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**BBC Group Annual Report  
and Accounts 2023/24**



# BBC Group Annual Report and Accounts **2023/24**

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

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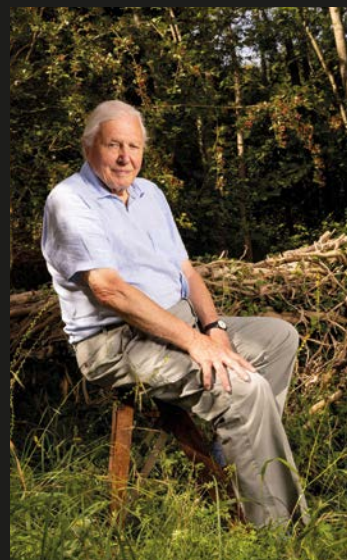
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A BBC for the future

# A BBC FOR EVERYONE



## At the heart of UK national life

The BBC has been at the heart of the UK's national life for more than 100 years. Our mission will always remain to inform, educate and entertain everyone. But, as we enter the AI age and a new era of rapid technological change, we want to help shape that change for the good of all, and to make sure no one is left behind. We want to focus most clearly on the critical benefits we can offer the public and the UK as a whole, in order to help strengthen the UK's democracy, creative economy and society. That is why the BBC will prioritise three essential roles in the years ahead: to pursue truth with no agenda; to back the best homegrown storytelling; and to bring people together.

## No.1

the UK's number 1  
brand for media

## 95%

of UK adults use our services  
on average per month  
(85% per week)

## 99%

of our original content is made  
in the UK – we are the largest single  
investor in UK-made programming

## No.1

in news – we are the UK's  
most widely used and  
trusted news outlet

# WE PURSUE TRUTH WITH NO AGENDA



BBC correspondent Lucy Williamson reporting from Gaza

**75%**

of UK adults use BBC News on average per week – well ahead of the next nearest provider

**1.3m**

12-15 year olds in the UK follow the news with the BBC – higher than any other organisation

**450m**

carrying the UK's voice, values, and influence to a weekly audience of 450 million people worldwide

**No.1**

the world's most trusted international news provider

# WE BACK THE BEST HOMETGROWN STORYTELLING



Timothy Spall in the BAFTA Award-winning *The Sixth Commandment*

**£4.9bn**

contributing almost £5 billion to the UK economy last year

**50%**

half of our economic impact is outside London – versus 20% for the wider industry

**£1=£2.63**

for every £1 of the BBC's direct economic activity, £2.63 is generated in the UK economy

**14 BAFTAs**

TV awards won in 2024 – more than any other broadcaster or streamer

# WE BRING PEOPLE TOGETHER



King Charles III: *The Coronation Year*

**25.2m**

people in the UK reached by BBC coverage on the day of the Coronation of HM The King and HM The Queen Consort

**8.1bn**

a record number of streaming requests on BBC iPlayer – up 10% on the year before

**7/10**

of the most-watched titles in 2023 across all broadcasters and streamers were only on the BBC

**5hrs 44m**

time watching BBC TV/iPlayer on average per person (4+), per week – more than all the big SVOD streamers combined

# A FOCUS ON THE FUTURE



**“I am grateful to have inherited a Board so committed to the BBC, and ready to face up to some of the tough decisions we will have to make.”**

Samir Shah, Chairman

On the morning of 13 May this year, I was preparing to Chair a meeting of the BBC Board when news broke that one of Europe's most wanted crime bosses had been arrested as a direct result of the BBC podcast, *To Catch a Scorpion*. What was even more remarkable was that I had invited the presenter and producer of the podcast, Sue Mitchell, to give the Board a talk on the series that very same day.

How did the BBC track down a wanted people smuggler when police and prosecutors could not? Sue's talk was a fascinating insight, and a real tribute to the quality of investigative journalism at the BBC.

Since I started my role as Chair, I have made a point to begin all my Board meetings with some creative input. Recent meetings have heard from Monty Don on the making of his *Spanish Gardens* series, and from the producers of *Shetland*. I do this for one reason only: to remind those of us who sit at the apex of the organisation that we are here, above all, to make sure audiences get great content and value from us.

This document details how the BBC has delivered on this ambition over the past year. For much of that period, Dame Elan Closs Stephens was the BBC's Chair, having taken over following Richard Sharp's resignation in June. I know from conversations with Elan how important it was for her to quickly regroup the Board and focus its efforts, through a critical autumn period, on the question of how best to reform and fund the BBC for the future.

In December, the Government restored a link to inflation on the licence fee after two years of no increases. It certainly brought more financial certainty, but the rise was less than anticipated. It is an outcome that requires the BBC to make still further changes on top of the major savings we have already been delivering.

As the Board noted at the time, the BBC's content budgets are now impacted, which in turn will have a significant impact on the wider creative sector across the UK.



In January, the Board was pleased that the Government’s Mid-Term Review of the Charter found that the BBC’s systems of governance and regulation are overall working well. We will continue to engage constructively with Government as we enter discussions on the Royal Charter.

I want to pay tribute to everything Dame Elan accomplished during her period as Chair, and how she handled a difficult period with great calmness and determination. I am grateful to have inherited a Board so committed to the BBC, and ready to face up to some of the tough decisions we will have to make.

Shortly after I took office in March, the Director-General set out a plan for a BBC for the future. Tim put forward a compelling argument why, in these fractious times, there is a greater need for the BBC than ever before. He offered a clear sense of what the BBC should focus on, to distinguish ourselves from other media and so provide something distinctive to our audiences, and also how best what we do should be funded.

The Board was closely involved with this work and endorses it fully. I believe the three priority roles the plan identifies (see outline on pages 11-12) are exactly the right areas for the BBC. The Board will now oversee progress against this plan.

Later, in early May, we published our second independent thematic review into the impartiality of our output, with a focus on the issue of migration. It was an excellent piece of work, authored by Dr Madeleine Sumption, Director of the Migration Observatory, and was well received. We have accepted its recommendations in full and will be rolling them out over the next year.

Our commitment to impartiality is as strong as ever and we have announced that the next independent thematic review into our output will focus on how accurately and authentically we portray and represent different classes, communities and cultures across the UK.

Emma and Harry Judd competing in *Celebrity Race Across The World*



Amol Rajan in the *Today* programme studio



I believe true impartiality goes beyond our outstanding news coverage. It is about how we craft all our storytelling. It is about exploring the issues of our time with open-minded curiosity. And it is about understanding and articulating the diversity of thought that exists in this country. Everyone, whoever and wherever they are, must feel that the BBC understands and reflects them on-air and on-screen.

I am proud to be Chair of the BBC and of the record of achievement laid out in this Annual Report. It demonstrates that this institution matters deeply to the democratic, economic, and social wellbeing of this country, and continues to play an important role in the wider world. But it also underlines how much work we must do to preserve all the benefits of public service broadcasting for audiences in the years ahead.

**“True impartiality is about understanding and articulating the diversity of thought that exists in this country. Everyone, whoever and wherever they are, must feel that the BBC understands and reflects them on-air and on-screen.”**

Samir Shah, Chairman

A handwritten signature in black ink that reads "Samir SHH".

**Dr Samir Shah CBE**  
Chairman  
10 July 2024

# CREATIVE EXCELLENCE



**“As we look to the future, we want to focus on the critical benefits we can offer the public and the UK as a whole, and help shape the new era of technological change for the good of all.”**

Tim Davie, Director-General



Andi Osho and Nathan Braniff on the set of *Blue Lights* Series 2

**This Report tells the story of the sustained creative excellence of the BBC, despite a fast-changing media landscape.**

It shows that we continue to set the creative standard, offering great content and delivering on our strategy of providing outstanding value for all.

While this represents good progress, the market and financial challenges remain significant as we transform the organisation and ensure it remains relevant to audiences in the new on-demand age.

During the course of 2023/24, the BBC saw huge audiences for homegrown storytelling in every genre, from *Doctor Who* and *Planet Earth III* to *Ghosts* and *The Traitors*. We saw unmissable shows drawn from every corner of the UK, like *Blue Lights*, *Shetland*, *Steeltown Murders* and *Time*.

We told important stories like *The Sixth Commandment*, *Once Upon a Time in Northern Ireland* and the extraordinary *Ukraine: Enemy in the Woods*. And we created essential listening with everything from BBC Radio 2's *Piano Room* to *The Today Podcast* to *Things Fell Apart*.

Of the UK's top ten most viewed titles in 2023, seven were only from the BBC, highlighting our ongoing importance and relevance for today's audiences. And the fact that all ten were UK stories and events demonstrates that, in an increasingly global marketplace, it is still homegrown stories that matter to British audiences most.

**This Report also shows that the BBC has once again stepped up the pace of our organisational reform.**

We have continued to streamline the BBC to make it leaner and more efficient in the public service, while at the same time growing our commercial income in a tougher

than ever market environment. And another record-breaking year for both BBC iPlayer and BBC Sounds is testament to how determined we are to make sure our online offer is world class and unmatched in its quality, breadth and relevance to UK audiences.

We have achieved all this whilst at the same time navigating significant challenges this year, and not least unprecedented scrutiny on our reporting of the conflict in the Middle East. I want to thank all our teams for their tireless work in delivering so brilliantly for audiences across our output.

As the world changes more rapidly than ever, the role we play for the country is changing too. How best can we deliver the benefits of our public service mission to all audiences in the years ahead? What does it mean to inform, educate and entertain everyone in a new AI-driven age?

These are questions we have been thinking about carefully over the past year, with the aim of making sure we focus limited resources on best serving our audiences and our society. We know that the new wave of technological change offers huge benefits and opportunities, but it also brings fresh challenges for us all.

There is the challenge to our democracy. Disinformation, propaganda and partial news are weakening our shared understanding of the world. In a record-breaking year for elections worldwide, undermining trust in our institutions and our democratic processes. It leaves many of us wondering who and what we can believe, and perhaps even questioning the very concept of 'truth'.

There is the challenge to our creative economy. Homegrown storytelling is at growing risk of being squeezed out in an extraordinarily competitive global media

landscape. We are in danger of allowing the UK's world-class creative industries to be undermined, diminishing our unique cultural identity and its remarkable influence and export value worldwide.

And there is the challenge to our society. Polarisation and social division are being fuelled by the fragmentation of media consumption amongst global platforms. Shared moments and common cultural experiences are becoming increasingly precious.

The BBC has a unique opportunity to respond to each of these challenges. That is why, as we look to the future, we want to focus most clearly on the critical benefits we can offer the public and the UK as a whole, and help shape the new era of technological change for the good of all.

In March, we set out a long-term plan to help strengthen the UK's democracy, creative economy and society by prioritising three essential roles (see pages 11-12).

**The first is to pursue truth with no agenda, by reporting fearlessly and fairly.**

We now live in a world where journalism is completely or partly blocked in around 75% of countries. In the last few years, the BBC has seen reporters expelled from countries such as Russia or China, as well as persecuted in others like Iran. We are seeing hostile states investing heavily to weaponise technology and deploy AI as a tool for disinformation and disruption. It adds up to a critical moment of challenge for democracy worldwide.

The BBC believes in the fearless pursuit of truth, anchored by the facts, with no political agenda. I set impartiality as our number one priority on taking this job, and this year we have once again made important progress when it comes to implementing our plan of making sure we uphold the highest possible standards (see pages 17-19).

A moment of major significance for BBC News last year was the launch of BBC Verify. This is a team which sits at the heart of our newsroom and serves all our news output, drawing on an incredible pool of talented data journalists, Open-Source Intelligence experts, language specialists and more.

The focus is on transparency: showing audiences how we go about checking facts, analysing data and verifying footage using forensic tools, techniques and technologies. We know that the more we let audiences in behind the scenes of our reporting and show our workings, the better we can earn their trust every day.

This year we are taking BBC Verify global as our spearhead to become the leader in transparent journalism in the UK, and in countries of most need around the world through the vital work of the BBC World Service.



Laurence Rickard stars as Sir Humphrey Bone in the hit sitcom *Ghosts*

**“The BBC represents a powerful growth and innovation fund for the UK. 50% of our economic impact is outside London, compared to an industry average of 20%.”**

Tim Davie, Director-General

Of course, one of the most important events for BBC News audiences in recent months was the UK General Election. I would like to thank our teams for their extraordinary work in reporting on the campaign and its outcome. I believe they played a vitally important role in supporting our democratic process by providing audiences with facts and impartial analysis.

I am also proud that, even as attention was naturally focused on the UK, BBC News continued to provide world-class coverage of hugely consequential events around the world. Our reporting on conflicts in the Middle East, Ukraine and elsewhere continues to be trusted and relied upon by audiences in their millions.

Maintaining that trust requires constant care, thoughtfulness and an open mind as we navigate in particular the unique set of challenges that reporting on the Israel-Gaza war has presented. Our coverage at times this year brought understandable but intense scrutiny, and we will always challenge ourselves to listen to our critics and hold ourselves to the highest standard. I want to pay tribute to all our News teams around the world who have delivered so much outstanding coverage during this period, often working in the very toughest of circumstances.

**The second essential role for the BBC is to back the best homegrown storytelling, by investing in British talent and creativity.**

The UK's creative industries are a growing £125 billion success story. They are built on a unique, globally-admired system of public and commercial investment that has proven itself over decades in delivering profits for both society and the UK balance sheet. But in a competitive global market, the pressure on huge international businesses to deliver efficiency creates genuine jeopardy for UK-originated content and homegrown storytelling.

These are the stories that celebrate and showcase our world-leading culture and creativity. They document the differences that make each of our nations and communities special. This is not just about distinctively British TV titles, whether it is *The Responder* or *The Outlaws*, *Black Ops* or *Wild Isles*. It is also about the critical importance of the BBC's audio offer.

Over 30 million adults listen to BBC Radio on average per week – more than any other broadcast radio company or on-demand player. Our stations remain market leaders, with Radio 2 the UK's number one station overall, Radio 4 the number one speech station by some margin and 6 Music the biggest digital-only service.

Meanwhile, the BBC's local radio stations remain uniquely placed at the heart of local life, providing companionship for millions of listeners and a voice to our diverse communities. Our work to increase the depth and volume of our local online provision necessarily resulted in schedule changes across local radio, but also saw growth in the number of visitors to local news online. And to underline the importance of representing audiences at local level, the 6.30pm regional news on BBC One continues to be the UK's biggest TV news programme.

Beyond these shores, it is the strength of our local storytelling that is the key to our international creative success. Authentic British stories, brilliantly and beautifully told, are our unique point of difference in a saturated market that is focusing much more on global appeal.

Today the BBC invests far more in original British content than anyone else. No-one does more to champion new talent from every corner of the country. The result is that the BBC represents a powerful growth and innovation fund for the UK. We contribute almost £5 billion to the UK economy each year, supporting over 50,000 jobs and working with 14,000 suppliers. Every £1 of our direct economic activity generates £2.63 in the economy as a whole.

What is more, 50% of our economic impact is outside London, compared to an industry average of 20%. It is a figure that highlights the importance of our Across the UK plan.

This year we continued to shift significant amounts of content production, editorial leadership and decision-making power away from London. Over 60% of our TV production will be outside London by 2026, and 50% of our radio and music by 2027 (see pages 32-33).

**The third critical role we have identified for the BBC is to bring people together, by connecting everyone to unmissable content.**

In this world, we are increasingly consuming global content on platforms driven by algorithms that may not have the interests of a shared British culture and our democratic society at their heart. Instead these algorithms seek to create the most commercially potent relationship with a customer, offering a very narrow version of personalisation which can threaten social cohesion.

As we move to an internet-only world, we can shape this tipping point to act for the benefit of the British public. This will require us to create unique algorithms that serve our values, for good; algorithms and AI that bring us closer, not drive us apart. Personalisation, of course, but not driven by a narrow commercial return.

Meanwhile, more and more of us are finding value in communal moments, shared stories and places where we can find hope and joy; where we are able to have a civil discussion and laugh together without being defined solely by political beliefs or our online purchase history.

This year, the BBC has brought people together like nothing else. We delivered two of the UK’s biggest live events, with the Coronation service watched by an average audience of 14.6 million and the Eurovision Grand Final in Liverpool watched by an average audience of ten million on the night.

We are the place everyone can come to share in their passions, from our coverage of the Euros, the Olympics, Wimbledon and the Ashes to Glastonbury, the Proms, Radio 1’s Big Weekend and Radio 2 In the Park – not to mention all the drama of election night. We are also the place that can get the country talking, whether it is about *Strictly*, *Gladiators* or *EastEnders*, Comic Relief or BBC Children in Need.

Bringing people together also means making sure no-one is left behind in the digital transition. In recent months we launched, alongside other public service broadcasters, a free TV service – Freely – to deliver live TV over broadband.

We also set out plans to bring the whole of the BBC together into a more integrated, more personalised service, and make sure we are as easy for everyone to access in the digital age as we were in the broadcast-only world. And we want to use technology to step-change the accessibility of our content in order to set new standards in supporting disabled people.

Layton Williams and Nikita Kuzmin performing their showdance on *Strictly Come Dancing*



This Annual Report highlights the ambition and commitment of the BBC in focusing on these three roles. But it also underlines how much we are already delivering for the public and the UK as a whole, as well as how unique the BBC is in today’s media landscape in seeking to serve everyone rather than chase commercial returns from some sections of society.

Our big challenge now is to accelerate rapidly the transformation of the BBC. We need to create a leaner, more agile organisation, and make the most of the digital-first opportunity to redesign our processes, cut costs and serve audiences better. Below inflationary licence fee settlements have chipped away at our income over many years and have put serious pressure on our finances. We now have an inflation-linked agreement until the end of the Charter, but this comes on the back of a 30% cut in real terms between 2010 and 2020, and a tough couple of years of flat funding.

We need to make further savings as a result, and move more content money around the organisation to deliver the most value for audiences. And we need to continue to boost our commercial income, building on the success of BBC Studios which this year took full ownership of BritBox International and achieved sales of £1.8 billion against a backdrop of very challenging operating conditions (see pages 75-82).

We also need to consider how best to fund the BBC in the long term to secure all the benefits of universal public service broadcasting in the future. In particular, we need to discuss with the Government the right way to fund the BBC World Service at a critical moment for democracy worldwide.

**But our most important relationship will be with the public, who own us and pay for us.**

That is why next year we will launch our biggest ever public engagement process, reaching out to audiences so they can inform and drive the debate on the BBC.

This year was at times a difficult one for the BBC, and this Report highlights the challenges we have had to navigate – whether competitive, financial or in terms of the intense scrutiny we frequently face.

But it also demonstrates that the BBC remains right at the heart of British national life, as it has been for over 100 years. Our focus remains firmly on building a BBC for the future that can deliver crucial benefits for the UK at a critical time – to help support a healthy democracy, a thriving creative economy, and a strong society.

**Tim Davie CBE**  
 Director-General  
 10 July 2024

# A BBC FOR THE FUTURE

This year the BBC published ambitious plans to increase our value for all audiences in the AI age.

In recent years, the BBC has been transforming to remain a part of audiences' daily lives by seeking to offer outstanding value for all. This report demonstrates how successfully we have delivered on this strategy in the past 12 months.

But now a new wave of technological change is reshaping our media landscape. It offers huge benefits and opportunities, but it also brings fresh challenges – to our democracy, to our creative economy, and to our society.

The BBC's mission remains to inform, educate, and entertain everyone. We do this by delivering against the five public purposes that are enshrined in our Royal Charter, and our performance against those purposes is set out on the following pages. But looking to the future, we believe we can do more to make a vital contribution for the UK at a critical time. As we enter the AI age, we want to help shape the new era of rapid technological change for the good of all. We want to focus most clearly on the critical benefits we can offer the public and the UK as a whole.



## Look for these symbols

throughout the Strategic Report to see how everything we do is underpinned by these initiatives.

In March, we published 'A BBC for the Future'. It is a plan to help strengthen the UK's democracy, creative economy and society by prioritising three essential roles.

# PURSUE TRUTH WITH NO AGENDA



...by reporting fearlessly and fairly

**i** Read more on pages **17-19**

# BACK THE BEST HOMEGROWN STORYTELLING



...by investing in British talent and creativity

**i** Read more on pages **21-43**

# BRING PEOPLE TOGETHER



...by connecting everyone to unmissable content

**i** Read more on pages **21-43**

We know there is strong support for these roles. Around nine in ten licence fee payers think it's important for the BBC to pursue truth with no agenda. Nearly eight in ten think it's important that the BBC offers the best of British programmes and content from across the UK. And around seven in ten think it's important for the BBC to bring people together through unmissable content.

# BRINGING OUR STRATEGY TO LIFE

A BBC for the Future sets out our current plans in full. Examples of some of our key initiatives are below:



## Look for these symbols

throughout the Strategic Report to see how everything we do is underpinned by these initiatives.



### To pursue truth with no agenda, we will...

- take BBC Verify global to be the leader in transparent journalism in the UK and countries of most need around the world through the BBC World Service.
- launch BBC Investigate, bringing together one of the world's largest investigative journalism forces under a single brand, as well as a new in-depth digital magazine as a destination for the best of our analysis and thought-provoking journalism online.
- explore the potential of new tech and AI-like tools to translate our journalism into multiple languages or support tailored learning on Bitesize.
- design public service algorithms so that BBC services don't just serve what audiences already consume but introduce them to different kinds of content.
- relaunch BBC.com and the BBC app internationally to simplify the BBC's English-language digital offer outside the UK.



### To back the best homegrown storytelling, we will...

- continue our shift of content and decision-making away from London and the South East. More than 60% of our TV production will be outside London by 2026, and 50% of our radio and music by 2027.
- invest in an unparalleled range of storytelling from every part of the UK – commissioning and broadcasting over 500 hours of content to represent and portray audiences outside of London over the next 12 months alone.
- place local storytelling at the heart of our online products, and start to tailor the BBC iPlayer homepage for audiences in the devolved nations.
- simplify and strengthen our on-air and off-air talent schemes to become one of the world's most ambitious media talent development programmes.
- work with the media industry on AI, to responsibly explore its potential to support and empower human talent and creativity.



### To bring people together, we will...

- rebuild our online products to bring the whole of the BBC together into a more integrated, more personalised service with a single sign-in – whilst setting the benchmark for accessible online products.
- invest in output that can bring communities together – from national occasions to sporting events to compelling creative content.
- expand our live offer online to be the 'most live' news provider and the UK's leading destination for live video and audio in the streaming age.
- connect people locally and hold decision-makers to account, including live debate programmes and an extended 'Hot Seat' feature on local radio.
- make sure no-one is left behind in the digital transition, by working with others to launch a new free service 'Freely' to deliver live TV over broadband.



# ACCELERATING THE TRANSFORMATION OF THE BBC

‘A BBC for the Future’ is a strategy to deliver a BBC that is more relevant, universally used and offers outstanding value for all.

This will be a digital-first BBC for future generations that is the foundation for a growing UK cultural and creative industries sector, powered by British-owned intellectual property. It will be a globally admired digital public service, and an organisation that can continue to attract the best talent in the industry to do their best work.

To make all this happen, we will need to accelerate the transformation of the BBC that has been underway in recent years. We will need an even more streamlined, more agile BBC.

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We will continue to transform the organisation to be as efficient and effective as possible

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We will move more of the money we spend on content around the organisation and, in particular, away from broadcast-only output

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We will continue to boost our commercial income to generate maximum possible value for the licence fee

---

We will establish major new partnerships that can allow us to reach new talent, access capital and secure scale

---

Our goal is a BBC that can deliver crucial benefits for the UK at a critical time – to help support a healthy democracy, a thriving creative economy, and a strong society for the future.



Award-winning wildlife cameraman Vianet Djengué filming *Silverback* in the Congo

# DELIVERING OUR CREATIVE REMIT

The BBC has identified three essential roles to prioritise in the years ahead. But our public purposes are enshrined in the Royal Charter and provide the framework to measure our performance over the past year.

The BBC’s mission, as set out in our Royal Charter, is “to act in the public interest, serving all audiences through the provision of impartial, high-quality and distinctive output and services which inform, educate and entertain.” Also enshrined in our Royal Charter are the BBC’s five public purposes, set out overleaf. These outline the guiding principles we hold when striving to achieve our mission and they provide a clear framework through which we are held to account.

Over the coming pages, we set out our performance in delivering against our purposes, and more detailed reporting on our commitments and regulatory quotas can be found from page 130 and at: [bbc.co.uk/aboutthebbc/documents/domapp-2023-24.pdf](https://bbc.co.uk/aboutthebbc/documents/domapp-2023-24.pdf)

The surest way to ensure we deliver the mission and purposes is to provide a service of scale and impact.

In terms of scale, the BBC is a public service that the great majority of the people of the UK – whatever their age – choose to use per week. In 2023/24, on average 85% of adults overall used the BBC per week – more than any other brand for media.

Amongst the young – with an average weekly reach of 71% amongst 16-34s and 69% of under 16s – the BBC is the only UK brand for media to make their top five. The intensity of competition from global providers – who are subject to fewer regulations or obligations to champion UK creativity and reflect UK life – has pushed the commercially funded UK PSB providers out of the top five for these age groups. Only the UK’s publicly funded PSB – the BBC – remains there in amongst YouTube, Netflix and Disney+, and our strategy is to ensure UK PSB stays a regular part of the media diet for the majority of the UK’s young people.

**75%** 22/23 79%

% of UK adults who say BBC programmes/content/services are important to people of the UK (unimportant: 13%. 22/23: 9%).  
Source Ipsos UK 18+

**67%** 22/23 69%

% of UK adults who say the BBC is effective at informing, educating and entertaining me/people in the UK (ineffective: 13%. 22/23: 13%).  
Source Ipsos UK 16+

In terms of impact, each year Ipsos UK surveys the UK public to gauge whether they think we are delivering our mission and the purposes. This year, 67% of UK adults overall rated the BBC as effective in delivering the mission (13% said ineffective),\* similar to the past two years. In licence fee paying households, 69% say the BBC is delivering the mission effectively (13% said ineffective).

Across all audience groups regardless of age, gender, social grade, ethnic origin or geography, the largest number of people continue to feel that we have delivered the mission and purposes. As in previous years, the highest scores are for helping people understand what is going on in the UK and world, and for the quality of content and services. There are scores we continue to seek to improve, especially impartiality perceptions, and differences we are working to lessen, especially in how well we reflect different people and different parts of the UK.

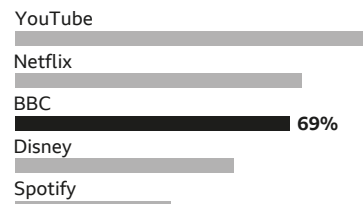
Our aim is to offer great value for all. Our mission and public purposes are at the core of everything we do and, in the following pages, we set out detail on what we have done in the last year to deliver that value.

\* Ipsos UK, 4,210 UK adults 16+, January-March 2024. Average score across informing, educating and entertaining people in the UK and them.

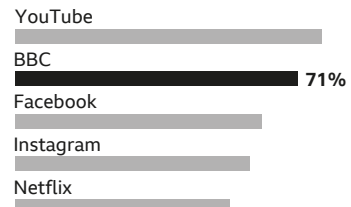
**Top five brands most used for media in 2023/24. Average weekly reach**

The BBC is the only UK brand in the top five most used for media by UK young people:

**Under 16s**

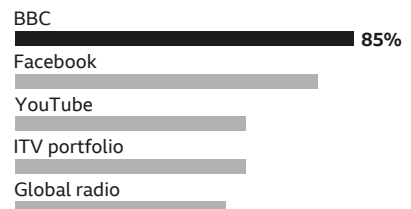


**16-34 year olds**

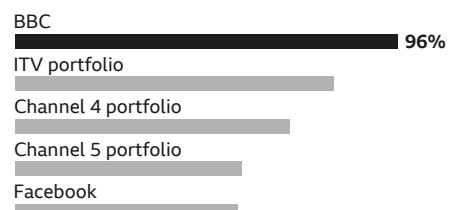


The BBC is the most used brand for media for these UK age groups:

**35-54 year olds**



**55+ year olds**




Source Compass by Ipsos UK based on 15-min accumulated average weekly reach (on-platform), Kids Cross-Media Insight by Ipsos UK

# 1

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

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 Read more on pages **17-19**

# 2

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To support learning for people of all ages

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 Read more on pages **21-23**

# 3

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

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 Read more on pages **25-29**

# 4

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

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 Read more on pages **31-39**

# 5

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

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 Read more on pages **41-43**



# IMPARTIAL



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

These pages demonstrate ways in which the BBC met its obligation to provide impartial news and information over the last year.

The BBC provides an unrivalled level of local, regional, national and international news and current affairs. We remain the UK's most used and most trusted news service, and we play an increasingly important role in helping to counter the disinformation that now so often proliferates in our national and international debate.

BBC News continues to come out way ahead of any other news provider when audiences are asked to pick the one source they are most likely to turn to for impartial, trusted and accurate news coverage (see pages 18-19).

The importance of our commitment to pursuing truth with no agenda was repeatedly highlighted this year. Since launching in May 2023, BBC Verify has drawn on a range of forensic investigative skills and Open-Source Intelligence (OSINT) capabilities to explain to audiences not just what we know but how we know it. The extension of BBC Breakfast saw audiences grow for the UK's most-watched morning news programme whilst the fact that 82% of UK adults came to the BBC for coverage of the results of July's UK General Election underlined that we are the place people come at the moments that matter. Meanwhile, our coverage of ongoing conflicts in the Middle East and Ukraine has been relied upon by audiences in their millions at home and around the world.

# NEWS

Delivering our creative remit  
Public purpose 1 continued

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



Charlie Stayt and Naga Munchetty presenting *BBC Breakfast*

We remain the UK’s most used and most trusted news service, and we play an increasingly important role in helping to counter the disinformation that now so often proliferates in our national and international debate.



**BBC Breakfast extension**

At the start of this year, we extended *BBC Breakfast* by an extra 15 minutes daily from Monday to Friday. The additional time means we are able to showcase even more BBC journalism on the daytime schedules. It also means more BBC News content is being presented from Salford – a trend which will continue this year with the move of the *News at One*, making the city a daytime news powerhouse.

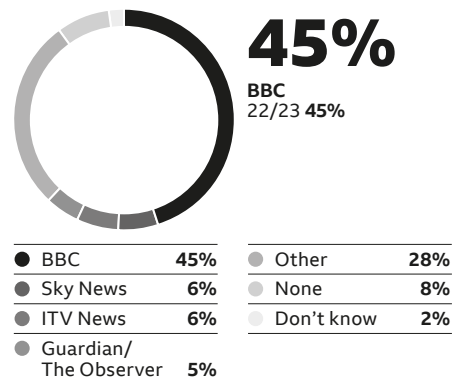
The programme has continued to make stories its own throughout the year, following extraordinary individuals such as Rob Burrow, who sadly passed away in June.

*BBC Breakfast* continues to be the most-watched morning news programme, and the additional time has led to a remarkable boost of almost 400,000 to its reach across Monday-Friday.

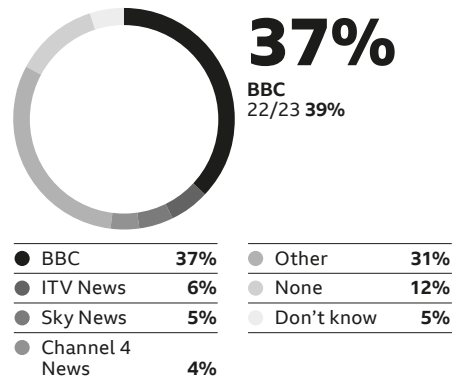
**UK news consumers turn to BBC News the most for trusted, impartial and accurate news coverage**

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

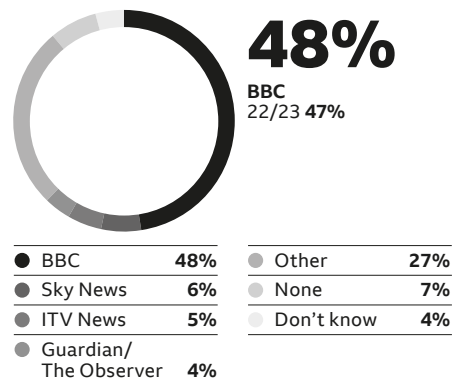
...for news you trust the most



...if you want impartial news coverage



...if you want accurate news coverage



Source Ipsos UK, 907 UK adults 18+ who follow the news, February 2024



BBC News International Editor Jeremy Bowen reporting from Israel

**75%** 22/23 78%

**Pan-BBC News reach**  
% of UK adults who use BBC News services on average per week.  
Source Compass by Ipsos UK 16+



**Israel/Gaza**

Covering the Israel/Gaza war has been a challenging and, at times, dangerous job for BBC reporters. At the beginning of the conflict in October, the BBC was one of the few news organisations to have journalists inside Gaza, who reported developments in the war whilst navigating the safety of their families and homes.

BBC News covered all aspects of the war, from the geopolitical to the very personal.

This is a polarising subject which presents many challenges, with news coverage particularly subject to debate and minute scrutiny, yet our research has shown that when asked to choose the one provider they would turn to for impartial reporting, three times as many pick the BBC as choose our closest competitor.



**BBC Verify**

Since its launch in May, BBC Verify has been transparently explaining to audiences not just what the BBC knows, but how we know it. BBC Verify is a highly specialised operation whose journalists have a range of forensic investigative skills and OSINT capabilities at their fingertips.

They fact-check, verify video, counter disinformation, analyse data, and explain complex stories.

BBC Verify has tackled stories ranging from detailed analyses of developments in Ukraine and Gaza, to debunking social media myths, such as the reassurance that the Eiffel Tower was not on fire, despite numerous claims to the contrary.



**In-depth investigations**

Throughout the year, BBC journalists continued to pursue truth in their reporting, painstakingly and thoroughly. A standout example of this was the revelation of the sixth suspect in the murder of Stephen Lawrence. Our reporter Daniel de Simone spent more than a year on the story, examining 30 years of evidence and tracing dozens of witnesses.

His investigation meant the BBC publicly identified Matthew White for the first time, as a result of which the Metropolitan Police (the Met) officially named Matthew as the sixth suspect. Daniel's work revealed a string of police failings and missed opportunities. The story was debated in Parliament, and the Met has now announced a review of the case by an independent police force.



**Story streaming/single news channel**

We launched a single news channel operation in April, replacing the two separate 24-hour TV news channels. The channel splits into a UK and international feed, offering UK-specific content whenever the news agenda demands; it produced outstanding coverage on subjects ranging from the trial of Lucy Letby to Prigozhin's march on Moscow.

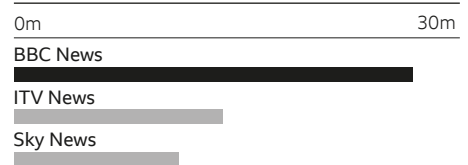
We added choice for audiences through single-story streaming and establishing the channel's Washington DC operation. The channel now sits as part of our digital offering on our live pages and can be found on the BBC app and website and on BBC iPlayer.

BBC News remained the most-watched news channel in the UK, and has a worldwide audience of more than 100 million.

**BBC News is most trusted and impartial**

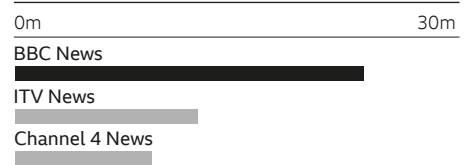
**Top three news sources for trust rated by their users**

To what extent do you trust... as a source of news?  
(Scale: 1 = do not trust at all; 10 = trust a great deal). Number of users rating 6+/10 (millions)



**Top three news sources for impartiality rated by their users**

How biased or impartial do you think this news source is?  
(Scale: 1 = very biased; 10 = very impartial). Number of users rating 6+/10 (millions)



Source Ipsos UK, users per provider from a nationally representative sample of 1,037 UK adults 18+, February 2024. % rating 6+/10 converted into the equivalent population figure. Population figures from ONS. BBC calculations

**i p.142** For the full list of statistical information on Public Purpose 1





# SUPPORT



## Purpose 2: To support learning for people of all ages

The following pages demonstrate the breadth of content that the BBC provides to support learning for all.

This year, the BBC celebrates the centenary of our very first education broadcast, and 100 years of inspiring generations of learners through groundbreaking programming at the forefront of educational innovation.

2024 also marks 25 years of Bitesize. It continues to be the most popular online educational website for schoolchildren in the UK, with 83% of under 16s who use Bitesize saying that it helps them understand their studies more. BBC Children’s and Education marked its centenary by announcing a £6 million investment into Bitesize to help make content more personalised, relevant and easier to find (see page 144). Meanwhile, our BBC Young Reporter scheme supported 11-18 year olds across the UK by promoting news literacy and media skills.

The BBC’s education and learning offer continues to reach far beyond Bitesize and our focus on those at school. Our natural history programming, for example, is unique in its ability to bring people together and inform, educate and entertain all at the same time. Our goal is to help people, whatever their stage of life, to achieve their full potential through educational content, services and participative experiences from the BBC, from partners and from each other.

# LEARNING

## To support learning for people of all ages



Ranger Hamza and the Ramblers go on an eco quest to find out all about ivy

**This year the BBC celebrates the centenary of our very first education broadcast, and 100 years of inspiring generations of learners through groundbreaking programming at the forefront of educational innovation.**



### **Planet Earth III**

In the third iteration of the beloved series, Sir David Attenborough introduced viewers to some of the world's most amazing species, telling extraordinary animal stories that were dramatic, thrilling, funny and sometimes heartbreaking, but always full of hope. Nearly two decades since the original series of *Planet Earth* aired on BBC One, we saw how science and technology have advanced, but also how our planet has changed. In the final episode, Sir David celebrated the conservation heroes fighting to save wildlife across the globe. With an average consolidated audience of eight million, this was our third highest-rated factual programme of 2023/24. 57% of those consuming some of the series claimed it made them feel more connected to nature, and 60% reported subsequently increasing their participation in at least one environmentally friendly behaviour.



### **CBeebies Little Learners**

In January, CBeebies and Bitesize collaborated for the first time to launch the CBeebies Little Learners app, bringing together educational games for pre-schoolers, featuring much-loved CBeebies characters and mapped to the Early Years Foundation Stage curriculum. The app provides educational screen time that helps children develop the skills they need to prepare for Reception – including mathematics; literacy; communication and language; personal, social, and emotional development; and understanding the world. The launch drove the app to become the number one children's app on the Apple App Store, complementing the BBC's educational reach, including three million children who watch *Newsround* bulletins in schools every week, and on average 1.8 million weekly Bitesize visitors during termtime.



### **BBC Reith Lectures with Ben Ansell on Our Democratic Future**

The Radio 4 Reith lecturer 2023 was Ben Ansell, Professor of Comparative Democratic Institutions at the University of Oxford. He took listeners through a journey of four lectures, titled *Our Democratic Future*, each focused on a specific goal: democracy, security, solidarity and prosperity. The lectures were recorded in front of live audiences in London, Berlin, Sunderland, and Atlanta with open and robust debate. As the United Kingdom and United States prepare for important elections in 2024, Professor Ansell considered the birth of democracy, how well we are faring in today's world and explored the future challenges facing us, before concluding to ask what we can do to accomplish our collective goals.



Kate Nash, whose brother William was shot dead on Bloody Sunday, in award-winning *Once Upon a Time in Northern Ireland*



**Bringing BBC Children’s and Bitesize to life**

Across the year BBC Children’s offered children and families opportunities to create memories together and experience some of their favourite shows in real life. This included *Operation Ouch!* Food, Poo and You, an interactive exhibition in Manchester where visitors could dive headfirst into the digestive system for some giggle-worthy grossness, to discover where food goes when we eat, an ‘Orrible Opera featuring the cast of *Horrible Histories* in the first ever CBBC Prom as part of the BBC Proms season at the Royal Albert Hall, and CBeebies Proms on Tour where audiences were treated to a magical Ocean Adventure in venues across the whole of the UK.

The BBC Bitesize Careers schools tour visited 182 secondary schools across England and Wales, delivering expert and engaging careers information to 136,364 young people to help them make decisions about their future careers. The tour delivered against two Gatsby Benchmarks – linking curriculum learning to careers and providing encounters with employers and employees.

**i p.143** For the full list of statistical information on Public Purpose 2



**Once Upon a Time in Northern Ireland**

From multiple award-winning director James Bluemel, *Once Upon a Time in Northern Ireland* gave voice to people who lived through the Troubles, sharing unheard testimonies from all sides of the conflict. It was co-commissioned with BBC Northern Ireland for BBC and PBS, and co-produced by KEO Films and Walk on Air Films. The series earned a slew of five star reviews, and its many accolades include a Broadcast Award for Best Documentary Series, two Grierson Awards, two RTS Awards and two BAFTA TV Craft Awards. Writing for the Belfast Telegraph, Suzanne Breen declared it “the most magnificent documentary series ever made about this place”.

**69%** 22/23 72%

**Under 16s pan-BBC reach**

% of under 16s who use BBC TV/ iPlayer, Radio or Online on average per week.

Source Kids Cross-Media Insight by Ipsos UK

**83%** 22/23 85%

**BBC Bitesize**

% of under 16 users who say Bitesize helps them understand their studies/learning more.

Source DJS



**You’re Dead To Me**

BBC Radio 4’s hit podcast *You’re Dead To Me* has continued to entertain and educate listeners in new and surprising ways. Bringing together the best names in comedy and history to learn and laugh about the past, *You’re Dead to Me* covered wide ranging topics from Pythagoras to Bollywood. Known for being the comedy podcast that takes history seriously, this past year saw host Greg Jenner and the team mark its 100th episode and listeners were treated to special live episodes, including a celebration of Mozart, which was accompanied by music from the BBC Concert Orchestra, as well as a recording at Shakespeare North Playhouse in Prescot to coincide with the 400th anniversary of the First Folio.



BBC Radio 4’s hit podcast *You’re Dead To Me*



# DISTINCTIVE



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

These pages provide examples of the range of creativity and quality, distinctive content produced across the BBC last year.

The BBC is here to make great programmes for audiences by backing the best homegrown storytelling. We bring people together for unmissable content and what we have produced this year – across factual, arts, drama, entertainment, comedy, sport and music – once again demonstrates our commitment to maintaining the highest production and editorial standards across the broadest range of output.

We delivered across every genre in 2023/24, with huge audiences for shows like *Doctor Who*, *Blue Lights*, *Strictly* and *The Traitors* as well as hit podcasts like *Newscast* and *Just One Thing*, and major awards for programmes like *The Sixth Commandment*, *Black Ops*, *Once upon a Time in Northern Ireland* as well as the Scott Mills show on BBC Radio 2 and BBC Radio Leeds extraordinarily powerful podcast *Seven* from the late Rob Burrow. Meanwhile, we brought the country together with our coverage of significant national moments from The Ashes and the Women’s World Cup to Eurovision and Vernon Kay’s Ultra Ultramarathon for BBC Children in Need.

This is what continues to set the BBC apart in today’s media landscape: a range of high-quality and creative output across TV and radio that is unique in its distinctiveness and its focus on backing the best homegrown storytelling from across the UK.

# OUTPUT

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



Claudia Winkleman in *The Traitors* series 2

This is what continues to set the BBC apart in today's media landscape: a range of high-quality and creative output on TV and radio that is unique in its distinctiveness and its focus on backing the best homegrown storytelling from across the UK.



### **The Traitors**

The multi-award-winning and critically acclaimed reality format was already a breakout hit following its launch at the end of 2022. When series two of *The Traitors* debuted in January 2024, it saw phenomenal growth on BBC iPlayer, cementing its place as the biggest entertainment show on-demand/video-on-demand (VOD) across all broadcasters and streamers, in at least the last two years. Produced by Studio Lambert Scotland, the second series gripped the nation, becoming the most talked about programme in the country and an average audience of 8.1 million across the series. Audiences across the UK became hooked on the insatiable mix of murders, banishments, treachery and deceit, all with Claudia Winkleman at the helm and set against the stunning backdrop of the Scottish Highlands. *The Traitors* continues to be the biggest new Entertainment brand in the market for 16-34s with filming on series three now complete.



### **Blue Lights**

Belfast-based police drama *Blue Lights* is an authentic, gripping and darkly funny drama about ordinary people doing an extraordinary job. Co-created and written by former investigative journalists Declan Lawn and Adam Patterson, and set in the city where they live, series one followed three new PSNI probationary recruits as they navigated their way through their first months in a uniquely complex place, to be response police officers. It launched to an average audience of more than seven million and was within the top ten new drama series of 2023 across all broadcasters and streamers and the biggest drama series in Northern Ireland in 2023. A second series followed and two more series have been commissioned.



### **Women's World Cup**

Building on the momentum and success from the Women's Euros in 2022, the BBC followed all the action as the Lionesses took on the Women's World Cup in Australia. Cementing BBC Sport's role as the leading broadcaster of women's football in the UK, the BBC broadcast 33 games live with comprehensive coverage across TV, radio, BBC iPlayer, BBC Sounds and the BBC Sport app. Women's World Cup fever swept the nation as the team led by Millie Bright made it all the way to the final where a peak of 12 million watched their 1-0 defeat to Spain, making it one of the most-watched events of 2023.

