staff leaver and joiner distribution by age: 31 March 2019

Category	Total	Age band (numbers)						Age band (%)					
		<20	20-29	30-39	40-49	50-59	60+	<20	20-29	30-39	40-49	50-59	60+
Leavers	3,123	18	1,139	944	532	337	153	0.6	36.5	30.2	17.0	10.8	4.9
Joiners	3,649	53	1,731	1,080	499	229	57	1.4	47.4	29.6	13.7	6.3	1.6

All staff leaver distribution by age and reason for leaving: 31 March 2019

Reason for leaving	Total	Age band (numbers)						Age band (%)					
		<20	20-29	30-39	40-49	50-59	60+	<20	20-29	30-39	40-49	50-59	60+
Voluntary	1,279	*	359	491	256	134	35	*	28.1	38.4	20.0	10.5	2.7
Redundancy	301	*	10	56	86	102	47	*	3.3	18.6	28.6	33.9	15.6
End FTC	1,398	14	750	366	169	69	30	1.0	53.6	26.2	12.1	4.9	2.2
Other Involuntary	78	*	19	30	16	11	*	*	24.4	38.4	20.5	14.1	*
Other	67	*	*	*	*	21	39	*	*	*	*	31.3	58.2
Grand Total	3,123	18	1,139	944	532	337	153	0.6	36.5	30.2	17.0	10.8	4.9

All staff internal mover distribution by age: 31 March 2019

Internal move type	Total	Age band (numbers)						Age band (%)					
		<20	20-29	30-39	40-49	50-59	60+	<20	20-29	30-39	40-49	50-59	60+
Attachment	1,633	*	312	709	434	172	*	*	19.1	43.4	26.6	10.5	*
Promotion	678	*	240	256	138	42	*	*	35.4	37.8	20.3	6.2	*
Transfer	1,424	*	547	484	269	108	13	*	38.4	34.0	18.9	7.6	0.9
Grand Total	3,735	*	1,099	1,449	841	322	21	*	29.4	38.8	22.5	8.6	0.6

All staff age distribution by contract type: 31 March 2019

Contract type	Total	Age band (numbers)						Age band (%)					
		<20	20-29	30-39	40-49	50-59	60+	<20	20-29	30-39	40-49	50-59	60+
Continuing	19,353	34	2,135	5,478	5,969	4,688	1,049	0.2	11.0	28.3	30.9	24.2	5.4
Fixed Term less than 1 yr	1,858	*	900	561	248	108	32	*	48.5	30.2	13.3	5.8	1.7
Fixed Term 1 yr +	572	19	301	153	46	39	14	3.3	52.6	26.8	8.0	6.8	2.5
Flexicon	44	*	14	*	*	*	*	*	31.8	*	*	*	*
Grand Total	21,827	62	3,350	6,200	6,271	4,843	1,101	0.3	15.3	28.4	28.7	22.2	5.1

All staff age distribution by length of service: 31 March 2019

Length of service (yrs)	Total	Age band (numbers)						Age band (%)					
		<20	20-29	30-39	40-49	50-59	60+	<20	20-29	30-39	40-49	50-59	60+
<1	2,837	46	1,272	879	406	194	40	1.6	44.9	31.0	14.3	6.8	1.4
1-<3	3,487	16	1,251	1,229	629	303	59	0.5	35.9	35.2	18.0	8.7	1.7
3-<5	2,251	*	569	924	486	220	52	*	25.3	41.0	21.6	9.8	2.3
5-<10	3,597	*	256	1,795	1,004	441	101	*	7.1	49.9	27.9	12.3	2.8
10+	9,655	*	*	1,373	3,746	3,685	849	*	*	14.2	38.8	38.2	8.8
Grand Total	21,827	62	3,350	6,200	6,271	4,843	1,101	0.3	15.3	28.4	28.7	22.2	5.1

Disability

All staff disability distribution by division: 31 March 2019

Division	Total	Disability (numbers)		Disability (%)	
		Disabled	Not disabled	Disabled	Not disabled
Content	798	85	713	10.7	89.3
Corporate, Policy & External Affairs	196	26	170	13.3	86.7
Deputy Director-General Group	5,137	631	4,506	12.3	87.7
Nations and Regions	5,632	504	5,128	8.9	91.1
News and Current Affairs	3,008	291	2,717	9.7	90.3
Radio and Education	1,782	225	1,557	12.6	87.4
UK Public Service	16,553	1,762	14,791	10.6	89.4
World Service Group	1,321	90	1,231	6.8	93.2
BBC Studios	1,937	181	1,756	9.3	90.7
Other	241	20	221	8.3	91.7
Grand Total	20,052	2,053	17,999	10.2	89.8

Leadership staff disability distribution by division: 31 March 2019

Division	Total	Disability (numbers)		Disability (%)	
		Disabled	Not disabled	Disabled	Not disabled
Content	176	16	160	9.1	90.9
Corporate, Policy & External Affairs	62	*	53	*	85.5
Deputy Director-General Group	979	105	874	10.7	89.3
Nations and Regions	646	46	600	7.1	92.9
News and Current Affairs	552	37	515	6.7	93.3
Radio and Education	227	31	196	13.7	86.3
UK Public Service	2,642	244	2,398	9.2	90.8
World Service Group	183	13	170	7.1	92.9
BBC Studios	499	33	466	6.6	93.4
Other	15	*	15	*	100.0
Grand Total	3,339	290	3,049	8.7	91.3

All staff data reflects UK-based employee contracts only.

Leadership is defined as Band E and above.

Totals for each characteristic differ due to varying disclosure rates.

* Data has been replaced with an asterisk where figures are below sample size.

All staff disability distribution by Job Family: 31 March 2019

Job Family	Total	Disability (numbers)		Disability (%)	
		Disabled	Not disabled	Disabled	Not disabled
Commissioning	163	19	144	11.7	88.3
Programming	9,537	900	8,637	9.4	90.6
Sales/Marketing	523	67	456	12.8	87.2
Support/Admin	3,129	374	2,755	12.0	88.0
Technical/Engineering	5,037	576	4,461	11.4	88.6
Not Allocated	1,663	117	1,546	7.0	93.0
Grand Total	20,052	2,053	17,999	10.2	89.8

Leadership staff disability distribution by Job Family: 31 March 2019

Job Family	Total	Disability (numbers)		Disability (%)	
		Disabled	Not disabled	Disabled	Not disabled
Commissioning	122	11	111	9.0	91.0
Programming	1,578	127	1,451	8.0	92.0
Sales/Marketing	93	*	85	*	91.4
Support/Admin	737	77	660	10.4	89.6
Technical/Engineering	456	48	408	10.5	89.5
Not Allocated	353	19	334	5.4	94.6
Grand Total	3,339	290	3,049	8.7	91.3

All staff disability distribution by grade bands: 31 March 2019

Grade band	Total	Disability (numbers)		Disability (%)	
		Disabled	Not disabled	Disabled	Not disabled
A	373	42	331	11.3	88.7
B	2,228	307	1,921	13.8	86.2
C	6,432	673	5,759	10.5	89.5
D	6,167	607	5,560	9.8	90.2
E	1,962	174	1,788	8.9	91.1
F	811	79	732	9.7	90.3
SL	213	19	194	8.9	91.1
Not Allocated	1,866	152	1,714	8.1	91.9
Grand Total	20,052	2,053	17,999	10.2	89.8

All staff leaver and joiner distribution by disability: 31 March 2019

Category	Total	Disability (numbers)		Disability (%)	
		Disabled	Not disabled	Disabled	Not disabled
Leavers	2,767	323	2,444	11.7	88.3
Joiners	3,307	351	2,956	10.6	89.4

All staff leaver distribution by disability and reason for leaving: 31 March 2019

Reason for leaving	Total	Disability (numbers)		Disability (%)	
		Disabled	Not disabled	Disabled	Not disabled
Voluntary	1,131	115	1,016	10.2	89.8
Redundancy	279	44	235	15.8	84.2
End FTC	1,221	150	1,071	12.3	87.7
Other Involuntary	72	*	66	*	91.7
Other	64	*	56	*	87.5
Grand Total	2,767	323	2,444	11.7	88.3

All staff internal mover distribution by disability: 31 March 2019

Internal move type	Total	Disability (numbers)		Disability (%)	
		Disabled	Not disabled	Disabled	Not disabled
Attachment	1,506	163	1,343	10.8	89.2
Promotion	605	78	527	12.9	87.1
Transfer	1,260	132	1,128	10.5	89.5
Grand Total	3,371	373	2,998	11.1	88.9

All staff disability distribution by contract type: 31 March 2019

Contract type	Total	Disability (numbers)		Disability (%)	
		Disabled	Not disabled	Disabled	Not disabled
Continuing	17,851	1,818	16,033	10.2	89.8
Fixed Term less than one year	1,677	185	1,492	11.0	89.0
Fixed Term one year +	481	45	436	9.4	90.6
Flexicon	43	*	38	*	88.4
Grand Total	20,052	2,053	17,999	10.2	89.8

