



Annual Report 2010/11

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OVERVIEW

This year we delivered projects with demonstrable impact while investing in processes and systems to maximise project and organisational effectiveness, and further improving our financial position. The quality of our talented and dedicated personnel around the world, has helped us deliver existing work well and gain new projects, extending our good reputation. A year on from our initial restructuring, plans have bedded in to better define the parameters of our work and review our key thematic strategies, while strengthening the structures to support project design and delivery. We made progress on improving internal communication and data storage and retrieval, making lines of accountability clearer and enhancing links to and from country teams. While continuing to work with traditional media, the BBC World Service Trust ("BBC WST") has also been responsive to the rapidly changing media environment in which we work. The explosion of social media and the potential of mobile telephony have been captured in the delivery of new projects with new media at their heart. We have invested in our Policy and Thematic team to enrich our thinking internally and make the case for the role of media and development externally. The year further reinforced BBC WST's position as the leading UK charity using media and communication in the pursuit of development and human rights.

Annual expenditure on charitable activities reached £23.9m (2010: £26.6m), with BBC WST designing and delivering integrated projects to meet complex development objectives as well as delivering discrete training events. The impact of some of these projects is outlined in the pages that follow.

The quality and rigour of BBC WST's research continues both to help shape our projects internally and to provide evidence of impact and reach to external stakeholders. This year saw a strategic shift in focus to ensure that the Research and Learning (R&L) team's main focus is to feed into the development and implementation of our projects around the world. The R&L team received further plaudits this year with an award for 'Communication Research as Collaborative Practice' from the International Communication Association. The policy impact has again increased over the past year through publications, new media work, events and presentations at high-profile events.

The Executive Director, Caroline Nursey, and Chair of Trustees, Peter Horrocks, worked with staff and trustees to consolidate efforts, improve processes and find new sources of funding. In line with the 'How We Work' (2009-2012) strategy paper, BBC WST has combined unrestricted income with new project business development processes, sharing new intelligence on donors internally, tightening reporting procedures and pushing for greater transparency, openness and clarity about what we do and how we do it.

We know the work we do is even more necessary than when the organisation was founded over ten years ago. We will continue to deliver high-quality work that is valued by the development community and by media organisations in contributing to development and better standards of governance in developing countries.

BOARD OF TRUSTEES' REPORT

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

OBJECTS AND ACTIVITIES FOR THE PUBLIC BENEFIT

The objects of the BBC WST are:

- the education and training of journalists and all others engaged in the broadcast media in the principles and practice of journalism, programme production, broadcasting and related media skills, including ethics and codes of conduct, technical presentation and writing skills, interviewing techniques, press and news conferences, relevant law and newsroom roles and responsibilities, so as to promote high standards of balance, fairness, integrity and professionalism; and,
- the education of the public in the arts and sciences, including health, law, social policy, public administration, history, politics, economics, environmental protection, languages and in the availability of education, and in particular through raising public awareness on subjects such as sexual and reproductive health issues by producing public service announcements, discussion programmes and drama and broadcasting and other dissemination of educational films and radio and television programmes, and the publication of other educational material for the benefit of the public.

The BBC WST carries out these objects by:

- delivering projects that transform lives through media - using media and communications to promote development and human rights in a range of countries in Africa, Asia, the Middle East and, to a lesser extent, in Eastern Europe and the former Soviet Union. Our projects use radio, television and modern media to reach target audiences and employ drama, debate, current affairs formats, public service announcements and blogs to reach development objectives as well as training journalists and others.
- working in alliance with others towards our vision. Within the BBC, we are extending our reach with broad audiences by working closely with the language services of the World Service in making many of our programmes and, where appropriate, in providing material that will be broadcast by them. We also work with other development actors within the British and international development community and with academic institutions in the UK and the countries where we work particularly to explore the role of media from a policy perspective. We work with civil society organisations, local media organisations and with governments.

We have established that we will achieve greatest impact and public benefit by focusing on five thematic areas and prioritising the first three of these: - Humanitarian, Governance and human rights (in particular strengthening media so that it can hold its own government and others to account), Health, Education/Livelihoods and Climate change. As part of the implementation of restructuring plans in the London office during the year, new emphasis has been placed on building capacity to share thematic knowledge internally and externally and a new central team has been built up to bring together policy and practice, and to strengthen project proposals and implementation.

Across all five thematic areas, we aim to be inclusive and seek to be aware of gender and diversity and to design and implement our strategies and projects accordingly to reach beneficiaries across the world. We are committed to exploring this area further within our knowledge sharing activities and have drafted a new paper on gender.

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

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

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

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

REVIEW OF 2010/11 OBJECTIVES

WHAT WE ACHIEVED

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

***Aim:** To deliver our mission to provide information to people in the developing world to help them survive, shape their lives and thrive. The goal will be to deliver more than 125 projects in over 30 countries across our five themes (governance, health, humanitarian, livelihoods and climate change). We will aim to reach more than 50 million people.*

Delivery: We delivered 92 projects in 30 countries (2010: 123 projects in 30 countries). The decision to deliver fewer, but larger, projects was strategic, to reduce the administrative burden of servicing

multiple smaller grants, and to also deliver the increased impact possible at bigger scale. We reached well over 50 million people across the world. In Bangladesh alone our portfolio of English language projects encompassed in English in Action reached at least 26 million people (findings came from a survey conducted in January 2011). In Afghanistan our educational and governance linked projects were listened to by approximately 39% of the adult population, while in Nigeria, our long-running soap *Story, Story* and a number of radio phone-ins reached over ten million. Our wide portfolio of journalism training continued to help build the skills of many thousands of journalists. We have deepened our links to partner organisations such as BOND to help share skills and link up where we can, and in country partnerships with local non-governmental organisations, media organisations, and ministries (India NACO) are flourishing. All of our projects have been delivered within agreed budget and terms of compliance.

HOW WE DID IT

2) Reach and scope

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

Delivery: We reviewed our Health, Governance and Human rights and Humanitarian strategies and continued to develop our Livelihoods/Education and Climate change work. We also drafted a new paper to define our approach to gender. New guidelines have been approved and shared to define the scope and reach of our work in terms of size, scale, location and theme. Editorial quality and value for money continues to be key. Regular monitoring of pipeline projects and the external environment (alerts for upcoming tenders, liaison on how to prioritise these, expert advice and support from thematic advisors) has greatly enhanced and streamlined our planning, coordination and delivery.

3) Research, knowledge sharing and policy

Aim: *To use our new structure to enable clearer working relations between research and programme staff so that all projects use research effectively at a formative stage and so that we can measure the impact of our projects.*

Delivery: A shift in strategy, linked to a change in Director in R&L, saw us deciding not to pursue 'stand-alone' research but rather focus on integrating most research to improve support to BBC WST projects directly and enhance our outputs as a result. Close links between DfID and Policy and Thematic were deepened across the year particularly within the areas of governance (a rapid response facility has been introduced on media and elections), and health. In addition the OECD/DAC governance team partnered with BBC WST on events and publications, while the highly regarded IDEA institute partnered with us on workshops and publications linked to media and governance. In our health thematic area our reputation was boosted by links to the Global Fund and multiple other agencies. In addition to research reports, this year we published our first academic book, in partnership with the Open University and Sage publications, to provide an historical review of our work on drama and development.

4) Working with others

Aim: *We will continue to strengthen relations with other parts of the BBC and with the development sector.*

Delivery: Collaboration with the BBC continued, reflected by links to broadcast project outputs through language services, through coverage of a wide range of our work in BBC media, and through the continued involvement of talented BBC staff who come to work with us through short-term attachments and longer-term deployment. Our partnerships with other non-governmental organisations and development players proliferate, while we continue to make engagement with both donors and national governments a central spine of project delivery. BBC Global News (GN) links have been deepened strategically and continue to flourish in terms of broadcast opportunities and logistical support. We engage regularly with BOND and have close ties and regular contact with its Executive Director and its activities. UK Department for International Development (DfID) policy links continue with close collaboration around Governance, Health, Climate change and Education/Livelihoods. An independent entity, BBC WST, Inc, a corporation which is organised and operating for charitable, educational, scientific and literary purposes within the meaning of section 501(c)(3) of the Internal Revenue code of 1986 was established and incorporated in the USA during the year

5) Striving for quality

Aim: *Our emphasis this year will be more on quality than on growth.*

Delivery: The restructuring process has helped establish new ways of working. Programme reviews from both within and across regions have been undertaken, although we intend to carry out more during 2011/12. This year we held a creativity and production workshop for global staff in London to help review and strengthen thinking and practice within our broadcast outputs. The R&L team continues to ensure that our projects and outputs are monitored and measured at every stage of delivery, while externally a range of consultants have undertaken reviews of our work on behalf of donors and we have performed consistently well. For example the 2010 DfID 'output to purpose review' of our English In Action project saw us achieve the highest grade.