**i** p.143 For the full list of statistical information on Public Purpose 3



King Charles III and Prince William at the Coronation rehearsal in Westminster Abbey

# 85%

22/23 88%

**Pan-BBC reach**

% of UK adults who use BBC TV / iPlayer, Radio or Online on average per week.

Source Compass by Ipsos UK 16+

# 66%

22/23 68%

% of UK adults who say the BBC is effective at entertaining me/ people of the UK (ineffective 13%. 22/23: 13%).

Source Ipsos UK 16+

**Developing new talent on BBC Sounds**

BBC Sounds Audio Lab is a training and development programme for the next generation of podcast producers and audio creatives. Programme graduates have gone on to create award-winning content, including Tommy Dixon who won the 'Best New Podcast' Audio and Radio Industry Award for his brilliant *Colouring in Britain*, and Talia Randall who won silver in 'Best Climate Podcast' at the British Podcast Awards for *Blossom Trees and Burnt-Out Cars*. Audio Lab alumni were also championed in the Radio Academy's 30 Under 30 list of 'ones to watch' and took up sought-after roles with production companies, including BBC Audio, Aunt Nell Productions and Goalhanger Podcasts.

Audio Lab returned in 2023 with five more untold stories as podcasts, from a range of diverse new voices, exploring collective ownership, unearthing hidden histories of overlooked towns, investigating the impact of the Stanlow Oil Refinery, examining British West African identity and shining a light on the Muslim practice of Zakat.

**Bringing people together**

We delivered two of the UK's biggest live events in the reporting year – the Coronation and Eurovision, both produced by BBC Studios.

The Coronation of His Majesty The King and Her Majesty The Queen Consort was broadcast in more than 80 territories, whilst Eurovision reached 162 million people globally, over three live shows.

For the Coronation on 6 May, the first event of its kind in 70 years, the BBC provided the ultra-high definition host feed for all UK and international broadcasters, deploying 150 cameras across 17 locations along the route, with seven separate outside broadcast teams contributing to the coverage, featuring specially composed music recorded by the BBC Concert Orchestra. Meanwhile, the two-hour live *Coronation Concert* on 7 May, produced by BBC Studios, featured ten live locations around the UK, music performances from Katy Perry and others, an 74-piece military orchestra, a 300 strong community choir and a drone display.

The Eurovision Song Contest 2023 was held in the UK for the first time in 25 years, hosted by the BBC in Liverpool on behalf of Ukraine, producing three live TV shows totalling over eight hours of television. More than 470,000 people attended Eurovision-related events in the area, with the competition bringing £54.8 million net additional spending to Liverpool City Region. The Grand Final was the most-watched in the UK since records began in 2002, achieving an average audience of 9.9 million according to overnight statistics.

**BBC Radio 2's Piano Room Month**

BBC Radio 2's commitment to live music was exemplified by *Piano Room Month* in February, broadcast in Vernon Kay's mid-morning show. The month featured 20 unique performances from an incredible range of pop's most-loved artists, including Anastacia, Rod Stewart, Gabrielle, PP Arnold, Pet Shop Boys, Olivia Dean and Bruce Hornsby – all accompanied by the BBC Concert Orchestra at London's Maida Vale Studios. Each artist performed one of their previous hits, a new song and a classic cover from another artist. The performances were live on-air, available to hear on BBC Sounds, and filmed for BBC iPlayer.

**Undercover: The Spycops**

Our local storytellers are trusted by their audience and digital platforms give their stories greater prominence. One example of this was *Undercover: The Spycops* made by BBC Radio Nottingham. This podcast series explored the story of an undercover police officer who infiltrated a group of climate activists in the area. His deployment left many unanswered questions, which resulted in a judge-led public inquiry. The podcast has been played and downloaded nearly one million times on BBC Sounds, which is a much bigger audience than would have been achieved had it just been broadcast on the local radio station.

**BBC Proms in Gateshead**

As part of the BBC's commitment to provide value for all audiences across the UK, BBC Proms launched the first-ever weekend-long Proms festival outside London at The Glasshouse International Centre for Music in Gateshead. In collaboration with the Royal Northern Sinfonia and conductor Robert Ames, the festival opened with a performance from Self Esteem, making her Proms debut. Musicians rooted in the North East performed throughout the weekend, with concerts comprising classical, jazz, folk and choral music. More than 5,000 music lovers enjoyed the live experience at six events across three days and 95% of the audience were attending the BBC Proms for the first time.

In addition, chamber concerts were held in all four nations of the UK: Guildhall Londonderry, Aberystwyth Arts Centre, Dewsbury Town Hall, Hall for Cornwall in Truro, Perth Concert Hall and the Hippodrome in Great Yarmouth.

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



The Eurovision Song Contest 2023 presenters at the Grand Final in Liverpool

**The Coronation of His Majesty The King and Her Majesty The Queen Consort was broadcast in more than 80 territories, whilst Eurovision reached 162 million people globally over three live shows.**

**62%** 22/23 **66%**

% of UK adults who think the BBC is effective at providing content/services that set a high standard for quality (ineffective 14%. 22/23: 14%).  
Source Ipsos UK 16+



### The Ashes

A hugely dramatic Ashes played out on home soil and BBC Sport delivered an all embracing multiplatform offer for cricket fans for both the men's and women's series. BBC 5 Sports Extra and BBC Sounds provided ball-by-ball expert commentary from *Test Match Special*, and Ashes podcasts with the best analysis and insight at the end of each day's play, whilst daily TV highlights played out on BBC Two. There were over 59 million clip plays on our website, with over 30 million listening requests.



### Best year ever for iPlayer

BBC iPlayer remains a core strategic priority and last year was iPlayer's best ever, with programmes streamed a record 8.1 billion times – up 10% on the year before – showing our strategy is delivering for viewers.

We added more box sets and titles from the archive, and brought record numbers of viewers to live national moments on iPlayer – including the Coronation, the Eurovision Song Contest, Women's World Cup and Glastonbury. We also launched The Whoniverse, a dedicated home for all shows within the orbit of *Doctor Who* – letting fans watch over 800 episodes of *Doctor Who* content all in one place.



### The Sixth Commandment

*The Sixth Commandment* launched in July 2023 to rave reviews and a consolidated audience of eight million. The series told the story of Peter Farquhar and Ann Moore-Martin, exploring the chilling events that unfolded when they met student Ben Field, which led to one of the most complex and confounding criminal cases in recent memory. This sensitively crafted factual drama stood out and was hailed by press as "as fine a piece of television as you will ever see" (The Guardian), "proof that true-crime dramas don't have to exploit" (The i), with The Telegraph remarking that it "never forgets its victims". The series won Timothy Spall his first BAFTA, with Anne Reid and Eanna Hardwicke also nominated in their respective categories, and picked up the Best Limited Drama award. It also won three RTS awards for Limited Series, Supporting Actor – Male for Eanna Hardwicke and Writer – Drama for Sarah Phelps.





**World-renowned environmental content**

The BBC creates world-renowned environmental content that informs audiences and inspires them to make more sustainable choices.

In 2023/24, non-News TV and Radio content which prominently contained explicit environmental themes reached approximately 64% of the 16+ UK population.

Environmental blockbuster *Planet Earth III* reached 26.5 million people across all its BBC showings in the UK. To highlight the power of nature-focused conversations, the BBC launched *Become a Voice for Nature*, with a host of famous names voicing key moments from the series and inviting audiences to do the same, achieving over 2.5 million plays on social media. Whilst BBC Studios partnered with Minecraft Education on a themed world in 29 languages, highlighting the importance of conserving habitats and ecosystems.

Wildlife cameraman and presenter Hamza Yassin wowed on *Strictly Come Dancing* again, before sharing his passion for birds of prey on BBC One, with *Hamza: Strictly Birds of Prey*, reaching over seven million people across all its BBC showings in the UK. *Let it Grow* blossomed on BBC Radio 2, whilst *Max Richter Live: Earth Day 2023*, recorded as a celebration of nature in Mile End Park, brought the local East London community together with BBC Radio 3 audiences.

Showcasing solutions was a theme, with The World Service’s 100 Women highlighting 28 climate pioneers; BBC Sport’s Green Sport Awards; *The One Show’s* Growing Together Award for Community Gardening in partnership with the RHS; and *The Earthshot Prize*. Celebration was balanced by accountability, with *Panorama: Why are we still searching for fossil fuels?* and Climate Editor Justin Rowlett’s dramatic exposé of UAE plans to use the COP28 climate talks to make oil deals.

Our commitment to light-touch, authentic and audience-relevant ways to incorporate sustainability into our biggest titles remains, from featuring plant-based dishes in the *Great British Menu* to tasks around ‘green growth’ in *The Apprentice*. Across our output we continue to deliver on the Climate Content Pledge and are piloting the Journalism Climate Commitment.



Gbemisola Ikumelo and Hammed Animashaun in BAFTA Award-winning comedy thriller *Black Ops*



**BBC Radio 1’s Giant DJ Hunt**

BBC Radio 1 pulled off the hugely successful Giant DJ Hunt which involved all of the Radio 1 DJs – apart from Greg James – going into hiding across the UK and beyond. It was Greg’s job to find them all and rebuild the Radio 1 schedule within 100 hours or the station would go off air. The last five minutes were extremely dramatic as it became highly likely the deadline would not be met. The Giant DJ Hunt was a huge success with 4.8 million requests to Radio 1 on BBC Sounds in the week commencing 17 July 2023.



**Vernon Kay’s Ultra Ultramarathon for BBC Children In Need**

In November, BBC Radio 2’s mid-morning presenter, Vernon Kay, completed an Ultra Ultramarathon for the station’s BBC Children In Need fundraiser. Vernon covered over 115 miles on foot across four days, starting at Victoria Park, Leicester – where Radio 2 in the Park was held in September 2023 – and finishing at Bolton Wanderers FC. Thousands of well-wishers lined the roads of Leicestershire, Derbyshire and Greater Manchester, with Vernon’s epic feat, alongside Radio 2’s Gala performance of *Back to the Future: The Musicals*, raising £6,069,887 for BBC Children In Need.



**Black Ops**

Comedy thriller *Black Ops* told the story of two Police Community Support Officers in East London who join the Met Police in the hope of cleaning up their community. However, they quickly find themselves unwittingly thrust into the murky world of deep cover infiltration and a powerful criminal enterprise. The BAFTA Award-winning show, created by and starring Gbemisola Ikumelo and Akemnji Ndifornyen, co-written with Joe Tucker and Lloyd Woolf, and starring Hammed Animashaun, won over viewers and critics alike. It launched with 2.3 million for the first episode and 1.6 million across the series, with a 0.3 million/more than 16% Black, Asian and minority ethnic audience. It also received four RTS Award nominations and was named Best Comedy Programme at the Broadcast Awards. A second series has been commissioned.

**i p.67** For more information on sustainability



# DIVERSE



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

The following pages demonstrate the BBC’s commitment to serving all audiences across the UK.

In order to offer value to every licence fee payer, the BBC has a duty to make sure the views and voices of diverse communities across the UK are reflected and represented across its output. We also have a responsibility to ensure that the economic impact of the BBC is distributed across every corner of the country.

This report demonstrates how strongly we are delivering on our ambitious ‘Across the UK’ plans to shift the BBC’s people, power and decision-making to the nations and regions (see pages 32-33). Today, the BBC spends 60% of its network TV budget in the nations and regions, and we have major production centres in Glasgow, Cardiff, Belfast, Salford, Bristol, Birmingham and London. We are unique in our focus on developing the best ideas and talent from across the UK. We also support 50,000 jobs around the country and work with around 14,000 different suppliers – three-quarters of which are UK small and medium-sized enterprises.

This year reports on the economic impact of *Doctor Who* in Cardiff and the BBC Studios Natural History Unit in Bristol have underlined the scale of the BBC’s impact on the growth of creative clusters around the UK. Overall, 50% of the BBC’s economic contribution is generated outside London, against a sector average of 20%.

# COMMUNITIES

# THE BBC ACROSS THE UK

Over the past year, we have accelerated our work to make sure that the BBC of the future is more deeply rooted in every part of the UK and better represents and responds to the needs of all our communities.

## The Across the UK Programme (ATUK)

The Across the UK programme has now entered its second phase, and is currently on track to exceed its £700 million spend target outside of London. To date, the programme has seen the BBC deliver more than £200 million of cumulative investment across its programming and services, including more than 350 roles being relocated outside of London.

Across the UK cements the BBC as the single largest investor in original UK content, contributing almost £5 billion into the national creative economy – with 50% gross value added (GVA) outside of London. For every £1 of the BBC's direct economic activity, £2.63 is generated in the economy as a whole. We are a key supporter of the regional creative sector across the UK and our economic analysis shows that a 15% increase in the BBC's footprint causes double the rate of regional creative cluster growth.

## Growing our network TV and radio production spend

Increasing the proportion of BBC network production spend across the UK is critical to supporting this growth, as well as better reflecting and representing regions across the UK and the lives of our audiences. In 2023/24, the BBC achieved its target to spend 60% of the Network TV budget outside of London, delivering 60% of network spend outside of London for the first time, and we are on track to sustain this permanently by 2026. Network radio spend increased to 44% of total radio and music production spend outside of London in 2023/24, as it moved towards achieving its 50% target by the end of the current Charter.

## Representing and reflecting our audiences

Drama and Comedy are key genres for driving representation and impact with audiences. Over the past year the BBC showed stories that reflect places and communities across the UK, including *Blue Lights* in Belfast, *Steeltown Murders* in Port Talbot, *Shetland* in Lerwick and *This Town* and *Man Like Mobeen* in Birmingham.

These commissions delivered for our audiences. *Blue Lights* performed particularly well with audiences in Northern Ireland with an average audience of 0.4 million in the region – equating to around 20% of the Northern Ireland population, compared with its UK-wide audience at 9% of the UK as a whole (5.7m). The BBC made major entertainment commissions across the UK – *The Traitors* and *Gladiators* were filmed in the Highlands and Sheffield, respectively, and were in the top-performing entertainment titles of 2023/24.

## Building skills and capacity in key UK regions

A key focus of the BBC's Across the UK programme is increasing production activity in the West Midlands and North East of England. The BBC continued to deliver its agreed commitments to each region, working with partners such as Create Central in the West Midlands and North East Screen in the North East. We are on track to exceed our commitments in both regions. In the West Midlands alone, the past year saw the BBC broadcast a second series of *Phoenix Rise*, with a further two series recommissioned, as well as *Champion*, *Man Like Mobeen* and *This Town*, along with the BBC's announcement to relocate *Silent Witness* to the region. These will go into production in the region over the next 12 months alongside *MasterChef*. In the North East, the BBC commissioned *Making It*, a new series with Sara Davies, recommissioned *Robson Green's Weekend Escapes*, and awarded *Morning Live* commissions to three small independent producers in the region.

Our work is also growing skills and opportunities across the UK. As part of its apprentice plans, the BBC has more than doubled the number of apprentices it employs since 2020. The BBC currently employs 689 apprentices in total. Of this number, 62% of Early Careers and 48% of Staff Apprentices are based across the UK (outside London). The BBC also supported a further 37 apprenticeships in the West Midlands as part of its Apprentice Hub pilot, and traineeships across its UK productions.

The BBC committed to a new apprentice initiative, to run in Glasgow, Salford, Birmingham and Cardiff from May, giving Early Careers production apprentices the opportunity to spend time with local SME's, and giving entry-level training experiences to future TV, radio, film and digital content makers.

The BBC has invested in new capability as part of its plans for Across the UK. This year, we opened the North East Technology Hub and now have more than 50 roles based in BBC Newcastle building data and analytics capability across the BBC's digital products as we continue to deliver a digital-first audience offer. This team also includes members of the BBC's digital leadership group and the team will continue to grow over the next year.

## Moving production teams and decision-making

The past year has seen a significant increase in the number of staff based across the UK.

BBC Radio expanded its presence across major regional and national BBC hubs, including the relocation of further peak-time programming for BBC Radio 1Xtra to Birmingham, and new BBC Radio 3, BBC Radio 4 and BBC Radio 6 Music output to Salford.

BBC Radio 6 Music also launched a new evening show with Huw Stephens from Cardiff, meaning that five BBC radio networks now broadcast from the city.

In December 2023, we announced the creation of a new BBC radio production hub for Scotland and Northern Ireland. Launched in April, teams are being brought together to work on network radio programming and increase the volume of content that is made for BBC Radio, BBC Sounds and BBC World Service from Scotland and Northern Ireland.

Building on its relocation of News Story teams, BBC News announced that it will relocate the *News at One* to Salford. This will broadcast from MediaCity from June 2024 and significantly expands the BBC's network news presence in Salford.



Ncuti Gatwa and Millie Gibson star in *Doctor Who*

**Strengthening programme delivery**

During the past year, the National Audit Office (NAO) completed a Value for Money study of the delivery of the Across the UK programme during its first phase (2021/22-2022/23). The NAO found that the BBC had met many of the targets it set for Phase 1, however further work was required to meet all targets in full, and secure the intended benefits of the programme over the course of the current Charter period, particularly in its audio and apprentice plans. It made a number of recommendations. These included: improvement to the way changes to the programme are assessed; improvement to the stated benefits and other benefit management processes; and improvements to the communication and stakeholder management of the programme. The BBC has since attended a Public Accounts Committee (PAC) evidence session to assess the delivery to date on Across the UK. The BBC has carefully considered the findings and recommendations of the NAO and PAC, and is implementing changes that will strengthen programme delivery.

**i p.147** For the full list of statistical information on Public Purpose 4

**60%**

The BBC achieved its target to permanently spend 60% of the Network TV budget outside London, delivering 60% of network spend outside London in 2023/24.

**£200m**

The Across the UK Programme has delivered more than £200 million of cumulative investment outside of London and across the UK.

**Other UK impact from BBC Operations**

**UK PSB staff by nation (equivalent full time) % (excl. BBC Commercial)**

| Nation                 | 31 March 2024 | 31 March 2023 |
|------------------------|---------------|---------------|
| England (excl. London) | 35%           | 34%           |
| London                 | 46%           | 47%           |
| Scotland               | 8%            | 8%            |
| Wales                  | 7%            | 7%            |
| Northern Ireland       | 4%            | 4%            |

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

|                                   | 2024          | 2023         |
|-----------------------------------|---------------|--------------|
| London                            | 39.8%         | 42.3%        |
| Scotland                          | 9.0%          | 8.4%         |
| Wales                             | 7.9%          | 5.4%         |
| Northern Ireland                  | 4.2%          | 3.9%         |
| <b>Total nations</b>              | <b>21.1%</b>  | <b>17.8%</b> |
| Midlands                          | 2.7%          | 2.7%         |
| North of England                  | 20.6%         | 20.6%        |
| South of England                  | 11.9%         | 10.9%        |
| Multi English region*             | 3.0%          | 3.8%         |
| <b>Total English regions</b>      | <b>38.2%</b>  | <b>38.0%</b> |
| Other multi-region*               | 0.9%          | 1.9%         |
| <b>Total regions excl. London</b> | <b>39.1%</b>  | <b>39.9%</b> |
| <b>Total nations and regions</b>  | <b>60.2%</b>  | <b>57.7%</b> |
| <b>Grand total</b>                | <b>100.0%</b> | <b>100%</b>  |

Network television spend based on Ofcom definitions by calendar year.

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

**BBC Local Radio\* and nations radio hours of output**

|                        | 2024    | 2023    |
|------------------------|---------|---------|
| England (excl. London) | 212,200 | 242,468 |
| London                 | 6,848   | 6,956   |
| Scotland               | 11,450  | 11,869  |
| Wales                  | 16,647  | 15,602  |
| Northern Ireland       | 7,527   | 8,019   |

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



**UK economy boosted by BBC Studios Natural History Unit in Bristol**

Natural history commissioning from the BBC and international commissioners has bolstered Bristol's regional economy, accounting for 44% (£127.2 million) of Bristol's production sector turnover in 2022, and greatly contributing to the media boom in the wider region.

The Natural History Unit has driven Bristol's position as a centre of excellence for natural history, driving innovation on-screen and supporting international scientific research, alongside a diverse independent sector that attracts inward investment. For every £1 invested by the BBC Public Service in Bristol, £1.86 was invested by a third party.

Whilst natural history may be filmed internationally, it contributes significantly to the UK economy. *The Green Planet* contributed £7.4 million in GVA, supporting over 50 full-time equivalent jobs in the UK, whilst *Wild Isles*, produced in Bristol by Silverback Films, generated an estimated £9 million GVA and supported over 80 full-time equivalent jobs, during its three-year production.

**£127m**

Impact of BBC Studios Natural History Unit on Bristol's regional economy.



**The economic impact of Doctor Who**

The BBC published an economic impact report to coincide with the 60th anniversary of *Doctor Who*. Production of the hit series contributed an estimated £134.6 million in GVA to the Welsh economy between 2004 and 2021 and £256 million across the UK overall.

Moreover, the report found significant legacy impact of the show and commissioned spin-offs *Torchwood* and *The Sarah Jane Adventures* (both produced in Wales), widely acknowledged as the catalyst for investment in the South Wales creative cluster and its specialism in high-end television and drama production. The Welsh screen sector – now the largest of the five Creative Industry sub-sectors prioritised by Welsh Government, accounted for more than £459 million turnover in 2022.

**£256m**

Economic impact of *Doctor Who* across the UK.

## Delivering our creative remit Public purpose 4 continued

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



#### The BBC in Wales

The BBC's creative ambition in Wales delivered four major dramas broadcast on BBC One across the UK. *Steeltown Murders*, set in the Neath and Port Talbot areas and *Wolf* proved popular with audiences over the summer months; *Men Up* dramatised the trials of a male impotence drug in South Wales and formed part of the BBC's Christmas line-up; and *The Way*, a story of an ordinary family caught in extraordinary circumstances, hit our screens in February. With funding from Creative Wales, these dramas, co-commissioned with BBC One, portrayed stories from Wales which resonated with audiences across the UK.

As well as dramatic storytelling, there were also impactful documentaries, including the powerful *Inseparable Sisters* charting the lives of conjoined twins – Marieme and Ndeye – on their seventh birthday. *Paranormal*, a co-commission with BBC Three, proved popular with younger viewers and saw the BBC Radio 1 presenter, Sian Eleri, investigate a seemingly ordinary farmhouse in North Wales which was widely considered the most haunted house in Britain. A second series will be broadcast next year.

It was also an important year for BBC Wales's audio teams. Podcasts, *The Crossbow Killer* and *Death of a Codebreaker* have both seen listener requests soar on BBC Sounds. In September, BBC Radio 1's Sam and Dani made Central Square in Cardiff their home for the *Weekend Breakfast Show* shortly followed by presenter Huw Stephens who now hosts BBC Radio 6 Music's afternoon show from the broadcast hub.

BBC Radio Wales relaunched *Radio Wales Breakfast* with James Williams and Dot Davies in June. Reflecting news in Wales, across the UK and the world, the duo combine their expertise in politics and sport to bring the very latest news and views to listeners. BBC Wales news teams covered big stories such as Mark Drakeford standing down as First Minister and focused on live pages to grow digital reach. Music-based BBC Radio Cymru 2 was launched in March with the intention of appealing to those who are less fluent in the Welsh language.

The Rugby World Cup in the autumn was covered extensively on BBC Wales with every Wales game available to listen to live on BBC Sounds, BBC Radio Wales and BBC Radio Cymru as well as the *Scrum V* team's podcast.

The *BBC Cardiff Singer of the World* competition reached its pinnacle in June as Adolfo Corrado from Italy was crowned the 2023 winner, following an intense week of outstanding performances. It featured the BBC National Orchestra of Wales who also had a busy season at the BBC Proms.

To coincide with the 60th anniversary of the iconic series, *Doctor Who*, we commissioned a report which outlined the series' economic impact contribution to Wales, the Timelord's home for almost 20 years. The series contributed an estimated £134.6 million in GVA to the Welsh economy between 2004 and 2021.



**p.154** For the full list of statistical information on Wales



**p.125** To read more about how the BBC Board has monitored and reviewed performance in Wales

# 90%

22/23 **91%**

**Pan-BBC reach**  
% of adults in Wales who use BBC TV/ iPlayer, Radio or Online on average per week.  
Source Compass by Ipsos UK 16+

# 51%

% of adults in Wales consuming BBC Wales content on average per week.  
Source BARB, RAJAR, Piano Analytics, Compass by Ipsos UK. Not comparable year-on-year owing to measurement change.



Keith Allen stars in *Steeltown Murders*

# WALES

# SCOTLAND



## The BBC in Scotland

Throughout 2023 we marked the centenary of the BBC in Scotland, including 100 years since the first Gaelic radio broadcast, an event marked with specially commissioned content on BBC Radio nan Gàidheal and BBC ALBA. In 2024, we celebrated Scotland's role in piloting the first-ever school broadcast.

The BBC Scotland channel celebrated its fifth anniversary, with £162 million spent on programming since its launch, including news, drama, comedy, documentaries and sports, bringing investment and content across Scotland.

Our commitment to impartial news was recognised by *Reporting Scotland* winning the 2023 RTS Scotland News Programme of the Year and our news teams delivered value across platforms, producing live online coverage of Storm Babet across BBC outlets. BBC Scotland provided comprehensive coverage of Scottish news, from the Rutherglen by-election, to the conviction in the Emma Caldwell murder case, with praise for BBC's journalism. Average weekly UK traffic to BBC Scotland News Online grew to more than five million visitors.

In February, we announced our intention to reshape our news services in Scotland to grow the impact of broadcast news, whilst offering audiences more ways to consume our news output across all our services. The plans included: a reshaped news service for the BBC Scotland channel, subject to regulatory approval; regularly extending *Reporting Scotland*; a new current affairs series available on BBC Sounds, BBC iPlayer and TV; and increased investment in our online News services. These proposals reflect changing habits of audience consumption and delivering best value for money.

As well as broad coverage of Scottish sport, BBC Scotland was the global broadcasting hub for the 2023 UCI Cycling World Championships, when Scotland hosted the biggest ever cycling event.

Our Across the UK strategy delivered ongoing investment with network commissions and co-commissions, including: the final series of award-winning thriller *Guilt*; a new DI's impactful return home in *Shetland*; the second series of tense drama *Vigil*; and a return of the psychological reality series *The Traitors*.

Our commitment to investing in high impact content included: BAFTA Award-winning *Designing the Hebrides*; *Scotland: The New Wild*, which showcased Scotland's country, coast and urban wildlife in a series three years in the making; and BBC ALBA adventure programme, *Dàna|Scotland's Wild Side*, winner at the Celtic Media Festival.



Ashley Jensen as Detective Ruth Calder in *Shetland*

BBC Scotland's drive to deliver content for younger viewers and online audiences is demonstrated by *The Agency: Unfiltered* which offered a glimpse into influencer culture and Dundee-based drama *Dog Days* commissioned as digital-first content in partnership with Screen Scotland. The partnership contributed to the development of the creative economy with shared initiatives, including BBC Scotland/Screen Scotland Emerging Directors scheme and BBC Studios River City Training Academy.

Scotland-produced audio content performed well with audiences on BBC Sounds with familiar titles such as *Breaking the News* receiving 949,000 plays and *Sportsound* at 5.6 million plays, and new content *Shiny Bob*: *The Devil's Advocate* receiving 786,000 plays, *The Missing Madonna* at 868,000 plays and *Trumped* on 625,000 plays in 2023/24.

BBC Radio Scotland refreshed its music schedule with the launch of *Classical Now* featuring the BBC Scottish Symphony Orchestra and awarded the first-ever BBC Radio Scotland Young Jazz Musician of the Year title. Delivering for all of the UK, BBC Radio 1's Big Weekend came to Dundee, boosting the local economy and increasing listening in Scotland for the event.

**i p.158** For the full list of statistical information on Scotland

**i p.125** To read more about how the BBC Board has monitored and reviewed performance in Scotland

## 84%

22/23 **87%**

### Pan-BBC reach

% of adults in Scotland who use BBC TV/ iPlayer, Radio or Online on average per week. Source Compass by Ipsos UK 16+

## 57%

% of adults in Scotland consuming BBC Scotland content on average per week.

Source BARB, RAJAR, Piano Analytics, Compass by Ipsos UK. Not comparable year-on-year owing to measurement change.

## Delivering our creative remit

Public purpose 4 continued

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



### The BBC in Northern Ireland

Acclaimed homegrown drama, award-winning documentaries and unforgettable sporting moments were just some of the highlights for the BBC in Northern Ireland in 2023/24.

BBC News teams provided audiences with updates and expert analysis on the work of the new Northern Ireland Assembly and Executive, the issues facing public services and the cost of living crisis. We made use of the BBC's specialist journalism and its enhanced network of area-based reporters. We placed an increased emphasis on digital newsgathering and output, reflecting the different ways in which audiences are consuming BBC services.

BBC Radio Ulster/Foyle introduced a new evening and weekend schedule, including a new early evening entertainment programme, *Vinny and Cate*. Outside broadcasts brought local community events to a wider BBC audience. The station also maintained its distinctive mix of music and speech-based content. The Foyle newsroom became a fully integrated part of BBC News NI with additional digital content and an extended, hour-long weekday morning programme, *North West Today*. The work of our radio production teams found sizeable audiences on BBC Sounds with the GAA Social and Assume Nothing strands.

Local people and stories were showcased in a range of BBC network commissions, including documentaries, drama and factual entertainment. The acclaimed series, *Once Upon A Time In Northern Ireland*, explored the events and legacies of the Troubles period through archive footage and the stories of victims and survivors. Policing in contemporary Belfast was the focus of *Blue Lights*, a popular new drama for BBC network television. *Hope Street* returned for a third series on BBC daytime and Northern Ireland was the filming location for *The Woman In The Wall* and series two of *Wreck* and *Showtrial* – building on the BBC's commitment to building production activity across the UK.

The BBC's Blackstaff Studio in Belfast was the recording location for a new series of *Mastermind* with Clive Myrie and a second series of *Finish Line* with Roman Kemp and Sarah Greene. And it played host to returning series of *Nolan Live* and *The Blame Game* on BBC Northern Ireland television.

Stephen Nolan looked at the realities of prison life in *Jailed: Inside Maghaberry* and facilitated conversations about it on his weekday radio programme. *Carl Frampton: Men In Crisis* and *Tara Mills: Life After Loss* highlighted issues around mental health. And we brought historical events and controversies to a wider audience with *The Long and The Short of It*. The arts were showcased in their different aspects and diversity across our radio and television services, which included a landmark documentary about the poet, Michael Longley.

We continued to work with Northern Ireland Screen on our shared commitment to growing the local independent production sector and its presence on the BBC networks. This included a new 'Hot House' initiative, which complemented our ongoing work across a range of areas, including the Irish Language and Ulster-Scots Broadcast Funds.

We delivered award-winning network television coverage of the GAA All-Ireland Senior Football Final for the first time, in addition to men's and women's soccer, rugby and motorcycling. Much of this has benefited from, and involved, digital innovation and new technologies, which allowed us to do new things and serve audiences in different ways.

Book Week 2023 consolidated our long-standing partnership with Libraries NI. And the Ulster Orchestra continued its work in bringing orchestral music to audiences across the region.

2024 marks the centenary of BBC services in Northern Ireland, a significant milestone that will be marked with special outside broadcasts and roadshow events.

**i p.162** For the full list of statistical information on Northern Ireland

**i p.126** To read more about how the BBC Board has monitored and reviewed performance in Northern Ireland

## 86%

22/23 **84%**

### Pan-BBC reach

% of adults in Northern Ireland who use BBC TV/iPlayer, Radio or Online on average per week.

Source Compass by Ipsos UK 16+

## 62%

% of adults in Northern Ireland consuming BBC Northern Ireland content on average per week.

Source BARB, RAJAR, Piano Analytics, Compass by Ipsos UK. Not comparable year-on-year owing to measurement change.



Nathan Braniff and Katherine Devlin in hit drama *Blue Lights* series 2



# ENGLAND



## The BBC's local services in England

It has been a year of transformative change across BBC Local services in England. We have invested in an additional 130 journalist roles, we launched new Investigative Teams and we invested in telling original stories on BBC Sounds and the Sounds Rails in each area.

The introduction of new radio schedules has been a difficult adjustment for our staff and some listeners. We now share more of our off-peak programmes (slots when fewer people are listening) to larger broadcast areas, allowing us to invest in digital content.

Our goal is to grow our local impact across all communities – harnessing our TV, radio and digital strengths – and each team knows how they can play their part in ensuring that our content remains as relevant as possible, however audiences choose to use us.

The 6.30pm regional TV News is the most-watched half hour of news on British TV. This is a clear example of how connected we are to licence fee payers across the English regions.

We have seen significant growth in audiences accessing BBC Local online content since the changes. The number of unique visitors accessing the BBC's local news stories on average per week has seen a 17% increase year on year with more than two million additional visitors coming to our stories. We offer a greater range of stories than ever before, and the reshaped BBC News app has given more prominence to them.

Audiences have come to us for trusted updates on breaking news stories using our live pages. In the UK there were 8.4 million page views as people followed the Nottingham attacks story; 6.3 million page views for the Clapham attack manhunt; and 2.9 million page views for the live page covering the unexploded World War Two bomb found in a Plymouth garden.

As part of our investment into digital, we launched new local online news services for Peterborough, Wolverhampton, Wear and Bradford. We now cover these areas more consistently and rigorously than ever before – increasing the number of stories on neighbouring services too, particularly in Cambridgeshire, Birmingham, Newcastle and Leeds.

We invested in local podcasts with a new commissioning team creating on-demand content from trusted local storytellers for BBC Sounds. One of the most popular was hosted by Rob Burrow, the Rugby League star who recently died after living with MND for more than four years. The series, *Seven: Rob Burrow with...* saw him interviewing the likes of Wayne Rooney and Zara and Mike Tindall. Meanwhile *Love Bombed* returned for another series there was a new series, *Undercover: The SpyCops*.



Award-winning podcast, *Rob Burrow Seven, Meets*

All 39 local radio stations have provided information, companionship and a voice to local people through both good and bad times. In February, three stations held the Prime Minister to account on issues including HS2, potholes and healthcare – just as all of our teams do with local decision-makers on our 41 local breakfast programmes every weekday and on the daytime programmes that follow from 10am.

In times of need, such as the dangerous weather conditions we experienced this winter, we continued to provide local programming whenever it was needed, often running a news online live page at the same time.

Our local radio services continued to be at the heart of community life, not just for breaking news, but for the big sporting moments locally as well as providing a platform for grassroots music and a continued commitment to faith programmes. We held 39 Make A Difference Awards in 2023 and have received a record number of entries for our 2024 awards; celebrating ordinary people doing extraordinary things.

**i** **p.165** For the full list of statistical information on England

**i** **p.126** To read more about how the BBC Board has monitored and reviewed performance in England

**85%**

22/23 **88%**

**Pan-BBC reach**  
% of adults in England who use BBC TV/ iPlayer, Radio or Online on average per week.  
Source Compass by Ipsos UK 16+

**45%**

% of adults in England consuming BBC Local content on average per week.  
Source BARB, RAJAR, Piano Analytics, Compass by Ipsos UK. Not comparable year-on-year owing to measurement change.

# DELIVERING REPRESENTATION AND PORTRAYAL



The BBC is committed to delivering authentic high-impact content that resonates with and serves diverse audiences across the UK, reflecting a variety of experiences, cultures, and perspectives. Delivering content with both on and off-air representation enables us to reflect, represent and serve our audiences across the UK, providing a mirror where everyone can see themselves reflected and a window into other people's worlds. Content commissioning teams, along with the support of the Creative Diversity Team, ensure that BBC content captures the essence of real-life stories, emotions, and truths, fostering genuine connections with audiences through its honesty, relatability and authentic portrayal.

The BBC seeks to ensure that its content informs, educates and entertains, providing value for everyone and bringing people together.

## Creative Diversity Commitments

The BBC's three-year Creative Diversity Commitment to invest at least £112 million of existing commissioning budgets on diverse content (with on-air diverse portrayal, off-air diverse production leadership and/or diverse company leadership) across TV and Radio concluded this year. This has been the largest financial investment in the industry to diverse content. We exceeded our commitment over the three year period and invested £243 million. We reviewed and captured key successes as well as insights to help us go further to serve all our audiences. This included a review commissioned by the BBC, engaging the Lenny Henry Centre for Media Diversity as an independent third-party organisation to look at the impact of the three year commitments. Our new Creative Diversity Commitments build on the work done to authentically and inclusively reflect our audiences across the UK in TV, Radio, Children's and Education, Sport and Nations content through on and off-air representation.

We hold ourselves to account, measure and share progress against our Creative Diversity Commitments through the annually published Diversity Commissioning Code of Practice report: [bbc.co.uk/creativitydiversity/documents/bbc-diversity-code-of-practice-2023-2024.pdf](https://bbc.co.uk/creativitydiversity/documents/bbc-diversity-code-of-practice-2023-2024.pdf).

## On-Air Representation

The BBC is proud to have commissioned and produced award-winning programmes representing our diverse audiences. Highlights include comedy titles *Black Ops* and *Juice* with performance wins for homegrown British comedy talent Gbsemisola Ikumelo and Mawaan Rizwan at both the TV BAFTA Awards and the RTS Programme Awards. Scripted drama titles with representation and authenticity at their core include but are not limited to; *Boarders*, *Waterloo Road* and *Best Interests*. In Entertainment, both *The Traitors* series 2 and *Gladiators* were applauded by audiences for integrated diverse representation of cast and contributors. In Factual, *Rose Ayling-Ellis: Signs for Change* took audiences on a personal journey into the deaf community. The documentary had a cast and crew of both deaf and hearing talent in key roles on the production.

In our audio offering, Radio 4's *Ability* is a sitcom written and performed by disabled actors and comedians which tells the story of Matt who has cerebral palsy. BBC Radio 1Xtra continues to champion Black British culture, *The Carnival Family* celebrated the unsung heroes of the Notting Hill Carnival. Asian Network launched *Motivation* with disability advocate Shani Dhanda on balancing cultural and intersectional identities.

*Darren McGarvey: The State We're In*, a co-production with The Open University for BBC Two and BBC Scotland, showed us the state of UK public services presented by Darren McGarvey; writer, rapper, and a social commentator from a working-class background.

Children's title *The Dumping Ground* was a returning series from the world of Tracy Beaker. The comedy drama authentically represents care-experienced children with a diverse cast and has been delighting audiences for 11 years.

Looking at the Creative Diversity Network's Diamond data, we have seen year-on-year increases in on-screen actual representation of disability (from 8.8% in 2022/23 to 9.2% in 23/24) and ethnicity (from 27.9% in 22/23 to 29.3% in 23/24).

Working across News, Nations, TV, Radio and Children's content, the 50:50 Project is an important measurement tool to track and improve on-air representation in the BBC's output in an agile and informative way, monitoring ethnicity, disability and gender.

## Representation of the UK's diverse communities

Authentic content that cuts through to all audiences needs to be created by diverse production teams with a range of lived experiences and perspectives. Our Creative Diversity commitments consider the diversity of production teams, the leadership of those production teams (i.e. senior off-screen decision makers involved in shaping and making the programme) and representation in the senior roles involved in shaping creative or operational strategy in the independent production companies we work with.

The BBC has a target that at least 20% of off-screen production talent on all productions are from lower socio-economic backgrounds, ethnically diverse or deaf, disabled and/or neurodivergent. End of Production reports are allowing the BBC to monitor and understand the representation of the production teams making BBC content.

The BBC has focused efforts to improve access across all of its productions to improve inclusion and representation of deaf, disabled and/or neurodivergent talent on and off-air. The BBC is a key member of the TV Access Project, supporting its vision for a television industry where no deaf, disabled and/or neurodivergent talent is excluded because barriers have been removed and equity is created. We have seen an increase in off-screen actual representation of disabled talent from 8.9% in 2022/23 to 9.7% in 2023/24.

To support career development of underrepresented on and off-screen talent, the Diverse Talent Development Fund of £2.3 million (TV and Children's and Education) supports production companies to develop writers, actors, presenters and contributors.

In addition, BBC Radio has committed at least £250,000 annually to develop the independent sector through the Radio Indie Development Fund, now in its third year. The fund was set up to specifically support the BBC’s strategic priorities, with a current focus on Across the UK plans and diversity commitments.

In News, BBC Young Reporter continued to develop young people’s engagement and understanding of journalism and the broadcasting industry. The project provides opportunities for young people aged 11 to 18 from different backgrounds across the UK, to tell their own original stories through the annual BBC Young Reporter Competition.

**Actual on and off-screen diversity**

Data provided from contributions by individuals who have a role in eligible programmes.

|                                  | Actual off-screen<br>2023/24 | Actual on-screen<br>2023/24 | Actual off-screen<br>2022/23 | Actual on-screen<br>2022/23 |
|----------------------------------|------------------------------|-----------------------------|------------------------------|-----------------------------|
| Female                           | 52.6%                        | 50.7%                       | 54.1%                        | 52.2%                       |
| Black, Asian and minority ethnic | 12.8%                        | 29.3%                       | 12.9%                        | 27.9%                       |
| Disabled                         | 9.7%                         | 9.2%                        | 8.9%                         | 8.8%                        |
| LGB (lesbian, gay, bisexual)     | 17.6%                        | 17.7%                       | 15.4%                        | 15.0%                       |
| Transgender                      | 0.9%                         | 0.9%                        | 0.6%                         | 1.1%                        |
| Number of contributions*         | 339,062                      | 90,984                      | 362,432                      | 99,137                      |

\* An individual may make multiple contributions to a programme or programmes

**Perceived on-screen diversity**

Data input by production companies taking a viewer’s perspective of what they see and hear.

|  | Perceived on-screen<br>2023/24 | Perceived on-screen<br>2022/23 |
|--|--------------------------------|--------------------------------|
| Female   | 46.7%                          | 47.3%                          |
| Black, Asian and minority ethnic                     | 27.4%                          | 27.2%                          |
| Disabled   | 4.9%                           | 5.1%                           |
| LGB  | 10.6%                          | 11.0%                          |
| Transgender  | 0.1%                           | 0.2%                           |
| Number of contributions*                             | 435,741                        | 487,661                        |
| % for whom diversity characteristics were determined | 90.2%                          | 90.4%                          |

\* An individual may make multiple contributions to a programme or programmes

**Pan-BBC reach**

% of each audience group who use BBC TV/iPlayer, Radio or Online on average per week

|                | Male 16+   | Female 16+ | ABC1 16+   | C2DE 16+   | 16-34      | 35-54      | 55+        | White 16+  | Black, Asian and minority ethnic 16+ | Disabled 16+ | Not Disabled 16+ |
|----------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------------------------------|--------------|------------------|
| <b>2023/24</b> | <b>86%</b> | <b>85%</b> | <b>86%</b> | <b>84%</b> | <b>71%</b> | <b>85%</b> | <b>96%</b> | <b>88%</b> | <b>70%</b>                           | <b>86%</b>   | <b>85%</b>       |
| 2022/23        | 88%        | 88%        | 89%        | 86%        | 76%        | 88%        | 97%        | 90%        | 73%                                  | 90%          | 87%              |

Source Compass by Ipsos UK 16+

**51%** 22/23 54%

% of UK adults who think the BBC is effective at reflecting people like them (ineffective 23%. 22/23: 22%).  
Source Ipsos UK 16+

**50%** 22/23 54%

% of UK adults who think the BBC is effective at catering for the part of the UK they live in (ineffective 21%. 22/23: 20%).  
Source Ipsos UK 16+

**60%** 22/23 62%

% of UK adults who think the BBC has programmes, content and services that raise awareness of the different ways of life and perspectives in UK society (ineffective 16%. 22/23: 15%).  
Source Ipsos UK 16+



Katya Adler with members  
of Finland's reserve army in  
*Living Next Door To Putin*

# CULTURE



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

The following pages demonstrates how the BBC works to inform, educate and entertain people across the globe.

The BBC's global services are a priceless asset for the UK. Each week they carry the distinctive culture, voice and values of this country to an audience of 450 million people worldwide.

This year has highlighted the growing danger that disinformation and constraints on media freedom pose to societies and democracies worldwide. The latest World Press Freedom Index showed that journalism is completely or partially blocked in 75% of the 180 countries it ranks. Meanwhile, countries such as Russia and China are dramatically increasing their spending on state media platforms as tools of global influence. Against this backdrop, the BBC World Service is unique: trusted throughout the world to report without fear or favour from the toughest geographies and the hardest political climates.

The BBC World Service currently serves a weekly audience of 320 million people around the globe in 42 languages, including English. By continuing to implement our plan to prioritise bringing audiences to the BBC's international services, and our digital services in particular, we have successfully maintained strong reach around the world. This is despite all the pressures of a challenging international news market, linear declines across some territories, and the need to deliver savings as a result of the licence fee settlement. In the global disinformation age, the role of the BBC World Service in standing up for integrity in news and promoting democratic values worldwide has never been more important and necessary (see pages 42-43).

# AND VALUES

## Delivering our creative remit Public purpose 5 continued

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



#### Press Freedom

Journalists around the world are working under increased pressure as reductions in press freedom intensify. Crackdowns in Russia, Afghanistan and Ethiopia, amongst others, have forced more BBC staff to relocate for their own safety, many leaving family and friends behind.