All staff disability distribution by length of service: 31 March 2019

Length of service (yrs)	Total	Disability (numbers)		Disability (%)	
		Disabled	Not disabled	Disabled	Not disabled
<1	2,639	259	2,380	9.8	90.2
1-<3	2,743	240	2,503	8.7	91.3
3-<5	2,161	229	1,932	10.6	89.4
5-<10	3,447	359	3,088	10.4	89.6
10+	9,062	966	8,096	10.7	89.3
Grand Total	20,052	2,053	17,999	10.2	89.8

Ethnicity

All staff ethnicity distribution by division: 31 March 2019

Division	Total	Ethnicity band (numbers)			Ethnicity band (%)		
		BAME	Other white background	White UK	BAME	Other white background	White UK
Content	834	125	53	656	15.0	6.3	78.7
Corporate, Policy & External Affairs	212	27	17	168	12.7	8.0	79.3
Deputy Director-General Group	5,401	1,006	315	4,080	18.6	5.9	75.5
Nations and Regions	5,837	335	393	5,109	5.7	6.7	87.6
News and Current Affairs	3,112	485	226	2,401	15.6	7.2	77.2
Radio and Education	1,879	212	86	1,581	11.3	4.6	84.1
UK Public Service	17,275	2,190	1,090	13,995	12.7	6.3	81.0
World Service Group	1,341	697	121	523	52.0	9.0	39.0
BBC Studios	2,049	287	150	1,612	14.0	7.3	78.7
Other	257	24	*	227	9.3	*	88.3
Grand Total	20,922	3,198	1,367	16,357	15.3	6.5	78.2

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Leadership is defined as Band E and above.

Totals for each characteristic differ due to varying disclosure rates.

* Data has been replaced with an asterisk where figures are below sample size.

Leadership staff ethnicity distribution by division: 31 March 2019

Division	Total	Ethnicity band (numbers)			Ethnicity band (%)		
		BAME	Other white background	White UK	BAME	Other white background	White UK
Content	191	20	11	160	10.5	5.8	83.7
Corporate, Policy & External Affairs	67	*	*	58	*	*	86.5
Deputy Director-General Group	1,001	105	70	826	10.5	7.0	82.5
Nations and Regions	660	29	53	578	4.4	8.0	87.6
News and Current Affairs	567	62	27	478	10.9	4.8	84.3
Radio and Education	233	25	12	196	10.7	5.2	84.1
UK Public Service	2,719	244	179	2,296	9.0	6.6	84.4
World Service Group	186	88	11	87	47.3	5.9	46.8
BBC Studios	522	64	42	416	12.3	8.0	79.7
Other	16	*	*	14	*	*	87.5
Grand Total	3,443	397	233	2,813	11.5	6.8	81.7

All staff ethnicity distribution by Job Family: 31 March 2019

Job Family	Total	Ethnicity band (numbers)			Ethnicity band (%)		
		BAME	Other white background	White UK	BAME	Other white background	White UK
Commissioning	171	24	13	134	14.0	7.6	78.4
Programming	9,868	1,530	672	7,666	15.5	6.8	77.6
Sales/Marketing	553	70	39	444	12.7	7.1	80.2
Support/Admin	3,286	572	218	2,496	17.4	6.6	76.0
Technical/Engineering	5,253	735	302	4,216	14.0	5.8	80.3
Not Allocated	1,791	267	123	1,401	14.9	6.9	78.2
Grand Total	20,922	3,198	1,367	16,357	15.3	6.5	78.2

Leadership staff ethnicity distribution by Job Family: 31 March 2019

Job Family	Total	Ethnicity band (numbers)			Ethnicity band (%)		
		BAME	Other white background	White UK	BAME	Other white background	White UK
Commissioning	132	17	11	104	12.9	8.3	78.8
Programming	1,626	195	92	1,339	12.0	5.7	82.3
Sales/Marketing	102	*	*	87	*	*	85.3
Support/Admin	756	77	61	618	10.2	8.1	81.7
Technical/Engineering	458	48	29	381	10.5	6.3	83.2
Not Allocated	369	53	32	284	14.4	8.7	76.9
Grand Total	3,443	397	233	2,813	11.5	6.8	81.7

All staff ethnicity distribution by grade bands: 31 March 2019

Grade band	Total	Ethnicity band (numbers)			Ethnicity band (%)		
		BAME	Other white background	White UK	BAME	Other white background	White UK
A	394	73	14	307	18.5	3.6	77.8
B	2,348	354	156	1,838	15.1	6.6	78.3
C	6,711	1,176	472	5,063	17.5	7.0	75.4
D	6,351	923	390	5,038	14.5	6.1	79.3
E	2,014	255	128	1,631	12.7	6.4	80.9
F	836	73	55	708	8.7	6.6	84.6
SL	224	16	17	191	7.1	7.6	85.3
Not Allocated	2,044	328	135	1,581	16.0	6.6	77.4
Grand Total	20,922	3,198	1,367	16,357	15.3	6.5	78.2

All staff leaver and joiner distribution by ethnicity: 31 March 2019

Category	Total	Ethnicity band (numbers)			Ethnicity band (%)		
		BAME	Other white background	White UK	BAME	Other white background	White UK
Leavers	2,926	538	229	2,159	18.4	7.8	73.8
Joiners	3,443	707	220	2,516	20.5	6.4	73.1

All staff leaver distribution by ethnicity and reason for leaving: 31 March 2019

Reason for leaving	Total	Ethnicity band (numbers)			Ethnicity band (%)		
		BAME	Other white background	White UK	BAME	Other white background	White UK
Voluntary	1,205	237	106	862	19.7	8.8	71.5
Redundancy	281	53	22	206	18.9	7.8	73.3
End FTC	1,300	233	89	978	17.9	6.8	75.2
Other Involuntary	75	11	8	56	14.7	10.7	74.6
Other	65	*	*	57	*	*	87.7
Grand Total	2,926	538	229	2,159	18.4	7.8	73.8

All staff internal mover distribution by ethnicity: 31 March 2019

Internal move type	Total	Ethnicity band (numbers)			Ethnicity band (%)		
		BAME	Other white background	White UK	BAME	Other white background	White UK
Attachment	1,583	252	117	1,214	15.9	7.4	76.6
Promotion	645	108	61	476	16.7	9.5	73.7
Transfer	1,363	247	95	1,021	18.1	7.0	74.8
Grand Total	3,591	607	273	2,711	16.9	7.6	75.5

All staff ethnicity distribution by contract type: 31 March 2019

Contract type	Total	Ethnicity band (numbers)			Ethnicity band (%)		
		BAME	Other white background	White UK	BAME	Other white background	White UK
Continuing	18,549	2,728	1,190	14,631	14.7	6.4	78.8
Fixed Term less than one year	1,787	349	128	1,310	19.5	7.2	73.2
Fixed Term one year +	543	119	43	381	21.9	7.9	70.2
Flexicon	43	*	*	35	*	*	81.4
Grand Total	20,922	3,198	1,367	16,357	15.3	6.5	78.2

All staff ethnicity distribution by length of service: 31 March 2019

Length of service (yrs)	Total	Ethnicity band (numbers)			Ethnicity band (%)		
		BAME	Other white background	White UK	BAME	Other white background	White UK
<1	2,705	592	173	1,940	21.9	6.4	71.7
1-<3	3,285	585	289	2,411	17.8	8.8	73.4
3-<5	2,168	369	164	1,635	17.0	7.6	75.4
5-<10	3,432	534	245	2,653	15.6	7.1	77.3
10+	9,332	1,118	496	7,718	12.0	5.3	82.7
Grand Total	20,922	3,198	1,367	16,357	15.3	6.5	78.2

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Gender

All staff gender distribution by division: 31 March 2019

Division	Total	Gender band (numbers)		Gender band (%)	
		Female	Male	Female	Male
Content	871	414	457	47.5	52.5
Corporate, Policy & External Affairs	215	158	57	73.5	26.5
Deputy Director-General Group	5,640	2,317	3,323	41.1	58.9
Nations and Regions	6,051	2,735	3,316	45.2	54.8
News and Current Affairs	3,254	1,499	1,755	46.1	53.9
Radio and Education	1,933	1,111	822	57.5	42.5
UK Public Service	17,964	8,234	9,730	45.8	54.2
World Service Group	1,472	762	710	51.8	48.2
BBC Studios	2,127	1,321	806	62.1	37.9
Other	264	140	124	53.0	47.0
Grand Total	21,827	10,457	11,370	47.9	52.1

Leadership staff gender distribution by division: 31 March 2019

Division	Total	Gender band (numbers)		Gender band (%)	
		Female	Male	Female	Male
Content	198	95	103	48.0	52.0
Corporate, Policy & External Affairs	69	42	27	60.9	39.1
Deputy Director-General Group	1,042	417	625	40.0	60.0
Nations and Regions	680	268	412	39.4	60.6
News and Current Affairs	591	256	335	43.3	56.7
Radio and Education	239	118	121	49.4	50.6
UK Public Service	2,819	1,196	1,623	42.4	57.6
World Service Group	200	85	115	42.5	57.5
BBC Studios	541	284	257	52.5	47.5
Other	17	*	15	*	88.2
Grand Total	3,577	1,567	2,010	43.8	56.2