6) Keeping costs down and improving project costs recovery

Aim: *We will carefully manage costs, particularly those that are not directly project related.*

Delivery: Tightened financial procedures and regularly monitored budgets and re-forecasts have contributed towards achieving a surplus for the year that has exceeded budget expectations. New procedures have encouraged staff to understand the overall financial position of the BBC WST. Several proposals have been submitted to USAID and one grant (in Nigeria) has been won, but we will not agree a Negotiated Indirect Cost Rate Agreement (NICRA) until we have more experience. We have built our business development strategy in relation to the USA and have personnel and processes in place to deliver more effectively. The careful management of costs, with savings in comparison to budget, and expectations, have helped to delivery the surplus for the year and the increase in reserves set out in the Financial Review section on page 17.

7) Business Development

Aim: *We will raise more unrestricted income in line with the budget.*

Delivery: Despite the constraints of fundraising in an economic downturn we raised voluntary income of £953,000, although this was lower than budget expectation. The Development Board now has five members who have committed to give and help recruit other donors. We have a strong pipeline of project proposals agreed, submitted and in development for the next three years. Our reputation in the field of development and mobile telephony has been boosted by the success of *BBC Janala* and it won a clutch of highly prestigious awards including the Microsoft Education Award at the prestigious Tech Awards. Accolades such as this helped feed growing interest from donors and mobile phone operators in this area of our work. We won a Gates funded project with a large mobile component to be implemented in Bihar, India, linked to maternal and child health.

8) Communications

Aim: *We will prepare for a rebrand in 2011/12, launching a new name and logo and revamping the website.*

Delivery: The branding process continued across the year with staff, trustees, external stakeholders and BBC colleagues consulted at every stage. External advice came from the Business Advisory Board and a range of pro bono marketing and branding experts. We also produced a new video showreel to better articulate what we do and to make the case for the rebrand. We are now on (a revised) target to rebrand in January 2012 and BBC boards and BBC WST trustees have approved the name BBC Media Action. To mark the MDG Summit in New York in September 2010 we partnered with BBC *World Have Your Say* for a live debate held in the Purcell Room at the Royal Festival Hall. This event seeded our extensive involvement in a bigger festival and conference called WOW, held by the Southbank Centre. Through a creativity and production workshop for BBC WST colleagues and presentations as part of the WOW festival, we both raised our profile and built new links to non-governmental organisations and influential individuals. Development plans for the new website were built across the year, with the relaunch coinciding with the name change in January 2012. A new multimedia library was implemented across the year to improve storage and retrieval of all our outputs. Extensive proactive media coverage across the year included *The Economist* (*BBC Janala*), and regional (Africa) and international (BBC WS) interest in our Africa Talks Climate findings.

9) Information systems

Aim: *We will implement a new management accounts format including country level information and a new monthly financial reporting process.*

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

10) Support and develop staff

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

Delivery: Feedback from staff reflects satisfaction at a more open style and a more secure and motivated workforce. 49.4% appraisals were achieved for London staff and this is still far too low. Quality reviews have been undertaken of completed appraisals and these indicate that performance development has been discussed and realistic objectives set for the year. This year, a large portion of the training budget was used to fund the Creativity and Production workshop that brought colleagues from around the world to London. Much more work needs to be done to clarify procedures relating to local staff terms and conditions.

OUR ACHIEVEMENTS IN THE FINANCIAL YEAR 2010/11

Across the past financial year we have worked on 92 projects in more than 30 countries funded by over 40 funders. Our projects are always shaped by audience research to define what type of media will best provide access to life-changing information. Our knowledge of audiences in 2010/11 enabled us to work in partnerships that reached and assisted large numbers of people across multi-media platforms. In Bangladesh for example, the interactive English learning project *BBC Janala* was accessed by 26.3 million people. The mobile learning platform received, at its peak, an average of 58,300 calls per day with 1.8 million people following lessons in Bangladesh's leading newspaper.

Some of our achievements have been externally recognised through awards. In addition to the awards collected by BBC Janala highlighted above, in April 2010 the Center for Climate Change Communication in the USA named Africa Talks Climate as '2010 Climate change communicator of the Year'; Ethiopia's work to tackle HIV/AIDS through *Abugida* was recognised in an award for 'Mass media communicator of the year' by AfriComNet; *Shankaboot*, the Lebanon-based web drama won both *Reffet d'Or* for best web series from *Cinema tous Ecrans* and a highly coveted i-Emmy in Cannes; and Nigeria's health work was recognised by the 5th National Conference on HIV and AIDS through an award for 'Outstanding media organisation in the fight against HIV and AIDS'.

Overall impact is difficult to aggregate across the many projects implemented during the year across our five themes in a way that is meaningful. A few examples illustrating the impact of specific projects are outlined below.

The largest area of our work remains governance. With presidential elections held in Nigeria in April 2010, *Story, Story*, the long-running and hugely popular radio soap focused on elections and rights; 53% of listeners said that they had discussed the issues raised by the show with others. In Liberia and Sierra Leone our project covering the Charles Taylor trial in The Hague started to draw to a close as the legislative process concluded. Since the trial opened in 2007 BBC WST has broadcast over 90

programmes both covering the trail from The Hague and developing locally appropriate support programming. The programme was immensely popular, and in recognition of her efforts, presenter Mariama Khai Formah won 'Best female reporter' at the Independent Media Commission's Media Awards in Sierra Leone.

In the 'Somalia Constitution Making' project, work focused on journalism support addressing human rights, gender and peace in relation to the country's efforts to put together its first constitution. And in South Sudan, as citizens voted to secede from the North, we worked with local partner radio stations to train radio production staff to produce effective outputs linked to the process. 205 journalists have received nine weeks of training in-station on issues of fairness, impartiality and diversity, and trainers have visited local stations to provide on-going mentoring. Quantitative surveys were conducted to assess the reach and in each case the local stations were the most listened to station in the area. For example, 84% of radio listeners in Northern Bahr el Ghazal listened to Nhomla FM.

A 'National Conversation', is a pan-African (Angola, Sierra Leone and Tanzania) project that aims to promote accountability, transparency and participation through partnership with public broadcasters in Africa. In Sierra Leone, to date, the project has delivered 387 hours of programming, trained 224 journalists and held 216 officials to account on air. In Tanzania we supported the Tanzania Broadcasting Corporation in its coverage around the country's elections and in its efforts to transition from state broadcaster to a public service broadcaster. Public opinion of the resulting coverage was extremely positive, with one respondent saying "I really want to thank TBC, they broadcasted very authoritatively, there is no place they tried to hide any issues, everything was made very clear..."

In Angola our support of the flagship magazine radio programme *100 Duvidas* moved across the year to a new and positive stage as the programme reduced its financial and editorial dependence on us to become more locally supported and sustained. In Nepal, *Sajha Sawal*, our popular topical discussion programme continued. Since its inception in 2007, 175 episodes have been broadcast and we now have two regional versions of the programme running at local radio stations. A new website launched and demand for the weekly e-bulletin continues to increase.

Within our health portfolio of projects, in Cambodia we delivered programmes to combat malaria through radio and TV 'spots', while *Hip-Hop Girls* and *Really!*, our two weekly phone-in programmes encouraged teenagers to think about their sexual and reproductive health. A 2010 survey found that 46% of youth radio listeners in the age group of 15-24 have listened to *Really!*, with calls coming from almost every province in Cambodia.

In India health-related project activities included condom adverts to share information about ways to prevent HIV infection, while a new series of blood donation public service advertisements combined humour and creativity to get the message across. Our 'itchy man' TV adverts encouraged treatment for sexually transmitted infections.

In Nepal our radio soaps tackled violence against women through a light-hearted campaign with a serious message as we asked 'Are you a man or a goat?' (a downloadable bleating mobile ringtone was one of the associated outputs), and Ghar Aangan, a maternal and child health radio programme, was aired. After five months of work, the number of people who considered it safer to deliver a baby at a health centre had increased by 3% while knowledge around when to breastfeed a newborn or when iron tablets should be taken had increased by 16% and 23% respectively.