Earlier this year, the BBC hosted World Service Presents, a series of events examining the state of media freedom globally and showcasing the courageous work of our journalists. As part of World Service Presents, we revealed over 310 BBC World Service journalists – around 15% – are working in exile. These journalists continue to deliver independent news for audiences from outside of the countries they are reporting on.



#### Gaza Daily

The BBC World Service continued its practice of responding to crisis situations with the launch of a new emergency radio service from BBC News Arabic, *Gaza Daily*, at the beginning of November.

The service reports the latest information and developments in the war and gives safety and humanitarian advice on where to access shelter, food and water supplies. It broadcasts twice a day on medium wave and on FM via a partner, Radio Bethlehem.

*Gaza Daily* operates from London and Cairo.

This is the latest World Service emergency service, following an emergency radio service for Sudan launched by BBC News Arabic in May 2023, and the extended TV bulletins for Ukraine in 2022.



Geeta Guru-Murthy and Marianna Spring discuss forensic journalism at BBC World Service Presents, a three day event showcasing the breadth of journalism from the BBC World Service

**450m** up 1%

#### Global weekly reach

Including BBC News and BBC Studios.  
Source BBC Global Audience Measure

**414m** up 1%

#### BBC News international weekly audience

Source BBC Global Audience Measure

**The BBC World  
Service is unique:  
trusted throughout the  
world to report without  
fear or favour from the  
toughest geographies  
and the hardest  
political climates.**

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

|                       | 2023/24<br>Millions | Year-on-year change<br>%* |
|-----------------------|---------------------|---------------------------|
| World Service         | 320.0               | 1%                        |
| World Service English | 84.2                | 3%                        |
| Afaan Oromoo          | 1.5                 | -3%                       |
| African English       | 18.7                | 1%                        |
| Afrique               | 16.0                | -2%                       |
| Amharic               | 1.9                 | -5%                       |
| Arabic                | 35.0                | 9%                        |
| Azeri                 | 0.7                 | 26%                       |
| Bengali               | 8.6                 | -8%                       |
| Brasil                | 5.7                 | -23%                      |
| Burmese               | 3.2                 | -18%                      |
| Chinese               | 2.2                 | -19%                      |
| Dari                  | 1.6                 | -7%                       |
| Great Lakes           | 1.9                 | -9%                       |
| Gujarati              | 3.3                 | 0%                        |
| Hausa                 | 20.0                | 32%                       |
| Hindi                 | 39.3                | -4%                       |
| Igbo                  | 0.3                 | -85%                      |
| Indonesian            | 1.9                 | 23%                       |
| Korean                | 0.7                 | -22%                      |
| Kyrgyz                | 3.1                 | 0%                        |
| Learning English      | 2.4                 | 10%                       |
| Marathi               | 5.9                 | 1%                        |
| Mundo                 | 8.7                 | -8%                       |
| Nepali                | 4.8                 | -1%                       |
| Pashto                | 4.3                 | -7%                       |
| Persian               | 17.1                | -11%                      |
| Pidgin                | 0.8                 | -63%                      |
| Punjabi               | 1.7                 | -4%                       |
| Russian               | 3.8                 | -33%                      |
| Serbian               | 0.6                 | -11%                      |
| Sinhala               | 0.3                 | -8%                       |
| Somali                | 4.9                 | -1%                       |
| Swahili               | 29.7                | 16%                       |
| Tamil                 | 11.9                | 5%                        |
| Telugu                | 7.2                 | 2%                        |
| Thai                  | 0.9                 | -13%                      |
| Tigrinya              | 0.3                 | -22%                      |
| Turkish               | 2.1                 | 1%                        |
| Ukrainian             | 4.1                 | -13%                      |
| Urdu                  | 2.8                 | -2%                       |
| Uzbek                 | 1.7                 | -14%                      |
| Vietnamese            | 0.9                 | 12%                       |
| Yoruba                | 1.2                 | -16%                      |

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



**The Disciples**

The BBC World Service’s award-winning investigative strand, BBC Eye, continued to produce hard-hitting documentaries throughout the year.

Following a two-year investigation, BBC Africa Eye’s *The Disciples* uncovered evidence of widespread abuse and torture by the founder of one of the world’s biggest Christian evangelical churches.

This was a truly cross-platform investigation, with a three-part television documentary, online articles, a nine-part podcast and a considerable social media element, including the first-ever BBC News/Eye Investigations TikTok series, with a playlist of six videos attracting more than ten million views.



**The Global Story**

Hosted by Katya Adler and launched in November by BBC World Service and BBC Studios, *The Global Story* is a daily news podcast for audiences around the world.

Each episode focuses on a single major global news story, drawing on the BBC’s journalists and expertise around the world for an in-depth exploration of topics from the rise of artificial intelligence to the effects of climate change.

*The Global Story* builds on the success of – and is the perfect complement to – the BBC’s most popular international news podcast, the *Global News Podcast*. It is now also broadcast on BBC World Service radio.

**No.1**

Ranked No.1 for Trust, Reliability and Independence amongst international news providers. Source BBC Brand Tracker (ex UK)

**62%**

of influential global users say consuming the BBC makes them perceive the UK more positively. Source Tapestry 2021

**i p.148** For the full list of statistical information on Public Purpose 5



BBC World Service’s *Disciples: The Cult of TB Joshua*

# OUR AUDIENCES

The following pages set out our relationship with audiences: how we're used and perceived by the people of the UK, the ways we engage directly with audiences, and when we consult over proposed changes to services.

## Value for audiences

In March, the BBC laid out its audience goals for the second half of the Charter in its strategy, *A BBC for the Future*. We are building these goals out from a strong foundation of audience value today.

Central to *A BBC for the Future* is the prioritisation of three roles; to pursue truth with no agenda; back the best homegrown storytelling; and bring people together. These are driven by audience need and each is supported by the clear majority of licence fee payers.

*A BBC for the Future* also sets out that success will mean strong audience engagement and universal usage through offering something for everyone; being accessible to everyone, as much in the online as in the broadcast world; and regularly reaching and engaging everyone.

As our performance in 2023/24 shows, there is much to build on.

In 2023/24, our news remained the UK's most-used source and its most trusted; we are the media provider that the public sees showcasing UK creativity the most; and across all our services, the BBC was the place where 35 million UK adults came per day.

Overall, 95% of UK adults (51 million) came to the BBC across all services per month in 2023/24, and 85% (46 million) on average per week.

Online, the BBC was the only UK audience brand consistently in the top ten – the sole UK entry amongst global providers. In the average week, 33 million of the 46 million adults that came to the BBC used our online services. The growth of our online products was very strong, reaching record levels in 2023/24, and continuing on the journey we will need to take to stay universal in an online-only world.

**The BBC maintained its lead in media overall, video, audio and news in the UK in 2023/24, and we will need to continue to react quickly to the trends around us to deliver the goals we have set up to 2028.**

In the video market, despite falls in viewing for broadcast TV and the BBC, broadcasters still had in 2023/24 by far the largest share of the UK viewing time at an overall level. And in particular, the UK public overall continued to consume more hours of BBC TV content than any other provider, including more than Netflix, Disney+ and Amazon Prime combined.

However, there were clear differences by age. For under 35s, video sharing took the largest share of their video time, and within this, YouTube in particular. In terms of reach, more under 35s watched global video sharing (65%) and subscription or advertising video on-demand (SVOD/AVOD) services (66%) on average per week than UK broadcasters (57%).

Such global providers are not associated with programmes that reflect the lives of people in the UK – for example, 16% of UK adults feel Netflix shows these, and this is the highest-ranking tracked SVOD service on this measure. In comparison, the figure for BBC TV/iPlayer – the highest-ranking tracked provider – is four times higher at 64%. As the largest UK media brand for the young, we want to make sure UK storytelling remains integral to the media diets of the UK public of all ages.

In the audio market, BBC Sounds continued to grow amongst audiences aged 35 and over, but BBC radio overall, which was down year-on-year, remained squeezed by music streaming and a vibrant commercial radio sector. Both grew year-on-year, with commercial radio aided by the success of its expanded number of services and its networking of big UK-wide brands.

In the news market, we saw continued news avoidance. In the UK over 40% of adults said they actively try to avoid the news often or sometimes, and the UK had one of the highest rates on this measure. Despite this, BBC News was used by 75% of UK adults on average per week in 2023/24.

**The BBC is a universal media provider**  
Used by:

|                |  |
|----------------|--|
| <b>Daily</b>   | <b>65%</b> of UK adults<br><b>35 million</b> |
| <b>Weekly</b>  | <b>85%</b> of UK adults<br><b>46 million</b> |
| <b>Monthly</b> | <b>95%</b> of UK adults<br><b>51 million</b> |



BBC Radio 1's *Breakfast with Greg James*



**Most of the audience performance targets that the BBC set for 2023/24 have been achieved.**

We met our target for the breadth of relationship we have with the people of the UK, with 85% of UK adults using the BBC on average per week during 2023/24.

In terms of the depth of the relationship, we exceeded our target for the frequency of interaction we have with UK audiences, met our target for the time they spent with us, but were below on the number of BBC modes that people use in an average week. Maintaining the depth of connection with audiences is our key challenge in a media market where household adoption of SVOD and use of music on-demand services has doubled since 2017.

Reflecting our digital-first plans, our record year online has meant BBC Online overall and BBC iPlayer in particular have surpassed their targets. As well as record account reach for BBC Online and iPlayer, the time people spent using iPlayer was up year-on-year. Given the strength of competition, such growth in time in video on-demand is not guaranteed. Sounds – with its best year ever – beat its overall target, powered by its growth amongst audiences aged 35+. BBC News online achieved its target amongst audiences overall.

Amongst under-16s, 69% used the BBC overall and close to half used our children’s and education services on average per week in 2023/24 – both broadly in line with targets. Over the longer term, this is trending down as UK PSB feels the pressure of global media companies’ appeal to this age group. In 2023/24, this was particularly the case among under 7s. However, among 7-12s, our overall reach was steady year-on-year for the first time since 2019/20.

Amongst 16-34s, 71% used the BBC on average per week in 2023/24. After holding reach steady amongst this age group for three years up to 2021/22 in spite of the competition, this has then dropped over the past two years, and we were shy of our 16-34 target on this metric this year and also on their personal relevance rating.

Online, BBC iPlayer met its target for 16-34s. BBC Sounds was behind its ambition for 16-34s, staying steady year-on-year for this age group. BBC News Online was close (within 1% point) to its 16-34s target, but has not been growing in the past three years. This is similar to the news online market overall and reflects the increased news avoidance.

Overall – despite the challenges – the BBC remained the largest UK media brand for 16-34s and they continued to be very positive about our delivery of the mission with scores steady over the past three years.

**The relationship between the BBC and the UK public is enduring despite the competition and challenges.**

Three-quarters of UK adults rated the BBC as providing a valuable public service for the people in the UK in 2023/24.

The BBC remained central to UK national life. On an average day, 16 million people started their day with the BBC and 25 million came to the BBC for evening entertainment in 2023/24. The BBC was part of Christmas Day 2023 for 43 million people, and 22 million saw in the New Year with us.

The BBC was also the place the UK came to in order to find out about what was happening at home and abroad. More people, by far, get news from the BBC than from any other source. And the BBC was the place where people kept abreast of national passions – 22 million came to the BBC on average per week to keep up with sport, and we brought UK arts, music and culture to an audience of 22 million UK adults on average per week.

In the average week in 2023/24, adults spent 15 and-a-half hours with the BBC overall – more than with any other media brand. Even with the huge range of options available today, this meant we have kept almost 90% of our pre-pandemic usage of 17¾ hours in 2019/20. Over the same period, the number of people watching SVOD services has risen to 35 million on average per week and those listening to music streaming/podcasts is now 26 million. Adults’ average rating of value for money stayed at five out of ten. And in terms of value delivered, each hour of BBC consumption cost on average 7.8p.

However, we still need to do more to reduce the variation in how well we serve and represent different parts of the UK and different people.

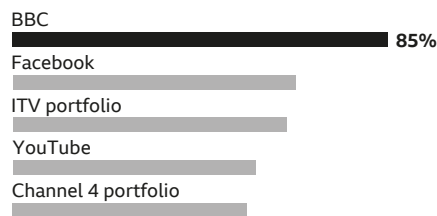
In terms of our performance around the UK, consumption of our nations, regions and portrayal content is high – in the average week in 2023/24 this content was consumed by 32 million of the 46 million adults that came to the BBC. We are focused on reducing the differences that exist across the UK in perceptions of portrayal.

We also need to make more improvement in narrowing the gap in satisfaction levels amongst audiences from less well-off backgrounds, Black, Asian and minority ethnic audiences and people who are disabled.

Our Across the UK plans, Creative Diversity Commitments and impartiality action plan are all part of our focus to lessen such differences in perceptions between audience groups. Our latest independent thematic review on portrayal will also aid this.

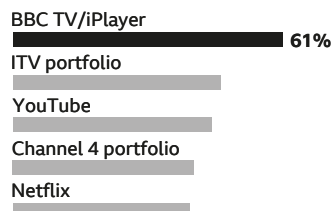
**The BBC maintained its lead in media overall, video and audio in the UK in 2023/24**

**Top brands most used for media 16+**



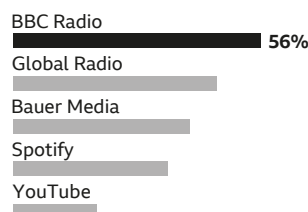
Source Compass by Ipsos UK (16+) based on 15-min accumulated average weekly reach (on-platform)

**Video market 4+**



Source BARB As Viewed All devices (4+) based on 15-min continuous average weekly reach

**Audio market 15+**



Source RAJAR (15+) reach based on 15+ mins / MIDAS RAJAR (15+) / YouGov (16+)

More broadly, we saw the impact of reputational challenges in 2023/24 on perceptions of the BBC with some small drops in opinion versus 2022/23. However, the public’s perspective on the role of the BBC remains positive, with eight in ten adults regarding our mission and purposes as important.

In a typical year the BBC surveys and speaks to many thousands of members of the UK public to garner their opinions on what we offer. And, as **A BBC for the Future** sets out, beginning next year, and ahead of the new Charter in 2028, we will launch our biggest-ever public engagement process – aiming to reach up to one million people – to ensure the views of the UK public are at the heart of the debate about the future of the BBC.

## Our audiences continued

### Delivering value for audiences

#### Performance against 2023/24 audience targets

##### Ensure delivery of value to audiences overall

|   |                                |
|---|--------------------------------|
| <b>The reach of the BBC</b><br>% of UK adults 16+ who use BBC TV/iPlayer, Radio or Online on average per week<br>Source Compass by Ipsos UK | <b>85%</b><br>Target 85-90%    |
| <b>A valued habit with the BBC</b><br>% of UK adults 16+ who use the BBC for 5+ days on average per week<br>Source Compass by Ipsos UK      | <b>66%</b><br>Target 60-65%    |
| % of UK adults 16+ who use the BBC for 5+ hours on average per week<br>Source Compass by Ipsos UK   | <b>55%</b><br>Target 55-60%    |
| % of UK adults 16+ who use two or more BBC modes on average per week<br>Source Compass by Ipsos UK  | <b>61%</b><br>Target circa 65% |

##### Maintain focus on key audience challenges

|   |  |
|---|--|
| <b>Young adults</b><br><b>The reach of the BBC</b><br>% of UK 16-34s who use BBC TV/iPlayer, Radio or Online on average per week<br>Source Compass by Ipsos UK                          | <b>71%</b><br>Target circa 75%           |
| <b>Personal relevance</b><br>UK 16-34s' rating of 'the BBC is for me' (mean score out of 10)<br>Source Kantar Media   | <b>5 out of 10</b><br>Target 6 out of 10 |
| <b>Under 16s</b><br><b>The reach of the BBC</b><br>% of UK under 16s who use BBC TV/iPlayer, Radio or Online on average per week<br>Source Kids Cross-Media Insight by Ipsos UK         | <b>69%</b><br>Target circa 70%           |
| <b>The reach of BBC Children's/Education services</b><br>% of UK under 16s who use BBC Children's/Education services on average per week<br>Source Kids Cross-Media Insight by Ipsos UK | <b>48%</b><br>Target 45-50%              |

##### Accelerate activity central to continued and future delivery of value to audiences

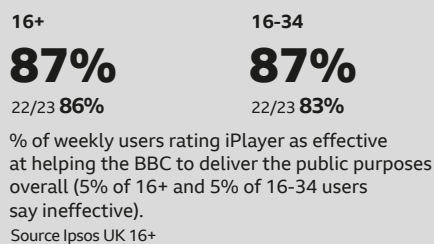
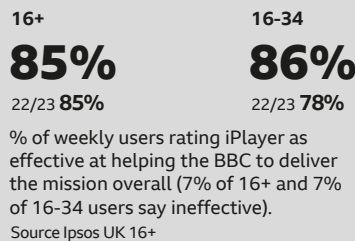
|   |  |
|---|--|
| <b>Account reach of BBC Online</b><br>Average weekly active accounts using BBC Online<br>Source Piano Analytics                           | <b>22.8m</b><br>Target 22m+              |
| <b>Account reach of BBC iPlayer</b><br>Average weekly active accounts using BBC iPlayer<br>Accounts overall<br>Source Piano Analytics     | <b>14.1m</b><br>Target 13.5m+            |
| Under 35 accounts<br>Source Piano Analytics   | <b>4.1m</b><br>Target 4.0m+              |
| <b>BBC iPlayer time spent per head per week</b><br>Average weekly time spent per head per week<br>Source BARB As Viewed (all devices)     | <b>66 mins</b><br>Target 65 mins+        |
| <b>Rating of BBC iPlayer</b><br>Weekly users' rating of BBC iPlayer (mean score out of 10)<br>UK adults 16+ weekly users<br>Source YouGov | <b>8 out of 10</b><br>Target 8 out of 10 |
| UK 16-34 weekly users<br>Source YouGov  | <b>8 out of 10</b><br>Target 8 out of 10 |
| <b>Account reach of BBC Sounds</b><br>Average weekly active accounts using BBC Sounds<br>Accounts overall<br>Source Piano Analytics       | <b>4.8m</b><br>Target 4.5m+              |
| 16-34 accounts<br>Source Piano Analytics  | <b>585k</b><br>Target 0.6m+              |
| <b>Reach of BBC News Online</b><br>% who use BBC News Online on average per week<br>UK adults 16+<br>Source Compass by Ipsos UK           | <b>32%</b><br>Target 32%+                |
| UK 16-34s<br>Source Compass by Ipsos UK   | <b>31%</b><br>Target 32%+                |

# BBC iPLAYER

## Account reach of BBC iPlayer



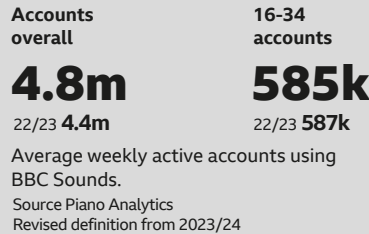
## BBC iPlayer streaming time



**i** p.150 For the full list of statistical information on BBC iPlayer

# BBC SOUNDS

## Account reach of BBC Sounds



## BBC Sounds streaming time

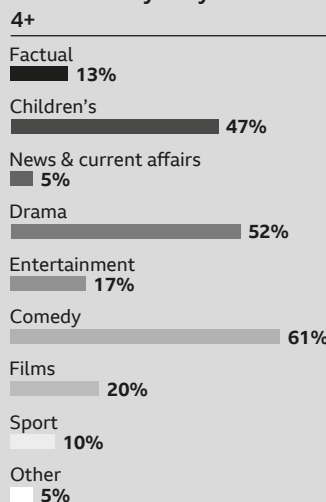


**i** p.150 For the full list of statistical information on BBC Sounds

## BBC TV viewing via iPlayer

The charts show the percentage of all BBC viewing per genre that now takes place via iPlayer. For example, 52% of all BBC drama viewing takes place on iPlayer. News viewing, by contrast, is currently predominantly a live broadcast experience.

### % of BBC TV viewing in each genre that is delivered by iPlayer



Source BARB As Viewed. All devices

## How audiences used BBC iPlayer

### and BBC Sounds in 2023/24

BBC iPlayer requests by device and type  
Out of 8.1 billion requests:

|           |     |
|-----------|-----|
| Live      | 18% |
| On-demand | 82% |
| TV device | 74% |
| Tablet    | 10% |
| Computer  | 7%  |
| Mobile    | 9%  |

### BBC iPlayer average weekly active accounts millions/% age profile

|                 |      |     |
|-----------------|------|-----|
| Under 35s       | 4.1m | 29% |
| 35-54 year olds | 4.4m | 31% |
| 55+ year olds   | 4.6m | 32% |
| Unknown age     | 1.1m | 8%  |

### Plays on BBC Sounds split by type

Out of 2.4 billion plays:

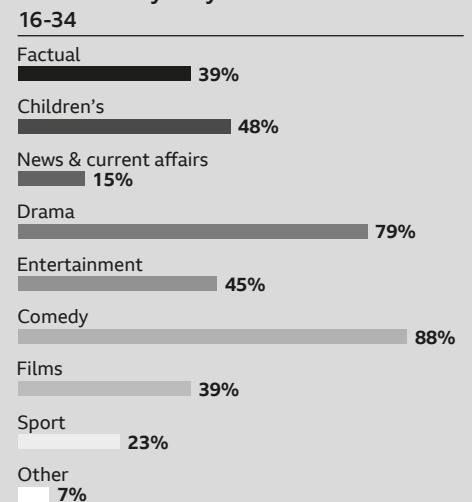
|                  |     |
|------------------|-----|
| Live             | 62% |
| On-demand        | 38% |
| Live speech      | 32% |
| Live music       | 30% |
| On-demand speech | 32% |
| On-demand music  | 6%  |

### BBC Sounds average weekly active accounts millions/% age profile

|                 |      |     |
|-----------------|------|-----|
| Under 35s       | 0.6m | 12% |
| 35-54 year olds | 1.6m | 33% |
| 55+ year olds   | 2.0m | 41% |
| Unknown age     | 0.7m | 14% |

Due to rounding, figures may not sum to 100%  
Source Piano Analytics  
Improved measurement of BBC Sounds on smart speakers from April 2023

### % of BBC TV viewing in each genre that is delivered by iPlayer



Source BARB As Viewed. All devices

## Our audiences continued

### Engaging with audiences

#### Value for All

Our Value for All strategy is underpinned by a deep understanding of audiences across the UK.

The BBC draws on a wide range of audience insight, feedback and data – and uses this intelligence to inform decision-making across the organisation; through content commissioning, journalism, digital product development, marketing and beyond.

The sources we draw on range from the observational – through media measurement and digital analytics, to more reflective insight – where we ask the UK for their considered view of what they value from the BBC.

These sources include:

- industry-leading measurement of the UK's media choices across all platforms (TV, Radio, Online)
- continued investment in the UK's media measurement currencies
- deep digital analytics: with a comprehensive digital data set helping us to understand how people are using our digital products (including our signed in user base – which now exceeds 50 million registered accounts)
- regular surveying and polling to understand UK attitudes and responses to our offer
- daily contacts from our audience
- with more than 286,187 webforms, emails, letters and calls to our contact centres last year.

Collectively, this data helps us to build a rich understanding of life across the UK; but we also know that nothing beats meeting our audience in real-life – and for this reason we developed an organisation-wide programme of audience engagement ('BBC Virtual In Person').

#### Virtual In Person (VIP) engagement

The pan-BBC programme of audience engagement, Virtual In Person (VIP), is now in its fifth year. VIP sessions are facilitated online group interviews with members of the public, watched live by BBC staff. They are a powerful way to hear real people talk honestly about their views of the BBC and its content, products and services.

Over the last 12 months the VIP team have delivered an additional 116 sessions, involving 688 audience members and 2,576 BBC attendees.

In a brilliant development, six of the audience members that the VIP team talked to were chosen to be made into animated characters for the Aardman Things We Love BBC brand campaign.



Screenshot from the BBC Virtual In Person (VIP) event

One of the chosen few was Karen from Port Talbot in South West Wales (pictured alongside members of the VIP team).

As in previous years, the audience members represented a broad range of ages and demographics and have been from locations across all four UK nations. Topics that have been discussed include viewing and listening habits, BBC iPlayer and BBC Sounds, national and local news, sport, children's content, on-screen representation, value for the licence fee and impartiality.

This summer, the BBC will also be running a series of VIP sessions, talking to audience members from across the UK about their views on BBC transparency. Respondents will be from a range of ages, locations and demographics, and will be asked to share their thoughts on the information they find valuable in relation to BBC openness and accountability.

Better understanding our audiences through direct engagement plays a crucial part in helping the BBC to deliver its goal of delivering value for all.

# 50 million

Number of registered accounts.

# 286,187

Number of webforms, emails, letters and calls to our contact centres last year.

## Consultations

The BBC's Charter requires the BBC Board "to have regard to the benefits of consultation with interested persons" as part of our commitment to openness, transparency and accountability and is a key element in our engagement with stakeholders.

In 2023-2024 the BBC opened three public consultations, all of which related to material changes to the BBC's public service activities and required a Public Interest Test to be carried out.

### Public Interest Test consultation on changes to BBC Radio Cymru 2

In July 2023, the BBC opened a consultation on proposals to extend the number of originated Welsh-language hours offered by **BBC Radio Cymru 2** which would turn it into a UK Public Service in its own right. The consultation asked for views on the potential public value of the proposals and their potential competitive impact.

In September 2023, the BBC Board concluded that the proposal had met the Public Interest Test and would deliver additional public value, particularly to audiences of Welsh-language content aged 25-54, less fluent in the Welsh language, with little or no adverse impact on the radio market in Wales. In January 2024, Ofcom agreed with the BBC Board's conclusions and decided the BBC could proceed with its plans. Radio Cymru 2 began broadcasting with extended hours on 4 March 2024.

Details of the consultation, including feedback received, can be found here: [bbc.co.uk/aboutthebbc/reports/consultation/bbc-radio-cymru-2-public-interest-test/](https://bbc.co.uk/aboutthebbc/reports/consultation/bbc-radio-cymru-2-public-interest-test/).

### Public Interest Test consultations on new digital music stations and changes to BBC Radio 5 live sports extra

In February 2024, the BBC opened two Public Interest Test consultations, one on proposals for four new DAB+ music stations, the other to extend the broadcast hours of BBC Radio 5 live sports extra.

The proposed music stations – extensions to BBC Radio 1, BBC Radio 2 and BBC Radio 3 – would give audiences more choice and value from the licence fee and build on the BBC's support for British music. In particular, they would give more choice to those currently underserved by the BBC, and whom Ofcom have challenged the BBC to do more for.

The proposal for BBC Radio 5 live sports extra would see the station have a full-time schedule. It would see existing BBC sports-related audio content played on the station, allowing the BBC's existing investment in sports content to reach wider and underserved audiences.

The consultations asked for views on the potential public value of the proposals and their potential competitive impact.

The results of these consultations, together with other research and analysis, will help inform the BBC's final proposals, and are expected in the summer of 2024. Should the BBC Board decide that the proposals meet the Public Interest Test, they will be submitted to Ofcom for a Competition Assessment and final determination.

Details of the consultations can be found here: [bbc.co.uk/aboutthebbc/reports/consultation/bbc-new-digital-music-stations-5-sports-extra-public-interest-test/](https://bbc.co.uk/aboutthebbc/reports/consultation/bbc-new-digital-music-stations-5-sports-extra-public-interest-test/).

### Consultation on a revised draft of the BBC Editorial Guidelines

Under the current Charter, the BBC Board is responsible for the Editorial Guidelines and must, "set, publish, review periodically, and observe guidelines designed to secure appropriate standards in the context of the UK Public Services". In the next reporting period we will be holding a public consultation on a revised draft of the BBC Editorial Guidelines. We will report on this in next year's Annual Report and Accounts.



BBC Two's *Union with David Olusoga*

# OPERATIONAL REPORT

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Our people

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Workforce diversity and inclusion and equality information report

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Environmental sustainability

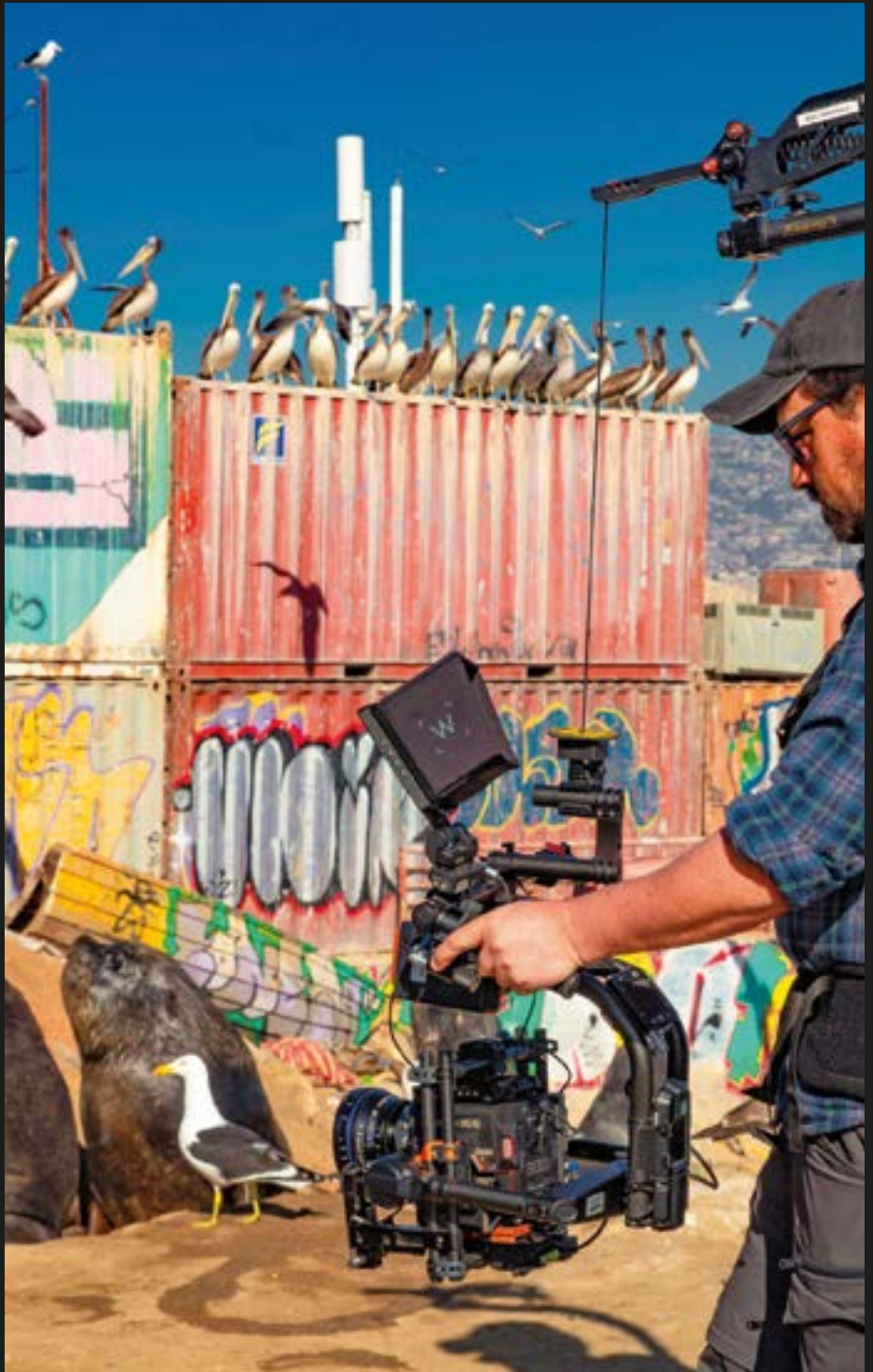
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Charitable work

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Partnerships and collaboration

Camera operator Christiaan Munoz-Salas filming South American sealions for *Mammals*



# CHIEF OPERATING OFFICER'S REVIEW



**“Strong operational and financial management is essential as we transform to enable a BBC for the future.”**

**Leigh Tavaziva,**  
Group Chief Operating Officer

In challenging economic conditions, 2023/24 saw a year of high inflation, a tough commercial trading environment, and the final year of the flat licence fee. This resulted in BBC Group revenue of £5,389 million (2022/23: £5,725 million) and an operating deficit of £263 million (2022/23: £193 million deficit). In 2023/24 the operating deficit is before two one-off significant gains, a net tax credit and the deemed disposal of our 50% shareholding

of BritBox International following the acquisition of the remaining shareholding. We closed the year with group cash reserves and investments of £559 million (2022/23: £600 million).

Our licence fee income totalled £3,660 million in 2023/24 and remained the single largest source of income for the BBC. Although licence fee income declined year-on-year, the vast majority of our audiences remained committed to paying the licence fee.

The licence fee price is set by the Secretary of State for Culture, Media and Sport. Whilst the current settlement provides certainty of funding to the end of the Charter, two years of flat licence fee pricing at a time of high inflation, and the application of a September spot inflation rate to the April 2024 price increase has resulted in a significant funding impact. In real terms, the licence fee generated 30% more income in 2010/11 than it does today – a difference of more than £1 billion a year.

Under these funding pressures and to ensure we can deliver on both our strategic transformation whilst offering outstanding value for all audiences, we have continued to focus on a substantial saving and reinvestment plan. We announced a £500 million annual savings and reinvestment plan in May 2022. We have a strong savings track record, delivering £323 million of these savings to date, with £287 million completed in 2023/24. More recently, we announced that further savings of £200 million per annum are required by 2027/28. In 2024/25 we are forecasting a BBC Group deficit of £492 million as a result of exceptional spend in-year to transform the public service as we invest in the digital transition and video content, and establish the further programme of savings. During 2023/24, we invested £3 billion into public service content – investing more in original British content than anyone else. See page 53 for our detailed financial report.

BBC Commercial performed well despite a backdrop of challenging trading conditions to achieve sales of £1.9 billion (2022/23: £2.1 billion). An increase to BBC Commercial's borrowing limits enabled growth investment within the Group. The recent acquisition of fast-growing, profitable streaming service BritBox International highlights the scale of our ambition as we aim to double the commercial business by 2027/28 which will, in turn, generate additional returns to the BBC in the form of content and funding.

Operationally, the BBC is committed to a resilient and high performing technology capability. In 2023/24, we continued to perform well against our key operational performance targets of 99.99% for TV Payout availability, 100% for TV accuracy and 99.95% availability across our Digital Products.

In 2023/24, we experienced a number of challenges in our third-party supply chain, including cyber security risks, data protection risks, financial viability of suppliers, and significant re-procurement activity. Technology upgrades on a contract with a key strategic partner are being managed closely and a new milestone plan for delivery was agreed in 2023/24. In May 2024, unauthorised access was gained to a platform used by the BBC in which a number of files were exfiltrated including files containing personal information of some BBC Pension Scheme members. This has been reported to the Information Commissioner's Office. Our TV Licensing postal services supplier experienced financial difficulties in year and a new supplier was appointed. In June 2023, we announced the contract award for our payroll and business services to Tata Consultancy Services Ltd (TCS). The migration of services to TCS will commence in July 2024.

## Chief Operating Officer's review continued

### Key headlines for 2023/24

# £3,660m

2022/23 £3,740m

Licence fee income

# £1,859m

2022/23 £2,115m

Commercial income

# 95%

of public service spend directed to content and its delivery

With changes in audience viewing behaviours continuing to accelerate, we are adapting to the demands of our audiences in the digital age. In 2023/24, we had a record year for the number of Weekly Active Accounts for BBC iPlayer and BBC Sounds. Innovation across our digital estate remains a key area of focus, including using technology to drive a step-change in the accessibility of our content – for the first time our audiences were able to enjoy *Strictly Come Dancing Live Shows* with Audio Description.

We have piloted a new transparency tool in partnership with Microsoft, Adobe, NY Times, and CBS Radio Canada – a 'Content Credentials' feature, which confirms where an image or video has come from and how its authenticity has been verified – helping to counter disinformation when the content is shared outside the BBC.

We will proactively deploy AI on our own terms, always holding on to our published principles and launching tools that help us build relevance. Across the year, we have worked with a number of major technology companies on pilots exploring a range of ideas, from content translation and reformatting, to new accessibility features and staff productivity tools.

In April 2024, we reached a historic landmark for television with the launch of Freely – the first live TV over broadband service in partnership with other national public service broadcasters.

To support the growth of the creative industries across the UK, we continue to shift significant amounts of content production, editorial leadership and decision-making away from London and the South East. More than 60% of our TV production will be outside London by 2026, and more than 50% of our radio and music by 2027. Over 54% of our workforce are now based outside of London. In February 2024, construction commenced at our new Birmingham Headquarters, The Tea Factory, which will provide a catalyst for wider regeneration in Digbeth and allow us to relocate major strands of programming such as *MasterChef*. In June 2024, the *News at One*

relocated to Salford, complementing the work done on locating network News teams across the UK. See page 32 for further detail.

We have continued to reduce our property estate with the sale of Maida Vale in September 2023 and planned sales of Caversham and Elstree. Our London sites have been further consolidated through the exit of Wogan House and the move of Pop Radio into London Broadcasting House – further contributing towards our savings.

Rationalising our estate has not only helped to reduce our overheads and improve efficiencies but is an important strand of our work to achieve our Net Zero commitments. Our direct operational Scope 1 and Scope 2 emissions are tracking ahead of target pathway at -21% reduction – achieved through a targeted set of initiatives against our fossil fuel and electricity usage, including the upgrading and exit of property. Scope 3 emissions (value chain) remain above the baseline, but have decreased year-on-year and are expected to decrease further as we implement our plan to achieve our Scope 3 target. See page 67 for our detailed sustainability report.

Our public service workforce (average full time equivalent) reduced slightly to 17,611 (2022/23: 17,688). In 2023/24, BBC Group severance payments for the year totalled £55 million (2022/23: £28 million) as 811 people left the organisation. A provision of £37 million is recognised at 31 March 2024 for probable future restructuring costs.

Underpinning our plans to make the BBC a great place to work is the need to reward our people in line with our principles of 'fair', 'clear' and 'competitive' pay and this year we announced the next stage of our approach to pay progression. Our median gender pay gap increased in 2023/24 to 7.9% (2022/23: 7.3%) and our mean gender pay gap to 5.4% (2022/23: 4.7%). Despite the increase in median and mean, both remain well below the figures first reported in 2017 (9.3% and 10.7% respectively). We continue to monitor our pay gaps closely and do expect to see fluctuations, reflecting overall hiring and exit trends, pay interventions and apprentice hiring. See page 64 for our full report.

To ensure we portray the many diverse communities across the UK, our workforce needs to reflect our audiences and we remain committed to improving representation across the organisation. This includes our 25% target for employees from a low socio-economic background. Although we have not met all of our Diversity and Inclusion targets for the year, we continue to make good progress towards our overall 50:20:12:25 ambitions. Disability and ethnicity are behind our expected ambition and as we launch our refreshed diversity and inclusion strategy in the coming year, both remain a focus. As of March 2024, a total of 689 BBC apprentices were on placements across 40 different schemes (March 2023: 629). We have outstanding completion rates with 94% of BBC early careers apprentices completing

their scheme, compared to the national average of 54%. See page 61 for more detail.

Over the past year, geopolitical crises have continued to pose significant challenges and risks to the security of our people. The BBC remains focused on the safety of staff and the continuation of operations and output that provide vital services to audiences. High Risk News Safety Teams have continued to support colleagues deployed in Ukraine and Russia, as well as in Israel-Gaza.

In our International Operations, we launched a new production company in response to changes in India's foreign investment rules. Collective Newsroom Limited will produce and publish BBC News content in Indian languages.

Across the year, we continued to manage a number of ongoing reviews and investigations. In July 2023, the BBC commissioned a review of the effectiveness of its non-editorial complaints policies and processes, following a complaint about the behaviour of a BBC presenter. The review, undertaken by Deloitte, was published in February 2024 and recommended enhancements to our processes, which the BBC accepted in full. We are also nearing the final stages of a BBC Board-instructed review into the BBC's response to claims over former DJ Tim Westwood's conduct, led by independent reviewer Gemma White KC. We continue to engage with the Competition and Markets Authority on their investigations under the Competition Act 1998.

We are in the process of reviewing our future pension provision offer and in May 2023 sought clarification from the High Court on a particular rule in the defined benefit scheme to clarify what options for change might be available. An appeal hearing on that ruling took place in June 2024 with the outcome due later this year. In 2023/24, we were in receipt of a tax rebate from HMRC, following the resolution of their enquiry into the corporate tax treatment of intellectual property income derived from the BBC's public service Rights Archive, for accounting periods ended 31 March 2009 to 31 March 2021.

The following reports give further insight into the BBC Group performance over the past 12 months, demonstrating how we allocate finances and resources to maximise value from the licence fee for all audiences.

On behalf of the whole Executive Committee, I would like to thank all of our employees, freelancers and contributors, each of whom play a vital role in providing value for all audiences and help to make the BBC a great place to work.



**Leigh Tavaziva**  
Chief Operating Officer  
10 July 2024



## Our finances

This section provides detail of our financial performance over the past year.

### Licence fee income

This year, we collected £3,660 million of licence fee income, a decline of £80 million year-on-year, driven by a 2% decline in sales volumes and flat licence fee pricing. Our audiences continue to pay the licence fee with 23.9 million licences in force at the year end (2022/23: 24.4 million).

In January 2022, the Secretary of State for Culture, Media and Sport (DCMS) announced the licence fee settlement, with the annual licence fee frozen at £159 until March 2024, then rising with inflation from April 2024 through to the end of the Charter in 2027/28. In December 2023, it was determined that the September 2023 inflation rate would be applied to the licence fee, rather than the annual inflation rate, resulting in a lower inflationary increase to the licence fee price in April 2024.

Further detail on licence fee income can be found in Note B2 of the financial statements.

### Licence fee collection

Effective financial management is a key part of the BBC's unique relationship with our audiences. This includes spending the licence fee efficiently and collecting a television licence fee from everyone who is required to purchase one. The collection of the licence fee is underpinned by a legal requirement to buy a licence if watching or recording programmes as they are being shown on any TV broadcast service; viewing live streams via an online TV service; or by downloading or watching programmes on BBC iPlayer (live, catch-up or on-demand).

The BBC has a number of contractual arrangements covering the collection, administration and enforcement of the licence fee, marketing, payment channel management and retail networks. The majority of the administration is conducted by Capita Business Services Ltd with contracts in place until 2027.

We offer a variety of payment methods including in-store, by telephone and online. We continue to support those suffering financial hardship by offering the Simple Payment Plan, a flexible payment scheme that spreads the cost of the licence fee over 12 months. Free TV licences funded by the BBC are available to anyone aged over 75 who is in receipt of Pension Credit\*.

The current collection method remains fair, effective, and good value for money. As we approach the end of the Charter, we will proactively research how we might reform the licence fee to secure the benefits of a well-resourced, universal BBC of scale for the long term.

### Licence fee statement

We prepare an annual licence fee revenue statement, which is audited by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General. This statement sets out the amounts collected and paid over to HM Government during the year. Alongside their audit work, the NAO examines our collection arrangements and reports on them to Parliament. More on the licence fee revenue statement can be found at: [www.tvlicensing.co.uk/about/bbc-trust-statement-AB21](http://www.tvlicensing.co.uk/about/bbc-trust-statement-AB21).

#### How we collect and use the licence fee

The way in which the BBC is funded places significant responsibilities on the organisation:

- to ensure effective and efficient collection of the licence fee;
- to maximise funding from other sources in a manner consistent with the terms of its Charter and other obligations;
- to provide value for money by focusing expenditure on the programmes and services the public most want from the BBC; and
- to ensure that the output is then delivered as cost efficiently as possible.

\* Licence holders who are over 75 and a resident in an Accommodation for Residential Care scheme with Preserved Rights are also eligible for a free licence. For the Crown Dependencies, equivalent arrangements were put in place, starting from 1 January 2021, based on local benefits

### BBC Group Income Statement

| Income statement                                  | Defined as   | 2023/24<br>£m | 2022/23<br>£m | Significant activity   |
|---|--|---------------|---------------|--|
| Licence fee income                                | Total of licence fees collected  | 3,660         | 3,740         | 2% decline in paid-for licences and flat pricing since April 2021  |
| Other income                                      | Commercial income and grant income   | 1,729         | 1,985         | Decrease in commercial income in a challenging trade environment and the phasing of revenues for multi-year deals recognised in 2022/23                              |
| <b>Total income</b>                               |  | <b>5,389</b>  | 5,725         |  |
| Operating costs                                   | Cost of producing all content and running the BBC  | (5,652)       | (5,918)       | Fewer major sports events in 2023/24 and additional spend on commercial deals in 2022/23   |
| <b>Group operating (deficit)</b>                  |  | <b>(263)</b>  | (193)         |  |
| Share of results of associates and joint ventures | Share of the profit of businesses where we control 50% or less                                 | 29            | 12            | Results include New Video Channel AMERICA and pre-acquisition results for BritBox International  |
| Other gains and losses                            | Gains and losses from movements in financial instrument and disposals of assets or operations  | 209           | (49)          | 2023/24 includes the deemed disposal of 50% shareholding of BritBox International following the acquisition of the remaining shareholding                            |
| Net financing income                              | Income earned or incurred relating to financial instruments and pension assets and liabilities | 13            | 91            | Increase in net interest income on cash equivalents in 2023/24 is offset by a fair value loss on financial instruments driven by changes in long-term interest rates |
| Taxation  | Net tax credit for the year  | 241           | 19            | High-end television tax credits and a historical tax rebate in 2023/24 are partially offset by corporation tax charges   |
| <b>Group surplus/(deficit) for the year</b>       |  | <b>229</b>    | (120)         |  |

## Our finances continued

|   |
|---|
| 2% reduction in licence fee income                      |
| £3 billion spend on public service content spend        |
| Public Service overhead within 5% of controllable spend |
| £199 million commercial EBITDA                          |

### Other income

Licence fee income is supported by our other income streams, which includes income generated by BBC Commercial and third-party income in the public service. In 2023/24, other income totalled £1,729 million (2022/23: £1,985 million).