All staff gender distribution by Job Family: 31 March 2019

Job Family	Total	Gender band (numbers)		Gender band (%)	
		Female	Male	Female	Male
Commissioning	177	98	79	55.4	44.6
Programming	10,281	5,382	4,899	52.3	47.7
Sales/Marketing	576	373	203	64.8	35.2
Support/Admin	3,401	2,192	1,209	64.5	35.5
Technical/Engineering	5,526	1,370	4,156	24.8	75.2
Not Allocated	1,866	1,042	824	55.8	44.2
Grand Total	21,827	10,457	11,370	47.9	52.1

Leadership staff gender distribution by Job Family: 31 March 2019

Job Family	Total	Gender band (numbers)		Gender band (%)	
		Female	Male	Female	Male
Commissioning	136	68	68	50.0	50.0
Programming	1,683	741	942	44.0	56.0
Sales/Marketing	106	56	50	52.8	47.2
Support/Admin	785	413	372	52.6	47.4
Technical/Engineering	480	93	387	19.4	80.6
Not Allocated	387	196	191	50.6	49.4
Grand Total	3,577	1,567	2,010	43.8	56.2

All staff gender distribution by grade bands: 31 March 2019

Grade band	Total	Gender band (numbers)		Gender band (%)	
		Female	Male	Female	Male
A	406	234	172	57.6	42.4
B	2,431	1,520	911	62.5	37.5
C	7,018	3,385	3,633	48.2	51.8
D	6,658	2,800	3,858	42.1	57.9
E	2,094	913	1,181	43.6	56.4
F	868	366	502	42.2	57.8
SL	228	93	135	40.8	59.2
Not Allocated	2,124	1,146	978	54.0	46.0
Grand Total	21,827	10,457	11,370	47.9	52.1

All staff leaver and joiner distribution by gender: 31 March 2019

Category	Total	Gender band (numbers)		Gender band (%)	
		Female	Male	Female	Male
Leavers	3,123	1,719	1,404	55.0	45.0
Joiners	3,649	2,034	1,615	55.7	44.3

All staff leaver distribution by gender and reason for leaving: 31 March 2019

Reason for leaving	Total	Gender band (numbers)		Gender band (%)	
		Female	Male	Female	Male
Voluntary	1,279	662	617	51.8	48.2
Redundancy	301	144	157	47.8	52.2
End FTC	1,398	838	560	59.9	40.1
Other Involuntary	78	52	26	66.7	33.3
Other	67	23	44	34.3	65.7
Grand Total	3,123	1,719	1,404	55.0	45.0

All staff internal mover distribution by gender: 31 March 2019

Internal move type	Total	Gender band (numbers)		Gender band (%)	
		Female	Male	Female	Male
Attachment	1,633	928	705	56.8	43.2
Promotion	678	349	329	51.5	48.5
Transfer	1,424	772	652	54.2	45.8
Grand Total	3,735	2,049	1,686	54.9	45.1

All staff gender distribution by contract type: 31 March 2019

Contract type	Total	Gender band (numbers)		Gender band (%)	
		Female	Male	Female	Male
Continuing	19,353	9,043	10,310	46.7	53.3
Fixed Term less than one year	1,858	1,113	745	59.9	40.1
Fixed Term one year +	572	276	296	48.3	51.7
Flexicon	44	25	19	56.8	43.2
Grand Total	21,827	10,457	11,370	47.9	52.1

All staff gender distribution by length of service: 31 March 2019

Length of service (yrs)	Total	Gender band (numbers)		Gender band (%)	
		Female	Male	Female	Male
<1	2,837	1,533	1,304	54.0	46.0
1-<3	3,487	1,745	1,742	50.0	50.0
3-<5	2,251	1,100	1,151	48.9	51.1
5-<10	3,597	1,770	1,827	49.2	50.8
10+	9,655	4,309	5,346	44.6	55.4
Grand Total	21,827	10,457	11,370	47.9	52.1

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Totals for each characteristic differ due to varying disclosure rates.

* Data has been replaced with an asterisk where figures are below sample size.

Faith
All staff religion and belief distribution (numbers): 31 March 2019

Division	Total	Atheist	Buddhist	Christian	Hindu	Jewish	Muslim	Sikh	Other	None	Prefer not to say/ Excluded
Content	871	137	*	272	*	*	13	12	24	318	79
Corporate, Policy & External Affairs	215	40	*	72	*	*	*	*	*	74	14
Deputy Director-General Group	5,640	1,147	40	1,582	140	44	145	68	185	1,824	465
Nations and Regions	6,051	819	19	2,005	27	19	45	18	169	2,443	487
News and Current Affairs	3,254	516	12	754	34	63	79	21	86	1,401	288
Radio and Education	1,933	321	13	518	10	15	22	11	71	794	158
UK Public Service	17,964	2,980	87	5,203	217	153	305	132	542	6,854	1,491
World Service Group	1,472	195	30	249	24	15	205	*	51	517	182
BBC Studios	2,127	411	13	592	27	20	33	*	72	742	209
Other	264	42	*	75	*	*	*	*	10	106	17
Grand Total	21,827	3,628	130	6,119	273	191	547	146	675	8,219	1,899

All staff religion and belief distribution (percentage): 31 March 2019

Division	Atheist	Buddhist	Christian	Hindu	Jewish	Muslim	Sikh	Other	None	Prefer not to say/ Excluded
Content	15.7	*	31.2	*	*	1.5	1.4	2.8	36.5	9.1
Corporate, Policy & External Affairs	18.6	*	33.5	*	*	*	*	*	34.4	6.5
Deputy Director-General Group	20.3	0.7	28.0	2.5	0.8	2.6	1.2	3.3	32.4	8.2
Nations and Regions	13.5	0.3	33.1	0.5	0.3	0.7	0.3	2.8	40.4	8.1
News and Current Affairs	15.9	0.4	23.2	1.0	1.9	2.4	0.6	2.6	43.1	8.9
Radio and Education	16.6	0.7	26.8	0.5	0.8	1.1	0.6	3.7	41.1	8.1
UK Public Service	16.6	0.5	29.0	1.2	0.9	1.7	0.7	3.0	38.2	8.2
World Service Group	13.3	2.0	16.9	1.6	1.0	13.9	*	3.5	35.1	12.4
BBC Studios	19.3	0.6	27.8	1.3	0.9	1.6	*	3.4	34.9	9.8
Other	15.9	*	28.4	*	*	*	*	3.8	40.2	6.4
Grand Total	16.6	0.6	28.0	1.3	0.9	2.5	0.7	3.1	37.6	8.7

Leadership staff religion and belief distribution (numbers): 31 March 2019

Total	Total	Atheist	Buddhist	Christian	Hindu	Jewish	Muslim	Sikh	Other	None	Prefer not to say/ Excluded
BBC total	3,577	601	19	1,136	44	45	58	28	95	1,262	289

Leadership staff religion and belief distribution (percentage): 31 March 2019

Total	Atheist	Buddhist	Christian	Hindu	Jewish	Muslim	Sikh	Other	None	Prefer not to say/ Excluded
BBC total	16.8	0.5	31.7	1.2	1.3	1.6	0.8	2.7	35.3	8.1

All staff religion and belief distribution by job family (numbers): 31 March 2019

Job Family	Total	Atheist	Buddhist	Christian	Hindu	Jewish	Muslim	Sikh	Other	None	Prefer not to say/ Excluded
Commissioning	177	35	*	48	*	*	*	*	*	56	22
Programming	10,281	1,633	59	2,838	72	96	311	54	296	3,927	995
Sales/Marketing	576	108	*	165	*	10	*	*	22	203	54
Support/Admin	3,401	491	16	1,246	62	36	82	54	109	1,053	252
Technical/Engineering	5,526	1,091	40	1,353	96	22	112	23	185	2,173	431
Not Allocated	1,866	270	11	469	35	22	38	11	58	807	145
Grand Total	21,827	3,628	130	6,119	273	191	547	146	675	8,219	1,899

All staff religion and belief distribution by job family (percentage): 31 March 2019

Job Family	Atheist	Buddhist	Christian	Hindu	Jewish	Muslim	Sikh	Other	None	Prefer not to say/ Excluded
Commissioning	19.8	*	27.1	*	*	*	*	*	31.6	12.5
Programming	15.9	0.6	27.6	0.7	0.9	3.0	0.5	2.9	38.2	9.7
Sales/Marketing	18.8	*	28.6	*	1.7	*	*	3.8	35.2	9.4
Support/Admin	14.4	0.5	36.6	1.8	1.1	2.4	1.6	3.2	31.0	7.4
Technical/Engineering	19.8	0.7	24.5	1.7	0.4	2.0	0.4	3.4	39.3	7.8
Not Allocated	14.5	0.6	25.1	1.9	1.2	2.0	0.6	3.1	43.2	7.8
Grand Total	16.6	0.6	28.0	1.3	0.9	2.5	0.7	3.1	37.6	8.7

Leadership staff religion and belief distribution by job family (numbers): 31 March 2019

Job Family	Total	Atheist	Buddhist	Christian	Hindu	Jewish	Muslim	Sikh	Other	None	Prefer not to say/ Excluded
Commissioning	136	26	*	37	*	*	*	*	*	42	16
Programming	1,683	250	*	492	12	18	30	10	34	688	140
Sales/Marketing	106	21	*	30	*	*	*	*	*	35	*
Support/Admin	785	126	*	314	10	*	10	*	28	223	54
Technical/Engineering	480	112	*	133	12	*	*	*	14	152	40
Not Allocated	387	66	*	130	*	*	*	*	10	122	30
Grand Total	3,577	601	19	1,136	44	45	58	28	95	1,262	289

Leadership staff religion and belief distribution by job family (percentage): 31 March 2019

Job Family	Atheist	Buddhist	Christian	Hindu	Jewish	Muslim	Sikh	Other	None	Prefer not to say/ Excluded
Commissioning	19.1	*	27.2	*	*	*	*	*	30.9	11.7
Programming	14.9	*	29.2	0.7	1.1	1.8	0.6	2.0	40.9	8.3
Sales/Marketing	19.8	*	28.3	*	*	*	*	*	33.0	*
Support/Admin	16.1	*	39.9	1.3	*	1.3	*	3.6	28.4	6.9
Technical/Engineering	23.3	*	27.7	2.5	*	*	*	2.9	31.7	8.3
Not Allocated	17.1	*	33.6	*	*	*	*	2.6	31.4	7.8
Grand Total	16.8	0.5	31.7	1.2	1.3	1.6	0.8	2.7	35.3	8.1

All staff data reflects UK-based employee contracts only.