Our humanitarian work saw two new radio services introduced in response to natural and man-made crises. In Pakistan we established a radio lifeline in response to July 2010's devastating floods. Working in partnership with BBC WS colleagues we mobilised a radio service in Urdu to address the information gap. A total of 14,986 calls were recorded by the phone-in service we set up as part of the programme. "I like LLP because there are very many discussions on issues that are relevant to people like me." (*Displaced Urban Male, Pakistan*). In the second humanitarian radio service of the year 'Gaza Lifeline' ran until December 2010 to help provide information during the blockade. Appealing to children, the programme provided psycho-social support: 'I felt more safety after listening to the program and I knew that to feel afraid isn't something to be ashamed of' (*Male, 12 years old*). BBC WST also entered a new partnership arrangement with Internews to form Infoasaid, a consortium focused on improving how aid agencies communicate with disaster affected communities.

Al-Mirbad Radio in Iraq was launched in Basra in the summer of 2005 and became one of the most recognised and listened-to radio stations across the south of the country. 700,000 people are benefiting, listening weekly and hearing output that is not dominated by one ethnic or religious grouping unlike most other broadcasting in Iraq. Across 2010/11 we have been transitioning the project to transfer ownership from BBC WST into Iraqi hands. In a new and linked project providing support to Al Mirbad as it starts to function as a local non-governmental organisation, we are funding a new transmitter just south of Baghdad to enable the station to expand its reach from three provinces to the whole of southern Iraq, more than doubling the population in its coverage area.

Social media continues to be a growth area for us and *Shankaboot*, our interactive web drama has led the way. Designed to provide a place where vulnerable, marginalised and disenfranchised groups can access diverse views, fans of this programme, or 'Shankers', are young Arabic-speaking citizens from across the Middle East. The Facebook fanpage has attracted more than 22,000 members from Lebanon, Saudi Arabia, Egypt and UAE, while YouTube views reached 600,000.

In Bangladesh, English in Action media products are changing attitudes towards learning. 8.6 million people exposed to the products rated their motivation to learn English higher than they felt it was two years ago. One female respondent told us "I want to lead a better life so I have been inspired to learn English. My kids also watch the programmes with me. I think *BBC Janala* is helpful to learn English." Users of the products feel that English is less difficult to learn: "At school our teachers try to teach us

with a stick in their hand. These programmes try to teach us with fun" (*Male, 26-35*). People are using and learning English from the English in Action media products with 9.7 million people believing that they have learned some English. 8.5 million say they use the English they have learned and 6.6 million people are able to say a specific example of the English they have learned. Users of the products now speak more with others - 10% of regular viewers of *Mojay Mojay Shekha* practise English in a group. A third of heavy users are using English in their everyday life, compared to 12% of non users.

LOOKING AHEAD: OUR AIMS FOR 2011/12

We are now into the third and final year of our 'How we work' organisational strategy (2009-12). The strategy is designed to consolidate the position of BBC WST after its first decade and to equip it for the next phase of its development. During 2011/12, we will agree on strategic priorities for the next three years starting in April 2012.

Drawing on the BBC WST strategy, BBC WST will pursue the following plan during 2011/12:

1) DELIVER OUR PROGRAMME

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

Measures:

- *Internal and external impact reports provide evidence of lasting positive change.*
- *Projects delivered within budget, in line with BBC global purposes and editorial values, organisational policies and thinking and compliant with donor requirements.*
- *Direct delivery of projects in country is complemented by, and interconnected with, policy work on the role of media and development.*
- *Individual projects are designed with the benefit of learning from previous work and not in isolation. In turn share learning with others and contribute to the development of the overall organisation.*

2) REACH AND SCOPE

We will grow the overall size of the organisation's programme portfolio in line with budget and forward plans. We will produce regional strategies and country plans. We will better define the parameters of our work on livelihoods/education and climate change, and resource the two areas accordingly.

Measures:

- *Overall income in line with budget and pipeline for 2012/13 and 2013/14 congruent with forward plans and stronger than at equivalent stage in 2010/11.*
- *Regional strategies and country plans produced and being followed.*
- *'Education/Livelihoods' theme defined and agreed and paper produced and in use.*

3) RESEARCH, KNOWLEDGE SHARING AND POLICY

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

Measures:

- *Clear agreements between R&L and project teams about deliverables, milestones and realism about resourcing required for outputs needed; high quality research delivered on time and enhancement to overall quality of projects with meaningful impact assessment.*
- *Increased shared learning from individual projects made available across the organisation.*
- *DfID and SIDA projects delivered successfully against objectives, seen to have strategic value for the organisation and donors and BBC WST's reputation enhanced.*
- *Extranet, or alternative solution, in place by year end.*
- *Interim internal knowledge sharing arrangements facilitate much greater access by country staff to shared learning.*

4) WORKING WITH OTHERS

We will deepen engagement with BOND and non-governmental organisations in the UK, with non-governmental organisations for, and individual non-governmental organisations in, the countries where we work and with donor networks such as OECD/DAC. We will continue to work collaboratively with in-country research agencies and local experts to help deliver the evidence base for our research questions. We will continue to engage wherever possible with colleagues across the BBC and will actively look out for opportunities that can take forward development objectives while also helping to mitigate the consequences of the comprehensive spending review in the BBC World Service and BBC Monitoring. We will start work on developing a partnership policy to articulate, in particular, who we work with and in what way in the countries where we deliver projects.

Measures:

- *Evidence of engagement apparent and some examples of tangible outcomes through formal partnership in delivering projects or creating broadcast opportunities.*
- *Increased understanding among BBC WST staff of other parts of BBC Global News and of BBC WST by other parts of the BBC. This will be measured as part of the rebrand process and an evaluation that will be undertaken before and after the name change to measure staff awareness of our relationship with other parts of the BBC and awareness of the new name from other parts of the BBC.*

- *Process in place to develop partnership policy during 2012/13.*

5) STRIVING FOR QUALITY

In designing and delivering our projects, we will seek to produce innovative, creative and appropriate outputs that deliver real impact. We will identify key moments within the project cycle where staff will learn from progress made and impact achieved and apply that to strategic development of other projects. We will seek to learn from failures as well as successes and be honest in assessing and reflecting upon our impact. We will engage with the BBC's 'Putting Quality First' agenda and the development sector's 'Results' agenda and work out and articulate what 'value for money' and rate of return thinking means for us. We will recruit the remaining members of the Policy and Thematic Team. We will articulate our theories of change and methodologies, sign off policies on our five themes and facilitate shared learning across governance, health and humanitarian work. We will sign off and disseminate our gender policy and integrate our analysis on gender into all that we do. We will build on the March 2011 creativity and production workshop and enable better exchange of learning on genres between regions and from other parts of the BBC. We will organise a training event for country research and learning staff in partnership with the LSE. We will review our approach to journalism training and our use of new media.

Measures:

- *Internal and external evaluations find the majority of work to be of high quality.*
- *Awards and external feedback.*
- *Editorial reviews and end of project reviews taking place regularly and highlighting failures and recommendations for the future as well as successes.*
- *SMT, and other staff as necessary, understand 'Putting Quality First' and have fed the thinking into organisational plans.*
- *Work completed on implications of 'value for money' agenda as it applies to BBC WST and documentation available to explain our thinking to donors and stakeholders.*
- *Key documents in each thematic area signed off and accessible to all staff.*
- *Staff at all levels demonstrating better understanding of our work and feeling supported. Both rebrand evaluation processes and the staff survey will help measure this objective.*
- *R&L training delivered in affordable way, appreciated by staff and seen to have impact.*
- *Review of journalism training completed and plans in place to implement recommendations.*
- *Audit of our use of new media completed and plans in place to support appropriate use.*

6) SUPPORTING AND DEVELOPING STAFF

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

Measures:

- *Training budget utilised and feedback shows training contributing to strong performance.*

- *Global staff finance handbook finalised, disseminated and in use.*
- *Databases of projects of all past and current projects in place and being used by staff.*
- *Staff HR handbooks in place in at least half the countries where we work that are compliant with local labour law and reflect a coordinated approach to national staff conditions. While this is still low it marks the first stage of concerted ongoing efforts to make more countries compliant.*
- *90% completion of appraisals in London and 75% in countries with evidence of real constructive discussion having taken place about performance.*

7) KEEPING COSTS DOWN AND IMPROVING PROJECT COST RECOVERY

We will continue to achieve the 'close to full' level of cost recovery from projects and further reduce ineligible costs. We will improve our project planning and project budget preparation particularly around the staffing required to deliver research within projects. We will engage all staff in ensuring good stewardship of funds and value for money. We will manage vacancies carefully taking advantage of savings where appropriate. We will monitor plans carefully and, if income targets are not met, take action in autumn 2011 to restructure the London office and reduce costs to present a credible budget for the start of the 2012/13 financial year. We will identify how to maximise management fees and full recovery of costs from US government contracts.