BBC Commercial, including intra-group transactions, delivered revenue of £1,859 million in 2023/24 (2022/23: £2,115 million), against a backdrop of challenging operating conditions with softness in the advertising market.

The Foreign, Commonwealth and Development Office (FCDO) continues to invest in the BBC World Service. This year World Service grant income totalled £104 million (2022/23: £96 million). The FCDO confirmed investment of £94 million per annum in the BBC World Service until March 2025, a total of £189 million over the two-year period. Furthermore, an additional £20 million has been granted over the two years period to March 2025 to support all 42 BBC World Service language services and English-language broadcasting.

### Public service spend

We continue to prioritise spend for our audiences – 95% of controllable spend in the public service was directed towards content and its delivery in 2023/24. This year, we spent £2,969 million on content across our services, a reduction of 4% year-on-year owing to major sports events in 2022/23. Our content is funded by licence fee income, boosted by delivery of savings programmes in year. As we transition to a digital-first broadcaster, we continue to review our accounting policies to ensure expenditure best reflects audience consumption and our reporting provides strategic insight.

In 2023/24, we delivered annual savings of £287 million – contributing to our total savings of £323 million delivered to date. Savings have been achieved through operational efficiencies and reprioritisation of spend towards to new content for audiences.

Our current £500 million per annum savings and reinvestment plan includes savings to manage the impact of the licence fee settlement and enable investment in high-impact content and digital products to improve user experience, as well as to manage inflationary cost pressures. Earlier this year, we announced that we will expand our current savings plans by up to £200 million per annum, which will help to strengthen our content and digital services for audiences.

Detail of our public service broadcasting expenditure can be found on page 56.

### BBC Commercial

BBC Commercial utilises the global value of the BBC's intellectual property to create and distribute high-impact content, which in turn generates financial returns to the BBC Group, maximising the value of the licence fee for audiences.

A key performance measure for BBC Commercial is profit, expressed as EBITDA (earnings before interest, tax, depreciation, and amortisation). The business achieved EBITDA\* of £199 million in 2023/24 (2022/23: £252 million) and returns to the BBC of £325 million (2022/23: £368 million). EBITDA was lower than the prior year reflecting exceptional multi-year deals in 2022/23, a softer advertising market, and investment in the growth of digital services to support long-term sustainable growth. See table below for reconciliation to operating deficit.

The Commercial Group has embarked on ambitious plans to double 2021/22 sales and profits by 2027/28, funding this growth through securing increased DCMS borrowing limits. During the year, BBC Commercial made a number of strategic acquisitions to expand production capabilities and the Global Media & Streaming business. Earlier this year, BBC Studios purchased ITV's 50% share of BritBox International to take full ownership of the business. BritBox International is the leading British specialist streaming service with 3.8 million global subscribers.

More information on our commercial performance can be found on page 75.

### Commercial subsidiaries

Commercial Group revenue

**£1,859m**

2022/23: £2,115m

Commercial Group operating (loss)/profit

**£(56)m**

2022/23: £106m

Commercial Group EBITDA

**£199m**

2022/23: £252m

Returns to the BBC

**£325m**

2022/23: £368 million

### BBC Commercial Group EBITDA reconciliation to statutory operating (loss)/profit

|  | 2023/24<br>£m | 2022/23<br>£m |
|--|---------------|---------------|
| <b>Statutory operating (loss)/profit</b>         | <b>(56)</b>   | 106           |
| Add back:  |               |               |
| Operating exceptional items                      | 56            | 8             |
| Share of EBITDA of associates and joint ventures | 39            | 17            |
| Production tax credits                           | 80            | 57            |
| Depreciation, amortisation and impairment        | 80            | 64            |
| <b>EBITDA</b>                                    | <b>199</b>    | 252           |

The statutory operational loss in the year reflects commercial performance before taking into account increased production tax credits and improved performance in our associates and joint ventures. The operating loss in 2023/24 is higher than the prior year due to an increase in acquisition related costs and transformational restructuring as the business invests to support long-term sustainable growth.

Following a review during the year, the BBC Commercial Group adjusted its definition of EBITDA to ensure consistency with industry best practice. BBC Commercial defines EBITDA as statutory operating profit, with the following operating expenses added back: depreciation; non-content-related amortisation; impairments; earnout costs and non-cash settled long-term incentive plan costs; transformational restructuring costs; and other non-recurring exceptional items. In calculating EBITDA, BBC Commercial also offsets costs with production tax credits, which aligns to market practice.

We believe that 'EBITDA' is the non-statutory measure of financial performance that best provides guidance to help understand performance on a comparable basis year-on-year. The intention of this is to illustrate an underlying profitability that can be benchmarked relatively easily and gives a reasonable base from which to link through to cash flow measures.

### Cash and net debt

BBC Group cash reserves and investments at 31 March 2024 were £559 million (2022/23: £600 million) of which £361 million is held by the public service (2022/23: £338 million). This puts us in a strong position as we embark on a new programme of savings and reinvestment, where historical cash reserves will be utilised to fund one-off transformation costs and fund additional investment into Premium Video and digital products. Cash planning is essential to ensure sufficient reserves to manage the timing of cash flow for day-to-day operations, whilst prioritising funding of content and services for audiences.

Our borrowing limits are set by the Secretary of State for Culture, Media and Sport in accordance with the agreement between the BBC and DCMS. BBC Group net debt at 31 March 2024 was £1,644 million and remains within the borrowing limits of £3,000 million, which includes £2,200 million specifically for leases.

Further detail on our borrowing can be found in Notes G3 and G4 of the financial statements.

### Pension costs

We are currently reviewing the shape of our future pension provision offer with the aim to provide an offering that is financially sustainable, fairer, and more consistent for our employees both now and in the future. As a first step, we sought clarification from the High Court in May 2023 on a particular rule in the defined benefit scheme (the BBC Pension Scheme) to clarify what options for change might be available. The court confirmed its view that the rule is restrictive, and, after careful consideration, we applied for permission to appeal the decision which was granted. The appeal hearing took place in June 2024 with an outcome expected towards the end of 2024. Once we have the response, we will consider this as part of our pension review. There will be no changes to benefits built up to date and we will work with the Trade Unions in shaping our future pension provision. Any proposals for change would be subject to consultation with employees.

The most recent triennial actuarial valuation was completed in June 2023 and resulted in a funding shortfall of £841 million as at 1 April 2022. The valuation uses a range of financial and demographic assumptions to appraise the pension fund's assets and liabilities. This assessment is required by law to ensure the scheme is adequately funded to meet its liabilities going forward. A recovery plan and schedule of contributions to December 2028 was agreed between the BBC and the Pension Scheme Trustees in June 2023, and revised in-year phasing of 2024/25 payments was agreed in June 2024. The BBC paid employer contributions of £170 million (2022/23: £239 million).

An annual accounting valuation of the pension scheme is performed to meet accounting standards (IAS 19 Employee Benefits). At 31 March 2024, the scheme was revalued for accounting purposes at a deficit of £121 million (2022/23: £695 million surplus) driven by a net loss on scheme assets. The accounting valuation provides a 'snapshot' at the year end and is therefore sensitive to short-term market fluctuations. The accounting valuation often presents a more favourable funding position compared to the actuarial valuation due to the discount rates used – however, the accounting valuation does not impact the cash cost of recovering the actuarial pension scheme deficit and pension benefits for members.

### Tax strategy

We are committed to paying the right amount of tax at the right time in all the jurisdictions in which we operate, including but not limited to employment tax, VAT, and corporation tax. We recognise the importance of paying the right amount of tax for the communities in which we operate and take our tax compliance obligations seriously.

We manage our tax affairs within the framework of the tax legislation for the UK and the other jurisdictions in which we operate. The BBC has a low tolerance to tax risk, as demonstrated by our attitude to tax planning and governance. Our assessment of tax risk considers not only the financial amount at stake, but also the reputational consequences of the matter in question. The political, legislative, and reporting environment is becoming increasingly complex across a number of key territories around the world.

In 2023/24, we recognised in the income statement a net tax credit of £241 million (2022/23: £19 million) partly driven by the resolution of HMRC's enquiry into the corporate tax treatment of intellectual property income derived from the BBC's public service Rights Archive, for accounting periods ended 31 March 2009 to 31 March 2021. The agreement impacts accounting periods following the enquiry period. As a result of the agreement reached with HMRC during the year regarding the application of the intangible fixed asset regime, a one-off adjustment in respect of prior periods has been recorded. This comprises a prior year current tax credit of £137 million. We publish our tax strategy in accordance with the Finance Act 2016, which can be found on our website: [downloads.bbc.co.uk/aboutthebbc/reports/reports/bbc-tax-strategy-2024.pdf](https://downloads.bbc.co.uk/aboutthebbc/reports/reports/bbc-tax-strategy-2024.pdf)

## Public service broadcasting expenditure

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

### PSB expenditure

|  | 2023/24<br>£m | 2022/23<br>£m |
|--|---------------|---------------|
| News and Current Affairs                                 | 321           | 342           |
| Factual and Learning                                     | 271           | 280           |
| Arts and Music   | 34            | 39            |
| Film and Drama   | 391           | 397           |
| Entertainment and Comedy                                 | 241           | 244           |
| Sport Production   | 67            | 99            |
| Children's   | 92            | 89            |
| Other television content spend                           | 330           | 379           |
| <b>Television services by genre</b>                      | <b>1,747</b>  | <b>1,869</b>  |
| Radio  | 507           | 498           |
| Online   | 239           | 234           |
| <b>Content spend on services by platform</b>             | <b>2,493</b>  | <b>2,601</b>  |
| Orchestras and performing groups                         | 29            | 31            |
| S4C (service spend)                                      | 22            | 22            |
| Development spend  | 91            | 72            |
| BBC World Service grant                                  | 101           | 103           |
| BBC World Service Operating Licence*                     | 233           | 249           |
| Other service spend                                      | 476           | 477           |
| <b>Total content spend</b>                               | <b>2,969</b>  | <b>3,078</b>  |
| Distribution costs                                       | 208           | 197           |
| Content and distribution support                         | 482           | 469           |
| General support  | 165           | 187           |
| <b>Total service spend</b>                               | <b>3,824</b>  | <b>3,931</b>  |
| Licence fee collection costs                             | 145           | 137           |
| Other obligations (S4C)                                  | 89            | 89            |
| Monitoring   | 10            | 6             |
| PSB Group pension deficit reduction payment              | 41            | 75            |
| Costs incurred by PSB to generate non-licence fee income | 209           | 192           |
| Restructuring costs                                      | 30            | 61            |
| <b>Total PSB Group expenditure</b>                       | <b>4,348</b>  | <b>4,491</b>  |
| Items reported outside of operating expenditure**        | (55)          | (49)          |
| <b>PSB Group operating expenditure</b>                   | <b>4,293</b>  | <b>4,442</b>  |

<sup>^</sup> £265 million was spent on the BBC World Service Operating Licence in 2023/24, including content, distribution and general support costs (2022/23: £290 million).

\* The BBC World Service Operating Licence includes distribution spend of £37 million (2022/23: £39 million).

\*\* In order to reflect the full cost of the PSB Group expenditure by service, certain costs are included above, which are reported outside of operating expenditure (i.e. finance lease interest). The calculation has been revised with a restatement required for 2022/23.

## Our people: a distinctly BBC employee experience

### Great place to work

One of the key elements of the BBC's Value for All strategy is to continue to accelerate the transformation of the BBC and ensure it is a great place to work. In this report, we set out some of the work we have done to support this transformation, to deliver a great employee experience and to help to shape a BBC for the future.

### Employee experience

The Employee Survey remains our key measurement of staff engagement. The survey provides us with valuable insight to continue our focus on making the BBC a great place to work.

This year, over 16,000 employees shared their feedback on working at the BBC. Our engagement score – which captures commitment and pride – is now at 64%, an increase of 7% on 2023; and our highest engagement score on record. Whilst we've made significant progress, we also acknowledge we still have more work to do in career progression, learning and development, and building awareness of our pay principles.

The 2024 survey saw increases in 51 out of the 52 questions. We will continue to focus on building clarity and confidence in our strategy, continue our work to empower high-performing teams through exceptional leadership communities and take action in teams to respond to the feedback.

To further enhance the employee experience at the BBC, we've launched new innovations including a new recruitment system with an improved experience for candidates applying to work at the BBC. We've also launched a new team leader dashboard, providing enhanced digital capability for managers to gain immediate access to key data about their teams, enabling better decision making.

Our benefits offer has expanded to include new workplace savings products and a new salary sacrifice car lease scheme offering colleagues the chance to lease electric and ultra-low emission vehicles. Careers Week 2023 offered a packed programme of online and in-person events, with a rich variety of topics to explore and a wide range of expertise to provide insights, tips and encouragement.

We've continued to run our two in-house 'careers to experiences' schemes, Hot Shoes and 80/20. These schemes enable colleagues to learn new skills and develop their career by making the most of what the whole BBC has to offer. These programmes build on other development programmes across the BBC, including our industry-leading apprenticeship programme.

We remain focused on employee safety and well being by continuing to support colleagues working for the BBC in high risk situations around the world. Across BBC News, we supported colleagues in Afghanistan, Ukraine and Russia.

In October 2023, we supported BBC journalists covering distressing content related to the Israel-Gaza conflict both abroad and in the UK. Measures were undertaken to relocate colleagues and their families from the conflict zone to a safe location.

We have also delivered additional support via trauma counselling sessions to assist journalists in managing the emotional toll of their work. We established staff faith networks and integrated education on faith and belief into leadership programmes.

### Designing a stronger BBC

Throughout the year, our HR divisions have worked hard to support the business with designing a stronger and more efficient BBC. We are clear that we need to focus on our approach, continually challenge ourselves to do better, break down barriers and encourage transparency.

We continue to make changes to the organisation. This report shows that PSB Group average full-time equivalent headcount decreased year-on-year from 17,688 to 17,611, with overall Group headcount increasing slightly to 21,795. This increase is accounted for by a rise in the apprentice population and in our commercial operations.

There continued to be significant organisational change with the reorganisation of BBC Audio; a transfer of part of scripted audio to BBC Studios; the establishment of a production base supporting Scotland and Northern Ireland; and restructures within BBC Sport and Children's and Education.

Significant work has continued on the modernisation of the terms and conditions of the BBC's orchestras, in collaboration with the Musicians' Union, following requests for us to look again at our approach and to revise our plans. In News, the Digital First change programme has enabled the realignment of resources across multiplatform output.



Rose Ayling-Ellis: Signs for Change

## Our people continued



### Case study: Staff apprenticeship – Ena Jawa

In 2023, Ena completed the L4 Data Analysis staff apprenticeship as she was interested in the power of data and wanted to gain a new and very relevant skill.

"Having come from a technical (engineering) background and moved into programme management, I wanted to reinvigorate my technical skills and combine the two. From a professional perspective, I learnt the power of data analysis and visualisation and how it could be used to drive decision-making on a project. It was intellectually challenging to learn the coding language. In addition, it was a personal triumph to juggle doing this with my other responsibilities and I was immensely proud to have got through rounds of assignments, exams and projects."

Ena used her new skills to design a programme dashboard that allowed leaders to see progress being made and what they needed to do to deliver their annual targets.

# 94%

of BBC Early Careers apprentices complete their scheme compared to the national average of 54%

We have achieved

# 50.4%

female representation in the workforce

# 1st

Winner of the Creative, Media and Marketing Employer of the Year, Multicultural Awards in 2023

# 22,170

attendees have joined Production Unlocked events in the two years it has been running

#### Culture, values and behaviours

We have made it a central focus to ensure that staff members understand and are behaving according to the BBC Values and are behaving according to the Code of Conduct.

We've made it clear that when these standards aren't met, everyone at the BBC knows how and where to raise their concerns or issues and should feel able to speak up. When they do, we'll listen; we'll talk openly; and we'll act.

These campaigns have led to an increase in cases overall, demonstrating an increasingly open culture and willingness to speak up. This caseload shows that awareness of our complaint routes is high and we are prioritising plans to strengthen our Support at Work function in 2024/25. See page 63 for more detail on cases and our processes.

We have created a strong internal network of change agents across the organisation. These volunteers have been equipped and skilled to help test, pilot and deliver change and improvements to working lives. They work to address issues and to develop behaviours that are values-based. We aim to use this powerful engagement tool to help support the BBC with its radical change agenda.

We have embedded the Values into many aspects of the BBC. They are now central to induction for new joiners and an important part of the new mandatory training for leaders. They have been used to inform our approach to AI, how we measure leader performance and how we recruit.

**Human rights, modern slavery, anti-bribery**

We are committed to respecting the human rights of all those who work for or with us. Our Terms of Trade require any suppliers we work with, and any subcontractors they use, to adhere to the codes of practice published by the Equality and Human Rights Commission and the Equality Commission Northern Ireland. In addition, suppliers, and subcontractors, are required to abide by our Code of Ethical Policy. The full code can be found here: [downloads.bbc.co.uk/supplying/pdf/BBC\\_Ethical\\_Policy.pdf](https://downloads.bbc.co.uk/supplying/pdf/BBC_Ethical_Policy.pdf).

We recognise the need to prioritise tackling the most severe human rights abuses, including modern slavery. We abide by the Modern Slavery Act 2015 and publish our Modern Slavery Statement in accordance with this. The full statement is available at: [bbc.co.uk/aboutthebbc/documents/bbcmsa2024.pdf](https://bbc.co.uk/aboutthebbc/documents/bbcmsa2024.pdf).

We are committed to a zero-tolerance approach to bribery and corruption. We expect all of those representing the BBC to abide by the BBC's AntiBribery Code of Conduct. The full code can be found here: [downloads.bbc.co.uk/aboutthebbc/insidethebbc/howwework/policiesandguidelines/pdf/bbc\\_anti\\_bribery.pdf](https://downloads.bbc.co.uk/aboutthebbc/insidethebbc/howwework/policiesandguidelines/pdf/bbc_anti_bribery.pdf).

**Non-Financial and Sustainability Information Statement**

We acknowledge the non-financial reporting requirements of the Companies Act 2006 and have disclosed relevant associated information throughout the strategic report. For ease of reference, information relating to the five matters covered by the regulation can be found on the following pages: environmental sustainability (pages 66-70); our people (pages 54-57); human rights, modern slavery, anti-bribery (above). Further information can also be found in our business model (page 85), our principal risks (pages 111-121) and our non-financial performance (throughout the strategic report).

**Performance with purpose**

A purpose-driven work culture underpinned by high performance is a key enabler of our Value for All strategy. Under our myConversation framework, every employee has a high-quality, two-way discussion twice a year with their line manager, focused on their performance and development. We have improved the quality of these discussions to focus on setting clear and connected SMART goals, using two-way feedback to learn and grow and providing support for career development.

myConversation is one of many ways in which we drive our culture of high performance and accountability. We expect the highest performance of our most senior leaders and we measure their impact via our Leadership Index with metrics for the engagement levels of teams, the quality of performance and development discussions, the diversity and inclusiveness of the team climate and the focus on impartiality. In addition, leaders have had a 360-feedback report measuring how they demonstrate the BBC Values in their behaviours and actions. Pay decisions for our Senior Leaders, and bonus outcomes for senior staff in our commercial entities, reflect performance in-role and their Leadership Index.

**Talent attraction and development**

We are committed to attracting, retaining and developing the best talent. Our approach to talent attraction and development continues to focus on delivering a creative, innovative and inclusive culture, driven by our values, where the best people do their best work. The BBC came fifth in The Times top 100 graduate employers in the UK, and in BBC Studios we were recognised as one of Glassdoor's top UK employers.

We have increased our focus on engaging with talent from under-represented communities by forging partnerships with specialist diversity organisations and running bespoke events to increase participation. This has been further enhanced by the introduction of the Disability Confident interview scheme and expansion of our Extend programme, ringfencing roles for disabled talent.

We have increased our early careers opportunities with over 250 apprentice hires across the UK. To support the future focus on Early Careers, we have expanded our social media portfolio aimed at engaging a broad and diverse audience of young people with the launch of our @LifeAtTheBBC TikTok channel.

**Case study:  
Broadcast engineer apprenticeship – Emily Hunter**



Emily Hunter completed her broadcast engineer apprenticeship in the BBC's Technology Operations Department in Salford in 2023. Throughout her apprenticeship, Emily studied at University and had on-the-job practical experience working with a variety of BBC engineers, supporting TV and Radio sport productions. This included installing and rigging as well as maintaining and monitoring equipment for major productions such as the Commonwealth Games.

In her final year she completed a dissertation on IP technologies for BBC Sport. She explored and conducted a variety of tests to compare the performance of the equipment available, whilst also working on various outside broadcasts: the FA Cup Final at Wembley, Match of the Day, the London Marathon and Wimbledon.



## World-class training

Since 2021, over 1,000 apprentices have started on a BBC apprenticeship scheme. Over the last 12 months, we saw 259 Early Careers apprentices join the organisation and 166 members of BBC staff become apprentices.

We have a target to reach 1,000 apprentices by 2025 and we continue to work hard to meet this ambition. As we assess the financial challenges and market pressures facing the BBC in the coming period, we will continue to keep our ambitions under review.

We now have 689 apprentices on 40 different schemes working with 25 different learning providers. This includes 423 Early Careers apprentices with a diversity profile of 56% female, 28% people from Black, Asian or minority ethnic groups, 20% those with a disability and 23% from a low socio-economic background. 62% are based outside London.

We have outstanding completion rates. 94% of BBC Early Careers apprentices complete their scheme compared to the national average of 54%. 89% that complete are retained by the BBC. We have supported 37 apprentices on our flexi-job apprenticeship scheme, the Apprentice Hub, which places apprentices in West Midlands based SMEs. 92% of Hub apprentices that have now completed have gone on to secure jobs in the sector.

This year we also launched the Get In Taster Experience Days, a scheme giving year 12 and 13 students a taste of the what the BBC offers and highlighting the apprenticeship opportunities available. So far 150 children in 13 BBC locations have benefited from this scheme.

Building audience trust continues to be a priority with 97.3% of staff having completed mandatory impartiality training. The BBC Academy has added new content throughout the year to the Editorial Standards Learning Hub, an area that hosts learning content dedicated to the pursuit of high editorial standards.

In January 2024, we launched the first cohorts of new enterprise leadership programmes. More than 80 leaders are now on the programmes, which are designed and delivered by industry-leading experts. We have also launched enhanced digital content to support leaders at different stages in their careers to learn, develop and foster a culture of continuous learning, either via careers to experience programmes or through targeted leadership development programmes.

### BBC Academy and BBC Studios learning and development

| Reach   | 2023/24        | 2022/23 | 2021/22 |
|---|----------------|---------|---------|
| Total training completions*                     | <b>100,876</b> | 88,146  | 107,452 |
| BBC staff who completed one or more course      | <b>91%</b>     | 79%     | 92%     |
| <b>Total learning and development hours</b>     | <b>189,458</b> | 185,209 | 175,663 |
| Number of learning and development days per EFT | <b>1.2</b>     | 1.2     | 1.2     |
| <b>Value for money</b>                          | <b>2023/24</b> | 2022/23 | 2021/22 |
| Training delivery spend (£m)**                  | <b>£11.98</b>  | £12.28  | £11.7   |
| Learning and development cost per EFT***        | <b>£549</b>    | £553    | £556    |

Training data and EFT figures are BBC-wide, including PSB, BBC Studios and other commercial subsidiaries

\* Total individual face-to-face, virtual classroom and online completions

\*\* Total BBC Academy and BBC Studios training delivery spend excluding major projects

\*\*\* Total BBC Academy and BBC Studios training delivery spend divided by total EFT

## Case study: 80/20 programme – Simi Jolaoso

Simi Jolaoso was working as a Journalist in BBC News in London when she landed an 80/20 opportunity based in Lagos. The role was for a Senior Reporter to cover stories across West Africa for TV, Radio and Digital.

As a passionate storyteller, Simi jumped at the chance and was thrown in at the deep end, going from polling station to polling station to help tell the stories behind the Nigeria Presidential Elections for a multi-platform audience. The placement gave Simi a chance to 'demonstrate my resilience in a tough reporting environment' and work with 'fantastic new colleagues from the Lagos team', with both sides gaining 'fresh perspectives' on news reporting and storytelling.

A month after completing her placement, Simi was promoted to the role of Senior Journalist. She credits 80/20 for helping her gain the promotion as 'a great experience and definitely something I'd champion'. Simi's also just started an attachment as Africa Correspondent which she thanks the 80/20 programme for!





## Workforce diversity and inclusion and our equality information report



RTS Award-winning *Sort Your Life Out*, with Stacey Solomon

Each year, we set out, in detail, information about the diversity of our staff across a range of different characteristics, broken down by a range of categories. The full information can be found online alongside this Annual Report, and on this page we set out our overall performance this year and some of the steps we have taken to improve our workforce diversity and inclusion.

This has been the final year of our current Diversity and Inclusion plan, which we published in 2021, setting out ten bold commitments to improve representation and inclusion at the BBC. Although we have not met all of our Diversity and Inclusion targets for the year, we continue to make good progress towards our overall 50:20:12:25 ambitions. Disability and ethnicity, in particular, remain challenging. As we launch our refreshed diversity and inclusion strategy in the coming year, both areas remain a focus. This reset strategy will focus on all areas of inclusion, which amongst other areas will focus on Black, Asian and minority ethnic representation.

As we continue our efforts to reach these targets, our award-winning BBC Extend employment programme continues to bring disabled people into the organisation by ringfencing roles. In 2023/24, we launched a nation-wide attraction campaign, with insight days across the country to showcase the BBC as an employer of choice for disabled people and profile the brilliant people who already work here. As part of this, we introduced our BBC Extend Pool to help disabled people hear about ringfenced roles at the BBC – this has grown from zero to over 1,200 in six months.

During the year we have also sought to improve our internal offering and create a more accessible environment for our staff by embarking on two full reviews of our systems and policies on workplace adjustments and assistive technology, with the aim of improving all processes in those areas to be as seamless as possible.

We have been noted as a top media employer for graduates by the Times Top 100 Graduate Employers 2023, the 25th year running, and we also won the Creative, Media and Marketing Employer of the Year, Multicultural Apprenticeships Awards in 2023.

We are proud of our diversity staff networks, which play an important role supporting colleagues, collaborating together and strengthening inclusion within the organisation, with a combined membership of more than 11,000 people, representing a broad range of characteristics and experiences.

We are committed to investing in diverse leadership and our Accelerator Programme has developed a diverse group of leaders with 44% of participants having been promoted, and a further 32% having taken on more stretching, broader responsibilities, inside or outside the BBC. We also continue to see an increase in the diversity of our leadership population.

Our work to create an inclusive culture continues to transform the organisation for everyone, however they identify or whatever their background. Training on Inclusive Leadership is rolling out for leaders, and our Inclusion Toolkit provides the insights and understanding for the role everyone plays in creating an environment where we all feel a sense of belonging.

**i** Detailed data on these and other characteristics, including divisional breakdowns, can be viewed at: [bbc.co.uk/aboutthebbc/documents/equality-information-report-2023-24.pdf](https://bbc.co.uk/aboutthebbc/documents/equality-information-report-2023-24.pdf).

### Pan-BBC – All staff and leadership: 31 March 2024

|   | Workforce  | March 2024 | March 2023 | March 2026 target* |
|---|------------|------------|------------|--------------------|
| Women   | All Staff  | 50.4%      | 50.1%      | 50%                |
|   | Leadership | 49.1%      | 49.0%      |                    |
| Black, Asian and minority ethnic                            | All Staff  | 17.2%      | 17.0%      | 20%                |
|   | Leadership | 14.4%      | 14.1%      |                    |
| Disability  | All Staff  | 9.3%       | 9.4%       | 12%                |
|   | Leadership | 8.0%       | 7.9%       |                    |
| Low Socio-Economic Background (household occupation metric) | All Staff  | 20.8%      | 21.1%      | 25%                |
|   | Leadership | 19.3%      | 20.1%      |                    |

\* Socio-economic diversity target to be achieved by financial year 2026/27

## Data tables

On the following pages, we provide further data to support the information reported in this section.

### Total average headcount 2023/24 (equivalent full time)

|                    | 2024                        |              |               | 2023   |
|--------------------|-----------------------------|--------------|---------------|--------|
|                    | Staff excluding apprentices | Apprentices* | Total         | Total  |
| PSB Group          | 17,201                      | 410          | 17,611        | 17,688 |
| Commercial Group   | 4,118                       | 66           | 4,184         | 3,943  |
| <b>Group total</b> | <b>21,319</b>               | <b>476</b>   | <b>21,795</b> | 21,631 |

\* Includes Early Careers and FJAA apprentices

### Career Path Framework (BBC Group)

Our Job Architecture maps employee roles across 27 job families and seven career bands (ranging from Band A to senior leaders), organising jobs in a clear, transparent and compliant structure that can be used for a variety of reasons, ranging from career development discussions to transparent pay decisions.

### BBC Group EFT/Headcount by CPF Band (excluding Performing Groups, Trainees and Apprentices and Non-CPF).

| CPF Band     | EFT           |             | Headcount     |               |
|--------------|---------------|-------------|---------------|---------------|
|              | EFT           | EFT (%)     | Headcount     | Headcount (%) |
| A            | 148           | 1%          | 182           | 1%            |
| B            | 1,879         | 10%         | 2,009         | 10%           |
| C            | 5,808         | 31%         | 6,205         | 32%           |
| D            | 6,924         | 37%         | 7,358         | 37%           |
| E            | 2,387         | 13%         | 2,487         | 13%           |
| F            | 974           | 5%          | 1,007         | 5%            |
| FP           | 86            | 0%          | 96            | 0%            |
| SL           | 296           | 2%          | 297           | 2%            |
| <b>Total</b> | <b>18,502</b> | <b>100%</b> | <b>19,641</b> | <b>100%</b>   |

### UK senior leader headcount by salary band (PSB only)

| Salary band       | 2023/24 Actual | 2022/23 Actual |
|-------------------|----------------|----------------|
| £50,000-£99,999   | 7              | 22             |
| £100,000-£149,999 | 89             | 102            |
| £150,000-£199,999 | 77             | 80             |
| £200,000-£249,999 | 42             | 26             |
| £250,000-£299,999 | 10             | 5              |
| £300,000-£349,999 | 8              | 6              |
| £350,000+         | 1              | 1              |
| <b>Total*</b>     | <b>234**</b>   | 242            |

\* Total excludes BBC Board members and pension directors

\*\* Total CPF Band EFT

### Spend on on-air roles\* (PSB only)

| Salary band       | 2023/24        |               | 2022/23     |         | Variance £000s |
|-------------------|----------------|---------------|-------------|---------|----------------|
|                   | Spend £000s    | Volumes       | Spend £000s | Volumes |                |
| Less than £40,000 | 39,524         | 22,121        | 37,095      | 23,197  | 2,429          |
| £40,000-£100,000  | 61,565         | 966           | 63,944      | 1,038   | (2,379)        |
| £100,000-£150,000 | 13,652         | 116           | 15,301      | 125     | (1,649)        |
| £150,000-£500,000 | 23,054         | 102           | 20,539      | 87      | 2,515          |
| £500,000-£1m      | 955            | 1             | 1,530       | 2       | (575)          |
| £1m-£5m           | 1,350          | 1             | 1,350       | 1       | -              |
| <b>Total</b>      | <b>140,100</b> | <b>23,307</b> | 139,759     | 24,450  | 341            |

\* An individual is deemed to have an on-air role where they have significant (i.e. 80% or more) on-air responsibilities

### Severance payments

Our redundancy policy is one month's pay for each year of service up to a maximum of 12 months' pay (for those who joined before January 2013 it is a maximum of 24 months' pay). Employees must have two or more years' continuous employment on cessation to be eligible for payment. We have maintained a cap on redundancy and severance payments of £150,000. Where redundancy pay is paid, notice is served. If an individual wishes to leave earlier than the end of their notice period, they must waive the remaining notice period and they do not receive payment in lieu.

In 2023/24, there was one payment in lieu of notice (PILON) for an off-air employee who left the BBC after their employment was terminated; PILON was paid to ensure an immediate exit from the business. In addition, PILON was paid to 11 overseas employees who left the business as part of restructures and where PILONs were paid due to local custom and practice and/or to assist smooth business operations.

| Payment band      | 2023/24       |            | 2022/2023   |         |
|-------------------|---------------|------------|-------------|---------|
|                   | Spend £000s   | Volumes    | Spend £000s | Volumes |
| Under £10,000     | 455           | 80         | 214         | 62      |
| £10,000-£50,000   | 7,403         | 254        | 3,697       | 131     |
| £50,000-£75,000   | 8,590         | 139        | 3,250       | 52      |
| £75,000-£100,000  | 10,524        | 119        | 4,108       | 47      |
| £100,000-£150,000 | 28,289        | 219        | 16,583      | 124     |
| <b>Total</b>      | <b>55,261</b> | <b>811</b> | 27,852      | 416     |

### Information provided in line with the Trade Union (Facility Time Publication Requirements) Regulations 2017 – schedule 2 (1 April 2023 - 31 March 2024)

We have continued to work closely with our recognised trade unions during a time of rapid technological change in the media industry as well as challenges from financial constraints and digitalisation. In 2023/24, there was continuation of a formal trade dispute in BBC Local, with a further five-day strike and action short of strike (work to rule), relating to reorganisation of local radio content. This was formally resolved in November 2023. There was a second dispute, which took place in Northern Ireland with a one-day strike and action short of strike, relating to cuts to jobs and programmes, which has also been resolved.

As part of the Trade Union (Facility Time Publication Requirements) Regulations 2017, public authorities are required to report information about facility time taken by trade union officials for a 12-month period. (Facility time refers to the time taken for our recognised trade unions to represent members both individually and collectively in a range of issues across the BBC.)

### Relevant union officials

|                           | 2023/24    |
|---------------------------|------------|
| Number of union officials | 313        |
|                           | (EFT: 298) |

| Percentage of time spent on facility time          | Number of employees |
|--|---------------------|
| 0%   | 0                   |
| 1%-50%   | 303                 |
| 51%-99%  | 8                   |
| 100%   | 2                   |
| Total cost of facility time                        | £752,682            |
| Total eligible PSB payroll                         | £1,432.6m           |
| Percentage of total payroll spent on facility time | 0.05%               |

### Paid trade union activities

|   |     |
|---|-----|
| Time spent on paid trade union activities as a percentage of total paid facility time hours | 20% |
|---|-----|

\* There were 10 union representatives seconded to representing their union, of which two worked full time for the union, eight were job shared working both for BBC and representing their union

**Volume of internal complaints**  
**Complaints made and investigated**

|   | 2023/24   | 2022/23  |
|---|---|--|
| <p><b>Bullying and harassment</b><br/>Grievance complaints notified either direct to HR, via a grievance being raised, or via the confidential bullying and harassment helpline.</p> <p>* Calculation based on a seven day week</p>   | <p><b>50 formal cases</b></p> <ul style="list-style-type: none"> <li>• 4 sexual harassment</li> <li>• 46 bullying and harassment</li> <li>• 24 closed</li> <li>• 24 ongoing</li> <li>• 2 withdrawn</li> </ul> <p>Average time to close case: 101 days*</p>  | <p><b>34 formal cases</b></p> <ul style="list-style-type: none"> <li>• 4 sexual harassment</li> <li>• 30 bullying and harassment</li> <li>• 23 closed</li> <li>• 8 ongoing</li> <li>• 3 withdrawn</li> </ul> <p>Average time to close case: 69 days</p>  |
| <p><b>Whistleblowing cases</b><br/>Whistleblowing allegations are received either via Navex Global, who manage an independent whistleblowing hotline on our behalf, via senior management, including a designated non-executive director, or directly to the Investigations teams.</p> <p>* Calculation based on a seven day week</p> | <p><b>53 cases received via the various BBC whistleblowing mechanisms and triaged, 22 of which accepted as reaching the whistleblowing threshold</b></p> <ul style="list-style-type: none"> <li>• 22 whistleblowing cases concluded (including brought forward from 22/23)</li> <li>• 13 (of 22 closed) upheld or partially upheld</li> <li>• 1 unsupported</li> <li>• 8 not upheld</li> <li>• 18 ongoing</li> </ul> <p>Average time to close case: 160 days*</p> | <p><b>37 cases in total (a range of issues, including allegations of editorial malpractice, financial corruption, sexual harassment and misuse of power, etc):</b></p> <ul style="list-style-type: none"> <li>• 4 upheld</li> <li>• 7 unsupported</li> <li>• 8 not upheld</li> <li>• 18 ongoing</li> </ul> |

**Raising a concern at the BBC**  
The majority of concerns raised by staff will be addressed by the BBC Grievance Policy or the BBC Bullying and Harassment Policy. Concerns should be raised, where possible, directly to line management, however support to take things further can also be provided directly by an HR Business Partner, or via the Bullying and Harassment helpline and the Care First support line and website. Whistleblowing allegations, also known as ‘Protected Disclosures’, can be made by anyone with genuine concerns about serious malpractice at the BBC. Concerns that can be raised via the BBC’s Whistleblowing policy include:

- Matters that present a risk of serious harm, financial loss or legal liability on the part of the BBC, or may otherwise bring the BBC into serious disrepute
- Malpractice in the affairs of the BBC, including for example, misuse of power and corruption (e.g. nepotism, abuse of an undeclared conflict of interest), and bribery
- Serious editorial malpractice (above and beyond normal editorial disagreements) or other acts or omissions amounting to serious professional malpractice

The BBC’s Whistleblowing Policy enables the anonymous reporting of serious allegations in an appropriate and effective way, including:

- via the Whistleblowing Team
- via the Divisional Director of Quality, Risk and Assurance
- via the Non-Executive Director on the BBC Board, Nicholas Serota
- via our external independent third-party provider Navex Global, either online or through their dedicated reporting line available in 37 different languages

In addition to the whistleblowing process, we have an internal employee relations route, a grievance process to raise concerns, and various bespoke solutions to ensure that our employees are protected with processes that feel fair, transparent, and consistent.

- Safeguarding concerns about a child or young person (i.e. a person aged under 18) or a vulnerable adult
- Actual or potential criminal offences
- Failure to comply with any legal obligation
- Risks to the health and safety of any individual
- Actual or potential environmental damage
- Information tending to show a cover-up of any of the above

Furthermore, a board-commissioned independent review of non-editorial complaints and the routes available to raise them was completed this year, and the report published externally. The BBC is currently in the process of implementing actions to address the review’s findings

**Whistleblowing Policy**

Following the launch of the renewed BBC Whistleblowing Policy in July 2022, expanded following the Serota review to broaden the types of serious misconduct including ‘serious editorial malpractice’, the volume of cases received for triage has continued to increase. The increase in reporting indicates the continued elevation towards a strong culture of speaking up against serious professional wrongdoing. This coupled with the increase of cases being upheld following investigation, highlights the importance of whistleblowing at the BBC. In the financial year 2023/24, the BBC has sought to build confidence and awareness of the Whistleblowing function through a series of online and in-person workshops and seminars, delivered across divisions, BBC Studios and to independent production companies.

Whistleblowing is key a mechanism to identify and address potential malpractice. The BBC commits through policy to protect those who raise concerns from unfair treatment as a consequence of speaking up. The Whistleblowing team has continued to drive strategic initiatives to build awareness, understanding and trust

in its independent whistleblowing reporting framework. This has included a series of in-person and online training programmes for staff and managers, across the UK and internationally, as well as the dissemination of communications and resources to all staff. The BBC Whistleblowing team has also driven efforts to raise the profile and professionalism of ‘speak up’ channels across the broadcast and media industry through the cross-sector initiatives with peers organisations.

Misuse of power and corruption continues to be the most prevalent category of reported concern, representing 32% of the whistleblowing cases reported in this year. Following a recent review of whistleblowing reporting, improvements have been made in terms of oversight by the Board sub-committees and the Executive. This change is intended to assist in identifying and taking action to address business risks either arising from, or identified through the Whistleblowing framework.

Independent third-party assurance of whistleblowing investigations continues on a quarterly basis, with serious editorial malpractice cases now being included in the assurance sample. Assurance outcomes are reported to the Audit and Risk Committee and to the Editorial Standards and Guidelines Committee for relevant cases to ensure comprehensive oversight by all relevant senior stakeholders.

**Upheld:** A case will be classified as upheld when on conclusion of the investigation evidence of the allegation, which falls under the parameters of one of the five strands of protected disclosure, is proven either in full or part

**Not upheld:** A case will be classified as not upheld when, on conclusion of the investigation, no evidence has been forthcoming to prove the allegations; or, evidence to the contrary has been obtained thereby disproving the allegations

**Unsupported:** A case will be classified as unsupported when there is insufficient evidence to prove the allegations but findings, as far as they have been able to be pursued, point to some evidence of the allegations having substance. This may be due either to unwillingness to disclose further information by the whistleblower, or limitations around available data, or tangible evidence to uphold the allegation

**Cases not accepted as Whistleblowing:** These are referred with the permission of the whistle blower to the appropriate team to review the case

## BBC Pay Gap report 2023/24

### What does this report include?

The gender pay gap reporting in our Pay Gap report sets out the difference in both the mean and median gross hourly pay between men and women. As before, we have included voluntary disclosures of pay gaps for other protected characteristics (ethnicity, disability, LGBTQ+ with the addition of Socio-Economic this year). Statutory calculations and results have been assured by the BBC's Internal Audit team.

This report provides the statutory disclosures required of BBC public service broadcasting for staff based in England, Scotland and Wales, including the BBC World Service. It excludes our commercial subsidiaries: BBC Studios, BBC Global News, BBC Studioworks, Children in Need and Media Action. These either fall below the statutory reporting requirements by number of staff or are reported separately (see the pay gap reporting for our commercial entities on [www.bbcstudios.com](http://www.bbcstudios.com)). The disclosure rates indicated for each characteristic correspond to the population included in the pay gap analysis and therefore may differ from those presented elsewhere.

As in the previous year, we have included data for people on staff contracts (both permanent and fixed-term). This includes our on-air presenters who have BBC staff contracts. We do not include any workers on freelance contracts. Agency workers who were engaged full time for the BBC but employed through third-party agencies are excluded as they will be included in the Pay Gap report submitted by the agency that employs them.

When reviewing our pay gaps, we draw up a list of our employees' earnings – from the highest to the lowest – and split it into four even groups, or quartiles. We have shown this data alongside the mean and median pay gaps and the pay gaps by career band for each characteristic. We have also included our bonus gaps, which relate to voucher-based awards made under our recognition scheme and our long service awards. Data presented is based on the statutory snapshot date for public authority employers of 31 March 2024.

### Introduction

Fairness and transparency remain key principles of our approach to managing pay at the BBC. We have high levels of pay transparency, both internally and externally, with the disclosure of the pay of our most senior and highly paid staff and continue to lead the market by publishing our pay gaps by career band and by characteristics beyond gender. The introduction of Socio-Economic Diversity data this year reflects our continued commitment to market leading levels of pay transparency and reporting; we believe this is a clear path to greater pay equity.

The numbers are based on a snapshot date of 31 March in line with the legislation.

### BBC pay gaps

The table below summarises the headline pay gap figures for the five categories covered in detail in the report, as well as the category for part-time employees, with this year's data compared to last year's. Pay gaps for disability (mean and median), ethnicity (mean) and part-time (median) have all reduced this year. The rest have increased by between 0.1 and 2.0 percentage points.

The main causes of our pay gaps continue to be representation at different organisation levels and in different job families. Our pay gaps have increased this year due to a combination of workforce movement (similar to other companies, we see changes to our pay gaps as a result of joiners and leavers at different levels in the organisation), pay interventions and apprentice hiring.

Increased diversity of our apprentice intake compared to the rest of the organisation has had an impact on our pay gaps this year, particularly the LGBTQ+ pay gaps. Our apprentices are all hired into our most junior career band (Band A) and representation for LGBTQ+ in Band A is substantially higher than for other bands. We remain committed to hiring diverse apprentice cohorts to build a strong talent pipeline for the future and anticipate potential future increases to our pay gaps as a result.

The combination of a specific pay progression arrangement for 2022 and 2023 with market-related pay interventions in the Technology, Systems and Delivery job family in 2022, continues to have an impact on our pay gaps, particularly the gender pay gaps, as this job family is more weighted to men than women. As part of this year's pay deal, we have agreed changes to the pay progression approach from the 2024 pay review.