Leadership is defined as Band E and above.

Totals for each characteristic differ due to varying disclosure rates.

* Data has been replaced with an asterisk where figures are below sample size.

All staff religion and belief distribution by grade bands (numbers): 31 March 2019

Grade band	Total	Atheist	Buddhist	Christian	Hindu	Jewish	Muslim	Sikh	Other	None	Prefer not to say/ Excluded
A	406	61	*	135	*	*	*	*	13	151	27
B	2,431	358	10	796	19	17	60	19	81	844	227
C	7,018	1,186	54	1,887	76	55	219	39	211	2,649	642
D	6,658	1,153	37	1,772	96	56	162	45	217	2,538	582
E	2,094	360	14	615	28	20	35	21	56	777	168
F	868	137	*	292	*	13	10	*	23	305	76
SL	228	38	*	94	*	*	*	*	*	61	16
Not Allocated	2,124	335	12	528	38	25	50	14	67	894	161
Grand Total	21,827	3,628	130	6,119	273	191	547	146	675	8,219	1,899

All staff religion and belief distribution by grade bands (percentage): 31 March 2019

Grade band	Atheist	Buddhist	Christian	Hindu	Jewish	Muslim	Sikh	Other	None	Prefer not to say/ Excluded
A	15.0	*	33.3	*	*	*	*	3.2	37.2	6.7
B	14.7	0.4	32.7	0.8	0.7	2.5	0.8	3.3	34.7	9.4
C	16.9	0.8	26.9	1.1	0.8	3.1	0.6	3.0	37.7	9.1
D	17.3	0.6	26.6	1.4	0.8	2.4	0.7	3.3	38.1	8.8
E	17.2	0.7	29.4	1.3	1.0	1.7	1.0	2.6	37.1	8.0
F	15.8	*	33.6	*	1.5	1.2	*	2.6	35.1	8.8
SL	16.7	*	41.2	*	*	*	*	*	26.7	7.0
Not Allocated	15.8	0.6	24.9	1.8	1.2	2.4	0.7	3.1	42.0	7.5
Grand Total	16.6	0.6	28.0	1.3	0.9	2.5	0.7	3.1	37.6	8.7

All staff leaver and joiner distribution by religion and belief (numbers): 31 March 2019

Category	Total	Atheist	Buddhist	Christian	Hindu	Jewish	Muslim	Sikh	Other	None	Prefer not to say/ Excluded
Leavers	3,123	591	20	728	55	23	69	20	178	998	441
Joiners	3,649	726	33	839	58	26	104	32	146	1,062	623

All staff leaver and joiner distribution by religion and belief (percentage): 31 March 2019

Category	Atheist	Buddhist	Christian	Hindu	Jewish	Muslim	Sikh	Other	None	Prefer not to say/ Excluded
Leavers	18.9	0.6	23.3	1.8	0.8	2.2	0.6	5.7	32.0	14.1
Joiners	19.9	0.9	23.0	1.6	0.7	2.9	0.9	4.0	29.1	17.0

All staff leaver distribution by religion and belief and reason for leaving (numbers): 31 March 2019

Reason for leaving	Total	Atheist	Buddhist	Christian	Hindu	Jewish	Muslim	Sikh	Other	None	Prefer not to say/ Excluded
Voluntary	1,279	243	*	304	38	12	20	12	60	453	130
Redundancy	301	46	*	104	*	*	*	*	15	86	30
End FTC	1,398	284	10	279	*	*	39	*	100	393	270
Other Involuntary	78	13	*	24	*	*	*	*	*	32	*
Other	67	*	*	17	*	*	*	*	*	34	*
Grand Total	3,123	591	20	728	55	23	69	20	178	998	441

All staff leaver distribution by religion and belief and reason for leaving (percentage): 31 March 2019

Reason for leaving	Atheist	Buddhist	Christian	Hindu	Jewish	Muslim	Sikh	Other	None	Prefer not to say/ Excluded
Voluntary	19.0	*	23.8	3.0	0.9	1.6	0.9	4.7	35.4	10.2
Redundancy	15.3	*	34.6	*	*	*	*	5.0	28.5	9.9
End FTC	20.3	0.7	20.0	*	*	2.8	*	7.2	28.1	19.3
Other Involuntary	16.7	*	30.8	*	*	*	*	*	41.0	*
Other	*	*	25.4	*	*	*	*	*	50.7	*
Grand Total	18.9	0.6	23.3	1.8	0.7	2.2	0.7	5.7	32.0	14.1

All staff internal mover distribution by religion and belief (numbers): 31 March 2019

Internal move type	Total	Atheist	Buddhist	Christian	Hindu	Jewish	Muslim	Sikh	Other	None	Prefer not to say/ Excluded
Attachment	1,633	293	10	410	24	16	43	20	40	637	140
Promotion	678	145	*	163	*	*	20	*	26	239	64
Transfer	1,424	257	*	373	29	10	43	15	74	482	137
Grand Total	3,735	695	17	946	60	32	106	40	140	1,358	341

All staff internal mover distribution by religion and belief (percentage): 31 March 2019

Internal move type	Atheist	Buddhist	Christian	Hindu	Jewish	Muslim	Sikh	Other	None	Prefer not to say/ Excluded
Attachment	17.9	0.6	25.1	1.5	1.0	2.6	1.2	2.5	39.0	8.6
Promotion	21.4	*	24.0	*	*	2.9	*	3.8	35.3	9.5
Transfer	18.0	*	26.2	2.0	0.7	3.0	1.1	5.2	33.9	9.6
Grand Total	18.6	0.5	25.3	1.6	0.9	2.8	1.1	3.7	36.4	9.1

All staff religion and belief distribution by contract type (numbers): 31 March 2019

Contract type	Total	Atheist	Buddhist	Christian	Hindu	Jewish	Muslim	Sikh	Other	None	Prefer not to say/ Excluded
Continuing	19,353	3,169	112	5,503	237	164	472	121	579	7,448	1,548
Fixed Term less than one year	1,858	348	14	447	26	23	61	20	81	574	264
Fixed Term one year +	572	104	*	156	10	*	14	*	11	180	84
Flexicon	44	7	*	13	*	*	*	*	*	17	*
Grand Total	21,827	3,628	130	6,119	273	191	547	146	675	8,219	1,899

All staff religion and belief distribution by contract type (percentage): 31 March 2019

Contract type	Atheist	Buddhist	Christian	Hindu	Jewish	Muslim	Sikh	Other	None	Prefer not to say/ Excluded
Continuing	16.4	0.6	28.4	1.2	0.8	2.5	0.6	3.0	38.5	8.0
Fixed Term less than one year	18.7	0.8	24.1	1.4	1.2	3.3	1.1	4.4	30.8	14.2
Fixed Term one year +	18.2	*	27.3	1.7	*	2.4	*	1.9	31.5	14.7
Flexicon	15.9	*	29.6	*	*	*	*	*	38.6	*
Grand Total	16.6	0.6	28.0	1.3	0.9	2.5	0.7	3.1	37.6	8.7

All staff data reflects UK-based employee contracts only.

Leadership is defined as Band E and above.

Totals for each characteristic differ due to varying disclosure rates.

* Data has been replaced with an asterisk where figures are below sample size.