Measures:

- *Contribution delivered by each region as per budget or better.*
- *Budgeted organisation contribution percentage met or bettered.*
- *Specific ideas generated and operationalised to make the organisation more efficient.*
- *Detailed operating procedures for US government contracts in place and understood by relevant staff.*

8) BUSINESS DEVELOPMENT

Within project business development, we will concentrate on bigger projects that are in line with our thematic and regional strategies and will increase the diversity of our funders. We will engage with those funders that fit our strategies and strengthen our approaches. We will increase investment in London-based regional business development to enable growth in 2013/14 and generate increased business across all three regions. We will engage with DfID to explore strategic funding other than the Partnership Programme Arrangement (PPA grant) and to secure a continuation, and expansion, of the policy grant beyond March 2012. We will continue to invest in high net worth individual fundraising and conclude by the end of 2011 whether or not the method works for BBC WST. We will increase investment in US fundraising by employing a full time staff member. We will transform the Correspondents' Dinner into a significant fundraising event.

Measures:

- *Projects developed and funded in line with budget and with strong order book for future years.*
- *Extension of policy grant agreed by October 2011.*

- *High net worth individual detailed KPIs achieved for Development Board, contacts, commitments and income.*
- *US unrestricted funding secured as per budget and profile raised with key institutions.*

9) COMMUNICATIONS

We will complete the rebrand and roll out the new name "BBC Media Action" over the year. We will launch a new website, marking the main switch over point to the new brand in January 2012. We will seek ways to be more transparent and accountable to stakeholders. Policy, Research and Learning and Communications teams will work together more closely to make the case for the role of media in development as demonstrated within our projects. Closer links between Regional teams and the Communications team and better understanding by communications staff of regional and country priorities will produce effective communication plans, testimonials and promotional materials to support both global and country business development.

Measures:

- *Name and mission agreed early in year; staff and trustees on board with name; materials produced that enhance the brand and support project related and unrestricted business development.*
- *New website completed, achieving criteria set out in brief and kept up-to-date during year.*
- *Business development staff in London and countries have the materials to support their work.*

10) INFORMATION SYSTEMS

Our new Business Systems and Change Manager will work with the Communications team to identify affordable ways to improve internal communications and access to shared resources. We will identify ways that we can deliver our work more effectively and efficiently in the medium term and draw up plans to support this. We will incrementally engage staff more in understanding the financial performance of their team and the wider organisation.

Measures:

- *Business Systems and Change Manager in place early in year and delivering effectively.*
- *Audit of existing mechanisms completed, systems improvements identified to enhance internal communication and access to resources, particularly for staff based outside London and costed plans in place for implementation.*
- *Areas identified where significant efficiencies can be made medium term.*
- *Staff demonstrating greater understanding of financial performance of organisation and their part in improving that. This will be measured by stronger project design with our regular financial reporting demonstrating that actual results are closely in line with forecasts and budgets.*

FINANCIAL REVIEW

The income and expenditure account for the year ended 31 March 2011 shows a surplus (net income for the year) of £0.3m (2010: £1.1m). This exceeds the budget expectation for the year and reflects the

continued concerted effort made to attribute costs appropriately to projects. The surplus improves the BBC WST's reserves.

Total income of £24.8m was lower than the previous year (2010: £28.2m) when there were high levels of funding and project activity, however it was broadly in line with budget expectation. The total income of £24.8m is 18.7% higher than the level achieved in the year ended 31 March 2009. Grant funding of £23.8m (2010: £27.1m) was slightly ahead of budget expectation while voluntary income of £953,000 was below budget expectation and did not achieve the increased levels that had been planned. The principal funding sources were: The Department for International Development (DfID), the Foreign and Commonwealth Office (FCO), the European Commission, the Dutch Ministry of Foreign Affairs, the Bill and Melinda Gates Foundation, United States Agency for International Development (USAID) and UN bodies.

Total expenditure of £24.5m (2010: £27.1m) was lower than the previous year and broadly in line with budget expectation. Expenditure on our charitable activity, providing public benefit by changing lives through media development and development communications represented 97.6% of total expenditure (2010: 98.5%)

The consolidated cash flow statement shows that cash has increased by £3.0m during the year (2010: £2.5m) as BBC WST has continued to improve its management of cash. During the year focus has continued to be on obtaining cash from more donors in advance of project expenditure. Debtors have fallen to £4.9m at 31 March 2011 (2010: £5.3m) while creditors falling due within one year has increased to £11.9m (2010: £9.6m) due in particular to the increased level of deferred income of £9.6m at 31 March 2011 (2010: £5.1m).

The cash held at 31 March 2011 of £9.7m (2010: £6.8m) is higher than would normally be expected. This level of cash is not expected to be maintained in 2011/12 and a lower cash holding is expected at 31 March 2012.

FINANCIAL POLICIES

Reserves

As a result of the net incoming resources of £0.3m net assets in the consolidated balance sheet increased to £2.4m at 31 March 2011 (2010: £2.1m).

The Board of Trustees review the reserves policy on an annual basis in the context of BBC WST's multi year plans and a review of the risks and opportunities for BBC WST. The Board of Trustees considers that BBC WST should hold reserves in the general fund (total unrestricted funds less designated funds) in the range of £2m to £2.5m. This range is based upon an analysis of the financial risks faced by BBC WST.

During the year the Board of Trustees transferred £175,000 from the Partnership fund (a designated fund set up at 31 March 2010) to the Afghan Education Project fund (a designated fund set up in 2008/09). During 2012 it is planned that the business of the Afghan Education Project will be transferred to an independent NGO and the Afghan Education Project fund will provide funds that will assist with working capital for the independent NGO. Further details are set out in note 16 to the financial statements.

Total unrestricted funds held at 31 March 2011 amounted to £2.4m (2010: £2.1m) of which reserves in the general fund amounted to £1.7m (2010: £1.3m). The Board of Trustees is pleased that total unrestricted funds have increased. However, the reserves in the general fund are below the target range of £2m to £2.5m, and the Board of Trustees has instructed management to continue to build up reserves in the year ending 31 March 2012 and in the following years. This will be achieved most significantly by increased levels of voluntary income and higher levels of recovery on projects from donors. Free reserves (unrestricted funds less funds relating to fixed assets) at 31 March 2011 were £2.3m (2010: £1.9m).

Investment Policy

Cash balances are set out in the consolidated statements and BBC WST balance sheets and in the notes of the financial statements. The objective of the investment policy is to maximise interest whilst limiting risk.

Going concern

The Board of Trustees is of the opinion that BBC WST and the group has adequate resources to continue in operational existence for the foreseeable future. The Board of Trustees has identified no material uncertainties that cast significant doubt about the ability of BBC WST to continue as a going concern as is further explained in note 1 of the Financial Statements.

Policy and practice on payment of creditors

Creditors are paid in line with agreed payment terms.

OUR ORGANISATION

Staff and volunteers

The quality and creativity of our outputs are directly attributable to the calibre and expertise of our staff. In 2010/11 BBC WST employed an average of 569 staff, with 86 based in the London office. Of the staff based outside London, 37% are in the Rest of World region, 24% in Africa, and 39% in Asia. This includes 24 expatriate staff who have specialist skills in media and or international development, and who are originally from UK, Denmark, Belgium, USA, Canada, Nepal, India and Australia.

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

We advertise most of our jobs locally, invest in building local skills, and a high proportion of our staff are based in countries where we work. We seek to develop local skills, so that our work can be sustained long-term, after our own in-country projects have concluded. As a consequence, wherever possible we recruit staff from the countries or regions where we operate. We are keen to ensure a positive and supportive working environment for our staff. The BBC WST has volunteers and work experience placements on a regular basis.

Legal structure

The BBC WST is registered as a charity (registered number 1076235), and is incorporated as a company limited by guarantee (registered number 3521587). The BBC WST was established under its Memorandum of Association with the objects and powers of a charitable company. It is governed by its Articles of Association.

The sole member of the BBC WST, the BBC, undertakes to contribute to the assets of the BBC WST in the event of it being wound up while it is a member, or within one year after it ceases to be a member for payment of the debts and liabilities of the BBC WST contracted before it ceases to be a member, and of the costs, charges and expenses of winding up, for the adjustment of the rights of the contributors among themselves such amount as may be required not exceeding £10. Each Trustee is a subscriber to the Memorandum of Association and accordingly the BBC WST had nine subscribers at the end of the year 2010/11.

Subsidiary companies

The BBC WST has three subsidiary companies, which are all 100% owned by the BBC WST. The Marshall Plan of the Mind Inform did not trade during the year. Work in India during the year was transacted through the BBC WST Limited. During the year £1.7m (2010: £1.2m) of expenditure on charitable activities took place and the net income for the year was £nil (2010: £2,500). Work in Iraq during the year was transacted through Southern Iraq Company for Radio and TV Broadcasting Limited.