Although there are limited short-term actions that we can take to address our pay gaps, our reward principles of 'fair', 'clear' and 'competitive' ensure that we are setting pay with reference to both external market data and internal cohorts to ensure equity and consistency. Our continued emphasis on pay transparency will help to reduce our pay gaps over time and our focus on hiring and promoting women and minority groups into more senior and higher paid roles, as well as across the organisation more broadly, will continue to support the structural changes needed to reduce our pay gaps.

We remain confident that our pay gaps are not as a result of unequal pay. We have taken a number of actions in line with the recommendations from the 2023 Equal Pay audit, which concluded that there was no systemic gender discrimination in the approach to managing pay.

Our gender pay gaps remain significantly lower than the national average median gap of 14.3% and the reported pay gaps for other main broadcasters in the UK.

|            | Mean<br>2023/24 | Mean<br>2022/23 | Median<br>2023/24 | Median<br>2022/23 |
|------------|-----------------|-----------------|-------------------|-------------------|
| Gender     | 5.4%            | 4.7%            | 7.9%              | 7.3%              |
| Ethnicity  | 2.8%            | 2.9%            | 1.9%              | 1.8%              |
| Disability | 5.8%            | 6.6%            | 5.5%              | 5.7%              |
| LGBTQ+     | 6.6%            | 5.4%            | 7.2%              | 5.2%              |
| Socio-Eco  | 5.6%            | –               | 2.9%              | –                 |
| Part-time  | 2.8%            | 2.6%            | 3.2%              | 4.2%              |

### Gender pay gaps

We currently report gender pay gaps on the basis of binary sex recorded on an individual's National Insurance record. This means we report on 100% of the in-scope population. Of the total population covered by this report, 48% are female and 52% are male. Across the wider BBC Group, 50% are female and 50% are male.

Our mean gender pay gap is now 5.4%, which has increased this year. Our median gender pay gap has also increased this year and is now 7.9%. This continues to be predominately due to specific investments in pay over the past two years, including for critical talent in key roles in our technology and product areas, and for longer serving employees paid towards the bottom of their pay ranges.

Our median gender pay gap including Northern Ireland is 7.8% and our mean gender pay gap including Northern Ireland is 5.4%.

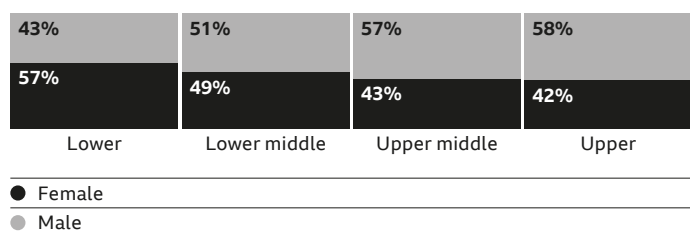
|             | Mean        | Median      |
|-------------|-------------|-------------|
| <b>2024</b> | <b>5.4%</b> | <b>7.9%</b> |
| 2023        | 4.7%        | 7.3%        |

The following table breaks down our gender pay gaps by career band.

| Band           | Mean  | Median |
|----------------|-------|--------|
| A              | 1.8%  | -2.3%  |
| B              | -0.7% | -0.4%  |
| C              | 4.3%  | 4.6%   |
| D              | 3.9%  | 4.1%   |
| E              | 1.8%  | 3.1%   |
| F              | -0.8% | 0.0%   |
| Senior Leaders | -0.3% | -5.7%  |

Negative pay gaps show that the minority group, in this case women, are paid more on average than the majority group.

The following graph shows the proportion of women and men in each pay quartile. This reflects representation across our career bands.



**Ethnicity pay gaps**

96% of employees have shared their ethnicity data with us. 18% of our total population included in this report identify as being Black, Asian or part of another ethnic minority group (17% across the wider BBC Group). Those who have not disclosed are not included in the pay gap analysis.

The gap between the mean hourly pay for our Black, Asian, and minority ethnic staff and our white staff has decreased compared to last year. The median pay gap has increased slightly compared to last year. Our mean ethnicity pay gap is now 2.8% and the median pay gap is 1.9%.

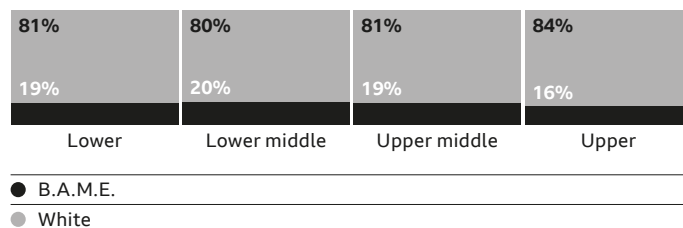
|             | Mean        | Median      |
|-------------|-------------|-------------|
| <b>2024</b> | <b>2.8%</b> | <b>1.9%</b> |
| 2023        | 2.9%        | 1.8%        |

The following table breaks down our ethnicity pay gaps by career band (where we have more than 20 Black, Asian and minority ethnic employees in the band).

| Band           | Mean  | Median |
|----------------|-------|--------|
| A              | -4.3% | -11.7% |
| B              | -1.5% | -1.7%  |
| C              | -4.4% | -4.6%  |
| D              | -2.7% | -2.4%  |
| E              | -2.3% | -3.5%  |
| F              | -1.9% | 0.5%   |
| Senior Leaders | -7.7% | -12.6% |

Negative pay gaps show that the minority group, in this case Black, Asian and ethnic minority staff, are paid more on average than the majority group.

The following graph shows the proportion of Black, Asian and ethnic minority staff and white staff in each pay quartile. This reflects representation across our career bands.



The following table shows the pay gaps for specific ethnic groups.

|       | Mean  | Median |
|-------|-------|--------|
| Asian | -0.9% | -0.9%  |
| Black | 8.2%  | 8.3%   |
| Mixed | 6.7%  | 5.0%   |
| Other | -3.5% | -6.0%  |

**Disability pay gaps**

93% of employees have told us whether they have a disability and 9% of our total population included in this report have confirmed that they consider themselves to have a disability (also 9% across the wider BBC Group). This includes all staff who consider themselves to meet the Equality Act definition of disability. Those who have not disclosed are not included in the pay gap analysis.

The gaps between both the mean and median hourly pay for our disabled and non-disabled staff have decreased compared to last year and the mean pay gap is now 5.8% and the median pay gap is 5.5%.

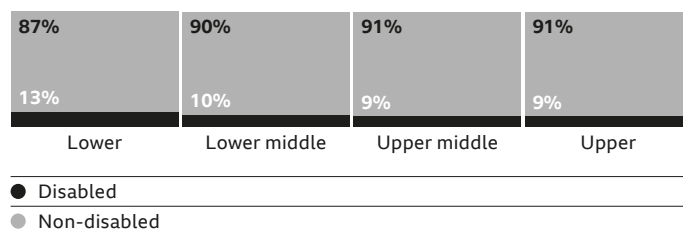
|             | Mean        | Median      |
|-------------|-------------|-------------|
| <b>2024</b> | <b>5.8%</b> | <b>5.5%</b> |
| 2023        | 6.6%        | 5.7%        |

This table breaks down our disability pay gaps by career band (where we have more than 20 employees with a disability in the band).

| Band           | Mean  | Median |
|----------------|-------|--------|
| A              | 1.6%  | 1.9%   |
| B              | 2.3%  | 4.6%   |
| C              | 1.3%  | 1.9%   |
| D              | 0.7%  | 0.7%   |
| E              | 4.5%  | 2.4%   |
| F              | 2.4%  | 0.8%   |
| Senior Leaders | -3.4% | -8.4%  |

Negative pay gaps show that the minority group, in this case disabled employees, are paid more on average than the majority group.

The graph below shows the proportion of disabled employees in each pay quartile. This reflects representation across our career bands.



## BBC Pay Gap report 2023/24 continued

### LGBTQ+ pay gaps

84% of our employees have disclosed their data for this characteristic. 11% of our employees included in this report have confirmed that they consider themselves to be bisexual, gay, lesbian, or other sexual orientation (not including heterosexual) (also 11% across the wider BBC Group). The LGBTQ+ grouping also includes anyone confirming gender re-assignment regardless of sexuality. Those who have not disclosed are not included in the pay gap analysis.

This year's gap between the mean hourly rates is 6.6% and the gap between the median hourly rates is 7.2%. The LGBTQ+ pay gaps have both increased this year compared to last year.

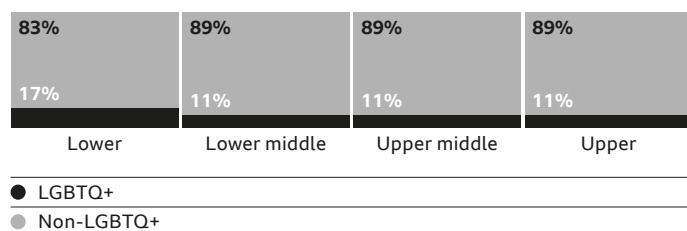
|             | Mean        | Median      |
|-------------|-------------|-------------|
| <b>2024</b> | <b>6.6%</b> | <b>7.2%</b> |
| 2023        | 5.4%        | 5.2%        |

This table breaks down our LGBTQ+ pay gaps by career band (where we have more than 20 employees identifying as LGBTQ+ in the band):

| Band           | Mean  | Median |
|----------------|-------|--------|
| A              | 0.2%  | 4.9%   |
| B              | 5.2%  | 6.2%   |
| C              | 3.5%  | 4.0%   |
| D              | -1.0% | -1.8%  |
| E              | -1.3% | -2.6%  |
| F              | -1.6% | 2.5%   |
| Senior Leaders | -8.1% | -15.6% |

Negative pay gaps show that the minority group, in this case LGBTQ+ staff, are paid more on average than the majority group.

The graph below shows the proportion of LGBTQ+ employees in each pay quartile. This reflects representation across our career bands.



### Socio-Economic pay gaps

81% of our employees have disclosed their data for this characteristic. 21% of our employees included in this report have confirmed that they consider themselves to be from a lower socio-economic background (also 21% across the wider BBC Group). Those who have not disclosed are excluded from the pay gap analysis.

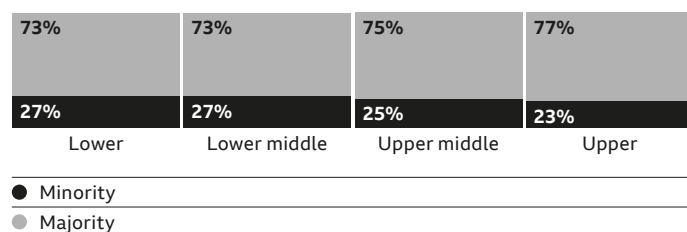
|             | Mean        | Median      |
|-------------|-------------|-------------|
| <b>2024</b> | <b>5.6%</b> | <b>2.9%</b> |

This table breaks down our Socio-Economic pay gaps by career band (where we have more than 20 employees identifying as coming from a lower socio-economic background in the band):

| Band           | Mean  | Median |
|----------------|-------|--------|
| A              | -3.2% | -5.7%  |
| B              | -2.6% | -4.0%  |
| C              | -0.5% | -0.4%  |
| D              | 1.4%  | 2.4%   |
| E              | 2.5%  | 2.6%   |
| F              | 2.3%  | 1.4%   |
| Senior Leaders | 10.4% | 4.6%   |

Negative pay gaps show that the minority group, in this case employees from lower socio-economic backgrounds, are paid more on average than the majority group.

The graph below shows the proportion of employees from lower socio-economic backgrounds in each pay quartile. This reflects representation across our career bands.



### Additional payments at the BBC

There are no bonuses in operation in BBC public service broadcasting. The statutory reporting requirements for reporting on gender pay include a bonus gender pay gap. In line with that guidance, we calculate the figures below on our recognition scheme and long-service awards, although we do not consider these to be bonuses. The voucher-based recognition scheme allows staff in Bands A - F to be rewarded for exceptional performance. During the year 3,339 staff received vouchers under this scheme, with the median amount being £200. 242 staff received long service awards and the median payment was £4,862.

The tables below show the proportion of staff in each characteristic receiving an award under the recognition scheme or long service awards and the gaps between the mean and median amounts received.

|                | % of majority group receiving an award | % of minority group receiving an award |
|----------------|--|--|
| Gender         | 21.7%                                  | 22.4%                                  |
| Ethnicity      | 22.5%                                  | 21.5%                                  |
| Disability     | 22.5%                                  | 20.6%                                  |
| LGBTQ+         | 22.9%                                  | 23.2%                                  |
| Socio-Economic | 23.0%                                  | 24.2%                                  |

|                | Mean bonus gap | Median bonus gap |
|----------------|----------------|------------------|
| Gender         | 17.9%          | 0.0%             |
| Ethnicity      | 28.9%          | 12.5%            |
| Disability     | 1.3%           | 25.0%            |
| LGBTQ+         | 32.4%          | 25.0%            |
| Socio-Economic | 9.8%           | 0.0%             |

## Environmental sustainability

The BBC Group remains committed to producing internationally renowned content that informs our audiences on environmental issues, whilst minimising our operational impacts. We aim for excellence in sustainability, adopting the highest standards in environmental strategy and delivery across our output and operations. We continue to pursue our deep decarbonisation strategy focusing on eliminating emissions at source – and permanently – as we transition towards Net Zero. We continue to work with external partners and experts to ensure we are meeting the standards and quality of reporting and disclosures expected of us as a responsible business.

We will publish our Transition Plan later in 2024 to explain how we will deliver against Net Zero and our commitment to report in line with Taskforce on Climate-related Financial Disclosures (TCFD) and Taskforce on Nature-related Financial Disclosures (TNFD). There will be more details on the role our three sustainability pillars of Nature Positive, Net Zero and People Positive have to play within the journey.

There is more information on the above, and updates on what the BBC is doing on sustainability at: [bbc.co.uk/sustainability](https://bbc.co.uk/sustainability).

### Net Zero and Targets

Our 2030 Net Zero near-term targets, approved by the Science Based Targets initiative (SBTi) in 2021, commit the BBC to reduce the greenhouse gas (GHG) emissions from our direct operations (Scope 1 and 2) by 46% and from our value chain (Scope 3) by 28%, both by 2030/31 from a 2019/20 baseline.

To meet the SBTi Net Zero Standard, we submitted our long-term emissions reduction targets in February 2024, which we expect to be approved by the SBTi later in 2024.

### Net Zero Performance Against Targets

We are making significant progress against our direct operational (Scope 1 and 2) emissions and are currently tracking ahead of our 2023/24 target of -17% at -21 % reduction. This has been achieved through a targeted set of initiatives against our fossil fuel and electricity usage. These include upgrading and exiting property, reducing our gas consumption and targeting diesel usage in our productions.

### Greenhouse Gas Emissions

| All units in tonnes CO <sub>2</sub> e   | 2019/20 | 2022/23 | 2023/24        | % Change from 2019/20 |
|---|---------|---------|----------------|-----------------------|
| Scope 1*  | 20,010  | 16,721  | <b>14,897</b>  | -26%                  |
| Scope 2 – Market based*   | 7,014   | 6,532   | <b>6,494</b>   | -7%                   |
| Scope 2 – Location based*   | 47,756  | 32,729  | <b>33,813</b>  | -29%                  |
| <b>Total Scope 1 and 2 – Market based*</b>  | 27,024  | 23,253  | <b>21,391</b>  | -21%                  |
| <b>Total Scope 1 and 2 – Location based*</b>  | 67,766  | 49,450  | <b>48,710</b>  | -28%                  |
| Emissions intensity – Total Scope 1 and 2 Market based* (tCO <sub>2</sub> e/£m of Group income) | 5.5     | 4.1     | <b>4.0</b>     |                       |
| <b>Scope 3</b>  |         |         |                |                       |
| Purchased goods and services  | 160,101 | 161,548 | <b>171,728</b> | +7%                   |
| Capital goods   | 21,443  | 28,035  | <b>11,783</b>  | -45%                  |
| Fuel and energy-related activities  | 14,672  | 14,352  | <b>13,920</b>  | -5%                   |
| Upstream transportation and distribution  | 30,447  | 61,169  | <b>50,117</b>  | +65%                  |
| Waste generated in operations   | 112     | 117     | <b>134</b>     | +20%                  |
| Business travel   | 47,407  | 35,681  | <b>42,480</b>  | -10%                  |
| Employee commuting  | 17,011  | 12,371  | <b>12,517</b>  | -26%                  |
| Upstream leased assets  | 1,896   | 1,277   | <b>899</b>     | -53%                  |
| End-of-life treatment of sold products  | 21      | 8       | <b>5</b>       | -76%                  |
| Downstream leased assets  | 3,402   | 3,071   | <b>2,566</b>   | -25%                  |
| Franchises  | 23,942  | 26,183  | <b>34,538</b>  | +44%                  |
| Investments   | 3,415   | 12,653  | <b>11,985</b>  | +251%                 |
| <b>Total Scope 3*</b>   | 323,869 | 356,465 | <b>352,672</b> | +9%                   |

\* Selected metrics were subject to independent limited assurance by Deloitte LLP in 2024 – their assurance opinion can be found at: [bbc.com/aboutthebbc/reports/reports/GHGAssurance2024/](https://bbc.com/aboutthebbc/reports/reports/GHGAssurance2024/)

Scope 3 and supply chain emissions data sets and methodology are continually improving. As part of refining our Scope 3 emissions data, we re-calculated our Scope 3 baseline for 2019/20, which is usual and best practice, by applying Exiobase emissions factors that are better aligned to our business type and global operations. Read more about the methodology in the Basis of Reporting at: [bbc.com/aboutthebbc/reports/reports/](https://bbc.com/aboutthebbc/reports/reports/).

Having previously undergone verification to ISO standard 14064, we have now obtained limited assurance to ISAE 3000/3410 this year. Scope 1, 2 and 3 data and performance against our baseline is shown in the tables below. We updated our Scope 1 and 2 base year emissions to correct some data errors and make improvements, since the original carbon footprint. We have also created an emissions trajectory model out to 2030, which forecasts the impact of interventions we make, plus external factors that may influence our ability to meet our targets.

### Net Zero Performance Against Targets Summary Table

The table below shows further reductions on Scope 1 and 2 emissions were achieved and, whilst Scope 3 emissions remain above the baseline, they have decreased since last year and we expect them to continue to fall as we implement our plan to achieve our Scope 3 Target.

|               | 2019/20 | 2022/23 | % Change from 2019/20 | 2023/24        | % Change from 2019/20 |
|---------------|---------|---------|-----------------------|----------------|-----------------------|
| Scope 1 and 2 | 27,024  | 23,253  | -14%                  | <b>21,391</b>  | -21%                  |
| Scope 3       | 323,869 | 356,465 | 10%                   | <b>352,672</b> | 9%                    |
| <b>Totals</b> | 350,893 | 379,718 | 8%                    | <b>374,063</b> | 7%                    |

## Environmental sustainability continued

To reach our targets, we continue to focus on emissions elimination, as outlined on our Environmental Sustainability website: [bbc.co.uk/sustainability/](https://bbc.co.uk/sustainability/).

All non-News TV content commissioned by BBC Public Service is mandated to achieve the BAFTA albert industry standard for sustainable production (with limited exemptions). This requires programme-makers to complete a 'carbon action plan' to reduce emissions and a 'carbon footprint' to measure them. In December 2023, albert formally announced offsetting would no longer be mandated from 2 January 2024 and the BBC advised productions to pivot budget and resources to decarbonisation activities instead. See further details: [bbc.co.uk/sustainability/our-plan/](https://bbc.co.uk/sustainability/our-plan/).

### Engaging our supply chain

We continue to work with our suppliers to reduce our supply chain emissions, which equated to approximately 55% of our carbon footprint baseline. We are in the third year of the Carbon Disclosure Project (CDP) supply chain programme. CDP is a global system enabling organisations to report their environmental impacts. In the 2023 CDP cycle, over 240 of our key suppliers participated. We continue to support suppliers throughout this process, encouraging them to join us on the transition to Net Zero. CDP data is used to inform our initiatives to reduce our Scope 3 emissions.

We ask suppliers with contracts over £5 million to have Science-Based Targets or equivalent targets aligned to 1.5 degrees and to report their environmental performance to CDP. Since April 2023, sustainability is also a mandatory clearance requirement through our investment approval process for investments over £500,000 in value.

### TCFD and Governance

The BBC's reporting is in line with the Companies Act CF, which aligns to the Taskforce on Climate-related Financial Disclosures (TCFD). The four components of TCFD are: governance, strategy, risk management and metrics and targets; which contain 11 reporting requirements. For more information please refer to [bbc.co.uk/sustainability/](https://bbc.co.uk/sustainability/).

Our TCFD risks and opportunities are reviewed and analysed annually with finance, sustainability, business and risk management leads across the BBC Group at divisional and commercial subsidiary level through a series of workshops and meetings.

This year, we have enhanced our climate scenario analysis from 2022/23 by incorporating our strategic response and mitigating actions into our TCFD financial modelling, where possible.

Two climate scenarios were explored this year: "Net Zero" (1.5°C warming equivalent by 2100) and "Current Policies" (3.5-4.5°C warming equivalent by 2100).



## Case study: Sustainability symposium

We held our inaugural Sustainability symposium in the Radio Theatre at London Broadcasting House in November 2023. Around 300 people attended the event, which was organised to emphasise the importance of embedding sustainability within our culture, how it aligns with our values and the importance of working in partnership internally and with wider industry. Panel sessions opened with an exploration of the global climate change challenges and opportunities, chaired by Naga Munchetty in discussion with Gemma Hayman from BBC Media Action, and Juliet Njeri, BBC World Service Languages. Subsequent sessions featured industry innovation, impacts upon biodiversity and nature, and media industry developments from BAFTA albert. In the adjacent Media Cafe, 30 of our key suppliers explained how they are actively supporting the BBC across their operations for a sustainable future. The above image is an artists' visual interpretation of the main themes arising across the day from what they saw and heard. The event was well-received, with plans underway for a second event in partnership with our Procurement colleagues.

We also evaluated our climate risks and opportunities against three different time horizons for the short (2023 to 2029), medium (2030 to 2039) and long-term (2040 to 2059). However, inherent uncertainty remains in all climate scenario analysis modelling.

Our analysis showed that the impacts of transition risks are most pronounced under a Net Zero scenario, whilst physical risks such as flooding are expected to become more prevalent and severe in the longer term under the Current Policies scenario.

The latest scenario data has been used, driven by the Network for Greening the Financial System, and other recognised

public climate databases have been leveraged where there were any limitations.

This included the International Energy Agency and the World Resources Institute Aqueduct tool.

Numerous workshops have taken place with key internal BBC stakeholders and third-party consultants to improve modelling assumptions and identify limitations in enabling alignment with TCFD guidance.

We are continuing to build our resilience against climate-related risks and implementing opportunities to ensure we are well-positioned to respond to these scenarios.



**TCFD – Scenario analysis results table**

| Material risk or opportunity  | Time horizon |   |   | Description  | Potential financial impact if no action is taken to mitigate risks or if opportunities are realised  | Impact until 2030            |                  | Strategic response   |
|---|--------------|---|---|--|--|------------------------------|------------------|--|
|   | S            | M | L |  |  | Current policies (3.5-4.5°C) | Net Zero (1.5°C) |  |
| <b>Climate-related risks</b>  |              |   |   |  |  |                              |                  |  |
| Increased costs associated with carbon pricing, offsets and taxation* |              |   |   | UK and international Net Zero commitments will likely result in the acceleration and implementation of carbon pricing mechanisms, including emission caps with offsetting requirements and carbon taxes.     | Increased direct costs associated to BBC's emission footprint and indirect costs through BBC suppliers passing on carbon costs.  |                              |                  | Review offset strategy schedule and assess potential of internal carbon price to accelerate decarbonisation activity, raise funds and continue to pioneer low carbon innovation. |
| Reduced staff and talent attraction and retention                     |              |   |   | The BBC's decarbonisation strategy and reputation on climate-related matters will affect attraction and retention of BBC employees.  | Increased staff costs to incentivise and retain employees and additional operating costs related to hiring due to higher attrition rates.                                      |                              |                  | Ensure sustainability ambition and activity meets leading practice standards and aligns to industry and employee expectations.   |
| Limited access to capital*  |              |   |   | Providers of capital increasingly have their own Net Zero commitments, resulting in a higher cost of capital for organisations that are perceived not to be taking sufficient climate action.                | Increased interest rates associated to capital borrowing, which has the potential to impact the commercial side of the business.   |                              |                  | Ensure that progress against targets is performance monitored with necessary interventions to maintain critical path.  |
| Reputational risk from greenwashing                                   |              |   |   | Public perception of mismatch between strong content messaging and poor performance against targets or suppliers/ employees misaligned with BBC's climate strategy.  | Loss of revenue from reputational damage resulting in reduced partnership opportunities as customers shift to competitors, as well as increased costs from climate litigation. |                              |                  | Ensure that progress against targets is performance monitored with necessary interventions to maintain critical path.  |
| Flood risk causing damage and service disruption                      |              |   |   | Increased precipitation and event intensity will likely increase the risk of flooding, thereby increasing the risk of both damage to assets and infrastructure, as well as disruptions to service provision. | Increased costs from repairs and maintenance, increased insurance premiums, as well as decreased revenue as a result of prolonged service disruptions.                         |                              |                  | Ensure asset exposure to flood and high temperature risks is regularly monitored with necessary resilience built in.   |
| <b>Climate-related material opportunities</b>                         |              |   |   |  |  |                              |                  |  |
| Savings from energy efficiency  |              |   |   | Opportunity to roll out energy efficiency improvements to BBC buildings, operations and behaviours will likely enable energy and cost savings.   | Reduced direct costs from reduced energy consumption across BBC's estate and operations and shifting to more sustainable cost effective fuel types.                            |                              |                  | Implement energy efficiency and building optimisation programme across BBC Group and estate.   |
| Engaging audiences and producing factual content                      |              |   |   | BBC has the opportunity to be a leader in the production of factual content by engaging, informing and inspiring audiences through our content.  | BBC's factual content services appeal to wider audiences and new markets, enabling new partnership and funding opportunities across the BBC Group.                             |                              |                  | Undertake market testing of audience preferences and implement carbon measurement across products and services.  |
| Reputation of climate leadership                                      |              |   |   | BBC has the opportunity to demonstrate climate leadership in the media industry, both through climate strategy and targets.  | Increased revenue driven by reputational benefits resulting in a wider audience for BBC services, as well as increased partnership opportunities across BBC Group.             |                              |                  | Undertake regular audience testing and ensure BBC Strategy meets highest operational standards. Undertake climate impact measurement across BBC content.                         |

|   |   |  |             |  |                    |
|---|---|--|-------------|--|--------------------|
|   | Anticipated onset of risk/opportunity     |  | Low risk    |  | Low opportunity    |
|   | Estimated full impact of risk/opportunity |  | Medium risk |  | Medium opportunity |
| * | Includes mitigation action                |  | High risk   |  | High opportunity   |

## Environmental sustainability continued

The BBC's Audit and Risk Committee (ARC) supports our alignment to the TCFD recommendations and reports on this to the BBC Board, who oversee our climate risks, opportunities and mitigation strategies. See further details on how the TCFD annual review process intersects with the Risk Management team, processes and wider BBC risk framework on page 120 in the Principal Risks section of this report.

The BBC has achieved a Carbon Disclosure Project rating of B for climate strategy maturity in our second year of submission, which is in line with businesses in the Media, Telecommunications and Data Centre Services sectors. We conducted an internal readiness review against the UK Government's Transition Plan framework and intend to publish our Transition Plan later in 2024.

### Operational impact

To ensure all our TV content producers make programmes sustainably, the BBC continues to play an active and prominent role in the BAFTA albert Consortium and the TV Industry Steering Group. This collaborative pan-industry initiative promotes positive action to tackle climate change in film and TV production across all genres, both on- and off-screen.

### See performance against these targets in the table below:

| Target   | Progress for FY23/24 |
|--|----------------------|
| 100% albert Carbon Footprint calculation across all output (mandatory)   | 100% <sup>1</sup>    |
| 100% of output commissioned since April 2022 achieving albert sustainable production certification (mandatory) | 97% <sup>2</sup>     |
| % of all output achieving albert sustainable production certification, including commissions before April 2022 | 97% <sup>3</sup>     |

1 For albert footprints this is 95% complete + 5% expected

2 For albert certification (mandatory) this is 91% complete + 6% expected

3 For albert certification (recommended) this is 84% complete + 13% expected

The proportion of in-scope productions achieving albert certification rose by 4% this year. Key reasons for a small number of failures include lack of evidence of sustainability measures, stricter guidelines around domestic flights and late commencement carbon action plan production. We continue to update our guidance and support for productions to achieve certification.

In Audio, we developed a new certification, EcoAudio, to support audio producers lowering the carbon footprint of their production to earn a sustainability accreditation.

This is an industry-first and we are now piloting the tool with independent audio suppliers.

BBC Radio 5 Live News breakfast, daytime and evening output have all achieved EcoAudio certification.

### Nature positive

The BBC recognises the significance of integrating nature and biodiversity within our wider sustainability strategy and climate disclosures. In this context, we have been actively engaging with the Taskforce on Nature-related Financial Disclosures (TNFD), which has helped to define our most material nature-related impacts, dependencies, risks and opportunities. We are on a journey to full compliance and our annual TNFD analysis and review is undertaken in tandem with our climate-focused TCFD cycle.

Additionally, we refined our biodiversity footprint model this year and ran a series of workshops across the BBC Group to determine our approach to reducing and mitigating our impacts on nature.

In line with the TNFD framework, we assessed which of our offices interfaced with nature, particularly with biodiversity-sensitive and low-integrity areas. Some nature restoration and biodiversity uplift projects are already underway.

At our BBC Monitoring site near Nairobi, Kenya, we have planted 150 trees having previously installed water-capture storage used for the gardens and toilet facilities.

### People positive

The BBC informs and educates audiences and staff on the topic of environmental sustainability, as well as aiming to inspire greener choices. As part of the BBC's commitment to our industry's Climate Content Pledge, (see world-renowned environmental content on page 29), we measure the impact of our content with twice yearly online audience polling. The most recent data has shown that 46% of UK adults say that the BBC increased their understanding of environmental issues, up from last year.

We conduct more in-depth research against our biggest Natural History titles. Around 90% of audiences who are aware of them agree we should continue to make them. In 2023/24, we explored the impact of *Wild Isles*, the highest-rating factual series on the BBC for the financial year. See the *Wild Isles* case study on page 73 in the Partnerships and Collaboration section.

### Sustainable culture

Our HR division aligns Sustainability with our BBC Accountability and Respect Values, which support the approach to openly sharing our strategy, targets and performance transparently.

Internal Communications and Engagement colleagues support the Sustainability team on key messaging aligned with three key annual calendar dates, including Earth Day in April and the Climate and Nature COP meetings in October and November.

We want to clearly communicate the importance of delivering our strategy and where we are against our targets.

Work continues with the BBC Academy to ensure that staff training in sustainability is prioritised with mandatory courses for News journalists and non-News, in-house Content producers and Commissioners plus training for operational teams and short courses for all other staff. More than 4,350 Journalists have now completed the Reporting Climate Change training course. All programme-makers, within the BBC and external suppliers, can access our Environmental Sustainability Topic Guide: [bbc.co.uk/sustainabilityguide](https://bbc.co.uk/sustainabilityguide) with the latest information based upon the best scientific evidence available.

We also run targeted briefings on specific topics, such as climate and health, as well as industry-wide engagement events like the annual one-day BBC Academy Climate Creatives festival.

BBC Divisions often partner with external organisations to drive sustainability actions, such as BBC Sport working with the Sport Positive Summit and other sustainable sports bodies. BBC Technology supports DIMPACT, a collaboration between academics and media companies to calculate the carbon emissions of digital media.

From May to November 2023, BBC Studios and the London Wildlife Trust agreed a volunteering opportunity to get BBC Studios employees out and about in nature. Employees learnt about biodiversity and got their hands dirty building a dead hedge to help insects and small mammals thrive on site.

At our larger BBC offices, volunteer Green Teams also engage with colleagues running staff events. Green Teams within the Nations Division, from Aberdeen to Plymouth, are actively supported and guided by the Sustainability Forums, which have been established.

The aim is to galvanise actions, which make sustainability considerations business as usual in behaviours, decision-making and workflows across Nations using a dashboard containing waste, flight, training, and production emissions data. A 12% reduction in Nations' flight emissions was achieved from the previous year. Similarly, News and Current Affairs have woven sustainability across the business via their News Green Action Plan initiative, now in its second year, encompassing c.6,000 staff. Data transparency is key to allowing teams to make the right decarbonisation decisions.

### Travel and accommodation

We have travel-related sustainability principles in our Expenses Policy, which direct staff to the most 'carbon efficient' modes of transport.

Choosing train over plane for UK mainland journeys, sharing vehicles wherever possible and using public transport rather than taxis. In production, we have been exploring when teams can switch from flights to trains. In Sport, a significant proportion of staff, on-screen and off-, travelled to the World Athletic Championships in Budapest by rail. When booking accommodation, and in line with albert accreditation, the booking system now displays whether a hotel uses 100% renewable energy.

**Energy**

Changes to our use of energy are shown in the table below. The decreases in natural gas and fuel usage to heat our buildings have largely been achieved through energy efficiency measures and closures of older, less energy efficient properties. The reduction in diesel consumption from 2019/20 has been achieved by a few key changes. Hydrotreated Vegetable Oil (HVO) replaced diesel in a number of mobile generators used by productions for location filming; petrol and petrol hybrid vehicles replaced the older leased diesel fleet and diesel consumption also fell. 130,000 litres of HVO was used in 2023/24 when this was not being used at all in 2019/20, which accounts for the sharp rise in the 'Other' section total on the table. Our self-generated renewable electricity comes from five BBC sites that have solar photo-voltaic installations.

Greater adoption of low-carbon energy is critical to our operational Net Zero aims. BBC Sport uses mains power instead of mobile generators for live events where supply is sufficient, combined with batteries where appropriate. BBC News also use mains power as their preferred option. Sport is also trialling 5G technology for outside broadcasts and exploring remote production methods.

BBC Studios built an understanding of energy consumption across Drama, Comedy and Events. By gathering accurate data on the energy required, productions could optimise their energy usage. Last summer, using a generator smart meter, eight drama productions were able to downsize their generators, saving 58% of fuel. Hybrid battery solutions were also trialled on unit bases for *EastEnders*, *Silent Witness* and *Here We Go* series two, reducing fuel consumption and demonstrating proof of concept for other productions to follow.

**Changes to Energy Usage**

|                                      | Unit   | 2019/20     | 2022/23     | 2023/24            |
|--------------------------------------|--------|-------------|-------------|--------------------|
| Natural gas                          | kWh    | 78,564,038  | 63,385,755  | <b>61,841,587</b>  |
| Diesel                               | litres | 1,213,091   | 816,466     | <b>811,603</b>     |
| Petrol                               | litres | 142,657     | 167,510     | <b>195,855</b>     |
| Other                                | litres | 93,194      | 86,820      | <b>217,509</b>     |
| District heating and steam           | kWh    | 509,850     | 442,185     | <b>481,982</b>     |
| Total purchased electricity          | kWh    | 180,585,585 | 159,357,340 | <b>154,309,371</b> |
| Purchased renewable electricity      | kWh    | 161,706,340 | 141,832,984 | <b>137,303,863</b> |
| Self-generated renewable electricity | kWh    | 126,619     | 695,840     | <b>836,415</b>     |

**Waste**

After a successful pilot with *EastEnders*, more BBC Studios productions in the UK have worked with local social enterprise, Community Wood Recycling, to prevent wood used on sets going to waste, resulting in 42 tonnes of wood saved from landfill or incineration across BBC Studios in 2023.

The BBC Group sites in England and Wales are currently undergoing Zero Waste to Landfill certification with the Carbon Trust, with similar plans for the Scotland and Northern Ireland sites being actively explored.

**Case study:**  
Drama production decarbonisation



Our bespoke support for key programmes has revealed that targeted early interventions with productions can have dramatic results for their carbon footprints. For example, *The Responder* reduced its footprint by 69% by switching to eco-friendly accommodation, saving almost 200 tCO<sub>2</sub>e compared to series one. *Blue Lights* saw a 64% reduction through eliminating diesel fuel by using HVO in generators and production trucks, as well as plugging into shore power. With actions including swapping flights to Paris with trains and using hybrid vehicles, *Death in Paradise* saved 643 tCO<sub>2</sub>e and brought the series footprint down by 44%, demonstrating that with strategic interventions, productions filmed abroad can still make significant carbon reductions.

Elsewhere, the latest series of *Strike* and *Wolf Hall: The Mirror and the Light* have been piloting Equity's Green Rider – with Mark Rylance, Tom Burke and Holliday Grainger all stepping up as cast representatives and engaging colleagues throughout the production process. Whilst still in production, these shows have already introduced ambitious carbon saving measures.

BBC IT Policy and Governance and Nations colleagues hosted Asset Amnesty events, which encouraged colleagues to return technology equipment they no longer needed, for reuse within the BBC or for sale via Ramco (a specialised asset recovery and reuse business). Since April 2023, successful amnesty events have been held in London, Salford, Glasgow, Belfast, Birmingham, Cardiff, and several other sites in Wales and two BBC Studios sites, collecting thousands of assets (laptops, PCs, MacBooks, iPhones, iPads, monitors, cables). 541 laptops/MacBooks have been successfully redeployed within the BBC, avoiding the purchase of new devices between November 2021 and the end of March 2024.

Our relationship with Ramco has resulted in thousands of items, weighing over 71 tonnes, being recovered and being re-homed instead of entering waste streams and reducing the costs and carbon this would have generated.

**Waste Data**

Currently only available for UK sites and not international offices.

| All units in tonnes                    | 2019/20 | 2022/23 | 2023/24      |
|--|---------|---------|--------------|
| Waste recycled                         | 1,950   | 1,020   | <b>823</b>   |
| Waste incinerated with energy recovery | 1,176   | 1,122   | <b>1,252</b> |
| Waste to landfill                      | 394     | 22      | <b>20</b>    |
| Anaerobic digestion                    | 222     | 145     | <b>146</b>   |
| ICT waste recycled                     | 44      | 22      | <b>24</b>    |
| Total waste                            | 3,786   | 2,331   | <b>2,265</b> |
| Reuse                                  | -       | 44      | <b>113</b>   |

**i** p.29 To read more about sustainable programming

## Charitable work



Vernon Kay with Pudsey after finishing his 115-mile Ultra Ultramarathon and raising £6 million for BBC Children in Need

Ever since the first BBC Appeal was broadcast in February 1923, audiences have been incredibly generous in their responses to on-air charity appeals. This year was no exception, with millions raised which will benefit individuals, communities and organisations across the UK and around the world. We are very grateful to our audiences for their continuing support.

This year the BBC gave airtime to 60 charities through the Radio 4 Appeal and BBC One's *Lifeline* programme. Charities are selected for these access appeals by the BBC's Appeals Advisory Committee after a rigorous quarterly applications process. A wide range of diverse stories from across the UK and internationally were told in the broadcasts and the impact of the audiences' donations can be found at: [bbc.co.uk/charityappeals/what-your-money-does](https://bbc.co.uk/charityappeals/what-your-money-does).

In Northern Ireland there were nine Appeals on BBC Radio Ulster/Foyle and four Appeals on BBC Northern Ireland television. These were accompanied by short films for social media. Applications were also invited for upcoming Appeal slots. Broadcast Appeals in Northern Ireland remain focused on awareness-raising about the work of local charities and their support needs.

In December, the annual Radio 4 Christmas Appeal with St Martin-in-the-Fields Charity was broadcast. It has raised a total of just over £5 million. These funds help people across the UK to find a safe place to call home and access to the support they need.

There were no appeals launched for the Disasters Emergency Committee (DEC) during this year. However, funds continued to come in for the Turkey-Syria Earthquake Appeal which was broadcast in February 2023 and had raised £159 million by the end of March 2024.

### BBC Children in Need

The BBC's UK charity currently funds over 1,500 local charities and projects across the four nations, helping to improve the lives of 426,000 children and young people in the past year alone. Colleagues across the BBC supported the 2023 Appeal, sharing these powerful stories and inspiring the British public to respond with extraordinary generosity once again. Special programming included: *Countryfile Ramble*; *DIY SOS Children in Need Special*; *The Challenge Squad* with *The One Show*, *Morning Live* and BBC Radio 2; and Vernon Kay's Ultra Ultramarathon with Radio 2. An incredible fundraising total of £34 million was announced at the end of the Appeal campaign, a figure that has continued to rise. For more information visit [bbc.co.uk/pudsey](https://bbc.co.uk/pudsey).

### BBC Media Action

BBC Media Action, the BBC's international charity, reached 100 million people in 23 low- and middle-income countries last year, supporting trustworthy media essential to democracy and development.

Highlights included working with public service broadcasters in Ukraine, Moldova, Georgia and Armenia to help counter misinformation; mentoring young women in journalism ahead of Zambia's elections; launching *Lifeline* programming for Libyan audiences following devastating floods; and concluding a major media support project

## 100 million

people reached by BBC Media Action in 23 low- and middle-income countries in 2023/24

## 426,000

BBC Children in Need has helped improve the lives of 426,000 children and young people over the past year.

in Sierra Leone, Bangladesh and Ethiopia by sharing learning across our networks. An exciting new media support project in Solomon Islands launched our Pacific region expansion. We continue to work with women-led radio broadcasters in Afghanistan to deliver critical health information, and with journalists and content-creators in Bangladesh on reporting local climate impacts and adaptation. Learn more at: [bbcmediaaction.org](https://bbcmediaaction.org).

### Comic Relief

The BBC continued to give wide-ranging support to Comic Relief. Red Nose Day 2024 has raised over £41 million so far and the money raised will help those who need it most in the UK and around the world.

Sir Lenny Henry's swansong year as host saw sensational upturns in income and ratings with a bumper set of hosts, sketches including *The Traitors*, *W1A*, *Mastermind* and more, appeal films, prizes, supporters, music performances, live BBC Two content, a TikTok backstage takeover, a surprise moment recapping Lenny's impact over the years, archive content and a film raising the curtain on Comic Relief's climate journey.

We appreciated support from major radio stations, *The One Show*, *BBC Breakfast*, CBBC, *Blue Peter* and CBeebies. *Morning Live* and Radio 1 raised over £1 million for Mollie King's Pedal Power Challenge, whilst our Arctic explorers brought in over £0.7 million. You can read more at: [comicrelief.com](https://comicrelief.com).

## Partnerships and collaboration

The BBC has hundreds of partnerships – small and large – ranging from international cultural institutions, industry bodies and universities, to charities, festivals, community groups, other media organisations and global tech companies.

Through collaboration, the BBC and its partners create ambitious content, achieving more than each organisation could alone and bringing value to audiences.

This year partnerships have played a key role in increasing accessibility to the screen industry; enabling homegrown storytelling by investing in British talent; and supporting the delivery of impartial, trustworthy reporting in the UK and around the world.

### Bringing people together

In May 2023, the Eurovision Song Contest Grand Final saw viewing figures hit a five-minute peak of 11 million, with an average of 9.9 million and share of 63% according to overnight data. Eurovision content on BBC Television from December 2022 to May 2023 had a reach of 26.3 million across UK audiences (based on three-minute reach).

The impact of the Eurovision Song Contest 2023 went well beyond the spectacular live shows. From Liverpool's extraordinary cultural, educational and community festivals to the wide range of additional content across the BBC, to EuroClub and the Eurovision Village, Eurovision 2023 proved that we can be 'United by Music'.

As host broadcaster, the BBC worked in collaboration with the Public Service Broadcaster UA:PBC of the 2022 winners Ukraine, the European Broadcasting Union, Liverpool City Council and the Liverpool City Region to create and deliver something truly special.

The cultural offer put Ukraine at its heart and the Contest's beating heart logo was designed through creative partnership between a UK and Ukrainian creative agency, put together by the BBC.

Eurovision boosted the Liverpool City Region economy by £54.8 million with restaurants, accommodation providers, shops, bars and transport networks all benefiting. It was not only of huge economic value to the host city but also boosted the pride of the people of the city in hosting the globe. Five in-depth independent evaluations studied the economic, cultural and wellbeing impacts of the event.

In total 473,000 people attended Eurovision events in the city, with 306,000 additional visitors heading to Liverpool to be part of the celebrations.

Eurovision 2023 did an outstanding job of shining a spotlight on the city of Liverpool, but its presence was also felt across the UK, with big outdoor screens and cinemas playing the competition so communities up and down the country could host their own parties.

### Investing in homegrown talent and creativity

The BBC has come together with the British Film Institute (BFI), national screen agencies, other broadcasters, talent unions and key players from the UK film and television sectors to tackle the systemic challenges to skills development in the industry. The Screen Sector Skills Task Force was convened by the BFI to agree a pan-sector strategy for skills development across the UK, aligned to the Government's ambition for £50 billion growth in the UK Creative Industries by 2030.

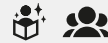
The UK is an innovative, world-leading centre for film and television production and although we are currently facing a tougher market than in recent years, there remains a major growth opportunity in the decade ahead. The Task Force recognises that a pan-sector commitment to prioritising skills are vital to unlocking this potential.