All staff religion and belief distribution by length of service (numbers): 31 March 2019

Length of service (yrs)	Total	Atheist	Buddhist	Christian	Hindu	Jewish	Muslim	Sikh	Other	None	Prefer not to say/ Excluded
<1	2,837	562	25	680	51	24	90	27	93	847	438
1-<3	3,487	646	27	932	59	29	91	20	110	1,170	403
3-<5	2,251	470	10	669	43	24	72	31	95	664	173
5-<10	3,597	665	17	1,062	49	31	137	17	115	1,237	267
10+	9,655	1,285	51	2,776	71	83	157	51	262	4,301	618
Grand Total	21,827	3,628	130	6,119	273	191	547	146	675	8,219	1,899

All staff religion and belief distribution by length of service (percentage): 31 March 2019

Length of service (yrs)	Atheist	Buddhist	Christian	Hindu	Jewish	Muslim	Sikh	Other	None	Prefer not to say/ Excluded
<1	19.8	0.9	24.0	1.8	0.8	3.2	1.0	3.3	29.8	15.4
1-<3	18.5	0.8	26.7	1.7	0.8	2.6	0.6	3.2	33.6	11.5
3-<5	20.9	0.4	29.7	1.9	1.1	3.2	1.4	4.2	29.5	7.7
5-<10	18.5	0.5	29.5	1.4	0.9	3.8	0.5	3.2	34.3	7.4
10+	13.3	0.5	28.8	0.7	0.9	1.6	0.5	2.7	44.6	6.4
Grand Total	16.6	0.6	28.0	1.3	0.9	2.5	0.7	3.1	37.6	8.7

Sexuality

All staff sexual orientation and gender identity distribution by division (numbers): 31 March 2019

Division	Total	Bisexual	Gay man	Gay woman/ lesbian	Hetero- sexual/ straight	Other	Prefer not to say/ Excluded	Trans- gender	LGBTQ+
Content	871	18	23	18	657	*	153	12	70
Corporate, Policy & External Affairs	215	*	12	*	177	*	23	*	20
Deputy Director-General Group	5,640	119	213	65	4,432	29	782	115	519
Nations and Regions	6,051	66	203	37	4,144	27	1,574	108	425
News and Current Affairs	3,254	63	132	31	2,008	21	999	61	293
Radio and Education	1,933	41	76	28	1,292	14	482	51	203
UK Public Service	17,964	309	659	179	12,710	94	4,013	352	1,530
World Service Group	1,472	30	36	*	979	13	410	13	94
BBC Studios	2,127	52	88	16	1,676	*	288	58	218
Other	264	*	*	*	207	*	47	*	13
Grand Total	21,827	391	790	202	15,572	114	4,758	426	1,855

All staff sexual orientation and gender identity distribution by division (percentage): 31 March 2019

Division	Bisexual	Gay man	Gay woman/ lesbian	Hetero- sexual/ straight	Other	Prefer not to say/ Excluded	Trans- gender	LGBTQ+
Content	2.1	2.6	2.1	75.4	*	17.6	1.4	9.7
Corporate, Policy & External Affairs	*	5.6	*	82.3	*	10.7	*	10.4
Deputy Director-General Group	2.1	3.8	1.2	78.6	0.5	13.8	2.0	10.7
Nations and Regions	1.1	3.4	0.6	68.5	0.4	26.0	1.8	9.5
News and Current Affairs	1.9	4.1	1.0	61.7	0.6	30.7	1.9	13.0
Radio and Education	2.1	3.9	1.4	66.9	0.7	25.0	2.6	14.0
UK Public Service	1.7	3.7	1.0	70.8	0.5	22.3	2.0	10.9
World Service Group	2.0	2.4	*	66.5	0.9	27.9	0.9	8.8
BBC Studios	2.4	4.1	0.8	78.8	*	13.6	2.7	11.8
Other	*	*	*	78.4	*	17.8	*	6.0
Grand Total	1.8	3.6	0.9	71.4	0.5	21.8	2.0	10.8

Leadership staff sexual orientation and gender identity distribution by division (numbers): 31 March 2019

Total	Total	Bisexual	Gay man	Gay woman/lesbian	Heterosexual/straight	Other	Prefer not to say/Excluded	Transgender	LGBTQ+
BBC total	3,577	44	161	35	2,588	17	732	83	325

Leadership staff sexual orientation and gender identity distribution by division (percentage): 31 March 2019

Total	Bisexual	Gay man	Gay woman/lesbian	Heterosexual/straight	Other	Prefer not to say/Excluded	Transgender	LGBTQ+
BBC total	1.2	4.5	1.0	72.3	0.5	20.5	2.3	11.4

All staff sexual orientation and gender identity distribution by job family (numbers): 31 March 2019

Job Family	Total	Bisexual	Gay man	Gay woman/lesbian	Heterosexual/straight	Other	Prefer not to say/Excluded	Transgender	LGBTQ+
Commissioning	177	*	12	*	132	*	28	*	23
Programming	10,281	190	375	89	6,987	58	2,582	213	890
Sales/Marketing	576	10	33	*	459	*	65	12	62
Support/Admin	3,401	55	112	39	2,798	15	382	76	292
Technical/Engineering	5,526	109	189	56	3,891	37	1,244	78	448
Not Allocated	1,866	25	69	*	1,305	*	457	40	140
Grand Total	21,827	391	790	202	15,572	114	4,758	426	1,855

All staff sexual orientation and gender identity distribution by job family (percentage): 31 March 2019

Job Family	Bisexual	Gay man	Gay woman/lesbian	Heterosexual/straight	Other	Prefer not to say/Excluded	Transgender	LGBTQ+
Commissioning	*	6.8	*	74.6	*	15.8	*	15.2
Programming	1.8	3.6	0.9	68.0	0.6	25.1	2.1	11.5
Sales/Marketing	1.7	5.7	*	79.7	*	11.3	2.1	12.1
Support/Admin	1.6	3.3	1.1	82.3	0.4	11.3	2.2	9.7
Technical/Engineering	2.0	3.4	1.0	70.4	0.7	22.5	1.4	10.5
Not Allocated	1.3	3.7	*	69.9	*	24.5	2.1	9.9
Grand Total	1.8	3.6	0.9	71.4	0.5	21.8	2.0	10.8

All staff sexual orientation and gender identity distribution by grade bands (numbers): 31 March 2019

Grade band	Total	Bisexual	Gay man	Gay woman/lesbian	Heterosexual/straight	Other	Prefer not to say/Excluded	Transgender	LGBTQ+
A	406	*	10	*	298	*	78	*	37
B	2,431	62	76	20	1,841	19	413	47	213
C	7,018	140	239	69	5,013	37	1,520	136	598
D	6,658	96	250	62	4,638	31	1,581	121	543
E	2,094	29	85	21	1,450	11	498	42	182
F	868	*	38	11	649	*	159	21	76
SL	228	*	14	*	171	*	33	*	31
Not Allocated	2,124	44	78	10	1,512	*	476	44	175
Grand Total	21,827	391	790	202	15,572	114	4,758	426	1,855

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Totals for each characteristic differ due to varying disclosure rates.

* Data has been replaced with an asterisk where figures are below sample size.

All staff sexual orientation and gender identity distribution by grade bands (percentage): 31 March 2019

Grade band	Bisexual	Gay man	Gay woman/lesbian	Heterosexual/straight	Other	Prefer not to say/Excluded	Transgender	LGBTQ+
A	*	2.5	*	73.4	*	19.2	*	11.3
B	2.6	3.1	0.8	75.7	0.8	17.0	1.9	10.5
C	2.0	3.4	1.0	71.4	0.5	21.7	1.9	10.9
D	1.4	3.8	0.9	69.7	0.5	23.7	1.8	10.7
E	1.4	4.1	1.0	69.2	0.5	23.8	2.0	11.4
F	*	4.4	1.3	74.8	*	18.3	2.4	10.7
SL	*	6.1	*	75.0	*	14.5	*	15.9
Not Allocated	2.1	3.7	0.5	71.2	*	22.4	2.1	10.6
Grand Total	1.8	3.6	0.9	71.4	0.5	21.8	2.0	10.8

All staff leaver and joiner distribution by sexual orientation and gender identity (numbers): 31 March 2019

Category	Total	Bisexual	Gay man	Gay woman/lesbian	Heterosexual/straight	Other	Prefer not to say/Excluded	Transgender	LGBTQ+
Leavers	3,123	100	138	45	2,269	30	541	39	357
Joiners	3,649	123	143	46	2,771	27	539	15	400

All staff leaver and joiner distribution by sexual orientation and gender identity (percentage): 31 March 2019

Category	Bisexual	Gay man	Gay woman/lesbian	Heterosexual/straight	Other	Prefer not to say/Excluded	Transgender	LGBTQ+
Leavers	3.2	4.4	1.4	72.7	1.0	17.3	1.2	13.8
Joiners	3.4	3.9	1.3	75.9	0.7	14.8	0.4	12.8

All staff leaver distribution by sexual orientation and gender identity and reason for leaving (numbers): 31 March 2019

Reason for leaving	Total	Bisexual	Gay man	Gay woman/lesbian	Heterosexual/straight	Other	Prefer not to say/Excluded	Transgender	LGBTQ+
Voluntary	1,279	33	66	21	945	13	201	19	150
Redundancy	301	*	*	*	212	*	69	*	24
End FTC	1,398	64	54	17	1,016	15	232	12	172
Other Involuntary	78	*	*	*	58	*	13	*	*
Other	67	*	*	*	38	*	26	*	*
Grand Total	3,123	100	138	45	2,269	30	541	39	357

All staff leaver distribution by sexual orientation and gender identity and reason for leaving (percentage): 31 March 2019