Governance

The trustees, who are also directors of the company, are listed on page 23; they meet at quarterly intervals. A trustee may, and the Secretary on requisition of a trustee may, at any time summon a meeting of the trustees. The quorum necessary for the transaction of the business of the trustees shall be the greater of two trustees or one third of the total number.

The trustees seek to ensure that all activities conform to UK and relevant local laws and are within agreed charitable objectives. Their work includes setting strategic direction and agreeing the financial plan. They perform some of their function through sub-committees, including a Finance and Audit sub-committee. The Finance and Audit Committee consists of three members. It meets at least four times a year. Trustees act on advice and information from regular meetings with the Directors. Decisions made at other levels of the organisation are reported to the Trustees.

The trustees have the power at any time, to appoint any person to be a trustee, either to fill a casual vacancy or as an addition to the existing trustees, so long as the number does not exceed the total number of Trustees referred to in the Articles of Association. Trustees are selected following either advertisements or recommendations. An interview process is carried out by the Chairman of the Trustees and at least one other member of the Board. Nominations are then put forward to the full Board for approval. An induction programme is available for all Trustees as is internal training on duties and responsibilities. Trustees are encouraged to visit BBC WST projects to obtain first hand experience of BBC WST in action. Knowledge sharing sessions provide trustees with the opportunity to gain up to date information on particular issues.

Organisational structure and management

The BBC WST has its head office in London, UK, where central support functions of Business Development, Communications, Policy and Thematic, Finance, Human Resources, IT and the Director are based. A Senior Management Team (SMT) of eight senior staff report to the Director of the BBC WST. The SMT roles comprise: three Regional Directors (Africa, Asia and Rest of World), Director of Business Development, Director of Communications, Director of Finance and Business Services, Director of Research, and Head of Policy and Thematic.

In addition to the UK office at 31 March 2011 there are BBC WST country offices in 13 countries (Afghanistan, Angola, Bangladesh, Cambodia, Ethiopia, India, Kenya, Nepal, Nigeria, Sierra Leone, Somalia, South Sudan and Tanzania), managed by Country Directors or Heads of Project, appointed by and accountable to the UK office. The country offices work with local development organisations and media partners in delivering the work described above. A streamlined group of Senior Project Managers and Assistant Project Managers support Regional Directors and Country Directors through project life cycles, providing logistical support and, in part, seeking further business development. In addition five staff now provide thematic support in the Policy and Thematic team.

The new Research and Learning Director took up her post in September 2010 and the Research and Learning (R&L) team retains the same structure with the exception of one post, the Business Development Manager, which has closed, reflecting the decision not to pursue 'stand alone' research projects aimed at delivering a surplus.

Across the financial year 2010/11 there was much strategic focus on developing project management and organisational systems and processes. 'Ignite', the first ever creativity and production workshop brought together colleagues from around the world to share learning and experiences about our drama, advertising and creative production. The aim of these workshops and initiatives is to facilitate more linked-up processes, prevent duplication of effort and build, and share, staff skills.

Risk management

BBC WST has identified the major risks affecting its work and has ranked these by likelihood and impact. A risk register has collated these and ranked them according to level of risk. The trustees have assessed these risks and are satisfied that reasonable steps are being taken to mitigate exposure to them. The SMT reviews the register quarterly and is responsible for managing each risk identified. The trustees review the risk register on an annual basis. The BBC WST operates an annual planning and budgeting system with an annual budget approved by the Trustees. Any significant changes to those plans need specific approval. Financial forecasts are made during the year.

Disclosure of information to auditors

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

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

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



Peter Horrocks, Chair

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES OF THE BBC WORLD SERVICE TRUST IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

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

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

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of the group's excess of income over expenditure for that period. In preparing each of the group and charitable company financial statements, the trustees are required to:

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

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

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

TRUSTEES, SENIOR STAFF AND ADVISORS

Trustees**

Peter Horrocks* (Chair)
Richard Manning (Vice-chair)
George Alagiah*
Alison Evans (from 8 February 2011)
Michael C. McCulloch †
Prof Patrick Vaughan
Bhupendra Mistry †
Susan Robinson King
Richard Thomas*†
Zarin Patel* (until 8 February 2011)
Richard Sambrook (until 26 April 2010)

Company secretary

Lindsey North*

* BBC representative

† Member of Finance and Audit Committee

** All trustees are also directors of the company

Executive Team

Caroline Nursey – Executive Director
Awo Ablo – Director of Business Development (left May 2011)
Kavita Abraham Dowsing – Director of Research and Learning (from September 2010)
Kirsty Cockburn – Director of Communications
Simon Derry – Regional Director, Europe, FSU and Middle East
Caroline Ford – Regional Director, Africa
Caroline Howie – Regional Director, Asia
Andrew Lawrence – Director of Finance and Business Services
Gerry Power – Director of Research and Learning (left June 2010)
James Deane – Head of Policy and Thematic

Auditors

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

Bankers

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

Registered Office

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

Registered number 3521587

Registered charity number 1076235

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BBC WORLD SERVICE TRUST

We have audited the financial statements of The BBC World Service Trust for the year ended 31 March 2011 set out on pages 26 to 40. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 22, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2011 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BBC WORLD SERVICE TRUST (CONTINUED)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the charitable company has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

K Wightman (Senior Statutory Auditor)

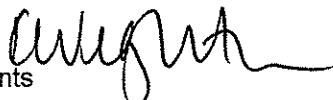
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL



9 August 2011

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

		Unrestricted funds 2011	Restricted funds 2011	Total 2011	Total 2010
	Note	£'000	£'000	£'000	£'000
Incoming resources					
<i>Incoming resources from generated funds:</i>					
Voluntary income	2	375	578	953	978
Investment income	3	15	-	15	3
<i>Incoming resources from charitable activities:</i>					
Grant funding for specific charitable activities	4	1,950	21,850	23,800	27,057
Other incoming resources		-	-	-	166
Total incoming resources		2,340	22,428	24,768	28,204
Resources expended					
<i>Cost of generating funds:</i>					
Costs of generating voluntary income	5	(326)	(7)	(333)	(192)
<i>Charitable activities</i>					
<i>Changing lives through media and communication:</i>					
Africa	5	(458)	(6,216)	(6,674)	(5,190)
Asia	5	(495)	(8,768)	(9,263)	(11,194)
Rest of World	5	(529)	(6,519)	(7,048)	(9,142)
Cross cutting activities	5	(45)	(844)	(889)	(1,121)
Total charitable activities		(1,527)	(22,347)	(23,874)	(26,647)
<i>Governance costs</i>	5	(185)	(74)	(259)	(219)
Total resources expended	5	(2,038)	(22,428)	(24,466)	(27,058)
Net income for the year	6	302	-	302	1,146
Reconciliation of funds					
Total funds brought forward		2,112	-	2,112	966
Total funds carried forward	16, 17	2,414	-	2,414	2,112

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

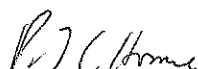
The notes on pages 29 to 40 form part of these financial statements.

Consolidated and BBC World Service Trust Balance Sheets*at 31 March 2011*

	<i>Note</i>	Group 2011 £'000	Group 2010 £'000	Trust 2011 £'000	Trust 2010 £'000
Fixed assets					
Tangible assets	9	106	166	106	164
Investments	10	-	-	20	20
		<u>106</u>	<u>166</u>	<u>126</u>	<u>184</u>
Current assets					
Debtors	11	4,865	5,304	4,772	5,057
Cash at bank and in hand	12	9,728	6,762	9,569	6,643
		<u>14,593</u>	<u>12,066</u>	<u>14,341</u>	<u>11,700</u>
Liabilities					
Creditors: amounts falling due within one year	13	(11,937)	(9,575)	(11,705)	(9,227)
Net current assets		2,656	2,491	2,636	2,473
Total assets less current liabilities		<u>2,762</u>	<u>2,657</u>	<u>2,762</u>	<u>2,657</u>
Provisions for liabilities	14	(348)	(545)	(348)	(545)
Net assets		<u>2,414</u>	<u>2,112</u>	<u>2,414</u>	<u>2,112</u>
Funds					
Unrestricted funds	16, 17	2,414	2,112	2,414	2,112
Restricted funds	16	-	-	-	-
Total Funds	16	<u>2,414</u>	<u>2,112</u>	<u>2,414</u>	<u>2,112</u>

The notes on pages 29 to 40 form part of these financial statements.