The BBC's partnership with National Film and Television School (NFTS) continues to go from strength to strength. At this year's BAFTAs, two of the first cohort of BBC scholars, Yasmin Afifi and Elizabeth Rufai won best British short film for *Jellyfish and Lobster*.

In October 2023, the BBC partnered with NFTS and Channel 4 to deliver two weeks of free online sessions aimed at freelancers working in both scripted and unscripted production.

## Case study:

### *Wild Isles*



Sir David Attenborough's *Wild Isles* was a major new landmark series which revealed the diverse wildlife and dramatic habitats that exist right on our doorstep in Britain and Ireland. Partnerships were fundamental to its creation and execution, extending the series beyond the linear broadcast.

Open University, WWF and RSPB were on board as co-producers and this new way of working helped to extend the series' reach through promotion on their platforms, to their memberships and audiences. RSPB, WWF and National Trust (with combined memberships of 6.8 million) commissioned a special documentary inspired by *Wild Isles* which was exclusively available on iPlayer as extra content. Open University created a map of the species found across the UK. WWF and RSPB ran a campaign to highlight nature loss and the actions that could be taken to remedy it.

Additionally, organisations such as Scouts, Girlguiding, Wildlife Trust and Woodland Trust all created *Wild Isles*-inspired content and activities for their memberships (which combine to total of around 2 million).

532 museums and galleries throughout the UK and Northern Ireland took part in 'The Wild Escape', encouraging children to create artwork inspired by their favourite animal in their local museum, led by Art Fund and supported by Arts Council England.

At grassroots level, the BBC convened a group of volunteer-led, diverse organisations to activate their audiences through a social media campaign.

In-depth audience research and polling suggested that there were strong, positive associations between watching the series and outcomes such as:

- an increase in awareness of the current state of nature in the UK
- additional visits to green spaces
- an increase in some pro-environmental behaviours, such as setting aside no mow areas, avoiding peat and planting

Some of these increases can be valued in line with Government guidance on self-reported wellbeing. At a UK societal level, the total value due to increased wellbeing associated with behaviours inspired by watching *Wild Isles* was estimated to be £134.7million.



## Partnerships and collaboration continued

The BBC and NFTS continued their valuable training for female self-shooters with courses run in Glasgow, Leeds, Cardiff and Belfast in 2023. NFTS also worked with the BBC Academy to deliver free Production Unlocked events in Glasgow, Cardiff, Birmingham and Bristol with a session due to take place in Newcastle in April.

The BBC partnered with Screen Alliance North (North East Screen, Liverpool Film Office, Screen Yorkshire and Screen Manchester) as part of the BBC's *Bring the Drama* Festival collaborating on a series of Connected Communities events across Hartlepool, Liverpool and Manchester in early 2024. The series of in-person and online events was aimed at increasing accessibility to the screen industry and improving working practices, encouraging a more diverse and inclusive workforce.

In further steps to make both our workplaces and content more inclusive, BBC Wales launched Talk Disability in partnership with Disability Wales. BBC Wales also worked with the Royal Welsh College of Music and Drama to launch the National Open Youth Orchestra Wales Training Centre, offering professional engagement opportunities for disabled young musicians.

Opening up the orchestral sector to new talent, the BBC Orchestras and Awards for Young Musicians are partnering on Exchange, a mentoring programme which aims to raise aspirations and address systemic barriers to careers in classical music by supporting talented young people from low-income families.

### Pursuing the truth

The Local News Partnerships is a collaboration between the BBC and the UK regional news industry to support public service reporting, sustain local democracy and improve skills in journalism. It supports the journalism of more than 200 regional media partners that are collectively responsible for in excess of 1,100 individual print, online and broadcast news brands across the UK. Over the past year the Local News Partnerships delivered in excess of 60,000 public interest stories via the Local Democracy Reporting Service to take the total number of stories published since launch of the service in 2018 to 400,000.

In addition, the Shared Data Unit, which delivers high quality investigative journalism to the partnership network and the BBC, delivered eight investigations across the past 12 months. Those stories, on topics ranging from the local authority debt mountain to the crisis in social care, were used by at least 350 external media partners and a host of BBC network and regional platforms.

Working in partnership with other broadcasters, BBC News continues to make an impact globally. BBC Media Action, the BBC's international charity, continued its work with local broadcasters in 24 countries, supporting public service media that contributes to development and democracy, including several women-led, women-focused radio stations in Afghanistan still operating despite increasing restrictions on women's rights, and public interest media partners in Ukraine that continue to adapt their work to remain on-air and deliver impartial, trustworthy information in wartime.

### Building commercial income

*Doctor Who* made an explosive return to TV screens as two giants of entertainment, the BBC and Disney Branded Television, came together to transform *Doctor Who* into a global franchise for UK audiences and the rest of the world.

Under a shared creative vision, they are delivering this quintessentially British show to new generations on an unprecedented scale as the new collaboration sees Disney+ become the exclusive home for new seasons of *Doctor Who* outside the UK and Ireland. The partners aligned under a bold vision from returning showrunner Russell T Davies, with the show produced in Wales by Bad Wolf with BBC Studios Production.

### Partnerships and collaborations across the BBC in 2023/24

| BBC Area                 | Number of Partners |
|--------------------------|--------------------|
| Content                  | 266                |
| Chief Operating Group    | 31                 |
| Corporate Affairs        | 7                  |
| Technology               | 45                 |
| News and Current Affairs | 5                  |
| Nations (total)          | 91                 |
| <i>England</i>           | 55                 |
| <i>Scotland</i>          | 16                 |
| <i>Wales</i>             | 9                  |
| <i>Northern Ireland</i>  | 2                  |
| <i>Nations (general)</i> | 9                  |
| <b>Total</b>             | <b>445</b>         |



## Case study: 500 Words



500 Words returned to the BBC in 2023 and the writing competition for 5 – 11-year-olds attracted over 44,000 entries.

Launched on World Book Day 2023 with a gala final broadcast on World Book Day 2024, the competition was delivered through BBC Education's BBC Teach platform, working alongside broadcast partners *BBC Breakfast* and *The One Show*.

The BBC also worked with a huge number of partners who offered their skills, expertise and creativity to enhance the scale and ambition of every aspect of the prestigious competition from story writing tips and inspiration to judging the shortlisted writers and providing prizes for the winners.

Children's creative writing submitted to the competition has also been analysed by Oxford University Press (OUP), who has partnered with BBC 500 Words for over ten years to produce a series of children's language reports.

The stories have been added to the Oxford Children's Corpus, one of the world's largest databases of children's written language in English, containing over half a billion words, and which is regularly used to inform OUP's wider language research.

BBC Commercial supports the BBC by generating income for the BBC Group. Its operations maximise the global value of the BBC’s intellectual property – its brands, storytelling and reportage – funding high-quality, distinctive content for UK audiences, whilst promoting BBC quality and creativity on the world stage.

BBC Commercial’s main commercial arm is BBC Studios, comprising the Content Studio, which makes and sells programmes to UK and international audiences, and Global Media & Streaming, a portfolio of linear channels, digital and direct-to-consumer services, which meets global audiences wherever they are.

BBC Studios plays a key role in supporting the new ‘A BBC for the Future’ strategy. BBC.com showcases the BBC’s pursuit for truth for global audiences without agenda, its production teams and labels tell award-winning British stories, and its Global Entertainment team brings people together, with live events like Eurovision, and compelling stories from much-loved brands like *Dancing with the Stars*.

This section sets out key milestones for the BBC’s commercial operations during the financial year, its performance against the BBC’s strategic goals, key content highlights in the UK and around the world, work on culture change and the outlook for the year ahead, including market conditions and forthcoming content.

The BBC’s Commercial Board oversees the delivery of the Corporation’s commercial ambitions. It reports to the BBC Board on the delivery of BBC Commercial’s objectives, in line with the BBC’s overall commercial strategy.

The Commercial Board is chaired by Sir Damon Buffini, Deputy Chair of the BBC Board, and comprises a majority of six non-executive members, alongside three executives.

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CEO review

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Strategic review

A humpback whale off the coast of Vancouver Island, *Planet Earth III*, made by BBC Studios’ Natural History Unit



# COMMERCIAL OPERATIONS

# BBC COMMERCIAL CHIEF EXECUTIVE OFFICER'S REVIEW



**“2023/24 was a year of significant investment in sustainable growth for BBC Commercial Group, achieving sales of £1.9 billion (2022/23: £2.1 billion) in a tough market.”**

We made a series of key strategic acquisitions: in streaming, most notably taking full ownership of fast-growing, profitable digital streaming service BritBox International, which creates and satisfies demand for British programming outside of the UK.

We also expanded our international production footprint with new acquisitions in Scandinavia, Spain and Australia shortly after the year-end.

We upgraded BBC.com and launched a new international app, streamlining access to BBC News content outside the UK; invested in existing services in UKTV's free streaming service, UKTV Play, increasing monetisable views by almost 50% in 2023; and created a new audio division after year end, opening up the commercial market for popular BBC radio formats.

A world-class content pipeline from our Content Studio included series two of *Time*, *Planet Earth III*, *The Famous Five*, *The 1% Club*, *Einstein and the Bomb*, Eurovision and the Coronation in the year.

We remained the most awarded UK producer, as well as the leading UK distributor.

*Bluey's* popularity soared globally as it became the second most streamed US show in any genre in 2023 according to Nielsen data, with the award-winning children's brand reaching audiences in 140 territories amidst the launch of a game, immersive experiences, books and other merchandise, boosting sales for consumer products.

*Doctor Who* celebrated its 60<sup>th</sup> anniversary with three one-off Christmas specials and the introduction of a new Doctor in Ncuti Gatwa, as the series debuted on Disney+.

Alongside the growth of its free streaming service, the UKTV network put in a strong performance, increasing its share of the commercial audience in a soft advertising market, whilst the number of international ad-funded (FAST) channels reached 36, including the BBC News Channel for the first time.

BBC Studios was included in the UK top 50 in Glassdoor's prestigious 'Best Places to Work' in 2024, and is the highest-ranking TV company in the list, demonstrating our focus on developing a strong, innovative culture which prioritises creativity as a key part of our strategy.

Looking ahead, our ambition is to double our 2021/22 sales and profits by 2027/28, and fulfil our mandate to deliver sustainable long-term value to the BBC and support its overall strategy of delivering value for UK audiences.

This goal is underpinned by our compelling and fast-growing pipeline of creative content, recent moves to consolidate our routes to market, and the continued execution of planned investments in growth.

**Tom Fussell**  
CEO, BBC Commercial  
10 July 2024



## Strategic review – BBC Commercial

### Financial review

Headline sales for BBC Commercial were £1.9 billion (2022/23: £2.1 billion), with EBITDA of £199 million (2022/23: £252 million). Statutory operating deficit is £56 million (2023: surplus £106 million).

BBC Studios, as the principal commercial arm, achieved sales of £1.8 billion (2022/23: £2.1 billion) against a backdrop of very challenging operating conditions, with softness in the commissioning and advertising sales markets, as well as the phasing of revenues from multi-year partnerships, which boosted 2022/23 sales, underpinning the year-on-year changes to headline financial figures. As a diversified global business with a strong pipeline of content and relationships with global brands like Disney, strong sales for UKTV and consumer products – particularly *Bluey* – were a highlight.

### Performance by line of business

|                          | Sales £m     |              | EBITDA £m  |            |
|--------------------------|--------------|--------------|------------|------------|
|                          | 2023/24      | 2022/23      | 2023/24    | 2022/23    |
| Content Studio           | 1,354        | 1,612        | 114        | 146        |
| Global Media & Streaming | 549          | 535          | 85         | 107        |
| Group adjustments        | (66)         | (57)         | 3          | (1)        |
| <b>Total BBC Studios</b> | <b>1,837</b> | <b>2,090</b> | <b>202</b> | <b>252</b> |
| <b>Total Commercial</b>  | <b>1,859</b> | <b>2,115</b> | <b>199</b> | <b>252</b> |

EBITDA is the non-statutory measure of financial performance that the Commercial Group uses to assess performance on a comparable basis year-on-year. It should not be regarded as the complete picture of the Commercial Groups financial performance, see Chief Operating Officer’s review for the reconciliation to the statutory operating deficit.

EBITDA of £202 million (2022/23: £252 million) for BBC Studios was lower year-on-year, reflecting the exceptional multi-year deals in the prior year mentioned above, and the softer advertising sales market. As signalled in the outlook to last year’s report, EBITDA was also lower after making strategic investments in the business to support long term sustainable growth, principally in UKTV Play and BBC.com.

There was a deemed gain on disposal of £202 million following the acquisition of the other 50% of BritBox International; this represents the change in accounting for the business as a subsidiary, rather than a joint venture, now it is wholly-owned.

### Content Studio

The Content Studio creates a wide range of high-quality content which is loved by audiences all over the world, informing, educating and bringing people together.

It encompasses programming made across the Scripted, Factual, Global Entertainment and Kids & Family genres; global franchises, including *Dancing With The Stars*, *Doctor Who* and *Bluey*; and production bases around the world, for a wide range of global customers, as well as financing, distributing and licensing content and formats on a global basis.

Seven of the top ten performing shows in the UK across 2023 were made by BBC Studios. These included the Coronation of His Majesty The King and Her Majesty The Queen Consort, with the service watched by an average audience of 14.6 million, the *Coronation Concert* and the Eurovision Song Contest, for which the BBC was the host UK broadcaster.

The most-awarded UK production company, the business won 123 awards and 401 nominations for creativity and craft. It was the top UK distributor in 2023’s Broadcast survey, accounting for 42% of all UK TV exports globally, according to Pact, with landmark natural history programming dominating the top five programmes in terms of content sales in the financial year.

### The cornerstone of creativity at the BBC

For the BBC, content highlights reaching audiences in the year included the third series of factual landmark *Planet Earth*, which was seen in over 100 territories around the world, while just before year end, *Mammals* aired on BBC One.

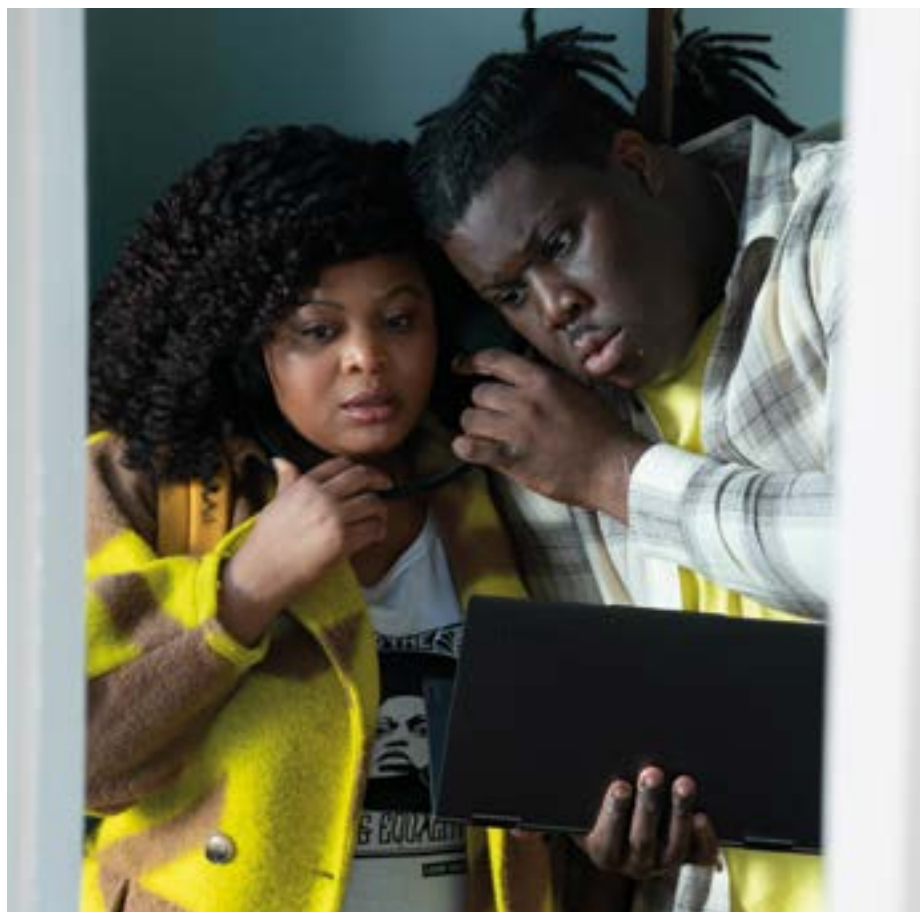
BBC Studios’ Documentary Unit made *Sarah Everard: The Search for Justice*, looking at the Met Police’s handling of the case, and ghost hunt documentary series *Uncanny*, which saw host Danny Robins examine real-life stories of encounters with the supernatural, following the successful BBC Radio 4 podcast of the same name.

During the year, the organisation merged three areas of its formats business to create a new Global Entertainment division, comprising BBC Studios’ popular formats and brands in the UK and internationally, through its network of production bases in the US, France, Germany, the Nordics, Spain, India, Australia, and South Africa.

Global Entertainment also includes BBC Studios’ specialist Live Events teams, which had a busy year, leading on the Coronation and Concert, Eurovision and live coverage of Glastonbury, culminating in Elton John’s last ever UK live appearance, with the Festival’s biggest-ever overnight audience, and a peak of 7.6 million on BBC One.

In scripted, the second series of Jimmy McGovern’s *Time*, made by BBC Studios for BBC One, saw Bella Ramsey, Jodie Whittaker and Tamara Lawrance taking on the British legal system and winning critical acclaim.

Cop comedy *Black Ops*, from BBC Studios Comedy Productions for BBC One, immediately won awards, whilst *Here We Go*, starring Alison Steadman and Katherine Parkinson, returned for a second season and a Christmas special on BBC One. Behind the scenes, as part of a BBC Studios-wide initiative to decarbonise power solutions, the production team trialled hybrid battery power, which provided learnings for other scripted productions.



Gbemisola Ikumelo and Hammed Animashaun in BAFTA Award-winning *Black Ops*

## Commercial operations

### Strategic review – BBC Commercial continued



*The Famous Five* from Moonage Pictures, a BBC Studios Invested Indie

It was a particularly strong year for Kids & Family. As well as the success of *Bluey*, *Blue Peter* celebrated its 65th anniversary in October 2023, alongside 60 years of its coveted badge. A special version of *Twelfth Night* was recorded for CBeebies at Shakespeare's Globe as part of a drive to make Shakespeare accessible for all, airing just before year end, whilst coming-of-age drama *Phoenix Rise* was immediately recommissioned once it aired on iPlayer in 2023.

#### Compelling content for global audiences

A core part of the remit for the Content Studio is meeting international demand for content with the BBC's high standards of creativity and quality, and representing homegrown talent and storytelling to audiences around the world, through its distribution of formats, finished programmes and local production bases.

Whilst the BBC remains the largest single commissioner of its content in 2023/24, 72% of BBC Studios' Content Studio sales came from non-BBC commissions. During the last financial year, the Content Studio made programmes for Netflix, Amazon Prime Video, Disney+ and many local and regional media partners, including ABC, NBC, National Geographic, and ZDF.

In scripted, BBC Studios Production Labels Clerkenwell Films produced *Truelove* for Channel 4, a drama about ageing and assisted suicide starring Lindsay Duncan; Sid Gentle made the second series of superhero comedy *Extraordinary* for Disney+; Lookout Point created adventure series *Renegade Nell*, written by Sally Wainwright, also for Disney+, whilst Invested Indie Moonage Pictures created Guy Ritchie's series *The Gentlemen*, which was Netflix's biggest global title in March 2024.

Airing in the year was the second series of the multi-award-winning epic dinosaur landmark *Prehistoric Planet* for Apple TV+, from the BBC Studios' Natural History Unit. BBC Studios' Science Unit made docudrama *Einstein and the Bomb* for Netflix, using archival footage and Einstein's own words to explore the scientist's relationship with Hitler, Germany and the atom bomb.

Documentary *Wrestlers*, made by BBC Studios' LA Productions for Netflix, has been nominated for a BANFF Rockie Award and Independent Spirit Award. The latest series of multiple-E Emmy-award-winning show *Life Below Zero* aired on National Geographic and Disney+ in autumn 2023.

BBC Studios Productions India created *Wedding.con* for Amazon Prime Video, highlighting real-life stories of brides defrauded by the matchmaking industry, and in Australia, BBC Studios is producing or co-producing *Top Gear* for Paramount+, *The Office* for Prime Video, *Return to Paradise* – a local spin-off of *Death in Paradise* for The ABC and *Ray Martin: The Last Goodbye* for SBS.

The US version of *Ghosts* for CBS, produced by BBC Studios' LA Productions and Lionsgate, became the number one new broadcast comedy in the US when it launched in 2021 and has been recommissioned for a fourth season. Unusually for the US and UK versions, *Ghosts* aired back-to-back in both the US and UK through a deal between CBS and BBC Studios, with both series enjoying success on BBC iPlayer in the UK.

BBC Studios expanded its relationship with ZDF on drama, co-producing premium drama feature film adaptation of *The Famous Five* and securing pre-sales for the show, as well as renewing factual partnerships with ZDF and others, to help support current and future natural history and science landmarks.

The Content Studio's international suite of blue-chip brands performed well. Smash hit *Bluey* led the growth in sales for consumer products as its popularity increases globally. The show is now broadcasting and streaming in 140 countries, with licensed products now available in over 50 countries.

*Bluey* has won multiple awards, including a BAFTA, an Emmy and the Australian Academy of Cinema and Television Arts (AACTA), for Best Children's Programme for the last five times.

# No.1 kids show

on US and Australian TV is *Bluey*

# 140

countries worldwide have aired *Bluey*

High-profile activity for the brand included a second appearance at the Macy's Thanksgiving Parade; the launch of *Bluey* the video game on all major gaming platforms; an immersive recreation of *Bluey's* Queensland home in LA and Chicago, which was partner CAMP's fastest selling experience ever; *Bluey's* Big Play stage show is touring the UK and Ireland until September 2024 and expanding into Europe as well as Abu Dhabi and Singapore; and *Bluey's* World immersive experience will open in Brisbane in November 2024.

Meanwhile, the *Bluey* Book Reads series, featuring Kylie and Dannii Minogue, Tom Daley and Romesh Ranganathan, has been viewed over 17 million times on the *Bluey* YouTube channel since launch in February 2024.

For the Earth brand, alongside the success of the launch of *Planet Earth III* in China, there was a BBC Earth Life at Extremes photo exhibition in Shenzhen. In the UK, the immersive BBC Earth Experience, allowed audiences of all ages to experience the natural world in a new and unique way.

**Smash hit *Bluey* is now broadcasting and streaming in 140 countries, with licensed products now available in over 50 countries.**

Opening in London in 2023, it won PETA's Best Experience award and was awarded Gold by the Muse Design Awards 2024, before moving to Melbourne later that year. Minecraft Education launched a *Planet Earth III* world, and later in 2024 there will be a series of live concerts based on *Planet Earth III* at Wembley in London and Manchester.

*Doctor Who* celebrated its 60th anniversary in style, with three one-off specials reuniting David Tennant and Catherine Tate, and partnerships with British Airways. As the series debuted on Disney+, Ncuti Gatwa was welcomed as a brand-new Doctor, with a Christmas special which was the most-watched scripted show on Christmas Day in the UK.

Elsewhere for the brand, the touring educational exhibition, 'Doctor Who: Worlds of Wonder', featuring eight immersive zones combining the worlds and characters from the series with real life science, opened in the UK and moves to New Zealand later in 2024.

The popularity of *Dancing with the Stars* franchise continues, with the UK series (known as *Strictly Come Dancing*) celebrating its 20th anniversary in May 2024, and more than 60 licences worldwide. The world's largest motoring media brand *Top Gear* had a total of 515 million views across social media in 2023, and has been broadcast in 150 territories with 11 local formats created, including Australia, America, Finland and France, over the brand's lifetime.

In November last year, the BBC decided to rest the UK version of *Top Gear* for the foreseeable future. All other *Top Gear* activity remains unaffected by this hiatus including international formats, digital, magazines and licensing.

In formats, during the financial year, BBC Studios' new quiz show *The 1% Club* hit ten territories, with versions in France, Germany and Australia made by BBC Studios Productions locally. The UK version, made by a third party for ITV, has been a success and commissioned for a fourth series.

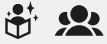


Multiple award-winning *Bluey*, produced by Ludo Studio

## Commercial operations

### Strategic review – BBC Commercial continued

## Case study: Investing in the next generation of talent



BBC Studios has a wide range of initiatives to support and develop rising talent within the industry, ranging from apprenticeships to writers' schemes.

The flagship one-year Assistant Producer Accelerator programme supports mid-level talent across the UK from a broad range of backgrounds, with more than forty individuals through the doors and making their mark in the industry, with three graduates chosen as Broadcast Magazine's Hot Shots, and two selected to be part of the 2023 Edinburgh TV Festival's One to Watch. Scripted training programmes include the Writer Spotlight scheme for both comedy and drama writers; Writers Studio: Soap (*EastEnders* and *Casualty*); and Writers Studio: Cosy Crime for BBC Studios Drama Productions, as well as the new River City Training Academy, created in partnership with Screen Scotland.

BBC Studios TalentWorks Creators in Residence offers emerging talent paid placements with BBC Studios production units and labels and partner indies. Four new Creators in Residence were announced in October, including placements in BBC Studios Productions Factual Entertainment, BBC Studios Productions Kids & Family, Clerkenwell Films and Voltage TV, whilst 40 Early Careers apprentices joined in September 2023 and 2024 to undertake paid apprenticeships in both production and head office.

Project Songbird – the Natural History Unit's (NHU) £1 million investment over three years to nurture, diversify and attract new production talent across the world – created fully-funded scholarships for international students taking the University of West England's (UWE Bristol) Wildlife Filmmaking MA in Bristol, building on a successful 12-year collaboration.



### Investing in global creative talent

As part of its overall strategy of investing in sustainable growth, the Content Studio is expanding its global production capabilities to work hand in hand with a wide range of creative expertise in territories around the world, helping to build the next generation of hit shows for partners and global audiences.

During the year, the business made three strategic acquisitions outside the UK to build on its network of production bases. In response to the growing appetite for BBC content in Scandinavia, in June 2023 the business bought award-winning factual entertainment and scripted production company STV, to create a significant regional production base, with the company subsequently rebranding as BBC Studios Nordic Productions.

Just before year end, the acquisition of Spanish TV and film production company Brutal Media by BBC Studios' Global Entertainment production network was announced, completing after the year-end. The new label will continue to develop and market its slate of original ideas in Spain, as well as producing local adaptations of the unscripted and scripted formats in the BBC Studios catalogue.

Similarly, the acquisition of Australian scripted specialists Werner Film Productions – home of the award-winning *The Newsreader* and Netflix's top ten teen surfing drama *Surviving Summer* – was confirmed in March 2024, completing after the year-end, a significant investment in the thriving creative industries in the region.

In the UK, the Content Studio also bought 25% of a new unscripted formats indie Mettlemouse, led by ex-Lime Pictures executive Sarah Tyekiff, and signed a development deal with award-winning factual and investigations indie Forest, headed up by Jeremy Lee and Mobeen Azhar. It launched a new BBC Studios Drama Productions label called River Pictures, based in both Liverpool and London.

## 2nd

most-streamed US programme in any genre is *Bluey*

## 3.5 million

spectators and 50 million viewers watched *Bluey* participate in the 2023 Macy's Thanksgiving Day Parade



## Case study: A new BBC.com



In an age of disinformation, the need for impartial and trusted news with no agenda has never been greater. In November 2023, BBC Studios launched an upgraded BBC.com and BBC app in the US, which was rolled out worldwide in March 2024. The revamp of the website seeks to transform the way audiences outside the UK access the BBC's trusted news and factual content.

With a new homepage, new sections, more video, more live coverage, and new newsletters, the website and app now create a consistent, unified experience for visitors and a more premium and sustainable commercial offering for advertising partners.

Following an intensive, three-year collaboration with teams across the public service and commercial parts of the BBC Group to create a streamlined product ready for future developments, there has been an immediate increase in visits to the site, particularly in the key North America market where weekly unique visitors have increased by 7%. Global downloads of the new BBC app have reached 350,000 downloads, whilst the number of BBC.com registrations has almost doubled.

### World-class production facilities

2023/24 was a challenging year for production facilities, with a slowdown in new commissions as well as pauses for established shows. Whilst this was offset in part by stronger performances for drama productions and new business initiatives at BBC Studioworks, a commercial subsidiary of the BBC providing studios and post-production services to all the major TV broadcasters and production companies, there was a direct impact on both sales and profit, and the business undertook a restructuring, which completed after year end.

Clients with content at the heart of UK television schedules included *EastEnders*, *Loose Women*, *Lorraine*, and *This Morning*, alongside *The Graham Norton Show* and *Saturday Night Takeaway*. New productions included the ePremier league with Whisper.

Beyond the stage, BBC Studioworks gained post-production credits on *EastEnders* and *Strictly Come Dancing*. For the second year running, Television Centre Studio achieved a 'Very Good' rating in the BAFTA Albert Studio Sustainability Standard Scheme in 2023/24, alongside the Kelvin Hall Studio in Glasgow. Investment was made in nurturing local talent and fostering community engagement through educational outreach programmes, creating new entry points into the industry for aspiring professionals.

### Global Media & Streaming

Global Media & Streaming includes all channels, streaming, digital and direct-to-consumer services: UK broadcaster UKTV, international BBC-branded channels operated by BBC Studios, BritBox International, BBC.com and other streaming activities.

UKTV broke records whilst building its free streaming service UKTV Play, with views up by 56% and key user statistics up year-on-year across every month in 2023 with titles such as *Annika*, *Sister Boniface Mysteries*, *Signora Volpe*, and *Bangers and Cash: Restoring Classics*, helping to drive growth. The network also increased its share of broadcaster viewing for the seven-channel network to nearly 5%, and its share of commercial impacts or SOCI grew to the highest ever level at 8.81%.

In the year, UKTV launched four FAST (free ad-supported streaming TV) channels. UKTV Play Heroes, UKTV Play Laughs, UKTV Play Full Throttle and UKTV Play Uncovered are now available on Samsung TV Plus, Amazon Freevee, Pluto TV and Virgin Media. Later in 2024, UKTV Play will transition to U, and the business' free-to-air linear channels will become U&Dave, U&DRAMA, U&W and U&YESTERDAY.

In October 2023, UKTV announced plans to dedicate £1 million worth of airtime to encourage viewers to make more sustainable lifestyle choices in the year-long Everyday Sustainability campaign, conceived with international climate action NGO WRAP, with analysis showing the campaign is encouraging audiences to change behaviour.

BBC Studios is actively investing in both existing and new digital and direct-to-consumer services, and in a strategically significant deal announced just before year end, the business took full ownership of BritBox International, buying ITV's 50% share for £272 million.

Having launched the service seven years ago, BritBox International is now the leading British specialist streaming service, delivering high-quality content to North America and select markets, with 3.8 million subscribers globally. Full ownership fits with BBC Studios' strategy of investing in sustainable growth, and the service is profitable with opportunity for future expansion.

BBC.com, BBC Studios' global digital news platform, reaches an average of 120 million users globally each month. After significant investment the website and the BBC app relaunched globally to offer more localised and personalised reporting, increased feature content and new partnership capabilities to build a stronger relationship with both readers and commercial partners (see case study). BBC Select, the BBC's premium ad-free documentary streaming service in North America grew its subscriber base by 40% across the year.

Internationally, the number of FAST channels run by the business increased to 36, with key launches including the BBC News Channel in the US at year end, which more than doubled the channel's total audience reach in the market. The Top Gear FAST channel launched across Spain, the Nordics Germany, Austria, Switzerland, France, and Italy (with Pluto TV), the Middle East (with MBC) and The Netherlands, Luxembourg and Belgium (with Samsung).

New linear channel BBC Nordics – which combines BBC Brit and BBC Earth alongside new lifestyle content – and complementary on-demand service Nordics+ launched in the territory in April 2023, a new five-year carriage deal with Multichoice in South Africa for linear channels and an ad-sales agreement with Talpa in the Netherlands was renewed.

Meanwhile, after selected BBC factual, entertainment and drama audio production moved to BBC Studios at year end, the business is creating a thriving multi-genre audio operation which will continue to make high quality programming for BBC audiences, as well as the global audio market, building on successful relationships in place with Audible and Spotify.

BBC Podcast Premium, an audio service available in more than 160 countries, launched on Apple Podcasts and Amazon Music, making BBC podcasts – including the popular *Americast* and the BBC Global News podcast – available outside the UK for the first time.

## Commercial operations

### Strategic review – BBC Commercial continued

#### Culture

Developing a strong, high-performance culture where the best ideas can flourish is key to long-term sustainable growth for the business, and the focus of the Empower People plan is on five key areas: lead, grow, simplify, belong and thrive. It prioritises active learning and career development, inclusion and fairness throughout recruitment and employment, and the simplification of everyday processes to create the best possible conditions for success.

This work is gaining recognition. In early 2024, BBC Studios was named in the Glassdoor top 50 Best Places to Work – the only TV company to appear in the list – with 89% of staff saying they are proud to work for BBC Studios, whilst 85% recommend the company as a great place to work in the most recent staff survey.

There is a raft of talent and craft development initiatives now in place, including the Assistant Producer Accelerator programme, which offers one-year training contracts within BBC Studios Productions (see case study), whilst BBC Studios Productions' Inclusion Rider ensures that a minimum of 20% of on-screen talent and production teams on all new commissions come from a diverse ethnic heritage background, have a lived experience of a disability, or are from a low-income background. The Pledge ensures leaders are accountable for ensuring a safe and inclusive production environment for all. This approach, to encourage and support programme-making teams to call out behaviour and shift the culture in the industry, was incorporated by the London Screen Academy (LSA), a specialist training college for those embarking on a career in film or TV, which has modelled its LSA Pledge on the initiative.

BBC Studios is the most transparent organisation in the UK media sector for voluntarily disclosing the pay gaps for protected characteristics: gender, ethnicity, disability and LGBTQ+, and from 2024, for lower socio-economic backgrounds.

The business continues to put sustainability at the heart of everything it does and is a world leader in operating sustainably both on- and off-screen.

Work continues across travel, waste, buildings and working with BBC Studios' suppliers and licensees to drive sustainable change across the business. It supports the delivery of the BBC Group's Net Zero strategy, underpinned by science.

In 2023/24, 98% of BBC Studios' UK productions were on track to receive BAFTA albert certification, with some, such as Eurovision, pioneering new solutions for the industry. Climate change and biodiversity references appeared in *Rip Off Britain*; *Silent Witness*; *Father Brown*; *JoJo and GranGran*; and in a nature sequence in the *Coronation Concert*. BBC Studios continues to work with BAFTA albert to support the industry's sustainable transition.

#### Outlook

Looking ahead, the external trading conditions continue to be challenging, in part due to slower commissioning demand and ongoing uncertainty in the advertising markets.

Forthcoming content highlights include the Natural History Unit's *Asia*, telling the story of the biggest continent on Earth through its wildlife and landscapes, as well as *Solar System*, made by the Science Unit in a co-production with PBS, shedding light on the latest knowledge about the planets and moons orbiting around Earth.



The *Coronation Concert* held in the grounds of Windsor Castle

In scripted, BBC Studios Production Label Firebird Pictures made *The Jetty*, a new thriller from writer Cat Jones starring Jenna Coleman, whilst Clerkenwell Films, also a Production Label, made the successful *Baby Reindeer* for Netflix. Six-part mystery thriller series *A Good Girl's Guide To Murder*, made by BBC Studios Invested Indie Moonage and based on Holly Jackson's young adult novels, aired on BBC Three and Netflix after year end. BBC Studios Drama Productions Label River Pictures brings *Kidnapped: The Chloe Ayling Story*, a six-part factual drama written by *Killing Eve*'s Georgia Lester to the screen, that follows the true story of Chloe's abduction in Italy in 2017, and there is a forthcoming second series of House Productions' *Sherwood*, and the ninth and final series of *Inside No.9* from BBC Studios Comedy Productions aired after year end.

There is also new comedy series *Spent*, made by BBC Studios Invested Indie Various Artists Ltd for BBC Two, written by and starring Michelle de Swarte, whilst new comedy drama starring Hugh Bonneville from Steven Moffat, *Douglas is Cancelled*, made by Hartswood Films for ITVX, will be distributed internationally by BBC Studios.

The advertising market continues to be challenging for Global Media & Streaming, though a solid portfolio of channels in territories favouring linear, alongside a wholly-owned BritBox International and UKTV's growth in both linear share and catchup audiences positions the business for sustainable, organic growth.

The business has secured favourable long-term financing facilities to enable it to borrow to support this growth, which will include selective acquisitions which fit with the business' values and culture, the ongoing expansion of data-led direct-to-consumer services as well as production operations, as part of the ambition to double the business by 2027/28 and deliver long-term sustainable returns to the BBC.



BAFTA Award-winning *Inside No. 9*, made by BBC Studios Comedy Productions

This section looks in detail at the role of the BBC Board and includes reports from the Board’s delegated sub-committees. The section also includes detail on our overall approach to corporate governance, our regulatory position and affirmation of the Board’s duties in relation to the Annual Report.

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BBC Board

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Remuneration report

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Pay disclosures

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Audit and Risk Committee report

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Commercial Board report

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Editorial Guidelines and Standards Committee report

BBC Cymru Wales New Broadcasting House in Cardiff



# GOVERNANCE

# INTRODUCING OUR BOARD



**Dr Samir Shah CBE**  
Chairman



**Tim Davie CBE**  
Director-General  
and Editor-in-Chief



**Shumeet Banerji**  
Non-executive  
director



**Sir Damon Buffini**  
Deputy Chair



**Sir Robbie Gibb**  
Non-executive  
director  
Member for England



**Muriel Gray**  
Non-executive  
director  
Member for Scotland



**Chris Jones**  
Non-executive  
director



**Charlotte Moore**  
Chief Content  
Officer



**Michael Plaut OBE**  
Non-executive  
director  
Member for Wales



**Sir Nicholas Serota  
CH**  
Senior  
Independent  
Director



**Michael Smyth CBE  
KC (Hon)**  
Non-executive  
director  
Member for  
Northern Ireland



**Marinella Soldi**  
Non-executive  
director



**Leigh Tavaziva**  
Chief Operating  
Officer



**Deborah Turness**  
CEO, BBC News  
and Current Affairs

The Board is constituted under the terms of the BBC's Royal Charter and Agreement. It is responsible for ensuring the BBC fulfils its mission and public purposes, as set out in the Charter and Agreement.

The Charter sets out the Board's responsibilities, its membership and the requirement for a number of Committees to support its work. The Board is responsible for the proper, effective and independent exercise of all the functions of the BBC. It sets the strategic direction for the corporation and approves the creative remit and the budgets for the BBC's services.

The Board is chaired by Samir Shah and consists of up to ten non-executive directors – including the Chairman – and four executive directors, including the Director-General. The Chairman and the four nations' non-executive directors are appointed by HM The King, on the recommendation of Ministers across the UK. The remainder of the Board are appointed by the BBC, through the Board's Nominations and Governance Committee. The non-executive members are considered to be independent for the purposes of good corporate governance.

All directors have access to the advice of the Company Secretary, Phil Harrold, who is responsible for advising the board on all governance matters.

Full biographies of all Board members, including their other roles, can be found on the BBC's website: [bbc.com/aboutthebbc/whoweare/bbcboard](https://www.bbc.com/aboutthebbc/whoweare/bbcboard).

The Board delegates some of its responsibilities to a number of subcommittees. It is required to have a Remuneration Committee, a Nominations and Governance Committee and an Audit and Risk Committee. The work of these committees is complemented by the work of a number of other committees, established by the Board – these include the Fair Trading Committee, the Editorial Guidelines and Standards Committee, and committees for each of the four nations of the UK. The Commercial Board oversees the BBC's commercial subsidiaries on behalf of the Board.

This section includes reports from those committees, which are chaired by and predominantly made up of non-executive directors, as required by the Charter. These pages show the membership of the Board as at 10 July 2024, when this report was signed.

During the year, there have been a number of changes to Board membership. Ian Hargreaves left the Board at the end of his term of appointment, on 2 April 2023. Shirley Garrood also left the Board at the end of her term of appointment, on

2 July 2023. Richard Sharp resigned from the Board on 28 April 2023 and left the Board on 27 June. Elan Closs Stephens took on the role of Acting Chair at that point.

Michael Smyth was appointed to the Board as member for Northern Ireland on 20 July 2023 and Chris Jones was appointed as non-executive director and Chair of the Audit and Risk Committee on 24 July. Marinella Soldi was appointed to the Board on 11 September 2023.

Samir Shah was appointed as Chair of the Board in February 2024, following a process led by the Secretary of State for Culture, Media and Sport. He took up the role on 4 March 2024, at which point Elan Closs Stephens stepped down from the roles of Acting Chair and member for Wales and left the Board.

After the conclusion of the financial year, Robbie Gibb was appointed for a second term on 7 May 2024 and Michael Plaut was appointed as the member for Wales, joining the Board from 1 June 2024.

Detail on members' attendance at Board and sub-committee meetings is set out on page 103.



# Our governance structure

## BBC's commercial operations

### Structure of the BBC in 2023/24



## Governance

### Corporate compliance and governance report

#### We comply with corporate governance best practice

The BBC's corporate governance framework is defined in its Charter and the accompanying Framework Agreement. The Charter and Agreement can be found on the BBC website at [bbc.com/aboutthebbc/governance/charter](https://www.bbc.com/aboutthebbc/governance/charter).

The Charter requires the BBC to have regard to generally accepted principles of good corporate governance. Although the BBC is not a listed company, it has opted to apply best practice and follow the provisions of the Financial Conduct Authority's Listing Rules and the UK Corporate Governance Code 2018 ("the Code"), where appropriate. This delivers the governance standards applicable to companies quoted on an EU-regulated stock market.

#### Board effectiveness and review

During 2023, an external Board Effectiveness Review was conducted, which focused specifically this year on a review of the Board's Committees. The review was conducted by Christopher Saul Associates during early 2023 and included interviews with Board members and key stakeholders, a questionnaire on Board performance and a skills stocktake of all members. The review was presented to the Board in April 2023, with further discussion on the findings in September 2023.

The review considered ways in which the Committees of the Board could be used to lighten the pressure on Board agendas. Overall, whilst the review did not identify material agenda topics which could readily be moved to the Committees, it was agreed there was merit in making some changes to Committee roles which would share the overall workload more evenly and bring additional focus to certain topics.

In October 2023, the Board agreed a set of actions arising from the recommendations of the review, which included:

- the introduction of additional creative discussion and engagement in the Board's meetings;
- to increase the number of additional ad hoc briefing sessions on key topics offered to Board members;
- the introduction of a fourth annual meeting of the Nation Committees, formed as a joint session between all the Committees to enable discussion and sharing of best practice across the areas;
- to extend the remit of the Nominations and Governance Committee to include wider governance matters and Board succession planning;
- to extend the remit of the Remuneration Committee to focus on wider people and talent topics, including the BBC's Diversity and Inclusion commitments; and

- to consider the best way to balance the workload of the Audit and Risk Committee (ARC) and the Fair Trading Committee (FTC), given pressure on agendas and also given the time commitment required of non-executive directors.

Each of these recommendations was actioned during the year, and the Board considered a proposal in June 2024 to consolidate the functions of the Fair Trading Committee with the Audit and Risk Committee. This plan will be finalised and put into place following engagement with stakeholders during the summer of 2024.

#### Corporate Code provisions

There are a number of components of the Code that are either not appropriate to the circumstances of the BBC or are overridden by compliance with the BBC's Charter or Agreement.

This relates to:

- provision 3, 4, 36 and 37, relating to engagement with shareholders and alignment to their interests which, given that the BBC does not have shareholders in the same way as a company, does not apply. However, the BBC does have a wide range of measures in place to ensure engagement with external stakeholders and the public (see page 48 for more information on how we do this)
- provision 5, matters set out in section 172 of the Companies Act 2006, which is relevant to companies only and overridden by the public purposes of the BBC as described in the Charter
- provision 18, membership of the Board, which is governed by the articles of the Charter, along with provisions 33 and 34, where pay for the Chair and non-executive directors is set by the Secretary of State for Culture, Media and Sport
- provision 25 and 26, approach taken to the appointment or reappointment of the external auditor, which is governed and determined by clause 55 of the Agreement

In addition, external remuneration advisors were appointed to the Remuneration Committee in 2022/23, given that the Chair of the committee had not previously served for 12 months on such a Committee.

However, the BBC has fully complied with the corporate governance requirements of the Charter and Agreement and has also fully complied with the remaining elements of the Code.

#### Cost of compliance

In order to ensure that we complied with all relevant legislation that the BBC is subject to as a broadcaster and a public body, in 2023/24 we incurred compliance costs estimated at £20 million (2022/23: £19 million). This figure includes the BBC's £9 million fee to Ofcom.