Reason for leaving	Bisexual	Gay man	Gay woman/lesbian	Heterosexual/straight	Other	Prefer not to say/Excluded	Transgender	LGBTQ+
Voluntary	2.6	5.2	1.6	73.9	1.0	15.7	1.5	13.8
Redundancy	*	*	*	70.4	*	22.9	*	10.3
End FTC	4.6	3.9	1.2	72.7	1.1	16.5	0.9	14.7
Other Involuntary	*	*	*	74.4	*	16.6	*	*
Other	*	*	*	56.7	*	38.8	*	*
Grand Total	3.2	4.4	1.4	72.7	1.0	17.3	1.2	13.8

All staff internal mover distribution by sexual orientation and gender identity (numbers): 31 March 2019

Category	Total	Bisexual	Gay man	Gay woman/lesbian	Heterosexual/straight	Other	Prefer not to say/Excluded	Transgender	LGBTQ+
Attachment	1,633	24	74	20	1,188	*	321	40	160
Promotion	678	16	31	*	520	*	99	10	69
Transfer	1,424	30	59	11	1,135	13	176	17	127
Grand Total	3,735	70	164	39	2,843	23	596	67	356

All staff internal mover distribution by sexual orientation and gender identity (percentage): 31 March 2019

Category	Bisexual	Gay man	Gay woman/lesbian	Heterosexual/straight	Other	Prefer not to say/Excluded	Transgender	LGBTQ+
Attachment	1.5	4.5	1.2	72.7	*	19.7	2.4	12.2
Promotion	2.4	4.6	*	76.7	*	14.6	1.5	11.9
Transfer	2.1	4.1	0.8	79.7	0.9	12.4	1.2	10.2
Grand Total	1.9	4.4	1.0	76.1	0.6	16.0	1.8	9.5

All staff sexual orientation and gender identity distribution by contract type (numbers): 31 March 2019

Contract type	Total	Bisexual	Gay man	Gay woman/lesbian	Heterosexual/straight	Other	Prefer not to say/Excluded	Transgender	LGBTQ+
Continuing	19,353	300	689	176	13,652	92	4,444	374	1,567
Fixed Term less than one year	1,858	68	79	19	1,435	16	241	41	220
Fixed Term one year +	572	22	21	*	452	*	65	11	65
Flexicon	44	*	*	*	33	*	8	*	*
Grand Total	21,827	391	790	202	15,572	114	4,758	426	1,855

All staff sexual orientation and gender identity distribution by contract type (percentage): 31 March 2019

Contract type	Bisexual	Gay man	Gay woman/lesbian	Heterosexual/straight	Other	Prefer not to say/Excluded	Transgender	LGBTQ+
Continuing	1.6	3.6	0.9	70.5	0.5	22.9	1.9	10.5
Fixed Term less than one year	3.7	4.3	1.0	77.2	0.9	12.9	2.2	13.6
Fixed Term one year +	3.8	3.7	*	79.0	*	11.4	1.9	12.8
Flexicon	*	*	*	75.0	*	18.1	*	*
Grand Total	1.8	3.6	0.9	71.4	0.5	21.8	2.0	10.8

All staff sexual orientation and gender identity distribution by length of service (numbers): 31 March 2019

Length of service (yrs)	Total	Bisexual	Gay man	Gay woman/lesbian	Heterosexual/straight	Other	Prefer not to say/Excluded	Transgender	LGBTQ+
<1	2,837	94	109	35	2,195	18	386	62	311
1-<3	3,487	81	137	36	2,760	18	455	60	323
3-<5	2,251	46	92	24	1,870	17	202	49	221
5-<10	3,597	57	152	33	2,833	14	508	64	309
10+	9,655	113	300	74	5,914	47	3,207	191	691
Grand Total	21,827	391	790	202	15,572	114	4,758	426	1,855

All staff data reflects UK-based employee contracts only.

Leadership is defined as Band E and above.

Totals for each characteristic differ due to varying disclosure rates.

* Data has been replaced with an asterisk where figures are below sample size.

All staff sexual orientation and gender identity distribution by length of service (percentage): 31 March 2019

Length of service (yrs)	Bisexual	Gay man	Gay woman/lesbian	Heterosexual/straight	Other	Prefer not to say/Excluded	Trans-gender	LGBTQ+
<1	3.3	3.8	1.2	77.4	0.7	13.6	2.2	12.7
1-<3	2.3	3.9	1.0	79.2	0.5	13.1	1.7	10.6
3-<5	2.0	4.1	1.1	83.1	0.8	8.9	2.2	10.8
5-<10	1.6	4.2	0.9	78.8	0.4	14.1	1.8	10.0
10+	1.2	3.1	0.8	61.3	0.4	33.2	2.0	10.7
Grand Total	1.8	3.6	0.9	71.3	0.6	21.8	2.0	10.8

Socio-economic

All staff socio-economic background (school type) distribution by division: 31 March 2019

Division	Total	School Type (numbers)			School Type (%)		
		A state-run or state-funded school – non-selective	A state-run or state-funded school – selective on academic, faith or other ground	Independent or fee-paying school	A state-run or state-funded school – non-selective	A state-run or state-funded school – selective on academic, faith or other ground	Independent or fee-paying school
Content	530	281	147	102	53.0	27.7	19.2
Corporate, Policy & External Affairs	154	78	44	32	50.6	28.6	20.8
Deputy Director-General Group	3,558	2,102	959	497	59.1	27.0	13.9
Nations and Regions	3,144	1,917	855	372	61.0	27.2	11.8
News and Current Affairs	1,453	729	382	342	50.2	26.3	23.5
Radio and Education	1,107	597	302	208	53.9	27.3	18.8
UK Public Service	9,946	5,704	2,689	1,553	57.4	27.0	15.6
World Service Group	448	232	112	104	51.8	25.0	23.2
BBC Studios	1,348	717	364	267	53.2	27.0	19.8
Other	169	100	51	18	59.2	30.2	10.6
Grand Total	11,911	6,753	3,216	1,942	56.7	27.0	16.3

Leadership staff socio-economic background (school type) distribution by division: 31 March 2019

Division	Total	School Type (numbers)			School Type (%)		
		A state-run or state-funded school – non-selective	A state-run or state-funded school – selective on academic, faith or other ground	Independent or fee-paying school	A state-run or state-funded school – non-selective	A state-run or state-funded school – selective on academic, faith or other ground	Independent or fee-paying school
Content	131	68	33	30	51.9	25.2	22.9
Corporate, Policy & External Affairs	49	25	11	13	51.0	22.5	26.5
Deputy Director-General Group	711	399	176	136	56.1	24.8	19.1
Nations and Regions	402	236	113	53	58.7	28.1	13.2
News and Current Affairs	264	115	58	91	43.5	22.0	34.5
Radio and Education	178	94	43	41	52.8	24.2	23.0
UK Public Service	1,735	937	434	364	54.0	25.0	21.0
World Service Group	67	28	17	22	41.8	25.4	32.8
BBC Studios	343	148	92	103	43.2	26.8	30.0
Other	10	*	*	*	*	*	*
Grand Total	2,155	1,120	545	490	52.0	25.3	22.7

All staff socio-economic background (parental degree) distribution by division: 31 March 2019

Division	Total	Parental Degree (numbers)		Parental Degree (%)	
		No	Yes	No	Yes
Content	533	274	259	51.4	48.6
Corporate, Policy & External Affairs	161	68	93	42.2	57.8
Deputy Director-General Group	3,819	1,837	1,982	48.1	51.9
Nations and Regions	3,085	1,611	1,474	52.2	47.8
News and Current Affairs	1,608	695	913	43.2	56.8
Radio and Education	1,134	497	637	43.8	56.2
UK Public Service	10,340	4,982	5,358	48.2	51.8
World Service Group	701	255	446	36.4	63.6
BBC Studios	1,412	602	810	42.6	57.4
Other	160	82	78	51.2	48.8
Grand Total	12,613	5,921	6,692	46.9	53.1

Leadership staff socio-economic background (parental degree) distribution by division: 31 March 2019

Division	Total	Parental Degree (numbers)		Parental Degree (%)	
		No	Yes	No	Yes
Content	131	64	67	48.9	51.1
Corporate, Policy & External Affairs	53	24	29	45.3	54.7
Deputy Director-General Group	774	367	407	47.4	52.6
Nations and Regions	407	218	189	53.6	46.4
News and Current Affairs	299	118	181	39.5	60.5
Radio and Education	185	87	98	47.0	53.0
UK Public Service	1,849	878	971	47.5	52.5
World Service Group	97	30	67	30.9	69.1
BBC Studios	380	161	219	42.4	57.6
Other	*	*	*	*	*
Grand Total	2,334	1,073	1,261	46.0	54.0

All staff socio-economic background (parental occupation) distribution by division: 31 March 2019

Division	Total	Parental Occupation (numbers)			Parental Occupation (%)		
		Higher managerial and professional occupations	Intermediate occupations	Routine and manual occupations	Higher managerial and professional occupations	Intermediate occupations	Routine and manual occupations
Content	537	334	66	137	62.2	12.3	25.5
Corporate, Policy & External Affairs	158	111	21	26	70.3	13.3	16.4
Deputy Director-General Group	3,820	2,251	511	1,058	58.9	13.4	27.7
Nations and Regions	3,070	1,748	422	900	56.9	13.8	29.3
News and Current Affairs	1,575	1,052	190	333	66.8	12.1	21.1
Radio and Education	1,100	724	149	227	65.8	13.6	20.6
UK Public Service	10,260	6,220	1,359	2,681	60.6	13.3	26.1
World Service Group	681	507	54	120	74.4	8.0	17.6
BBC Studios	1,386	923	175	288	66.6	12.6	20.8
Other	162	93	23	46	57.4	14.2	28.4
Grand Total	12,489	7,743	1,611	3,135	62.0	12.9	25.1

All staff data reflects UK-based employee contracts only.