The financial statements on pages 26 to 40 were approved by the Board of Trustees on 18 July 2011 and were signed on its behalf by:



Peter Horrocks
Chair

Consolidated Cash Flow Statement
for the year ended 31 March 2011

	<i>Note</i>	Total 2011 £'000	Total 2010 £'000
Net cash inflow from operating activities	19	2,943	2,528
Returns on investments and servicing of finance			
Interest received		15	3
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(3)	-
Sale of tangible fixed assets		11	-
Increase in cash in the year		2,966	2,531
Cash at the start of the year	12	6,762	4,231
Cash at the end of the year	12	9,728	6,762

Notes (forming part of the financial statements)

1 Accounting policies

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

a) Basis of preparation

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

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

The Financial Review in the Trustees Report reviews the finances of BBC WST and the group in the year ended 31 March 2011 in comparison to the prior and earlier years.

The BBC WST Group has a healthy cash balance as set out in note 12 and has a large proportion of grant funding required for 2011/12 and 2012/13 contracted with donors. The Trustees Report explains how the BBC WST is structured and managed and how the major risks are managed.

The Board of Trustees has a reasonable expectation that BBC WST has adequate resources to continue in operational existence for the foreseeable future. Thus the Board of Trustees continue to adopt the going concern basis of accounting in preparing the annual financial statements.

b) Basis of consolidation

The consolidated financial statements include the financial statements of the BBC World Service Trust ('the Trust', 'Trust' or 'BBC WST') and its subsidiary undertakings made up to 31 March 2011.

The financial statements of BBC WST Limited, a company registered in England and Wales, the financial statements of BBC Marshall Plan of the Mind Inform, a close joint stock company registered in Russia, and the financial statements of the Southern Iraq Company for Radio and TV Broadcasting Limited, a company registered in Iraq, have been consolidated with those of the Trust. It should be noted that BBC Marshall Plan of the Mind Inform did not trade in the current or prior years.

Under section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own statement of financial activities.

c) Limited by guarantee

The Trust is a company limited by guarantee. The sole member of the company undertakes to contribute to the assets of the company in the event of it being wound up, while it is a member or within one year after it ceases to be a member, for payment of the debts and liabilities of the company contracted before it ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount as may be required not exceeding £10. The Trust had one member (the BBC) at the end of the period.

Each trustee is a subscriber to the Memorandum of Association and accordingly the Trust had 9 subscribers at the end of the year.

d) Fund accounting

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

Restricted income funds

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

Unrestricted funds

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

General funds are those unrestricted funds that have not been set aside by trustees for a particular purpose.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Free reserves are unrestricted funds less funds relating to fixed assets.

Notes (continued)

1 Accounting policies (continued)

e) Incoming resources

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

Gifts in kind are valued at a reasonable estimate of the value to the Trust, which is normally equal to the market value.

f) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category as listed below.

Governance costs are the costs associated with the governance arrangements of the charity as opposed to those costs associated with fundraising or charitable activity. The costs include internal and external audit, legal advice for trustees and costs associated with constitutional and statutory requirements (e.g. the cost of trustee meetings and preparing statutory accounts). Included within this category are any costs associated with the strategic as opposed to day to day management of the charity's activities.

Support costs, which include the central or regional office functions such as general programme support, payroll administration, budgeting and accounting, information technology, human resources, and financing, are allocated across the categories of charitable expenditure and governance costs. The basis of the cost allocation has been explained in the notes to the accounts. The allocation for the purposes of the Statement of Recommended Practice may not always reflect the definition per various donor contracts.

g) Foreign currency

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

h) Pension costs

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

Defined benefit scheme

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

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

Defined contribution scheme

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

Notes (continued)**1 Accounting policies (continued)****i) Fixed assets and depreciation**

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

Fixtures and equipment	3 years
Motor vehicles	4 years

j) Taxation

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

k) Leases**Operating Leases**

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

2 Voluntary income

Donations in the current year were derived from the following sources:

	Total 2011 £'000	Total 2010 £'000
BBC Group	578	594
BBC World Service	150	150
Norwegian Agency for Development Cooperation (Norad)	174	174
Swiss Development Corporation	-	37
Individuals / other	51	23
	953	978

The BBC Group donation represents the gift in kind value of office facilities. The valuation is based on the actual cost of providing the office to the BBC.

3 Investment income

	£'000	£'000
Bank interest receivable	15	3

4 Income resources from charitable activities

	Total 2011 £'000	Total 2010 £'000
<i>Grant funding for specific charitable activities</i>		
Africa region	6,539	4,992
Asia region	9,383	11,625
Rest of World region	6,891	9,239
Cross cutting activities	987	1,201
	23,800	27,057

Notes (continued)

5 Resources expended

	Direct project costs 2011	Project staff costs 2011	Allocation of support costs 2011	Total 2011	Total 2010
	£'000	£'000	£'000	£'000	£'000
<i>Cost of generating funds:</i>					
Costs of generating voluntary income	309	-	24	333	192
<i>Charitable activities:</i>					
Changing lives through media and communication					
Africa	3,974	2,104	596	6,674	5,190
Asia	5,854	2,719	690	9,263	11,194
Rest of World	4,342	2,032	674	7,048	9,142
Cross cutting activities	429	396	64	889	1,121
Total costs of charitable activities	14,599	7,251	2,024	23,874	26,647
<i>Governance costs</i>	48	97	114	259	219
Total resources expended	14,956	7,348	2,162	24,466	27,058

Governance includes audit costs, trustee meeting costs and a proportion of the cost of the Director, the Director of Finance and Business Services and finance staff. Support costs are allocated on an apportionment basis.

The support costs allocated and basis of apportionment were:

	Total 2011 £'000	Total 2010 £'000	Basis of apportionment
<i>Support activity</i>			
Programme support	382	493	Specific allocation by region
General management	618	424	Pro-rata by direct project expenditure
Financial management	276	277	Pro-rata by direct project expenditure
Information technology	303	248	Pro-rata by direct project expenditure
Premises and facilities	583	600	Pro-rata by direct project expenditure
	2,162	2,042	

As permitted by section 408 of the Companies Act 2006, the individual company's statement of financial activities has not been included in these financial statements. The gross income for the Trust is £23,056,000 (2010: £27,010,000) and the net result for the Trust is a surplus of £302,000 (2010: £1,144,000).

	2011 £'000	2010 £'000
Audit of financial statements of subsidiaries pursuant to legislation in UK	25	27
Audit of branch financial statements of subsidiaries pursuant to legislation in India	12	11
	37	38

6 Notes to the SOFA

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

	2011 £'000	2010 £'000
Depreciation	52	-
Hire of other assets - operating leases	491	387

Notes (continued)

7 Trustees and employees

Members of the Board of Trustees (who are all directors within the meaning of the Companies Act 2006) receive no remuneration for their services. Trustees' expenses of £2,137 (2010: £3,068) during the year relates to the reimbursement of travel costs incurred while carrying out their duties for the Trust. Expenses were paid to two trustees (2010: two). Trustees are provided with indemnity insurance as part of the BBC Group's Directors' and Officers' policy. There is no direct charge to the Trust.

All UK staff employed on a continuing basis by the Trust have employment contracts with the BBC. Staff costs referred to in note 5 are either incurred in the form of payments to the BBC for these staff members or internationally by project based payrolls.

8 Staff costs

	2011 £'000	2010 £'000
Costs of staff on UK contracts		
Wages and salaries	4,365	4,117
National insurance	388	374
Pension costs	609	549
Other staff costs	71	108
	<u>5,433</u>	<u>5,148</u>

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

	2011	2010
£60,000-£69,999	5	4
£70,000-£79,999	3	1
£80,000-£89,999	2	3
£90,000-£99,000	<u>1</u>	<u>1</u>

The number of employees whose emoluments were greater than £60,000 to whom retirement benefits are accruing under defined benefits schemes is 11 (2010: 9).

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

	2011	2010
Programme activities (charitable)		
Africa	133	132
Asia	220	214
Rest of World	160	239
Cross cutting activities	4	3
Governance of the Trust	<u>1</u>	<u>1</u>
	<u>518</u>	<u>589</u>

The average number of persons, including part time staff, employed across the year on UK contracts in the UK and overseas was 108 (2010: 112). The number of staff, including part time staff, employed locally on overseas contracts was 410 (2010: 477) at a cost of £2,773,049 (2010: £3,311,338).

Total staff costs of £8,206,056 (2010: £8,459,338) are split in Note 5 between staff costs directly attributable to activities and staff costs included within support costs and allocated to activities and governance.