#### Regularity

The management of all of the BBC's resources must accord with the provisions of the Charter, Framework Agreement and other agreements the BBC enters into with Government Ministers. Transactions that meet the intended purposes and are in line with relevant authorities are considered to be 'regular'; those that do not meet these criteria are considered 'irregular'. Fraudulent transactions and fines or penalties are treated as 'irregular'. In addition to the National Audit Office's review of regularity (as external auditors, on behalf of the Comptroller and Auditor General), Internal Audit conducted a review of the BBC's regularity compliance framework, including the processes, controls and assurance mechanisms in place to manage the regularity risk in areas assessed as being at greatest risk of irregularity. The scope of the review considered the appropriate use of licence fee money, the assessment of material changes, operating within borrowing limits and the risk of fraud. No material exceptions were identified as a result of this review and management are not aware of any transactions that could be considered as irregular.

The UK Competition and Markets Authority (CMA) currently has two open investigations covering BBC purchasing activities. The BBC is cooperating with the CMA's enquiries on both investigations. Further details are provided in note H4 on page 243.

## Executive Committee

The Director-General chairs an Executive Committee, which is responsible for the day-to-day running of the BBC.

The Executive Committee is responsible for delivering the BBC's services, in accordance with the strategy agreed by the Board and for all aspects of operational management.

The Executive Committee meets regularly and oversees key strategic projects and proposals of importance to the whole organisation. It takes regular reports on audience and financial performance, as well as maintaining oversight of pan-BBC policy and operational issues. Information on the remuneration arrangements of the Executive Committee in 2023/24 can be found in the Remuneration report on page 93.

There have been no changes in the membership of the Committee during the year.

Full details on the membership of the Executive Committee can be found at: [bbc.com/aboutthebbc/whoweare/exco](https://bbc.com/aboutthebbc/whoweare/exco). These pages show the membership of the Executive Committee as at July 2024.



**Tim Davie CBE**  
Director-General and Editor-in-Chief



**Kerris Bright**  
Chief Customer Officer



**Alan Dickson**  
Chief Financial Officer



**Tom Fussell**  
CEO, BBC Studios



**Alice Macandrew**  
Group Corporate Affairs Director



**Charlotte Moore**  
Chief Content Officer



**Uzair Qadeer**  
Chief People Officer



**Gautam Rangarajan**  
Group Director of Strategy and Performance



**Rhodri Talfan Davies**  
Director, Nations



**Leigh Tavaziva**  
Chief Operating Officer



**Deborah Turness**  
CEO, BBC News and Current Affairs

### Next Generation Committee

The BBC Next Generation Committee (NGC) was established by the Director-General in late 2017 with the purpose of advising the BBC Executive Committee and Senior Leaders and ensuring younger people's voices and ideas are heard at executive level. The NGC is composed of 15-20 younger members of staff from across the organisation for a period of 12-18 months. In 2023/24, the Committee developed proposals on improving audience data literacy in content teams, expanding the BBC's online gaming offer, and developing the internal structures for staff communication and teamwork.

Committee members also fed into discussions relating to John Hardie's review into social media guidelines, consulted on the work into non-editorial complaints, and engaged with internal content reviews.

### The members for 2023/24 are:

**Zara Tso (Co-Chair)**  
*Assistant Commissioner, BBC Radio 1 and 1Xtra*

**Oscar Thewlis (Co-Chair)**  
*Senior Data Scientist, HR Business Intelligence*

**Joel Mitchell**  
*Senior Producer, BBC Radio 5 live and Presenter/Producer, BBC Local*

**Shanequa Paris**  
*Senior Journalist, Newsround*

**Mairead Anderson**  
*Social Media Executive, BBC Three*

**Laura Bankart**  
*Senior M&A Planner, News and Sport*

**Lizzie Halliwell**  
*Journalist, BBC Radio 5 live Breakfast*

**Sebastian Ward**  
*Engineer, Research and Development*

**Grace Jasper**  
*Audience Research Manager, BBC Radio*

**Lucy Fleming**  
*Creative Marketing, Northern Ireland*

**Carmella Osborne-Brown**  
*Senior Planner, TV Social*

**Lynne Egwuekwe**  
*Design Researcher, News, Sport Live and Weather*

**Maria Zaccaro**  
*Senior Journalist, BBC South Investigates*

**Rob Makepeace**  
*Sports Journalist, BBC Radio Lincolnshire*

**Hannah Gelbart**  
*Lead Presenter, Global Youth Podcast: What in the World*

**Shazia Ali**  
*Journalist, BBC Wales*

## Governance

### Remuneration report

I am pleased to present the report of the Remuneration Committee for 2023/24, which sets out information on Board and executive remuneration. It also includes the report on pay disclosures required in the BBC's Charter, which is reviewed and approved by the Committee.

During the year, the Remuneration Committee met five times, and we also met with the Executive offline as necessary. I was joined by Muriel Gray and Damon Buffini as Committee members. Damon joined us formally in September 2023 and brings important insight to our work in his role as Chair of the Commercial Board. Richard Sharp left the Committee when he stepped down from the Board in June 2023.

Our work has been supported by Uzair Qadeer, Group Chief People Officer, the HR and Reward teams in BBC Public Service and Commercial organisations, as well as by the input of PwC, acting as independent remuneration advisers to the Committee. I thank them all for their support during the year.

We approved the latest three-year reward strategy in May 2023, which included updated pay principles that are simpler, more compelling, and more relevant to the current organisational context and ambition. The new reward principles are Fair, Clear and Competitive and are set out in more detail on page 89.

Executive Committee pay was reviewed in August 2023 and increases were agreed in line with our wider senior leader pay management approach reflecting individual contribution and position against external benchmarking. The investment in executive pay was lower as a percentage than that invested in the wider employee population.

In respect of BBC Studios, the Committee approved the following items during the year:

- The outturn under the 2022/23 Studios Company Bonus plan, reflecting strong financial performance in a challenging market.
- The targets for the 2023/24 Studios Company Bonus plan.
- The introduction of a long term incentive plan (LTIP) for the most senior executives in the commercial entities to ensure focus on the longer term objectives and the continued ability to attract, retain and engage critical talent.
- Measures and targets for the 2023-2026 LTIP award which reflect the Long-Range Plan as well as contributions made to the Public Service organisation and commitments under our Diversity and Inclusion strategy.

We support the continued focus on diversity and inclusion and are pleased to note good progress being made against the representation targets under the 50:20:12:25 plan.

We have monitored pay gaps through regular reporting from management. These continue to be primarily due to numbers of staff at different levels and in different job families across the organisation. It is reassuring to see that although the overall gender pay gaps have increased this year, the pay gaps by job band remain minimal and that the overall gaps remain below UK and media industry levels. We have sought and received detailed assurance from the Executive to ensure there are no underlying pay equity issues behind the BBC's figures and we are comfortable there is close scrutiny of all of the pay decisions as part of regular governance processes.

We receive regular reports from management on equivalent full-time employee numbers, which have again stayed largely flat this year. We have also monitored overall pay costs, and severance payments, as part of our regular business. This year, following the Board's external effectiveness review, we also agreed an amendment to the Committee's terms of reference to focus our work on broader people issues, including the delivery of diversity and inclusion commitments.

Overall I believe this annual report shows that pay at the BBC is well managed and in line with market norms, and that wider people issues continue to be given appropriate attention, focus and resource. I look forward to continuing to oversee the development of the BBC's reward strategy and people processes in 2024/25.

#### **Robbie Gibb**

Chair, Remuneration Committee  
10 July 2024

This report sets out the BBC's remuneration policy for executive directors and senior leaders and details the annual remuneration received by the members of the BBC Board and Executive Committee for the 2023/24 financial year. This includes our annual disclosure of pay as required by the BBC's Charter.

It has been prepared with consideration of the requirement of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) and Listing Rules where these disclosure provisions are relevant to the BBC. The sections on pensions and remuneration received by the BBC Board and Executive Committee have been audited by the National Audit Office, the BBC's statutory auditors.

### **The Remuneration Committee's constitution and operation**

The Board's Remuneration Committee, since 1 April 2017, has been responsible for setting the remuneration strategy for the BBC Group and for all aspects of the remuneration of the Executive Committee and Board executive directors. Its members are non-executive directors Robbie Gibb (Chair), Muriel Gray and Damon Buffini, who joined the Committee in September 2023. Richard Sharp was a member of the Committee until he stepped down as BBC Chairman in June 2023.

The Remuneration Committee takes specialist advice from external professional advisers on some matters, particularly those relating to market practice. During the year, independent advice was received from Willis Towers Watson on matters related to executive remuneration and periodically in the form of market assessments, and from PwC on incentive design in relation to our commercial subsidiaries and also as independent advisers to the Committee.

The Committee makes sure that Executive remuneration is aligned to the BBC's purpose and values. It ensures our arrangements are transparent and easily understood, and that remuneration levels are proportionate to contribution.

A management report on pay and headcount is reviewed on a quarterly basis by the Remuneration Committee. Divisional and senior leader approval committees review and approve any exceptional requests for pay adjustments, additional headcount and non-contractual severance.

### **Board and Executive Committee membership**

For the purposes of this report, executive directors are classed as those who sit on the Board along with the other members of the Executive Committee.

The BBC Board consists of 14 members, with a majority of non-executive directors. The Chairman and four non-executive members are appointed by the King-in-Council on the recommendation of Ministers, with one member representing each of the four nations of the UK. The position of the member for Northern Ireland was filled this year, for the first time, and a new member for Wales was appointed in May 2024.

The BBC Board appoints a further five non-executive members through its Nominations and Governance Committee. There are four executive directors on the Board, including the BBC's Director-General who is the Corporation's chief executive officer and editor-in-chief. More details on membership of the Board can be found on page 84.

The BBC Board is supported by the Executive Committee, which is responsible for the operational leadership of the Corporation. Details on the remuneration levels for the 11 executive directors can be found on page 93. Details on the membership of the Executive Committee can be found on page 87.

### **BBC Pay Principles**

We have an established remuneration framework which embeds our Reward Principles and supports consistent decisions on pay throughout the organisation. Our Reward Principles ensure that we maintain our focus on fair pay and ensure that reward at the BBC is well understood and transparently communicated, as well as balancing the need for market-competitive reward with value for money for the licence fee payer.

1. Fair: We commit to fair pay across the BBC, recognising the differences in the work we do and the talent markets we operate in. We ensure that all reward decisions are justifiable. We have a legal responsibility to our people when it comes to equal pay. We commit to maintaining a high level of transparency around pay to continue to build trust with our people.
2. Clear: Our reward proposition is straightforward and easy to understand. We follow consistent policies and processes to make pay decisions. We set clear expectations of performance and recognise those that deliver exceptional work.

3. Competitive: We regularly check our approach against the market to ensure our total reward offer is competitive, balanced with the need for careful cost management. We are agile and responsive. This enables us to attract and keep the talent we need to create the best content and services for our audiences.

### **Senior Leadership Remuneration Policy**

The Remuneration Committee is committed to setting appropriate levels of pay for executive directors that attract, motivate and retain the best people to lead the BBC and provide value for the licence fee payer. The BBC's reward principles apply to all staff, executive directors and senior leaders across the BBC Group.

In setting the BBC's pay policy, the Committee gives full consideration to the best practice provisions of the UK Corporate Governance Code.

Executive directors and senior leaders are not entitled to the annual pay increase agreed with the Joint Unions and are not automatically entitled to any form of annual increment or progression payment. Pay decisions for executive directors can only be taken by the Remuneration Committee and pay decisions for senior leaders are reviewed by the Senior Leaders Exceptions Committee to ensure consistency and fairness.

## Governance

## Remuneration report continued

| Component   | Purpose and link to strategy  | Operation  | Maximum opportunity   |
|---|---|--|---|
| <b>Base pay</b>                                   | <p>For executive directors, base pay is defined by reference to a discounted market median for total direct remuneration (salary, annual bonus and annualised long-term incentive).</p> <p>For senior leaders, job pay ranges are informed by market median total target cash (base salary, allowances and target bonus) which guide pay decisions. It is expected that this will result in remuneration being discounted to the market as long-term incentives are only offered to a very small group of our senior executives in our commercial entities.</p> <p>No-one is paid below the job pay range minimum for their role and all pay ranges are transparent to the wider BBC workforce.</p> | <p>The following factors are used to determine the level of base pay set for an executive director or senior leader:</p> <ul style="list-style-type: none"> <li>• scale and complexity of role</li> <li>• knowledge, skills and experiences</li> <li>• performance and contribution</li> <li>• market factors and affordability</li> </ul> <p>Salaries are reviewed annually, with increases taking effect from 1 August. A budget is agreed and distributed according to the above factors.</p> <p>Pay ranges for senior leaders are reviewed annually and updated as required.</p> | <p>No prescribed maximum salary or maximum increase for executive directors.</p> <p>Senior leaders have job pay ranges with a minimum and maximum; where an individual is above the maximum of their pay range owing to legacy or commercial reasons their pay will not increase further.</p>   |
| <b>Variable Pay</b>                               | <p>Leaders employed in the BBC's commercial businesses are eligible for a performance-related annual bonus. Such bonuses are wholly funded by the commercial businesses and not the licence fee. It is reward for the achievement of short-term strategic goals and profit growth. A limited number of the most senior leaders in the commercial business are eligible for a long-term incentive plan with payments linked to achievement of the strategic objectives for the commercial business.</p>  | <p>Executive directors and senior leaders in the Public Service are not entitled to receive a performance bonus.</p> <p>Payments of a bonus in the BBC's commercial businesses are subject to the achievement of targets based on profit and individual performance.</p> <p>Payments under the long-term incentive plan in the commercial business are linked to achievement of long-term financial and non-financial targets.</p>   | <p>No executive director in the Public Service has received a bonus since 2008.</p> <p>For 2023/24, one executive director – CEO BBC Studios – participated in a bonus scheme. The incentive scheme for the CEO has a target bonus of 60% and a maximum of 90% of base salary.</p> <p>The CEO BBC Studios is also eligible for the long-term incentive plan. The maximum payout under this scheme after three years is 100% of base salary.</p> |
| <b>Benefits – Pension</b>                         | <p>Pensions are offered in accordance with the pension arrangements offered to all BBC employees.</p> <p>In addition to pensions, life assurance is provided in line with arrangements provided to all BBC employees.</p>   | <p>Executive directors and senior leaders can elect to join the BBC's defined contribution scheme LifePlan.</p> <p>The BBC's defined benefit scheme is closed for new joiners.</p> <p>Executive directors are provided with death in service life assurance cover of four times their basic salary.</p>  | <p>Current policy provides a defined contribution scheme with no salary cap and a maximum employer contribution of 10% of salary.</p> <p>Existing members of a defined benefit pension scheme are capped at the maximum salary for their pension scheme or are subject to a cap in pensionable salary growth.</p>   |
| <b>Benefits – Transport/travel</b>                | <p>Travel benefits are only offered to the Director-General and the Chairman.</p>   | <p>The Director-General and the Chairman are contractually entitled to the use of a car and driver but have no entitlement to a personal car allowance or fuel allowance. Some senior leaders are still in receipt of a legacy car allowance following the removal of car benefits in 2012.</p>  | <p>There is no prescribed maximum to the legacy car allowance scheme as this was an historic benefit, which has not been offered to new starters since 2012.</p>  |
| <b>Benefits – Private Medical Insurance (PMI)</b> | <p>In April 2011, the BBC removed the private health care benefit for all new executive directors and senior managers and aligned to arrangements for all BBC employees.</p> <p>Following consultation, it was agreed to remove the PMI benefit for executive directors and senior leaders from 1 April 2019.</p>   | <p>One executive director receives a legacy allowance in lieu of PMI.</p>  | <p>This is a historic benefit of a fixed value.</p>   |

| Component                                 | Purpose and link to strategy  | Operation   | Maximum opportunity  |
|---|---|---|--|
| <b>Employment contracts and severance</b> | Employment contracts of executive directors have a maximum notice period of six months, but are subject to earlier termination for cause. | There is no contractual entitlement to any additional remuneration in the event of early termination other than in the case of termination for reason of redundancy.  | In the event of redundancy, all executive directors are entitled to payments equal to one month per year served up to maximum payment of £150,000. |
| <b>Other remuneration</b>                 | There is no entitlement to any other remuneration, so no such payments were made in the year.   | Should any additional remuneration be proposed, full consideration is given to the reputational risk to the BBC and any such payment would require the approval of the Remuneration Committee, prior to implementing. | There is no prescribed maximum.  |

### Pension

Executive directors who joined the BBC before 1 December 2010 are eligible to continue to participate in the BBC Pension Scheme ("the Scheme"), which provides for pension benefits on a defined benefit basis. Executive directors who joined the BBC on or after 1 December 2010 are eligible to join LifePlan, which is the BBC's defined contribution arrangement. The BBC pays matching contributions to LifePlan for employee contributions at 5%. Employee contributions between 6% and 7% are matched plus an additional 1%. Employee contributions of 8% or more receive the maximum employer contribution of 10%. There is no maximum pensionable salary for contributions to LifePlan.

Executive directors who decide not to join LifePlan or are not already an existing member of the Scheme are, subject to meeting the relevant criteria, automatically enrolled into the National Employment Savings Trust (NEST). The BBC paid 3% and employees paid 5% of qualifying earnings to NEST in 2023/24 in line with statutory requirements. Individuals can choose to opt out of this.

Executive directors' pension arrangements may be reviewed and amended in response to changes in legislation or similar developments.

Features of the BBC's pension arrangements that our executive directors participate in alongside other BBC employees are provided in the table below.

Details of the BBC Pension Scheme are available at: [bbc.co.uk/mypension/](http://bbc.co.uk/mypension/).

| BBC Pension Scheme Defined Benefit                                  |   |                    |   |   |  |   | National Employment Savings Trust (NEST) defined contribution (auto enrolment arrangement) |
|---|---|--------------------|---|---|--|---|--|
| Scheme  | Old benefits  | New benefits       | CAB 2006                                      | CAB 2011                                | LifePlan defined contribution  |   |  |
| <b>Date closed</b>  | 30 September 1996   | 31 October 2006    | 30 November 2010                              | 1 January 2012                          | Open to all eligible employees   | Open to all eligible employees  |  |
| <b>Accrual</b>  | 60ths accrual   | 60ths accrual      | 1.67% accrual Adjusted in line with inflation | 1.67% accrual Adjusted in line with CPI | BBC will contribute a maximum of 10% of salary if employee contributes 8% with lower sliding scale | BBC will contribute 3% of qualifying earnings (2023/24)               |  |
| <b>Salary</b>   | Final pensionable   | Final pensionable  | Career average revalued earnings              | Career average revalued earnings        |  |   |  |
| <b>Normal pensionable age</b>                                       | 60  | 60                 | 65  | 65                                      | N/A  | N/A   |  |
| <b>Earnings cap</b>   | Joined before 1 June 1989 uncapped, capped otherwise £205,200 | Capped at £205,200 | Capped at £205,200                            | Capped at £181,200                      | Uncapped   | Minimum earnings £6,240p.a.<br>Maximum earnings £50,270p.a. (2023/24) |  |
| <b>Pensionable salary growth before the earnings cap is applied</b> | Limited at 1% p.a.  | Limited at 1% p.a. | Limited at 1% p.a.                            | No restriction                          | N/A  | N/A   |  |
| <b>Employee contribution (% of pensionable salary)</b>              | 7.50%   | 7.50%              | 4%  | 6%                                      | Minimum employee contribution is 5%  | 5% of qualifying earnings (2023/24)                                   |  |

### Annual remuneration of the BBC Board and Executive Committee – detail of remuneration received

The table below provides full details of the remuneration received by all BBC Board members for 2023/24.

Details of the Chairs of each of the various BBC committees can be found on page 85. Each Chair receives £5,000 per annum in addition to their base fees. These fees are included in the table below. All fees are shown pro-rata where appropriate.

## Governance

### Remuneration report continued

#### BBC Board (audited)

##### Details of remuneration received (values in £000s)

|                                      | Note | Appointment term start date | Appointment term end date | Year           | Base pay <sup>1</sup> | Taxable benefits <sup>2</sup> | Pension-related single figure | Performance related | Total         |
|--------------------------------------|------|-----------------------------|---------------------------|----------------|-----------------------|-------------------------------|-------------------------------|---------------------|---------------|
| <b>Non-executive directors</b>       |      |                             |                           |                |                       |                               |                               |                     |               |
| Samir Shah                           | 3    | 04/03/2024                  | 03/03/2028                | <b>2023/24</b> | <b>£12</b>            | <b>£1</b>                     | <b>£0</b>                     | <b>£0</b>           | <b>£13</b>    |
|                                      |      |                             |                           | 2022/23        | £0                    | £0                            | £0                            | £0                  | £0            |
| Richard Sharp                        | 4    | 16/02/2021                  | 27/06/2023                | <b>2023/24</b> | <b>£39</b>            | <b>£3</b>                     | <b>£0</b>                     | <b>£0</b>           | <b>£42</b>    |
|                                      |      |                             |                           | 2022/23        | £160                  | £12                           | £0                            | £0                  | £172          |
| Shumeet Banerji                      |      | 07/01/2022                  | 31/12/2025                | <b>2023/24</b> | <b>£33</b>            | <b>£0</b>                     | <b>£0</b>                     | <b>£0</b>           | <b>£33</b>    |
|                                      |      |                             |                           | 2022/23        | £33                   | £0                            | £0                            | £0                  | £33           |
| Damon Buffini                        |      | 01/01/2022                  | 31/12/2025                | <b>2023/24</b> | <b>£38</b>            | <b>£0</b>                     | <b>£0</b>                     | <b>£0</b>           | <b>£38</b>    |
|                                      |      |                             |                           | 2022/23        | £38                   | £0                            | £0                            | £0                  | £38           |
| Shirley Garrood                      | 5    | 03/07/2019                  | 02/07/2023                | <b>2023/24</b> | <b>£10</b>            | <b>£0</b>                     | <b>£0</b>                     | <b>£0</b>           | <b>£10</b>    |
|                                      |      |                             |                           | 2022/23        | £38                   | £0                            | £0                            | £0                  | £38           |
| Robbie Gibb                          | 6    | 07/05/2021                  | 06/05/2028                | <b>2023/24</b> | <b>£43</b>            | <b>£0</b>                     | <b>£0</b>                     | <b>£0</b>           | <b>£43</b>    |
|                                      |      |                             |                           | 2022/23        | £43                   | £0                            | £0                            | £0                  | £43           |
| Muriel Gray                          |      | 03/01/2022                  | 02/01/2026                | <b>2023/24</b> | <b>£38</b>            | <b>£0</b>                     | <b>£0</b>                     | <b>£0</b>           | <b>£38</b>    |
|                                      |      |                             |                           | 2022/23        | £38                   | £0                            | £0                            | £0                  | £38           |
| Ian Hargreaves                       | 7    | 03/04/2020                  | 02/04/2023                | <b>2023/24</b> | <b>£1</b>             | <b>£0</b>                     | <b>£0</b>                     | <b>£0</b>           | <b>£1</b>     |
|                                      |      |                             |                           | 2022/23        | £38                   | £0                            | £0                            | £0                  | £38           |
| Nicholas Serota                      | 8    | 03/04/2017                  | 02/04/2025                | <b>2023/24</b> | <b>£38</b>            | <b>£0</b>                     | <b>£0</b>                     | <b>£0</b>           | <b>£38</b>    |
|                                      |      |                             |                           | 2022/23        | £38                   | £0                            | £0                            | £0                  | £38           |
| Elan Closs Stephens                  | 9    | 20/07/2017                  | 19/01/2024                | <b>2023/24</b> | <b>£119</b>           | <b>£7</b>                     | <b>£0</b>                     | <b>£0</b>           | <b>£126</b>   |
|                                      |      |                             |                           | 2022/23        | £43                   | £0                            | £0                            | £0                  | £43           |
| Michael Smyth                        | 10   | 20/07/2023                  | 19/07/2027                | <b>2023/24</b> | <b>£27</b>            | <b>£0</b>                     | <b>£0</b>                     | <b>£0</b>           | <b>£27</b>    |
|                                      |      |                             |                           | 2022/23        | £0                    | £0                            | £0                            | £0                  | £0            |
| Marinella Soldi                      | 11   | 11/09/2023                  | 10/09/2026                | <b>2023/24</b> | <b>£18</b>            | <b>£0</b>                     | <b>£0</b>                     | <b>£0</b>           | <b>£18</b>    |
|                                      |      |                             |                           | 2022/23        | £0                    | £0                            | £0                            | £0                  | £0            |
| Chris Jones                          | 12   | 24/07/2023                  | 23/07/2027                | <b>2023/24</b> | <b>£26</b>            | <b>£0</b>                     | <b>£0</b>                     | <b>£0</b>           | <b>£26</b>    |
|                                      |      |                             |                           | 2022/23        | £0                    | £0                            | £0                            | £0                  | £0            |
| <b>Total non-executive directors</b> |      |                             |                           | <b>2023/24</b> | <b>£442</b>           | <b>£11</b>                    | <b>£0</b>                     | <b>£0</b>           | <b>£453</b>   |
|                                      |      |                             |                           | 2022/23        | £469                  | £12                           | £0                            | £0                  | £481          |
| <b>Executive directors</b>           |      |                             |                           |                |                       |                               |                               |                     |               |
| Tim Davie                            | 13   | 01/09/2020                  | N/A                       | <b>2023/24</b> | <b>£525</b>           | <b>£2</b>                     | <b>£0</b>                     | <b>£0</b>           | <b>£527</b>   |
|                                      |      |                             |                           | 2022/23        | £525                  | £3                            | £0                            | £0                  | £528          |
| Charlotte Moore                      | 14   | 01/09/2020                  | 31/08/2024                | <b>2023/24</b> | <b>£468</b>           | <b>£2</b>                     | <b>£0</b>                     | <b>£0</b>           | <b>£470</b>   |
|                                      |      |                             |                           | 2022/23        | £442                  | £2                            | £29                           | £0                  | £473          |
| Leigh Tavaziva                       | 15   | 01/02/2021                  | 31/01/2025                | <b>2023/24</b> | <b>£442</b>           | <b>£0</b>                     | <b>£0</b>                     | <b>£0</b>           | <b>£442</b>   |
|                                      |      |                             |                           | 2022/23        | £417                  | £0                            | £0                            | £0                  | £417          |
| Deborah Turness                      | 16   | 05/09/2022                  | 04/09/2024                | <b>2023/24</b> | <b>£413</b>           | <b>£0</b>                     | <b>£1</b>                     | <b>£0</b>           | <b>£414</b>   |
|                                      |      |                             |                           | 2022/23        | £233                  | £0                            | £0                            | £0                  | £233          |
| <b>Total executive directors</b>     |      |                             |                           | <b>2023/24</b> | <b>£1,848</b>         | <b>£4</b>                     | <b>£1</b>                     | <b>£0</b>           | <b>£1,853</b> |
|                                      |      |                             |                           | 2022/23        | £1,617                | £5                            | £29                           | £0                  | £1,651        |
| <b>Total Board</b>                   |      |                             |                           | <b>2023/24</b> | <b>£2,290</b>         | <b>£15</b>                    | <b>£1</b>                     | <b>£0</b>           | <b>£2,306</b> |
|                                      |      |                             |                           | 2022/23        | £2,086                | £17                           | £29                           | £0                  | £2,132        |

1 Fees are shown pro-rata where members left or joined during the year

2 Taxable benefits: car allowance, private medical insurance/legacy allowance and other taxable expenses. The Chairman and the Director-General have access to the services of car and driver for business purposes only

3 Samir Shah was appointed Chairman on 4 March 2024 and therefore received no remuneration in 2022/23

4 Richard Sharp resigned from his role as Chairman on 28 April 2023 and left the BBC on 27 June 2023. He received a fee of £160,000 per annum, set by the DCMS, as Chairman of the BBC Board. His fees after National Insurance Contributions and other necessary deductions were donated to charity by the BBC, administered through the BBC payroll giving scheme

5 Shirley Garrood stepped down from the Board and left the BBC on 2 July 2023

6 Robbie Gibb was appointed for a second term which began on 7 May 2024

7 Ian Hargreaves stepped down from the Board and left the BBC on 2 April 2023. He received £211 in 2023/24

8 Nicholas Serota was appointed for a second term which began on 3 April 2021

9 Elan Closs Stephens was appointed interim Chair from 28 June 2023 and left the Board on 3 March 2024, on the appointment of the new Chair

10 Michael Smyth joined the Board on 20 July 2023 and therefore received no remuneration in 2022/23

11 Marinella Soldi joined the Board on 11 September 2023 and therefore received no remuneration in 2022/23

12 Chris Jones joined the Board on 24 July 2023 and therefore received no remuneration in 2022/23

13 Tim Davie opted out of active membership of the CAB 2011 section in 2021 and is not currently contributing to a BBC pension arrangement

14 Charlotte Moore was appointed for a second term which began on 1 September 2022. She is a member of the BBC Pension Scheme and pension figures for 2023/24 are reported as Enil; see p93

15 Leigh Tavaziva was appointed for a second term which began on 1 February 2023

16 Deborah Turness joined the Board on 5 September 2022. She is a member of the NEST pension scheme and pension figures relate to employer contributions for 2023/24



The table below provides full details of the remuneration received by all BBC Executive Committee members for 2023/24, compared to the previous year. Remuneration for members shown below relates solely to the period of time when they served on the Executive Committee.

**BBC Executive Committee members (audited)**  
**Details of remuneration received (values in £000s)**

|                                  | Note | Date appointed to Committee | Year    | Base pay <sup>1</sup> | Taxable benefits | Pension-related single figure <sup>2</sup> | Performance related | Total  |
|----------------------------------|------|-----------------------------|---------|-----------------------|------------------|--|---------------------|--------|
| Tim Davie                        | 3    | 01/11/2012                  | 2023/24 | £525                  | £2               | £0   | £0                  | £527   |
|                                  |      |                             | 2022/23 | £525                  | £3               | £0   | £0                  | £528   |
| Charlotte Moore                  |      | 06/07/2016                  | 2023/24 | £468                  | £2               | £0   | £0                  | £470   |
|                                  |      |                             | 2022/23 | £442                  | £2               | £29  | £0                  | £473   |
| Leigh Tavaziva                   |      | 01/02/2021                  | 2023/24 | £442                  | £0               | £0   | £0                  | £442   |
|                                  |      |                             | 2022/23 | £417                  | £0               | £0   | £0                  | £417   |
| Kerris Bright                    | 4    | 18/06/2018                  | 2023/24 | £380                  | £0               | £4   | £0                  | £384   |
|                                  |      |                             | 2022/23 | £367                  | £0               | £0   | £0                  | £367   |
| Tom Fussell                      | 5    | 01/09/2020                  | 2023/24 | £465                  | £0               | £0   | £309                | £774   |
|                                  |      |                             | 2022/23 | £450                  | £0               | £0   | £388                | £838   |
| Jonathan Munro                   | 6    | 28/01/2022                  | 2023/24 | £0                    | £0               | £0   | £0                  | £0     |
|                                  |      |                             | 2022/23 | £142                  | £0               | £14  | £0                  | £156   |
| Gautam Rangarajan                |      | 01/06/2018                  | 2023/24 | £248                  | £0               | £12  | £0                  | £260   |
|                                  |      |                             | 2022/23 | £217                  | £0               | £47  | £0                  | £264   |
| June Sarpong                     | 7    | 01/11/2019                  | 2023/24 | £0                    | £0               | £0   | £0                  | £0     |
|                                  |      |                             | 2022/23 | £36                   | £0               | £0   | £0                  | £36    |
| Rhodri Talfan Davies             |      | 01/01/2021                  | 2023/24 | £293                  | £0               | £11  | £0                  | £304   |
|                                  |      |                             | 2022/23 | £279                  | £0               | £48  | £0                  | £327   |
| Alan Dickson                     | 8    | 17/12/2022                  | 2023/24 | £310                  | £0               | £0   | £0                  | £310   |
|                                  |      |                             | 2022/23 | £87                   | £0               | £0   | £0                  | £87    |
| Deborah Turness                  | 9    | 05/09/2022                  | 2023/24 | £413                  | £0               | £1   | £0                  | £414   |
|                                  |      |                             | 2022/23 | £233                  | £0               | £0   | £0                  | £233   |
| Uzair Qadeer                     | 10   | 27/02/2023                  | 2023/24 | £339                  | £0               | £0   | £0                  | £339   |
|                                  |      |                             | 2022/23 | £29                   | £22              | £0   | £0                  | £51    |
| Alice Macandrew                  | 11   | 30/01/2023                  | 2023/24 | £303                  | £0               | £28  | £0                  | £331   |
|                                  |      |                             | 2022/23 | £51                   | £0               | £0   | £0                  | £51    |
| <b>Total Executive Committee</b> |      |                             | 2023/24 | £4,186                | £4               | £56  | £309                | £4,555 |
|                                  |      |                             | 2022/23 | £3,275                | £27              | £138                                       | £388                | £3,828 |

1 Base pay shown is pro-rata where members left or joined during the year

2 Employee pension contributions are ordinarily made via a salary sacrifice arrangement as an employer contribution, with a corresponding reduction in salary. Base salaries for executive directors have not been adjusted to reflect the impact of salary sacrifice to enable like-for-like comparison with prior years before salary sacrifice was introduced. The pension-related single figure is generally calculated at 20 times the increase in the accrued pension over the year net of inflation, less the directors' defined benefit contributions, plus the employer's defined contributions. For members of the BBC Pension Scheme this is shown in detail in the defined benefits pension prospective entitlements table

3 Tim Davie opted out of active membership of the CAB 2011 section in 2021 and is not currently contributing to a BBC pension arrangement

4 Kerris Bright is a member of the Lifeplan pension scheme and pension figures relate to employer contributions for 2023/24

5 Tom Fussell's role is funded entirely by the BBC's commercial revenues and not paid for, or subsidised by, the licence fee. Payment of any bonus is subject to the achievement of performance targets. Two-thirds of the bonus is paid shortly after the end of the financial year 2023/24, with one-third deferred for up to three years

6 Jonathan Munro was appointed interim Director of BBC News and Current Affairs and joined the Executive Committee on 28 January 2022. He stepped down from the Executive Committee on 5 September 2022 when Deborah Turness joined the BBC as CEO, News

7 June Sarpong stepped down from the Executive Committee and left the BBC on 30 September 2022 and therefore received no remuneration in 2023/24

8 Alan Dickson was appointed Chief Financial Officer and joined the Executive Committee on 17 December 2022. He is a member of the BBC Pension Scheme and pension figures for 2023/24 are reported as £nil as detailed in the table on p.93

9 Deborah Turness was appointed CEO, News and joined the Executive Committee on 5 September 2022. She is a member of the NEST pension scheme and pension figures relate to employer contributions for 2023/24

10 Uzair Qadeer was appointed Chief People Officer and joined the Executive Committee on 27 February 2023. Benefits for 2022/23 relate to an agreed relocation package. Base pay is inclusive of salary sacrificed for flexible benefits

11 Alice Macandrew was appointed Group Corporate Affairs Director and joined the Executive Committee on 30 January 2023. She is a member of the Lifeplan pension scheme and pension figures relate to employer contributions for 2023/24

## Governance

### Remuneration report continued

#### Total remuneration – Board and Executive Committee (audited)

|   |               |         |
|---|---------------|---------|
| Total remuneration (values in £000s)                            | 2023/24       | 2022/23 |
| Total Executive Committee (including Board executive directors) | <b>£4,555</b> | £3,828  |
| Board non-executive directors                                   | <b>£453</b>   | £481    |
| <b>Total annual remuneration</b>                                | <b>£5,008</b> | £4,309  |

#### Defined benefit pension prospective entitlements (values in £000s)

|                      | Age at<br>31 March<br>2024 | Section      | Accrued pension<br>31 March 2024<br>(or retirement/<br>leaving the Board/<br>Executive if earlier) | Accrued pension<br>1 April 2023<br>(or joining the<br>Board/Executive<br>if after) | Director DB<br>contributions<br>(via salary sacrifice)<br>2023/24 | Pension-related<br>single figure |
|----------------------|----------------------------|--------------|--|--|---|----------------------------------|
| Charlotte Moore      | 55                         | New benefits | 46   | 43   | 12  | 0                                |
| Gautam Rangarajan    | 52                         | CAB 2011     | 33   | 29   | 11  | 12                               |
| Rhodri Talfan Davies | 53                         | CAB 2011     | 34   | 30   | 11  | 11                               |
| Alan Dickson         | 56                         | Old benefits | 36   | 35   | 6   | 0                                |

#### Comparative pay across the BBC

The Committee agreed that from 2021/22, the ratio of the Director-General's and executive directors' earnings to the lower quartile, median and upper quartile pay of UK PSB employees would be voluntarily disclosed annually. This brings the BBC disclosure in line with listed companies who report their CEO pay ratio compared to UK employees under the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 ("Regulations").

The company has chosen Option A to identify employees at the lower quartile, median and upper quartile and their respective pay and benefits, including pension contributions, as this is recognised as the most accurate and typically considered the best practice approach to use. All full-time UK public service broadcasting employees as at the financial year end have been included in the reporting, with employees ranked based on their remuneration as at the end of the 2023/24 financial year as at 31 March.

The table below sets out the total pay and benefits value received by employees identified at the lower quartile, median and upper quartile during the 2023/24 financial year.

| 2023/24                       | 25th Percentile | 50th Percentile | 75th Percentile |
|-------------------------------|-----------------|-----------------|-----------------|
| <b>Total Pay and Benefits</b> | <b>£45,061</b>  | <b>£59,058</b>  | <b>£75,784</b>  |
| <b>Pay</b>                    | <b>£41,577</b>  | <b>£52,397</b>  | <b>£64,854</b>  |

#### Director-General ratio

The pay ratio (calculated using total pay and benefits) is broadly consistent with the prior year.

| Year        | 25th percentile<br>pay ratio | Median<br>pay ratio | 75th percentile<br>pay ratio |
|-------------|------------------------------|---------------------|------------------------------|
| <b>2024</b> | <b>11.7:1</b>                | <b>8.9:1</b>        | <b>7.0:1</b>                 |
| 2023        | 12.1:1                       | 9.2:1               | 7.0:1                        |

The table below provides a summary of the changes to the Director-General's pay for 2023/24 versus the change in pan-BBC median pay over the same period.

|                      | 2023/24<br>(values in<br>£000s) | Change from<br>2022/23 |
|----------------------|---------------------------------|------------------------|
| Director-General pay | 525                             | 0%                     |
| Pan-BBC median pay   | 52                              | 6.3%                   |

The calculation of pan-BBC pay excludes pension contributions and the Executive Committee's pay.

The data assumptions included in our reporting are as follows:

| Element                | Description   |
|------------------------|---|
| Pay                    | We have used the full-time equivalent, as at year end, as the salary figure to rank our employees. Basic salary amounts also include any increased, temporary, allowances for attachments within other departments/roles within the organisation. This includes a range of location and role-based allowances on a pro-rata basis for part-time colleagues. |
| Total pay and benefits | In addition to pay as defined above, this includes employer pension contributions.  |

### Severance

No severance was paid to executive directors during the year ended 31 March 2024.

### Outside interests

With the prior agreement of the Director-General, executive members of the BBC Board may hold remunerated external directorships. The prime purpose of the external directorship should be to support personal and career development and thereby give back to the BBC.

Remuneration which arises from external directorships may be retained by the individual, but is subject to formal approval. Executive directors may also hold non-remunerated posts outside the BBC. No more than two days per month are permitted to fulfil all external duties.

### The BBC's commercial businesses

During 2023/24, the BBC had staff employed with three main commercial subsidiaries:

- BBC Studios (including BBC Global News)
- BBC Studioworks
- UKTV

Remuneration within the commercial subsidiaries is subject to the BBC's governance and approval processes. The remuneration policy for the subsidiaries includes the provision of an annual bonus available to eligible staff, including directors, and it varies between commercial entities. The full cost of base pay and incentives are self-funded by the commercial revenues of each subsidiary company and are not subsidised by the licence fee.

### BBC Studios Company Bonus Scheme

The Remuneration Committee has oversight of the design and outturn of the BBC Studios Company Bonus Scheme. The 2023/24 scheme for senior leaders had two key company measures plus individual performance weighted as follows:

- EBITDA, weighted 60%
- Leadership Index, weighted 10%
- individual performance, weighted 30%

There is a deferral element to the bonus with one-third deferred for up to three years, for the most senior participants only.

### BBC Studios Long-Term Incentive Plan

The Remuneration Committee has oversight of the design and outturn of the BBC Studios Long-Term Incentive Plan (LTIP) which was launched last year. The LTIP is restricted to approximately 25 of the most senior commercial leaders in the commercial entities, including the CEO, BBC Studios. It is a three-year plan, with a conditional award being made at the start of the three-year performance period. The proportion of the award that vests after three years is dependent on performance over that period against a set of defined targets. The 2023 award (vesting in March 2026) had two financial measures plus a non-financial measure weighted as follows:

- free cash flow, weighted 60%
- profit from New BBC Intellectual Property, weighted 30%
- diversity representation, weighted 10%

There is also a baseline level of Total Commercial Returns to the BBC necessary in order for the award to vest.

### 2023/24 results

For 2023/24, the financial measure (EBITDA) achieved slightly above-target performance. The result of the leadership measure (Leadership Index) was halfway between the threshold level for payment and the target. The combination of Company results and personal performance resulted in a bonus award of 66.5% (£309,456) to the CEO, BBC Studios in respect of the year's performance. One-third of this total payment will be deferred for three years. He also received an award of £43,125 deferred from the 2022/23 bonus.

## Governance

### Pay disclosures

#### **Report from the BBC Remuneration Committee of people paid more than £178,000 from licence fee revenue in the financial year**

The BBC is required to publish in the Annual Report and Accounts a list of those individuals, both on-air and off-air, who received more than £178,000 from licence fee revenue in the year, reflecting payments for in-year services and contractual terms. The Charter requires us only to publish amounts paid during the year for these individuals, set out in bands. We go beyond that requirement by publishing more detail of the programme commitments for individuals appearing on-air.

The disclosure is calculated and published in the same way as in previous years. The threshold for disclosure was revised, under the terms of the BBC's Royal Charter, from £150,000 to £178,000 in 2022/23, to recognise the impact of pay inflation over time. Meanwhile, we continue to operate in markets where competition for talent and pay inflation rates overall pose significant challenges.

In the senior executive disclosures, the percentage of women disclosed has remained at 48%, in line with the prior year.

Overall, 37% of the individuals included in the on-air disclosures are women. This is a slight decrease from the prior year. On-air disclosure numbers fluctuate from year to year due to a number of factors such as joiners, leavers, the amount of Sport content in a year, and changes in Radio and News scheduling.

#### **On-air talent pay tables**

Individuals on this list are shown by category: News, Radio, Sport and presenters who work regularly across multiple parts of the BBC, including Television. These figures include payments from licence fee revenue during the year ended 31 March 2024, excluding any recharges, amounts paid and investments into programmes made by our commercial entities – for example BBC Studios. Payments made by independent producers, royalties, repeat fees, contractual and other recoverables and expenses are also excluded. Programme commitments reflect the main contractual commitments for the pay received in the year and have generally been stated to the nearest ten programmes. These have been consistently disclosed for each principal programme or genre. Single episodes have been excluded, unless this represents a significant part of an individual's work. Programme commitments may be subject to change during the year, for example to reflect programming changes or an individual's availability.