Leadership is defined as Band E and above.

Totals for each characteristic differ due to varying disclosure rates.

* Data has been replaced with an asterisk where figures are below sample size.

Leadership staff socio-economic background (parental occupation) distribution by division: 31 March 2019

Division	Parental Occupation (numbers)				Parental Occupation (%)		
	Total	Higher managerial and professional occupations	Intermediate occupations	Routine and manual occupations	Higher managerial and professional occupations	Intermediate occupations	Routine and manual occupations
Content	129	77	16	36	59.7	12.4	27.9
Corporate, Policy & External Affairs	50	36	*	12	72.0	*	24.0
Deputy Director-General Group	760	477	117	166	62.8	15.4	21.8
Nations and Regions	400	233	47	120	58.3	11.7	30.0
News and Current Affairs	283	194	37	52	68.5	13.1	18.4
Radio and Education	177	103	29	45	58.2	16.4	25.4
UK Public Service	1,799	1,120	248	431	62.2	13.8	24.0
World Service Group	95	70	12	13	73.7	12.6	13.7
BBC Studios	374	257	40	77	68.7	10.7	20.6
Other	*	*	*	*	*	*	*
Grand Total	2,277	1,453	301	523	63.8	13.2	23.0

All staff socio-economic background (school type) distribution by Job Family: 31 March 2019

Job Family	School Type (numbers)				School Type (%)		
	Total	A state-run or state-funded school – non-selective	A state-run or state-funded school – selective on academic, faith or other ground	Independent or fee-paying school	A state-run or state-funded school – non-selective	A state-run or state-funded school – selective on academic, faith or other ground	Independent or fee-paying school
Commissioning	122	65	30	27	53.3	24.6	22.1
Programming	5,210	2,893	1,355	962	55.5	26.0	18.5
Sales/Marketing	371	195	107	69	52.6	28.8	18.6
Support/Admin	2,284	1,323	636	325	57.9	27.8	14.3
Technical/Engineering	2,964	1,779	819	366	60.0	27.6	12.4
Not Allocated	960	498	269	193	51.9	28.0	20.1
Grand Total	11,911	6,753	3,216	1,942	56.7	27.0	16.3

Leadership staff socio-economic background (school type) distribution by Job Family: 31 March 2019

Job Family	School Type (numbers)				School Type (%)		
	Total	A state-run or state-funded school – non-selective	A state-run or state-funded school – selective on academic, faith or other ground	Independent or fee-paying school	A state-run or state-funded school – non-selective	A state-run or state-funded school – selective on academic, faith or other ground	Independent or fee-paying school
Commissioning	93	49	23	21	52.7	24.7	22.6
Programming	871	458	207	206	52.5	23.8	23.7
Sales/Marketing	70	34	17	19	48.6	24.3	27.1
Support/Admin	562	299	147	116	53.2	26.2	20.6
Technical/Engineering	313	184	81	48	58.8	25.9	15.3
Not Allocated	246	96	70	80	39.0	28.5	32.5
Grand Total	2,155	1,120	545	490	52.0	25.3	22.7

All staff socio-economic background (parental degree) distribution by Job Family: 31 March 2019

Job Family	Total	Parental Degree (numbers)		Parental Degree (%)	
		No	Yes	No	Yes
Commissioning	123	60	63	48.8	51.2
Programming	5,536	2,490	3,046	45.0	55.0
Sales/Marketing	406	169	237	41.6	58.4
Support/Admin	2,369	1,226	1,143	51.8	48.2
Technical/Engineering	3,139	1,538	1,601	49.0	51.0
Not Allocated	1,040	438	602	42.1	57.9
Grand Total	12,613	5,921	6,692	46.9	53.1

Leadership staff socio-economic background (parental degree) distribution by Job Family: 31 March 2019

Job Family	Total	Parental Degree (numbers)		Parental Degree (%)	
		No	Yes	No	Yes
Commissioning	94	45	49	47.9	52.1
Programming	939	428	511	45.6	54.4
Sales/Marketing	75	36	39	48.0	52.0
Support/Admin	600	289	311	48.2	51.8
Technical/Engineering	343	154	189	44.9	55.1
Not Allocated	283	121	162	42.8	57.2
Grand Total	2,334	1,073	1,261	46.0	54.0

All staff socio-economic background (parental occupation) distribution by Job Family: 31 March 2019

Job Family	Total	Parental Occupation (numbers)			Parental Occupation (%)		
		Higher managerial and professional occupations	Intermediate occupations	Routine and manual occupations	Higher managerial and professional occupations	Intermediate occupations	Routine and manual occupations
Commissioning	119	70	12	37	58.8	10.1	31.1
Programming	5,426	3,528	660	1,238	65.0	12.2	22.8
Sales/Marketing	395	249	48	98	63.0	12.2	24.8
Support/Admin	2,344	1,332	344	668	56.8	14.7	28.5
Technical/Engineering	3,179	1,869	420	890	58.8	13.2	28.0
Not Allocated	1,026	695	127	204	67.7	12.4	19.9
Grand Total	12,489	7,743	1,611	3,135	62.0	12.9	25.1

Leadership staff socio-economic background (parental occupation) distribution by Job Family: 31 March 2019

Job Family	Total	Parental Occupation (numbers)			Parental Occupation (%)		
		Higher managerial and professional occupations	Intermediate occupations	Routine and manual occupations	Higher managerial and professional occupations	Intermediate occupations	Routine and manual occupations
Commissioning	91	54	*	28	59.3	*	30.8
Programming	912	580	116	216	63.6	12.7	23.7
Sales/Marketing	74	49	*	17	66.2	*	23.0
Support/Admin	585	363	82	140	62.1	14.0	23.9
Technical/Engineering	337	214	54	69	63.5	16.0	20.5
Not Allocated	278	193	32	53	69.4	11.5	19.1
Grand Total	2,277	1,453	301	523	63.8	13.2	23.0

All staff socio-economic background (school type) distribution by grade band: 31 March 2019

Grade band	Total	School Type (numbers)			School Type (%)		
		A state-run or state-funded school – non-selective	A state-run or state-funded school – selective on academic, faith or other ground	Independent or fee-paying school	A state-run or state-funded school – non-selective	A state-run or state-funded school – selective on academic, faith or other ground	Independent or fee-paying school
A	235	140	76	19	59.6	32.3	8.1
B	1,420	814	420	186	57.3	29.6	13.1
C	3,659	2,157	1,004	498	59.0	27.4	13.6
D	3,548	2,009	923	616	56.6	26.0	17.4
E	1,184	653	294	237	55.2	24.8	20.0
F	564	292	138	134	51.8	24.5	23.7
SL	159	81	40	38	50.9	25.2	23.9
Not Allocated	1,142	607	321	214	53.2	28.1	18.7
Grand Total	11,911	6,753	3,216	1,942	56.7	27.0	16.3

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Leadership is defined as Band E and above.

Totals for each characteristic differ due to varying disclosure rates.

* Data has been replaced with an asterisk where figures are below sample size.

All staff socio-economic background (parental degree) distribution by grade band: 31 March 2019

Grade band	Total	Parental Degree (numbers)		Parental Degree (%)	
		No	Yes	No	Yes
A	233	140	93	60.1	39.9
B	1,424	738	686	51.8	48.2
C	3,876	1,838	2,038	47.4	52.6
D	3,804	1,741	2,063	45.8	54.2
E	1,281	592	689	46.2	53.8
F	596	283	313	47.5	52.5
SL	173	76	97	43.9	56.1
Not Allocated	1,226	513	713	41.8	58.2
Grand Total	12,613	5,921	6,692	46.9	53.1

All staff socio-economic background (parental occupation) distribution by grade band: 31 March 2019

Grade band	Total	Parental Occupation (numbers)			Parental Occupation (%)		
		Higher managerial and professional occupations	Intermediate occupations	Routine and manual occupations	Higher managerial and professional occupations	Intermediate occupations	Routine and manual occupations
A	222	112	36	74	50.5	16.2	33.3
B	1,427	804	221	402	56.3	15.5	28.2
C	3,850	2,380	465	1,005	61.8	12.1	26.1
D	3,788	2,379	471	938	62.8	12.4	24.8
E	1,245	787	160	298	63.2	12.9	23.9
F	588	374	76	138	63.6	12.9	23.5
SL	164	98	31	35	59.8	18.9	21.3
Not Allocated	1,205	809	151	245	67.2	12.5	20.3
Grand Total	12,489	7,743	1,611	3,135	62.0	12.9	25.1

All staff data reflects UK-based employee contracts only.