Notes (continued)**9 Tangible fixed assets**

	Fixtures and Equipment £'000	Motor Vehicles £'000	Total £'000
Group			
Cost or valuation			
At 1 April 2010	15	151	166
Additions	3	-	3
Disposals	-	(11)	(11)
At 31 March 2011	18	140	158
Depreciation			
At 1 April 2010	-	-	-
Charge for the year	5	47	52
Disposals	-	-	-
At 31 March 2011	5	47	52
Net book value			
At 1 April 2010	15	151	166
At 31 March 2011	13	93	106

	Fixtures and Equipment £'000	Motor Vehicles £'000	Total £'000
Trust			
Cost or valuation			
At 1 April 2010	15	149	164
Additions	3	-	3
Disposals	-	(9)	(9)
At 31 March 2011	18	140	158
Depreciation			
At 1 April 2010	-	-	-
Charge for the year	5	47	52
At 31 March 2011	5	47	52
Net book value			
At 1 April 2010	15	149	164
At 31 March 2011	13	93	106

10 Fixed asset investment

	Trust 2011 £'000	Trust 2010 £'000
Investment in BBC WST Limited		
Cost	55	55
Less: Cumulative impairment	(35)	(35)
	20	20

The BBC WST Limited is 100% owned by the BBC World Service Trust. The BBC Marshall Plan of the Mind Inform is 100% owned by the BBC WST Limited and did not trade in the year. The carrying value of BBC Marshall Plan of the Mind Inform in the accounts of BBC WST Limited is £nil (2010: £nil).

Notes *(continued)*

10 Fixed asset investment (continued)

The statement of financial activities of BBC WST Limited may be summarised as follows:

	2011	2010
	£'000	£'000
Total incoming resources	1,712	1,197
Total resources expended	(1,712)	1,194
Net incoming resources	-	3
Total funds brought forward	21	18
Total funds carried forward	21	21

The balance sheet of BBC WST Limited may be summarised as follows:

	2011	2010
	£'000	£'000
Fixed and current assets	2,046	415
Liabilities	(2,025)	(394)
Net assets / funds	21	21

BBC WST Limited transacted operations in India during the current and prior years.

	Trust	Trust
	2011	2010
	£'000	£'000
Investment in Southern Iraq Company for Radio and TV Broadcasting Limited		
Cost	1	1
Less: Cumulative impairment	(1)	(1)
	-	-

Southern Iraq Company for Radio and TV Broadcasting Limited is a company incorporated and registered in Iraq in August 2004 and is 100% owned by the BBC World Service Trust.

Notes (continued)

11 Debtors

	Group	Group	Trust	Trust
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Trade debtors	2,693	2,592	2,693	2,592
Other debtors	346	141	295	87
Prepayments	152	379	152	371
Accrued income (see note 15)	1,674	2,192	1,632	2,007
	4,865	5,304	4,772	5,057

All debtors fall due within one year in the current year and prior year.

12 Cash at bank and in hand

	Group	Group	Trust	Trust
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Cash held at bank in UK	8,803	5,541	8,699	5,466
Cash held at bank and in hand overseas	925	1,221	870	1,177
	9,728	6,762	9,569	6,643

13 Creditors: amounts falling due within one year

	Group	Group	Trust	Trust
	2011	2010	2011	2010
	£'000	£'000	£'000	£'000
Trade creditors	519	2,486	519	2,486
Amounts due to subsidiary and associated undertakings	1,112	1,003	2,906	1,050
Other creditors	416	342	388	318
Accruals	310	673	288	615
Deferred income (see note 15)	9,580	5,071	7,604	4,758
	11,937	9,575	11,705	9,227

14 Provisions for liabilities

Group and Trust	Overseas	Project Costs	Total
	Employment Tax	Project Costs	Total
	£'000	£'000	£'000
At beginning of year	291	254	545
Utilised during the year	-	(140)	(140)
Charge to SOFA for the year	45	113	158
Amounts released unused	(177)	(38)	(215)
At 31 March 2011	159	189	348

The provision for overseas employment tax relates to employer and employee tax obligations in countries where the Trust is operating or has operated in the past. It is expected that the Trust will settle these employment tax obligations within the next five years.

The provision for project costs relates to costs that are not expected to be recovered from the donor and are therefore an obligation at 31 March 2011. It is expected that the majority of these obligations will be paid during the year ending 31 March 2012.

15 Accrued and Deferred income

The most significant projects for which income was deferred and accrued are detailed below. In the year to 31 March 2011 the Group had 92 (2010:123) active projects.

	Total Deferred Income	Total Accrued Income	Amount received	Expenditure and other movements	Total Deferred Income	Total Accrued Income
	2010	2010	2011	2011	2011	2011
	£'000	£'000	£'000	£'000	£'000	£'000
ADC Uganda Good Governance	216	-	(43)	197	-	(24)
Afghan Education Projects (excl DFID)	553	(55)	2,009	2,260	345	(98)
AUSAID Cambodia Health Campaign	163	-	-	161	2	-
BESIS Somalia	-	(241)	276	33	2	-
British Council Asia Talks Climate	-	-	125	-	125	-
Cambodia MoE study on Climate Change	13	-	58	72	-	(1)
CFC Nigeria PII	16	-	103	119	-	-
CoE Azerbaijan Curriculum Development	52	-	109	202	-	(41)
* DFID Afghan Education Projects	-	(89)	208	119	-	-
* DFID Infoasaid CHASE Humanitarian Communications	987	-	1,001	571	1,417	-
* DFID Nepal Good Governance	-	(30)	505	445	30	-
* DFID English In Action Bangladesh	-	(842)	6,111	5,653	-	(384)
* DFID Global Transparency Fund	-	(14)	1,623	1,105	504	-
* DFID ICD Policy and Research	115	-	469	559	25	-
* DFID Nepal Gender Based Violence	-	(14)	315	272	29	-
Dutch Government and FCO Iran Project	503	-	1,191	1,073	621	-
Dutch Government Voice and Accountability	-	(50)	1,019	833	136	-
ENR Nigeria ENR to HIV/AIDS	-	(128)	916	750	38	-
Ethiopiaid Reproductive Health	82	-	-	69	13	-
EU A National Conversation	-	-	153	5	148	-
EU Angola Historia	-	-	235	27	208	-
EU Bosnia Public Broadcasting	-	(213)	379	208	-	(42)
EU Nepal Maternal & Child Health	72	-	253	222	103	-
EU NSA Angola Ecclesia	144	-	255	600	-	(201)
EU NSA Human Rights, Gender Equality, Peace	-	-	328	99	229	-
EU NSA Human Rights, Peace, Governance	271	-	140	204	207	-
EU Serbia - EU Integration	22	-	-	394	-	(372)
EU Serbia Digital Broadcasting Switchover	-	-	-	111	-	(111)
EU Sierra Leone Cocoa	-	-	284	(14)	298	-
EU Turkmenistan Media	258	-	320	202	376	-
EU Uganda Rural Governance	-	-	193	98	-	-
EU Zambia MAKE	-	-	283	(13)	296	-
** FCO Charles Taylor Trial	52	-	1	53	5	(5)
** FCO Media Platforms	49	-	2,523	1,546	1,026	-
** FCO Somalia Research	-	-	122	119	3	-
** FCO Turkmenistan	6	-	29	36	-	(1)
** FCO Georgia Question Time	-	-	10	8	2	-
Gates Foundation AMDI Phase 3	20	-	405	425	-	-
Gates Foundation MCH Bihar	-	-	2,370	446	1,924	-
Gates Condom Promotion Project	47	-	-	47	-	-
Gender Equality Drama (David and Lucile Packar Foundation, John D. and Catherine T. MacArthur Foundation, UNFPA)	35	-	79	114	-	-
Girl Hub Ethiopia	-	-	100	28	72	-
Global Fund Cambodia GF 6 Malaria	9	-	82	73	18	-
Global Fund Cambodia GF 9 Malaria	-	-	88	38	50	-
IDRC Kimasmaso	28	-	67	95	-	-
IREX Belarus MediaMonitor	-	-	95	66	29	-
Irish Aid Pakistan Lifeline	-	-	44	44	-	-
Irex Belarus Training	46	-	6	64	-	(12)
Nippon/Kizuna Foundation Cambodia	39	-	51	89	1	-
Nuffic BMB Rwanda	-	-	-	66	-	(66)
OCHA Plan UK Pakistan Lifeline	-	-	87	99	-	(12)
PHFI NACO Support	199	-	473	675	-	(3)
SIDA Media & Comms	-	-	141	33	108	-
Tobacco Free Kids India	-	-	282	238	44	-
UNDP Cambodia Multimeidia	-	-	221	110	111	-
UNDP Nepal Phase II	-	(11)	71	60	-	-
UNDP Somalia Constitution Building	-	-	196	183	13	-
UNDP Media Monitoring Georgia	-	-	54	54	-	-
UNDP KAP Study Cambodia	9	-	45	56	-	(2)
UNICEF Addressing Malnutrition Nigeria	555	-	(25)	530	-	-
UNRWA Palestine Fresh Air	70	-	46	116	-	-
US Dept of State Bonded Labour India	-	(72)	249	216	-	(39)
US Dept of State Afghan Media Pool	-	-	921	6	915	-
US Dept of State Iraq	-	-	244	264	-	(20)
USAID BCC for Avian Flu	40	-	180	220	-	-
USAID Governing Justly & Democratically	109	-	696	960	-	(155)
WHO Cambodia	43	-	14	57	-	-
Other (25 projects)	248	(433)	527	415	107	(85)
	5,071	(2,192)	29,312	24,285	9,580	(1,674)

* These projects were wholly funded by the Department for International Development (DFID).