Leadership is defined as Band E and above.

Totals for each characteristic differ due to varying disclosure rates.

* Data has been replaced with an asterisk where figures are below sample size.

Freelance

(reporting is shown separately for our staff and freelancers)

All staff age distribution by division: Freelance 2018/19

Division	Total	Age band (numbers)						Age band (%)					
		<20	20-29	30-39	40-49	50-59	60+	<20	20-29	30-39	40-49	50-59	60+
Content	693	*	197	187	184	100	25	*	28.4	27.0	26.6	14.4	3.6
Corporate, Policy & External Affairs	48	*	*	*	14	12	15	*	*	*	29.2	25.0	31.2
Deputy Director-General Group	829	*	149	224	218	160	73	*	18.0	27.0	26.3	19.3	8.8
Nations and Regions	2,979	72	886	564	603	482	372	2.4	29.7	18.9	20.3	16.2	12.5
News and Current Affairs	1,207	*	314	319	260	193	117	*	26.0	26.5	21.5	16.0	9.7
Radio and Education	1,593	*	489	399	324	235	139	*	30.7	25.0	20.4	14.8	8.7
UK Public Service	7,349	88	2,036	1,699	1,603	1,182	741	1.2	27.7	23.1	21.8	16.1	10.1
World Service Group	617	*	101	179	155	111	64	*	16.4	29.0	25.1	18.0	10.4
BBC Studios	6,606	36	1,539	1,747	1,763	1,049	472	0.5	23.3	26.4	26.7	15.9	7.2
Other	289	*	47	57	80	67	32	*	16.3	19.7	27.7	23.2	11.0
Grand Total	14,861	137	3,723	3,682	3,601	2,409	1,309	0.9	25.1	24.8	24.2	16.2	8.8

All staff disability distribution by division: Freelance 2018/19

Division	Total	Disability (numbers)		Disability (%)	
		Disabled	Not disabled	Disabled	Not disabled
Content	478	40	438	8.4	91.6
Corporate, Policy & External Affairs	28	*	28	*	100.0
Deputy Director-General Group	569	33	536	5.8	94.2
Nations and Regions	2,022	142	1,880	7.0	93.0
News and Current Affairs	826	58	768	7.0	93.0
Radio and Education	1,017	78	939	7.7	92.3
UK Public Service	4,940	351	4,589	7.1	92.9
World Service Group	445	19	426	4.3	95.7
BBC Studios	3,783	231	3,552	6.1	93.9
Other	174	10	164	5.7	94.3
Grand Total	9,342	611	8,731	6.5	93.5

All data reflects UK-based employee contracts only.

Totals for each characteristic differ due to varying disclosure rates.

* Data has been replaced with an asterisk where figures are below sample size.

All staff ethnicity distribution by division: Freelance 2018/19

Division	Total	Ethnicity band (numbers)			Ethnicity band (%)		
		BAME	Other white background	White UK	BAME	Other white background	White UK
Content	636	99	30	507	15.6	4.7	79.7
Corporate, Policy & External Affairs	43	*	*	39	*	*	90.7
Deputy Director-General Group	750	89	56	605	11.9	7.5	80.6
Nations and Regions	2,715	202	192	2,321	7.4	7.1	85.4
News and Current Affairs	1,059	206	125	728	19.5	11.8	68.7
Radio and Education	1,461	141	67	1,253	9.7	4.6	85.8
UK Public Service	6,664	740	471	5,453	11.1	7.1	81.8
World Service Group	542	260	47	235	48.0	8.7	43.4
BBC Studios	5,873	469	323	5,081	8.0	5.5	86.5
Other	264	27	16	221	10.2	6.1	83.7
Grand Total	13,343	1,496	857	10,990	11.2	6.4	82.4

All staff gender distribution by division: Freelance 2018/19

Division	Total	Gender band (numbers)		Gender band (%)	
		Female	Male	Female	Male
Content	693	248	445	35.8	64.2
Corporate, Policy & External Affairs	48	32	16	66.7	33.3
Deputy Director-General Group	829	373	456	45.0	55.0
Nations and Regions	2,979	1,240	1,739	41.6	58.4
News and Current Affairs	1,207	566	641	46.9	53.1
Radio and Education	1,593	839	754	52.7	47.3
UK Public Service	7,349	3,298	4,051	44.9	55.1
World Service Group	617	310	307	50.2	49.8
BBC Studios	6,606	2,850	3,756	43.1	56.9
Other	289	83	206	28.7	71.3
Grand Total	14,861	6,541	8,320	44.0	56.0

All staff religion and belief distribution (numbers): Freelance 2018/19

Division	Total	Atheist	Buddhist	Christian	Hindu	Jewish	Muslim	Sikh	Other	None	Prefer not to say/ Excluded
Content	693	99	*	176	*	*	15	*	61	189	131
Corporate, Policy & External Affairs	48	*	*	10	*	*	*	*	*	10	11
Deputy Director-General Group	829	146	10	197	*	*	*	*	70	225	164
Nations and Regions	2,979	358	*	879	11	11	32	10	339	773	557
News and Current Affairs	1,207	206	13	264	11	16	28	*	92	256	312
Radio and Education	1,593	273	11	391	*	11	11	12	140	431	304
UK Public Service	7,349	1,089	48	1,917	42	52	91	39	708	1,884	1,479
World Service Group	617	75	*	88	*	*	83	*	57	136	160
BBC Studios	6,606	1,085	41	1,354	15	56	33	18	474	1,963	1,567
Other	289	44	*	82	*	*	*	*	14	82	56
Grand Total	14,861	2,293	99	3,441	60	121	207	60	1,253	4,065	3,262

All staff religion and belief distribution (percentage): Freelance 2018/19

Division	Atheist	Buddhist	Christian	Hindu	Jewish	Muslim	Sikh	Other	None	Prefer not to say/ Excluded
Content	14.3	*	25.4	*	*	2.2	*	8.8	27.2	18.9
Corporate, Policy & External Affairs	*	*	20.8	*	*	*	*	*	20.8	22.9
Deputy Director-General Group	17.6	1.2	23.8	*	*	*	*	8.4	27.2	19.8
Nations and Regions	12.0	*	29.5	0.4	0.4	1.1	0.3	11.4	25.9	18.7
News and Current Affairs	17.1	1.1	21.9	0.9	1.3	2.3	*	7.6	21.2	25.9
Radio and Education	17.1	0.7	24.5	*	0.7	0.7	0.8	8.8	27.1	19.1
UK Public Service	14.8	0.7	26.1	0.6	0.7	1.2	0.5	9.6	25.6	20.2
World Service Group	12.2	*	14.3	*	*	13.4	*	9.2	22.0	25.9
BBC Studios	16.4	0.6	20.5	0.2	0.9	0.5	0.3	7.2	29.7	23.7
Other	15.2	*	28.4	*	*	*	*	4.8	28.4	19.4
Grand Total	15.4	0.7	23.2	0.4	0.8	1.4	0.4	8.4	27.4	21.9

All staff sexual orientation and gender identity distribution by division (numbers): Freelance 2018/19

Division	Total	Bisexual	Gay man	Gay woman/ lesbian	Hetero-sexual/ straight	Other	Prefer not to say/ Excluded	LGB
Content	693	14	20	10	530	*	115	48
Corporate, Policy & External Affairs	48	*	*	*	39	*	*	*
Deputy Director-General Group	829	*	27	*	612	*	169	48
Nations and Regions	2,979	49	67	26	2,283	19	535	161
News and Current Affairs	1,207	32	45	*	807	14	300	100
Radio and Education	1,593	43	55	20	1,152	21	302	139
UK Public Service	7,349	146	215	71	5,423	68	1,426	500
World Service Group	617	*	*	*	427	11	156	34
BBC Studios	6,606	104	179	66	4,675	49	1,533	398
Other	289	*	*	*	223	*	58	*
Grand Total	14,861	260	404	148	10,748	128	3,173	940

All staff sexual orientation and gender identity distribution by division (percentage): Freelance 2018/19

Division	Bisexual	Gay man	Gay woman/ lesbian	Hetero-sexual/ straight	Other	Prefer not to say/ Excluded	LGB
Content	2.0	2.9	1.4	76.5	*	16.6	6.9
Corporate, Policy & External Affairs	*	*	*	81.3	*	*	*
Deputy Director-General Group	*	3.3	*	73.8	*	20.3	5.8
Nations and Regions	1.6	2.2	0.9	76.7	0.6	18.0	5.4
News and Current Affairs	2.7	3.7	*	66.8	1.2	24.9	8.3
Radio and Education	2.7	3.5	1.3	72.3	1.3	18.9	8.7
UK Public Service	2.0	2.9	1.0	73.8	0.9	19.4	6.8
World Service Group	*	*	*	69.2	1.8	25.3	5.5
BBC Studios	1.6	2.7	1.0	70.8	0.7	23.2	6.0
Other	0.3	*	*	77.2	*	20.1	*
Grand Total	1.7	2.7	1.0	72.3	0.9	21.4	6.3

All data reflects UK-based employee contracts only.
 Totals for each characteristic differ due to varying disclosure rates.
 * Data has been replaced with an asterisk where figures are below sample size.

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