** These projects were wholly funded by the Foreign and Commonwealth Office (FCO).

Notes (continued)

16 Funds Analysis

	Balance at 1 April 2010 £'000	Incoming resources £'000	Outgoing resources £'000	Transfers £'000	Balance at 31 March 2011 £'000
Unrestricted funds:					
Designated funds:					
Afghan Education Project fund	150	-	-	175	325
Technology led change fund	300	-	-	-	300
Partnership fund	175	-	-	(175)	-
Tangible fixed assets fund	166	-	-	(60)	106
Total designated funds	791	-	-	(60)	731
General funds	1,321	2,340	(2,038)	60	1,683
Total Unrestricted funds	2,112	2,340	(2,038)	-	2,414
Total Restricted funds	-	22,428	(22,428)	-	-
Total Funds	2,112	24,768	(24,466)	-	2,414

The Board of Trustees Report explains why the group and the Trust hold unrestricted funds and the adequacy of these funds at the year end. The reserves policy will be reviewed on an annual basis.

In 2008/09 the Board of Trustees designated £150,000 in an Afghan Education Projects fund recognising that at the time of the Afghan Education Project becoming an independent NGO, now planned for 2012 there would need to be an initial working capital balance. During 2010/11 the Trustees transferred an additional £175,000 from the Partnership fund to the Afghan Education Project fund.

In 2009/10 The Board of Trustees designated £300,000 in the Technology led change fund as it recognised that with the growth of the charity that it is important to invest resources in organisational change which will include the development and enhancement of internal processes and systems. These funds are expected to be invested within the period to March 2013.

In 2009/10 Board of Trustees designated £175,000 in the Partnership fund. This was transferred in 2010/11 to the Afghan Education Projects fund.

In 2009/10 The Board of Trustees designated £166,000 in the Tangible fixed asset fund. The Tangible fixed asset fund at 31 March 2011 represents the net book value of BBC World Service Trust's tangible fixed assets.

At 31 March 2011 general funds of £1,683,000 were held (2010: £1,321,000).

17 Analysis of group net assets between funds

	Tangible fixed assets £'000	Net current assets £'000	Provisions for liabilities £'000	Total funds £'000
Restricted funds	-	189	(189)	-
Designated funds	106	625	-	731
General funds	-	1,842	(159)	1,683
Total Funds at 31 March 2011	106	2,656	(348)	2,414

18 Subsidiary undertakings

The Trust has three 100% owned subsidiary undertakings: The BBC WST Limited and BBC Marshall Plan of the Mind Inform, which were acquired on 1 October 1999, and the Southern Iraq Company for Radio and TV Broadcasting Limited which was incorporated and registered in Iraq in August 2004.

BBC Marshall Plan of the Mind Inform is incorporated in Russia. It did not trade during the current or prior years.

The investment in BBC WST Limited is held directly. The investment in BBC Marshall Plan of the Mind Inform is held by BBC WST Limited.

The Southern Iraq Company for Radio and TV Broadcasting is incorporated and registered in Iraq.

19 Reconciliation of net movement in funds to net cash inflow from operating activities

	2011 £'000	2010 £'000
Net income for the year	302	1,146
Depreciation	52	-
Investment income	(15)	(3)
Other incoming resources relating to recognition of fixed assets	-	(166)
Decrease in debtors	439	17
Increase in creditors including deferred income	2,362	1,501
(Decrease)/increase in provisions	(197)	33
Cash inflow from operating activities	2,943	2,528

Notes (continued)

20 Commitments

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

These were the annual commitments under non-cancellable operating leases:

	Group 2011 £'000	Group 2010 £'000	Trust 2011 £'000	Trust 2010 £'000
Land and buildings				
Operating leases which expire:				
Within one year	122	76	78	76
In the second to fifth years inclusive	231	375	225	297
Over five years	-	-	-	-
	353	451	303	373

At 31 March 2011, total amounts payable in the future on non-cancellable operating leases were £504,703 relating to land and buildings (2010: £850,577).

21 Pension costs

Many BBC WST employees are members of the BBC's pension schemes, the BBC Pension Scheme (a defined benefit scheme) and defined contribution schemes (LifePlan and the Group Personal Pension Scheme).

BBC Pension Scheme

The BBC Pension Scheme provides pension benefits on a defined benefit basis from assets held in separate, trustee-administered, funds.

The scheme is subject to independent valuation by a professionally qualified actuary at least every three years, on the basis of which the actuary certifies the rate of employer's contributions. These, together with the specified contributions payable by employees and proceeds from the scheme's assets, are expected to be sufficient to fund the benefits payable under the scheme. The most recent full actuarial valuation of the scheme was prepared as at 1 April 2010 by Towers Watson, consulting actuaries. At 1 April 2010, the actuarial valuation showed a funding shortfall of £1,131m.

As a result of the 2010 actuarial valuation by Towers Watson, it has been agreed between the BBC and the pension scheme trustees that:

- additional contributions totalling £905m will be paid by the BBC over the next 11 years. The first contribution of £110m was paid on 28 March 2011.
- employer contributions would decrease from 17.85 to 15.2% on 1 April 2011 and then to 14.2% from 1 January 2012. Employee contributions for Old and New Benefit members rose from 6.75% to 7.5% from 1 April 2010. Employee contributions for the Career Average Benefit 2006 members are set at 4% and for the Career Average Benefit 2011 members are set at 6%.

The contributions to the scheme are paid via a salary sacrifice arrangement. These have been treated as employer contributions.

The next formal actuarial valuation is expected to be performed as at 1 April 2013.

	Projected	Actual			
	2011-12	2010-11	2009-10	2008-09	2007-08
Contribution rates	%	%	%	%	%
Employer	14.2/15.2	17.85	18.6	18.8 / 19.35	18.8
Employee (Old and New Benefits)	7.5	7.5	6.75	6.0	6.0
Employee (Career Average Benefits 2006)*	4.0	4.0	4.0	4.0	4.0
Employee (Career Average Benefits 2011)**	6.0	0.0	0.0	0.0	0.0

*The Career Average Benefit 2006 section started on 1 November 2006

**The Career Average Benefit 2011 section started on 1 April 2011

Notes (continued)

21 Pension costs (continued)

BBC WST, following the provisions within FRS 17, accounts for the scheme as if it were a defined contribution scheme. This is because it is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The pension cost for this scheme therefore represents contributions payable by the Group to the scheme and the costs amounted to £596,266 in the year (2010: £525,436). At 31 March 2011, no contributions had been prepaid (2010: £nil).

The actuarial valuation was updated for FRS 17 purposes to 31 March 2011 by Towers Watson, consulting actuaries. This valuation identified a deficit of £920.5m in the scheme at 31 March 2011 (2010: £1,640.9m). Additional disclosure about the scheme and its financial position under IAS 19, which as a result of options taken by the BBC Group is equivalent to FRS 17, is provided in the BBC Annual Report and Accounts that can be obtained from www.bbc.co.uk/annualreport.

Group Personal Pension Scheme and other schemes

The BBC also operates its own defined contribution pension schemes. The pension cost represents contributions payable by BBC WST to the funds and this amounted to £12,533 in the year (2010: £23,343).

22 Related party transactions

During the year, the Trust procured some legal, HR and IT support services of £278,144 (2010: £228,384) from the BBC and BBC World Service on an arms length basis.

Unrestricted donations received from the BBC World Service and BBC are detailed in note 2. In addition, funding for specific charitable projects was received from BBC World Service of £29,503 (2010: £90,456). No funds were received from BBC Worldwide (2010: £59,727)

At 31 March 2011, an amount of £1,111,821 (2010: £1,002,519) was owing to the BBC Group. This amount owing is non-interest bearing and repayable on demand.

BBC WST, Inc is a non-profit organisation that was incorporated on 18 May 2010 in the State of Delaware, USA. This organisation has a common director/trustee: Susan Robinson King. At 31 March 2011 an amount of \$5,000 was owed by BBC WST, Inc. This amount is non-interest bearing and repayable on demand.