**On-air talent**

| Principal programme  | Name               | Programme commitments   | Pay  |
|--|--------------------|---|--|
| <b>News and Current Affairs</b>  |                    |   |  |
| <i>Today</i>   | Nick Robinson      | c. 140 presentation days<br><i>Political Thinking</i> podcast<br><i>The Today Podcast</i>   | £345,000 - £349,999                                    |
|  | Mishal Husain      | c. 140 presentation days<br>c. 20 presentation days for BBC One<br><i>Today Debates</i> for BBC Radio 4 and other projects  | £340,000 - £344,999                                    |
|  | Justin Webb        | c. 140 presentation days<br><i>Americast</i> podcast  | £320,000 - £324,999                                    |
|  | Amol Rajan         | c. 80 presentation days<br><i>Amol Rajan Interviews</i><br>Radio 4 <i>Rethink</i><br><i>The Today Podcast</i>   | £310,000 - £314,999                                    |
|  | Martha Kearney     | c. 100 presentation days  | £225,000 - £229,999                                    |
| <i>World at One</i>  | Sarah Montague     | c. 180 programmes<br><i>HARDtalk</i> cover  | £245,000 - £249,999                                    |
| <i>PM</i>  | Evan Davis         | c. 200 programmes<br><i>The Bottom Line</i> on BBC Radio 4  | £290,000 - £294,999                                    |
| <i>BBC News at Six</i> and<br><i>BBC News at Ten</i>                             | Huw Edwards        | c. 160 presentation days for BBC One<br>News Specials<br>Election Specials<br>Other television programming  | £475,000 - £479,999                                    |
|  | Sophie Raworth     | c. 180 presentation days for BBC One  | £325,000 - £329,999                                    |
| <i>BBC News at One</i> ,<br><i>BBC News at Six</i> and<br><i>BBC News at Ten</i> | Clive Myrie        | c. 180 presentation days for BBC One<br>International deployments   | £310,000 - £314,999                                    |
|  | Reeta Chakrabarti  | c. 180 presentation days for BBC One  | £270,000 - £274,999                                    |
|  | Jane Hill          | c. 135 presentation days for BBC One  | £178,000 - £184,999                                    |
| <i>Question Time</i><br><i>BBC News at Six</i> and<br><i>BBC News at Ten</i>     | Fiona Bruce        | c. 40 episodes of <i>Question Time</i><br>presentation days for BBC One   | £405,000 - £409,999                                    |
|  | <i>Newsnight</i>   | Victoria Derbyshire   | c. 110 presentation days<br><i>UkraineCast</i> podcast |
| Kirsty Wark  |                    | c.95 presentation days for <i>Newsnight</i><br>Radio 4 <i>Start the Week</i><br><i>Lives well Lived</i> documentary<br><i>Archive on Four</i>   | £250,000 - £254,999                                    |
| <i>BBC Breakfast</i>   | Jon Kay            | c. 180 presentation days and additional reporting for<br><i>BBC Breakfast</i><br>BBC Radio 4 <i>Pick of the Week</i><br>BBC Radio 4 <i>Saturday Live</i><br>BBC Radio 4 Podcast <i>Fairy Meadow</i> | £225,000 - £229,999                                    |
|  | Sally Nugent       | c. 180 presentation days<br>Podcast work  | £195,000 - £199,999                                    |
|  | Charlie Stayt      | c. 180 presentation days  | £190,000 - £194,999                                    |
| <i>Sunday with Laura Kuenssberg</i>  | Laura Kuenssberg   | c. 40 Sunday programmes<br>Documentary series   | £325,000 - £329,999                                    |
| <i>HARDtalk</i>  | Stephen Sackur     | <i>HARDtalk</i> interviews  | £200,000 - £204,999                                    |
| BBC News Channel   | Ben Thompson       | BBC Business Presentation<br><i>BBC Breakfast</i> Presentation<br>BBC News Channel Presentation cover   | £225,000 - £229,999                                    |
|  | Matthew Amroliwala | c. 180 presentation days  | £195,000 - £199,999                                    |

## Governance

## Pay disclosures continued

| Principal programme                  | Name             | Programme commitments   | Pay                 |
|--------------------------------------|------------------|---|---------------------|
| <b>News and Current Affairs</b>      |                  |   |                     |
| continued                            |                  |   |                     |
| BBC News Channel<br>continued        | Christian Fraser | c. 180 presentation days<br><i>Newsnight</i> cover  | £195,000 - £199,999 |
|                                      | Lucy Hockings    | c. 180 presentation days  | £190,000 - £194,999 |
|                                      | Ben Brown        | c. 210 BBC News Channel presentation days and<br><i>BBC News at One</i>   | £185,000 - £189,999 |
|                                      | Maryam Moshiri   | c.180 presentation days   | £185,000 - £189,999 |
| On-air editors and<br>correspondents | Ros Atkins       | Analysis Editor<br><i>The Media Show</i>  | £290,000 - £294,999 |
|                                      | Faisal Islam     | Economics Editor<br><i>Newsnight</i> cover  | £260,000 - £264,999 |
|                                      | Chris Mason      | Political Editor  | £260,000 - £264,999 |
|                                      | Simon Jack       | Business Editor<br>BBC Radio 4 <i>Today</i> cover<br>Podcasts   | £240,000 - £244,999 |
|                                      | Jeremy Bowen     | International Editor  | £240,000 - £244,999 |
|                                      | Katya Adler      | Europe Editor<br><i>The Global Story</i> podcast  | £230,000 - £234,999 |
|                                      | Fergal Keane     | Special Correspondent   | £225,000 - £229,999 |
|                                      | Sarah Smith      | North America Editor  | £225,000 - £229,999 |
|                                      | Lyse Doucet      | Chief International Correspondent   | £205,000 - £209,999 |
|                                      | Mark Easton      | Home Editor   | £205,000 - £209,999 |
|                                      | Orla Guerin      | Senior International Correspondent  | £195,000 - £199,999 |
|                                      | Jonny Dymond     | Royal Correspondent<br><i>The World This Weekend</i> on BBC Radio 4<br><i>The World at One</i> on BBC Radio 4<br><i>World Questions</i> | £195,000 - £199,999 |
|                                      | John Simpson     | World Affairs Editor<br><i>Unspun World with John Simpson</i>   | £190,000 - £194,999 |
| <b>Radio</b>                         |                  |   |                     |
| BBC Radio 1                          | Greg James       | c. 220 <i>Radio 1 Breakfast Show</i>  | £415,000 - £419,999 |
| BBC Radio 2                          | Zoe Ball         | c. 200 editions of <i>The Zoe Ball Breakfast Show</i>   | £950,000 - £954,999 |
|                                      | Vernon Kay       | c. 180 editions of mid-morning show<br>c. 50 editions of <i>Dance Sounds of the 90s</i>   | £320,000 - £324,999 |
|                                      | Scott Mills      | c. 225 editions of early afternoon show   | £315,000 - £319,999 |
|                                      | Sara Cox         | c. 230 editions of early evening show   | £315,000 - £319,999 |
|                                      | Jeremy Vine      | c. 225 editions of lunchtime show   | £285,000 - £289,999 |
|                                      | Jo Whiley        | c. 180 editions of evening show   | £245,000 - £249,999 |
|                                      | Trevor Nelson    | c. 185 editions of <i>Rhythm Nation</i><br>c. 45 shows on BBC Radio 1Xtra   | £235,000 - £239,999 |
|                                      | Steve Wright     | c. 50 editions of <i>Sunday Love Songs</i><br>c. 25 editions of <i>Pick of the Pops</i><br>BBC Radio 2 cover                            | £205,000 - £209,999 |
|                                      | Gary Davies      | c. 50 editions of <i>Sounds of the 80s</i><br>c. 50 editions of mid-morning Radio 2 show<br>c. 30 cover shows on Radio 2                | £200,000 - £204,999 |
|                                      | Owain Wyn Evans  | c. 230 editions of early breakfast show<br>Additional BBC Radio 2 shows and events  | £200,000 - £204,999 |

| Principal programme    | Name           | Programme commitments   | Pay                     |
|------------------------|----------------|---|-------------------------|
| <b>Radio continued</b> |                |   |                         |
| BBC Radio 5 live       | Nicky Campbell | c. 230 editions of <i>Nicky Campbell Show</i><br>c. 20 editions of <i>Different</i>                               | £295,000 - £299,999     |
|                        | Rachel Burden  | c. 190 editions of <i>5 Live Breakfast Show</i><br>c. 10 editions of <i>BBC Breakfast Panorama</i>                | £220,000 - £224,999     |
|                        | Rick Edwards   | c. 250 editions of <i>5 Live Breakfast Show</i><br>c. 30 editions of <i>Fighting Talk</i>                         | £215,000 - £219,999     |
| BBC Radio 6 Music      | Lauren Laverne | c. 205 editions of <i>6 Music Breakfast Show</i><br>c. 40 editions of <i>Desert Island Discs</i> on Radio 4       | £395,000 - £399,999     |
|                        | Craig Charles  | c. 205 editions of 6 Music weekday show<br>c. 50 editions of 6 Music <i>Funk &amp; Soul</i>                       | £185,000 - £189,999     |
| <b>Sport</b>           |                |   |                         |
| Football               | Gary Lineker   | <i>Match of the Day</i> : Premier League, FA Cup;<br><i>Sports Personality of the Year</i>                        | £1,350,000 - £1,354,999 |
|                        | Alan Shearer   | <i>Match of the Day</i> : Premier League, FA Cup  | £380,000 - £384,999     |
|                        | Alex Scott     | <i>Football Focus</i> , Women's Super League,<br>Women's World Cup 2023,<br><i>Sports Personality of the Year</i> | £220,000 - £224,999     |
| Cricket                | Jonathan Agnew | Television and Radio cricket (Test, one-day and Twenty20 series);<br>BBC Cricket Correspondent                    | £190,000 - £194,999     |
| Tennis                 | John McEnroe   | Wimbledon   | £195,000 - £199,999     |
| Multiple sports        | Mark Chapman   | c. 120 editions of BBC Radio 5 live Sport<br><i>Match of the Day 2</i><br>Challenge Cup                           | £260,000 - £264,999     |
|                        | Chris Sutton   | BBC Radio 5 live Sport, <i>606</i> , <i>Football Focus</i> , <i>Final Score</i>                                   | £190,000 - £194,999     |

### Multiple genres and television

There are a small number of individuals who have pre-existing multi-year relationships with BBC commissioning. Payments from BBC Studios have been removed from the disclosure, and they may also receive payments from independent producers. We also include in this section presenters who spend close to 50% of their time in more than one of Television, Radio, News and Sport.

| Principal programme  | Name           | Programme commitments  | Pay                 |
|----------------------|----------------|--|---------------------|
| Radio and Television | Stephen Nolan  | <i>The Nolan Show</i> on Radio Ulster<br><i>Nolan Live</i> on BBC One (NI)<br>BBC Radio 5 live <i>Stephen Nolan Show</i> | £405,000 - £409,999 |
|                      | Naga Munchetty | c. 180 <i>BBC Breakfast</i> presentation days<br>c. 140 BBC Radio 5 live <i>Naga Munchetty Shows</i><br><i>Panorama</i>  | £345,000 - £349,999 |
|                      | Tina Daheley   | Radio 2 <i>Zoe Ball Breakfast Show</i><br>Cover for Jeremy Vine<br>BBC One News Bulletins<br><i>BBC Breakfast</i>        | £270,000 - £274,999 |
| Radio and Sport      | Jason Mohammad | BBC Radio Wales (Monday-Wednesday)<br><i>Final Score</i><br>BBC Radio 2 <i>Good Morning Sunday</i>                       | £245,000 - £249,999 |
| Television           | Louis Theroux  | BBC fee for a range of programmes and series   | £200,000 - £204,999 |

## Governance

### Pay disclosures continued

#### Senior executives

We publish on our website the pay and expenses for all senior leaders earning over £178,000 in the BBC's public services. Under the terms of our Charter, we are required to publish a report from the Remuneration Committee listing all senior executives of the BBC paid more than £178,000 from licence fee revenue for services in the financial year, set out in pay bands. These figures exclude any recharges or amounts paid from our commercial entities.

| Pay                                       | Name                  | Role  |
|---|-----------------------|---|
| <b>Director-General</b>                   |                       |   |
| £525,000 - £529,999                       | Tim Davie             | Director-General                                  |
| <b>Executive Committee</b>                |                       |   |
| £470,000 - £474,999                       | Charlotte Moore       | Chief Content Officer                             |
| £440,000 - £444,999                       | Leigh Tavaziva        | Group Chief Operating Officer                     |
| £410,000 - £414,999                       | Deborah Turness       | CEO, News and Current Affairs                     |
| £375,000 - £379,999                       | Kerris Bright         | Chief Customer Officer                            |
| £330,000 - £334,999                       | Uzair Qadeer          | Chief People Officer                              |
| £310,000 - £314,999                       | Alan Dickson          | Chief Financial Officer                           |
| £300,000 - £304,999                       | Alice Macandrew       | Group Director, Corporate Affairs                 |
| £290,000 - £294,999                       | Rhodri Talfan Davies  | Director, Nations                                 |
| £245,000 - £249,999                       | Gautam Rangarajan     | Group Director, Strategy and Performance          |
| <b>Corporate Functions</b>                |                       |   |
| £330,000 - £334,999                       | Sarah Jones           | Group Legal Counsel                               |
| £305,000 - £309,999                       | Jo Sherlock           | Group Rights and Commercial Director              |
| £245,000 - £249,999                       | Balram Veliath        | Director, Quality, Risk and Assurance             |
| £235,000 - £239,999                       | Shirley Cameron       | Director of Revenue and Customer Management       |
|   | John Shield           | Director of Communications                        |
| £230,000 - £234,999                       | Eddy Datubo           | Director of Operations and Transformation         |
| £225,000 - £229,999                       | Peter Ranyard         | Director, Corporate Legal                         |
| £220,000 - £224,999                       | Chinny Okolidoh       | HR Director, Diversity and Inclusion              |
| £205,000 - £209,999                       | Irene Asare           | HR Director, News                                 |
|   | Phil Harrold          | Company Secretary and Chief of Staff              |
|   | Kieran Clifton        | Director, Distribution and Business Development   |
| £200,000 - £204,999                       | Peter Johnston        | Director of Editorial Complaints and Reviews      |
|   | Claude Sarfo          | Finance Director, News and Current Affairs        |
| £195,000 - £199,999                       | Sarah Gregory         | People Experience Director and Deputy CPO         |
|   | David Jordan          | Director, Editorial Policy and Standards          |
| £190,000 - £194,999                       | Andrew Kaczor         | Finance and Operations Director, COO Group        |
|   | Nick Wilcox           | Legal Director                                    |
|   | Sophie Garnham        | Director, Commercial Rights and Business Affairs  |
|   | Rhona Burns           | Finance Director, Financial Planning and Insights |
|   | Alan Bainbridge       | Director of Workplace                             |
| £185,000 - £189,999                       | Sarah Burns           | HR Director                                       |
|   | Natasha Wojciechowski | HR Director, Corporate Functions                  |
| £178,000 - £184,999                       | Simon Morrissey       | Legal Director                                    |
|   | Richard Luckraft      | Interim Corporate Tax Finance Business Partner    |
|   | Sam Carrier           | Finance Director, Transformation & Operations     |
| <b>Technology Group and Product Group</b> |                       |   |
| £330,000 - £334,999                       | Storm Fagan           | Chief Product Officer                             |
| £325,000 - £329,999                       | Peter O'Kane          | Chief Technology Officer                          |
| £255,000 - £259,999                       | Sinead Greenaway      | Director, Broadcast and End User Technology       |
| £225,000 - £229,999                       | Helen Rabe            | Chief Information Security Officer                |
| £220,000 - £224,999                       | Jatin Aythora         | Director, Research and Development                |
| £205,000 - £209,999                       | Ellie Runcie          | Chief Design Officer                              |
| £190,000 - £194,999                       | Richard Cooper        | Director, Digital Distribution                    |
|   | Monika Turska         | Director, Product Management                      |



| Pay   | Name                | Role  |
|---|---------------------|---|
| <b>Technology Group and Product Group</b> continued |                     |   |
| £185,000 - £189,999                                 | Adam Tilley         | Head of Data Function Operations                              |
|   | Amit Ajmera         | Principal Systems Engineer                                    |
|   | Anna Murcar         | Director, Product & Systems                                   |
|   | Pete Kowalczyk      | Senior Content Designer                                       |
| £178,000 - £184,999                                 | Omar Habbal         | Product Ops Director  |
| <b>Marketing and Audiences</b>                      |                     |   |
| £200,000 - £204,999                                 | Paul Davies         | Director, Marketing and Audiences                             |
|   | Nick North          | Director, Audiences   |
| £190,000 - £194,999                                 | Justin Bairamian    | Director, BBC Creative  |
| <b>Nations</b>                                      |                     |   |
| £185,000 - £189,999                                 | Sarah Calcott       | Chief Operating Officer                                       |
| £178,000 - £184,999                                 | Steve Carson        | Nations Director  |
| <b>Content</b>                                      |                     |   |
| £290,000 - £294,999                                 | Lindsay Salt        | Commissioning Director (Drama)                                |
|   | Kate Phillips       | Commissioning Director  |
| £255,000 - £259,999                                 | Dan McGolpin        | Director, iPlayer and Channels                                |
| £245,000 - £249,999                                 | Fiona Campbell      | Channel Controller  |
|   | Patricia Hidalgo    | Director, Children's and Education                            |
| £240,000 - £244,999                                 | Barbara Slater      | Director of Sport   |
| £225,000 - £229,999                                 | Graham Ellis        | Controller, BBC Audio   |
|   | Jon Petrie          | Commissioning Director  |
| £215,000 - £219,999                                 | Lucy Richer         | Senior Commissioning Editor (Drama)                           |
|   | Lorna Clarke        | Commissioning Director, Radio                                 |
|   | Mohit Bakaya        | Commissioning Director, Radio                                 |
| £210,000 - £214,999                                 | Jonathan Wall       | Commissioning Director, Radio                                 |
|   | Jo McClellan        | Commissioning Editor (Drama)                                  |
| £205,000 - £209,999                                 | Gaynor Holmes       | Commissioning Editor (Drama)                                  |
| £200,000 - £204,999                                 | Eva Yates           | Commissioning Director  |
| £195,000 - £199,999                                 | Heidi Dawson        | Controller, Radio   |
|   | David Pembrey       | Chief Operating Officer, Content                              |
|   | Clare Sillery       | Senior Head of Factual Commissioning                          |
|   | Lindsay Currie      | Head of Channel Management                                    |
|   | Philip Bernie       | Head of Sport Content / Interim Director (from February 2024) |
| £190,000 - £194,999                                 | Sam Jackson         | Controller Radio  |
| £185,000 - £189,999                                 | Rob Unsworth        | Channel Editor  |
|   | Catherine Catton    | Senior Head of Factual Commissioning                          |
|   | Rebecca Ferguson    | Commissioning Editor Drama                                    |
| £178,000 - £184,999                                 | Kalpna Patel-Knight | Senior Head of Entertainment Commissioning                    |
|   | Suzy Klein          | Senior Head of Factual Commissioning                          |
|   | Jack Bootle         | Senior Head of Commissioning                                  |
| <b>News and Current Affairs</b>                     |                     |   |
| £285,000 - £289,999                                 | Jonathan Munro      | Deputy CEO of News and Director of Journalism                 |
| £215,000 - £219,999                                 | John McAndrew       | Director, News Programmes                                     |
|   | Naja Nielsen        | Senior News Controller  |
|   | Liliane Landor      | Senior News Controller  |
| £200,000 - £204,999                                 | Richard Burgess     | Director, News Content  |
| £195,000 - £199,999                                 | Sam Taylor          | Chief Operating Officer                                       |
| £185,000 - £189,999                                 | Joanna Carr         | News Controller   |
| <b>Former Staff</b>                                 |                     |   |
| £235,000 - £239,999                                 | Andy Baker          | Director, Technology Operations                               |

## Governance

### Comptroller and Auditor General's opinion on pay disclosures

Independent Assurance Report to the Board of the British Broadcasting Corporation, acknowledging that Parliament also places reliance on the Group Accounts and Report

I have conducted independent assurance procedures on the disclosures included in the British Broadcasting Corporation (BBC) Annual Report arising from the requirement under the Royal Charter for the continuance of the BBC (the Royal Charter) to publish the names of all senior executives of the BBC paid more than £178,000 from licence fee revenue in that financial year; and the names of all other staff of the BBC paid more than £178,000 from licence fee revenue in that financial year set out in pay bands for the year ended 31 March 2024.

These disclosures comprise the Pay Disclosures as set out on pages 96 to 101 of the BBC's Annual Report (the subject matter) (the "Pay Disclosures").

My work is conducted in accordance with International Standards on Assurance Engagements (ISAE) 3000 Assurance Engagements Other Than Audits or Reviews of Historic Financial Information.

#### **Respective responsibilities of the BBC Board and the Comptroller and Auditor General**

For the reporting year covered by this report, the BBC Board was responsible for publishing information required by the Royal Charter as follows:

- the names of all senior executives of the BBC paid more than £178,000 from licence fee revenue in that financial year; and
- the names of all other staff of the BBC paid more than £178,000 from licence fee revenue in that financial year set out in pay bands for the year ended 31 March 2024.

I am responsible for providing an opinion on whether, in all material respects, the subject matter is complete and accurate and has been properly prepared in accordance with the basis set out therein.

In conducting this work, my staff and I have complied with the Financial Reporting Council's Revised Ethical Standard 2019. I am independent of the BBC in accordance with the ethical requirements that are relevant to my procedures. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

My staff and I have applied International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### **My approach**

I have performed a reasonable assurance engagement as defined in ISAE 3000. A reasonable assurance engagement is to perform such procedures as to obtain information and explanations which I consider necessary to express an opinion on whether, in all material respects, the Pay Disclosures (the subject matter) are complete and accurate and have been properly prepared in accordance with the basis set out therein.

My work consisted of:

- Understanding the process adopted by the BBC to derive the Pay Disclosures, in particular the completeness and accuracy of information used;
- Testing the completeness of disclosures, including:
  - Cross-reference to my BBC Group audit procedures relating to payroll and expenditure;
  - Comparison to the prior year and my understanding of the BBC;
  - Review of individuals paid in the subsequent month who have been paid close to the disclosure threshold in 2023/24;
- Agreement of staff disclosure to payslips or, where staff are not paid via BBC payroll, agreement of spend back to other evidence such as contracts;
- Agreement of the spend per individual paid more than £178,000 of licence fee revenue into the appropriate salary banding;
- Review of the accompanying commentary for reasonableness and clarity around the basis of disclosure.

#### **Inherent limitations**

My assurance procedures have been designed to provide reasonable assurance. The objective of a reasonable assurance engagement is to reduce engagement risk to an acceptably low level in the circumstances of the engagement as the basis for a positive form of expression of my conclusion. It does not, however, eliminate this risk entirely. In particular, in preparing the disclosures, the BBC Board is required to make a number of judgements which inherently introduces an element of risk.

My work has been undertaken so that I might state to the BBC Board and Parliament those matters I am required to in this report and for no other purpose.

#### **Opinion**

Based on the results of my procedures, in my opinion, in all material respects the Pay Disclosures included on pages 96 to 101 are complete and accurate and have been properly prepared in accordance with the basis set out therein. This opinion has been formed on the basis of the matters outlined elsewhere in this independent assurance report.

#### **Gareth Davies**

Comptroller and Auditor General  
National Audit Office

157-197 Buckingham Palace Road  
London  
SW1W 9SP

12 July 2024

## Nominations and Governance Committee report

### Board appointments

The Board's Nominations and Governance Committee is responsible for making recommendations on appointments to the Board (with the exception of the Chairman and the nations' members) and Board Committees.

The Committee must have a majority of non-executive members of the Board and must be chaired by the Chair of the BBC Board. Including the Chair, the Committee must include at least four non-executive members. The Director-General must also be a member of the Committee. This year, the Committee has been chaired by Richard Sharp, Elan Closs Stephens (as interim Chair) and, from March 2024, by Samir Shah. Non-executive members of the Committee have included the senior independent director, Nicholas Serota, Damon Buffini and Shirley Garrood, who was replaced by Muriel Gray following the completion of her term on 2 July 2023.

This year the full Nominations and Governance Committee met six times. The Committee's non-executives also met without the then Chair, Richard Sharp, on one occasion as part of their review of his declarations of personal interests whilst at the BBC. That review was published on 11 May 2023. The Nominations and Governance Committee proposed a number of recommendations arising from the review, which were adopted by the Board on 10 May 2023 and comprised the following changes to the Board's Code of Conduct, all of which have been implemented during the year:

- there should be greater attention paid to the disclosure of relevant personal and professional interests at the start of meetings of the Board and its Committees, with an expectation that there would be a high level of disclosure by Board members;
- the Board's Code of Practice and Guidance should be assessed to make sure they were clear enough that personal and political as well as professional or pecuniary relationships should be considered for disclosure, including on appointment to roles, and including where the perception of potential as well as actual conflicts might arise; and
- there should be a clearer process by which meetings between Board members and senior political figures – including social events – were diarised and notified to the BBC and to officials and subsequently minuted.

The Committee is responsible for the review of declarations of personal interests and the independence of members of the Board, which it conducted in September 2023.

The Committee is also responsible for oversight of governance matters relating to the operation of the Board and its sub-committees. As part of this role, the Nominations and Governance Committee commissions an annual evaluation review of the operation of the BBC Board and its sub-committees. This year the Committee commissioned a review from Christopher Saul, on the effectiveness of the Board with a particular focus on sub-committees. This work also included a skills review of the Board membership and the role of the Nominations and Governance and Remuneration Committees in succession planning. The findings from the review were discussed by the Board at its July meeting and the Nominations and Governance Committee subsequently produced an implementation plan which was approved by the Board in September. More information on the review can be found on page 86.

This year the Nominations and Governance Committee led the recruitment process for two new non-executives to the Board: Chris Jones, as Chair of the Audit and Risk Committee, and Marinella Soldi. This process was supported by independent recruitment consultants Odgers Berndtson.

### Samir Shah

Chairman  
10 July 2024

| Apr 23-Mar 24                     | Board  | Audit and Risk Committee | Fair Trading Committee | Nominations and Governance Committee | Remuneration Committee | Editorial Guidelines and Standards | Nations Committee – England | Nations Committee – Scotland | Nations Committee – Wales | Nations Committee – N. Ireland |
|-----------------------------------|--------|--------------------------|------------------------|--------------------------------------|------------------------|------------------------------------|-----------------------------|------------------------------|---------------------------|--------------------------------|
| Number of meetings for the period | 10     | 7                        | 3                      | 6                                    | 5                      | 7                                  | 4**                         | 4**                          | 4**                       | 4**                            |
| <b>Non-executives</b>             |        |                          |                        |                                      |                        |                                    |                             |                              |                           |                                |
| Samir Shah*                       | 1 of 1 |                          |                        | 1 of 1                               |                        |                                    |                             |                              |                           |                                |
| Richard Sharp*                    | 3 of 3 |                          |                        | 2 of 2                               | 2 of 2                 |                                    |                             | 1 of 1                       |                           |                                |
| Elan Closs Stephens*              | 9 of 9 | 5 of 6                   |                        | 5 of 5                               |                        |                                    |                             | 2 of 3                       | 4                         | 3                              |
| Shumeet Banerji                   | 10     | 7                        |                        |                                      |                        |                                    |                             |                              |                           |                                |
| Damon Buffini                     | 10     |                          |                        | 0 of 3                               | 2 of 2                 |                                    |                             |                              |                           |                                |
| Shirley Garrood*                  | 3 of 3 | 3 of 3                   |                        | 1 of 2                               |                        |                                    |                             |                              |                           |                                |
| Robbie Gibb                       | 9      |                          |                        |                                      | 5                      | 7                                  | 4                           |                              |                           |                                |
| Muriel Gray                       | 9      |                          | 3                      | 2 of 3                               | 5                      |                                    |                             | 4                            |                           |                                |
| Chris Jones*                      | 5 of 6 | 4 of 4                   | 2 of 2                 |                                      |                        |                                    |                             |                              |                           |                                |
| Nicholas Serota                   | 10     |                          |                        | 6                                    |                        | 7                                  | 3                           |                              |                           | 3                              |
| Michael Smyth*                    | 7 of 7 |                          |                        |                                      |                        |                                    |                             |                              | 3 of 3                    | 3 of 3                         |
| Marinella Soldi*                  | 5 of 5 |                          |                        |                                      |                        |                                    |                             |                              |                           |                                |
| <b>Executives</b>                 |        |                          |                        |                                      |                        |                                    |                             |                              |                           |                                |
| Tim Davie                         | 10     |                          |                        | 6                                    |                        | 6                                  |                             |                              |                           |                                |
| Charlotte Moore                   | 8      |                          |                        |                                      |                        |                                    |                             |                              |                           |                                |
| Leigh Tavaziva                    | 10     |                          | 3                      |                                      |                        |                                    |                             |                              |                           |                                |
| Deborah Turness                   | 8      |                          |                        |                                      |                        | 6                                  |                             |                              |                           |                                |

This table does not include informal Board sessions or business conducted offline.

\* Richard Sharp left the Board on 26 June 2023, Shirley Garrood left the Board 2 July 23, Michael Smyth joined the Board 20 July 2023, Chris Jones joined the Board 24 July 2023, Marinella Soldi joined the Board 11 September 2023, Elan Closs Stephens left the Board 3 March 2024, Samir Shah joined the Board 4 March 2024

\*\* In December 2023, a joint meeting of the four Nations committees was held in Cardiff. This is considered a full meeting of each Committee

## Governance

### Audit and Risk Committee report

I am pleased to present the annual report of the BBC Audit and Risk Committee (ARC) for 2023/24.

My appointment to the BBC Board commenced on the 24 July 2023 and I chaired my first Committee meeting in September 2023. I am grateful to my predecessor, Shirley Garrood, for briefing me fully prior to taking over my chair responsibilities and for steering the Committee during the first quarter of the year when she was its Chair. I would also like to thank both my colleague Shumeet Banerji, for acting as interim Chair for the short period before my appointment as well as being the member of the Committee throughout the year, and Elan Closs Stephens for remaining a member of the Committee to provide further continuity until her retirement as interim Chair of the BBC.

During the year, the Committee has provided oversight of relevant aspects of corporate governance within the BBC, particularly with respect to financial reporting, internal control and risk management. I have set out below the Committee's key activities during the year, which will be covered in more detail within the report:

**Annual Report and Accounts:** the Committee has reviewed the BBC's Annual Report and Accounts, constructively challenging management on their key judgements and estimates, as well as how management have ensured that the accounts are fair, balanced and understandable.

**Oversight of external auditors:** the BBC's relationship with the National Audit Office ("NAO") was overseen by the Committee including reviewing their audit plan, reviewing their assessment of audit risk, completion of their audit and monitoring the implementation of recommendations to management arising from their work.

**Effectiveness of internal controls:** the Committee reviewed the effectiveness of the BBC's systems of internal controls, on behalf of the Board. The Committee reviewed findings from independent assurance activity and challenged reports from management.

**Risk management:** the Committee has provided oversight of the BBC's risk framework on behalf of the Board. Specific updates were received on cyber risk, including responses to a recent data breach at the BBC relating to BBC Pension Scheme members. Deep dives were held on international risk topics including the restructure of operations in India, staff security arrangements in hostile environments and the security and extraction of our staff and families from Gaza.

**Internal Audit ("IA"):** the Committee approved the annual plan and received audit reports. The completion of Internal Audit actions has been an area of management and Committee focus, and overdue actions were at a low level at year end. The Committee has continued to review the effectiveness of IA.

**Whistleblowing:** Reports on the status of whistleblowing allegations and the outcomes of investigations were received. The Committee noted the challenges in completing investigations within expected timeframes and considered the root causes and how we might address them.

In addition to the standing items noted above, the agenda has continued to reflect topical and priority matters that require oversight and fall within the Committee's remit. This has included sustainability, critical projects, the acquisition of BritBox International, and the BBC's responses to upcoming changes in UK Corporate Governance.

#### Committee Role

The remit of the Committee is to review and maintain oversight of relevant aspects of the BBC's corporate governance, particularly with respect to financial reporting, internal control and risk management. To gain this assurance the ARC has responsibility for reviewing and overseeing:

- the integrity of financial reporting, including judgements of management in relation to the BBC's Annual Report and Accounts and related statements;
- the effectiveness of the BBC Group's internal control and risk management framework;
- key operational and compliance risks facing the BBC Group and the actions being taken to mitigate those risks to an acceptable level;
- the work of the BBC's Internal Audit function, its resourcing and effectiveness;
- the external auditors' proposed audit scope, ensuring no unjustified restrictions or limitations are made and completion of their work;
- the external auditor's independence, quality control procedures and steps taken by the auditor to respond to changes in regulatory and other requirements.

The Audit and Risk Committee's Terms of Reference set out the Committee's responsibilities in more detail. They can be read on our website: [downloads.bbc.co.uk/aboutthebbc/whoweare/bbcboard/auditandrisk/arc-tor-dec-2022.pdf](https://downloads.bbc.co.uk/aboutthebbc/whoweare/bbcboard/auditandrisk/arc-tor-dec-2022.pdf)

#### Committee Membership

The ARC normally comprises three non-executive directors, of whom one must have recent and relevant financial experience. The members who served during the 2023/24 financial year were:

- Shirley Garrood (Committee Chair, term of office ended 2 July 2023)
- Chris Jones (Committee Chair, appointed 24 July 2023)
- Shumeet Banerji (appointed January 2022)
- Elan Closs Stephens (appointed April 2022, term of office ended 3 March 2024)

After the year-end, the Board agreed that Michael Plaut would join the Committee as a member from 1 September 2024. During the short period between Shirley Garrood's term of office ending and the commencement of Chris Jones's appointment, Shumeet Banerji acted as interim Committee Chair.

Both Shirley Garrood and Chris Jones, the Committee Chairs during 2023/24, have significant, recent and relevant financial experience. In addition, each of the members who served on the Committee during the year are individuals who hold or have held senior positions in similar-sized organisations and have the experience and skills to fulfil their responsibilities. When appropriate, the skills and experiences of members are augmented with advice from internal and external professionals.

The Chairman of the BBC Board, the Director-General, the Group Chief Operating Officer, the Group Chief Financial Officer and the Director of Quality, Risk and Assurance are invited to attend meetings along with senior representatives from Internal Audit, Risk Management and the National Audit Office, the BBC's external auditors. In addition, Ian Griffiths, a non-executive Director of the BBC Commercial Board, which is responsible for overseeing the BBC's Commercial ambitions, attends as an observer. The new Chair of the BBC, Samir Shah attended the Committee in March 2024.

The Committee regularly assesses its own effectiveness. In 2022/23, the work of the Committee was part of the external review of BBC Board effectiveness. The findings and recommendations were presented to the BBC Board in 2023/24. The Committee also reviewed its terms of reference in December 2023, with Board-agreed changes to risk oversight implemented – the ARC should maintain oversight of all risks but look in more detail at operational risks, with the BBC Board overseeing the key strategic risks.

#### Committee Meetings

The Committee met six times during 2023/24, at key times in the reporting, risk and audit calendar. One of the meetings was dedicated to risks within the Commercial subsidiary.

Minutes from the meetings are made available to the BBC Board and summary minutes are published on the BBC website: [bbc.co.uk/aboutthebbc/whoweare/bbcboard/auditandrisk](https://bbc.co.uk/aboutthebbc/whoweare/bbcboard/auditandrisk). Additionally, the Chair of the Committee reports back to the BBC Board after each meeting on any issues where action or improvement are required.

The Committee met privately, without any member of management present, with Internal Audit and the external auditors during the year.

## Annual Report and Accounts

The Committee reviewed the financial statements of the BBC. In doing so it:

- considered the going concern and viability statements;
- discussed and challenged papers from management on financial reporting risk areas. This has included areas where significant financial judgement and estimates have influenced the financial statements;
- considered the risk of material misstatement due to fraud and error. Management presented papers on the operation and effectiveness of associated controls;
- assessed whether the accounts as a whole are fair, balanced and understandable;
- sought assurance from management on compliance with the UK Corporate Governance Code and the explanation for any exceptions;
- reviewed and challenged management on the regularity of the reported BBC accounts.

The Committee was satisfied that the financial statements reflect the significant judgements and key estimates, both in respect to the amounts reported and the disclosures. The Committee was also satisfied that the key assumptions used for determining the value of assets and liabilities had been appropriately scrutinised, challenged and are sufficiently robust. We recommended the accounts to the Board for approval.

The following key areas of judgement and estimate were considered by the Committee. The financial statements and accompanying notes, provide further detail.

**Income Recognition:** There is an inherent risk that income is not recognised in line with financial reporting standards. The conclusions relating to the recognition of commercial income are the most complex. Licence fee revenue is treated as grant income due from DCMS on the basis that amounts receivable from licence fee payers will be paid to the BBC.

No significant changes to commercial revenue contracts occurred during 2023/24. Management also confirmed that all new contracts are assessed against IFRS15 – Revenue from Contracts with Customers. The Committee was updated on the most significant contracts and the mitigations in place, and management confirmed that training for relevant business areas and regular reviews of material revenue contracts are undertaken.

**Pension and Actuarial Assumptions:** Changes in the assumptions used to calculate the IAS 19 valuation of the BBC's defined benefit pension scheme can result in material changes to disclosed statements. Assumptions around discount rate, inflation rate and mortality rates all require judgement.

The assumptions used for the latest accounting valuation are determined by management, based upon the recommendations of independent actuaries, and are considered within an acceptable range.

The Committee noted the use of independent specialists, the use of sensitivity and scenario analysis to determine the most appropriate assumptions, and the reporting to the Committee on pension scheme matters including key assumptions, judgements and estimates.

**Leases:** The BBC estate includes properties held under freehold and those held under leases. The complex nature of the BBC's properties and the contractual conditions of lease arrangements may require judgement under IFRS16 Leases. The Committee was satisfied that the treatment of property leases within the financial statements was consistent with management intention.

**Cash Flow Swaps:** Cash flow fixing swaps change the BBC's inflation-linked rental payments for London Broadcasting House ("LBH") into a flatter cash flow profile through to 2045. Estimates are required to calculate their fair value. The Committee was briefed on the assumptions used to calculate their fair value and noted that BBC Corporate Finance team review the valuation model annually.

**Consolidation:** the consolidation of a large international organisation holds an inherent degree of risk of misstatement. The classification of investments as either subsidiary, associate or joint venture can also require judgement.

LBH is owned by Daunus Limited. The BBC holds a 20% interest in this company whose sole purpose is to hold this investment property for rental income received from the BBC. The investment is complex and therefore the classification of this as a joint venture requires judgement.

Management confirmed to the Committee that detailed reviews are provided over consolidation models and areas of judgement. Consolidation was also subject to Internal Audit review in 2023/24, with limited assurance provided.

**Programme Asset Accounting:** There is significant judgement used in the accounting valuation methodologies for programme assets. Also changes in the way viewers consume BBC content (BBC iPlayer vs linear viewing) adds risks around the timing of the release of these assets to the income statement.

The Committee received an update on the annual expenditure recognition review, noting that it remains broadly appropriate to continue to recognise costs when content is first made available to audiences on the main linear channels for 2023/24.

Management confirmed to the Committee that, in addition to the annual review, an annual inventory is completed on 31 March each year to ensure that, where programmes are already on iPlayer, it is still appropriate to keep them on the balance sheet based on audience consumption trends.

**Acquisitions:** The most significant transaction was the acquisition of ITV's 50% share of BritBox International, with BBC taking full ownership for a total consideration of £272 million. The Committee was updated on the outcome of the valuation model and due diligence activity, with findings being incorporated into BBC Commercial's BritBox International integration plan.

As part of the review of the financial statements, the Committee also considered the following matters.

**Misstatement Risk:** Management confirmed to the Committee that they were not aware of any material misstatements or immaterial misstatements made intentionally or in error to achieve a particular presentation.

**Taxation Matters:** The Committee was updated on an HMRC rebate due to a change in how tax is applied to archive rights. From 2009 to 2021 the BBC has been taxed against fees attached to the intangible fixed assets within the BBC Rights Archive. HMRC have since advised that transmission spend expenditure can be off set against the fees. The losses arising from the Rights Archive tax computation have been set against UK group profits, which has led to a refund of corporation tax, across these years, of £137 million. This has been recorded this year as a one-off adjustment.

**Provisions and Contingent Liabilities:** The Committee received reports on matters which could result in the recognition of other potential liabilities and discussed the level of provisions where appropriate with management. Management confirmed that they have applied a consistent approach to the identification, recognition and release of provisions across the BBC Group. The Committee is satisfied with the level of provisions carried and the disclosure in respect of those provisions.

The Committee has been kept updated on the Competition and Markets Authority (CMA) civil investigation into alleged anti-competitive behaviour by the BBC and other media businesses. One investigation relates to the engagement of freelancers, employees and companies for the production and broadcasting in the UK of TV content. A further investigation relates to the production and broadcasting of sports content in the UK.

A contingent liability is referenced in the notes to the annual report and accounts which sets out further detail on the nature and extent of the liabilities.

## Governance

### Audit and Risk Committee report continued

As reported last year, a potential contingent liability has been identified following the commencement of the Indian government tax survey on BBC activities in India in February 2023. The BBC has co-operated in full, and will continue to do so, with all requests made to it including document and information requests, supported by its external legal and tax advisers.

**Wider Annual Report:** The Committee also reviewed how the Group financial statements are positioned within the wider annual report. To assist this review, reports from management, Internal Audit and the external auditors were considered, covering:

- the quality and acceptability of accounting policies, including their compliance with accounting standards;
- compliance with legal and regulatory requirements;
- the clarity of disclosures and their compliance with relevant reporting requirements;
- the accuracy of data assertions and key statements within the front section of the report;
- whether the Annual Report overall, provides reliable information necessary to assess the BBC's performance and strategy.

#### Oversight of External Auditors

Under the 2016 Royal Charter and Agreement, the Comptroller and Auditor General, and thereby the NAO of which he is head, is appointed the BBC's statutory auditor for the duration of the Charter period. The Committee oversaw the relationship with the NAO, including the scope, approach and independence of their work. Areas of focus of the Committee this year have included:

- the BBC's implementation of the recommendations from the 2022/23 external audit. The Committee also considered any implications from the Financial Reporting Council's quality review of the NAO;
- a formal review conducted by the Committee of the effectiveness of the 2022/23 external audit;
- the external audit process, including the reporting requirements of regularity and propriety;
- the NAO's assessment of areas of audit risk or judgement. For 2023/24, this aligned to the areas of risk and judgement reported by management;
- the quality of the audit including the auditor's completion report, audit findings and the management letter; and
- the sufficiency of the external auditor's challenge to management. A review of the external auditor's performance regarding the 2023/24 accounts will be scheduled for autumn 2024.

The NAO also undertakes value for money studies of the BBC's non-editorial activities. During 2023/24, the NAO completed its review of the BBC's Across the UK programme. The Committee reviewed the BBC's response to this review and will oversee the tracking and implementation of improvement actions.

The Committee reviewed and confirmed the provisions of the memorandum of understanding for the NAO's value for money studies that safeguards the BBC's editorial and content independence and confirmed the sufficiency of NAO safeguards to avoid any threats to independence arising during its external audit and value for money studies.

**External audit leadership:** The Committee has noted the tenure of external audit leadership, to ensure a suitable balance between understanding the BBC and having a fresh perspective. The current external audit lead has been in post for three years.

**Non-audit services:** As one of the safeguards over the independence of external audit, the Committee has developed, and oversees, the BBC's policy on the commissioning of the external auditors to provide non-audit services. The NAO does not provide non-audit services. Irrespective of this, the NAO would not be considered for work which might compromise its ability to give an independent opinion on the BBC's financial statements. Recruitment from the NAO into any senior management position in the BBC would require the prior approval of the ARC.

#### Effectiveness of internal controls

The Committee reviewed the effectiveness of the BBC's systems of internal controls, on behalf of the Board. To make this assessment the Committee relied primarily on the findings from assurance activity and challenge to management's reporting and representation.

Specific areas that were considered during the year included:

- attestations reported to the Board from Executive Committee members on controls within their business areas;
- the themes and findings from Internal Audit activity. A summary of Internal Audit activity is presented annually that highlights trends and root causes;
- scrutiny of management's attitude and response to high profile or critical assurance findings;
- progress on the completion of audit actions. During 2023/24, the Committee noted a significant reduction in the number of overdue actions, as a result of increased focus by the BBC Operations Committee;
- external audit outcomes, and control findings as reported in the NAO's management letter;
- the outcome of the NAO's value for money studies;

- reports from executive management on key control areas. This has included updates on cyber assurance activity undertaken by the BBC Information Security team and progress updates on the ICOM (international controls, oversight and monitoring) project;
- reports on whistleblowing along with the mechanisms in place to minimise and prevent incidents of wrong-doing; and
- regular progress reviews of critical projects provided by the BBC Transformation Office, and project assurance outcomes. The Committee also reviewed selected projects in more depth.

The BBC is required to implement generally accepted principles of good corporate governance and therefore chooses to comply with the principles of UK Governance Code, unless this conflicts with a requirement of the Charter. During the year, the Committee received updates from management on planned initiatives to implement, where relevant, additional reporting and oversight requirements necessary to maintain future compliance with the Code.

The Committee is satisfied that the assurance and risk management activity, supported by the information presented by management and the responses received to questions and further enquiries, is sufficient for the Board to make its assessment that the overall level of effectiveness of the internal control and risk management is adequate.

To support this assessment, the Committee has referred to the annual report and opinion from the BBC's Internal Audit team, and the themes noted in their report which require improvement.

#### Risk management and compliance

The Committee considered the effectiveness of the risk management framework in the BBC. It exercised this duty on a quarterly basis by:

- reviewing reports and challenging management on the BBC's major operational and compliance risks;
- scrutinising the quality of risk reporting, governance arrangements for risk reporting and risk metrics across key risk areas;
- receiving papers on emerging risks that have the potential to impact the BBC and deep-diving on risk topics such as information security, sustainability and high-risk deployments; and
- considering the BBC's risk appetite in key risk areas, noting and challenging management on risks trending outside of appetite and actions to remediate risk as required. Key Performance Indicators (KPIs) are in place and used as a basis to calibrate risk performance against expectations.

A regular update on Cyber risk management was presented to the Committee by the Chief Technology Officer. This covered changes to the status of cyber risks, incident responses (including responses to data leaks), emerging threats and the outcomes of specialist assurance work.

The Committee received updates on the BBC's ICOM project, noting progress and challenges, and the restructure of operations in India. We also reviewed our arrangements for the security of our staff in difficult geographical areas and, specifically, were updated on the security and extraction of our staff and families from Gaza.

A paper was received by the Committee on the acquisition by BBC Commercial of ITV's 50% stake in BritBox International, giving the BBC full ownership. The Committee was updated and discussed the accounting treatment and due diligence findings.

The Committee also received a compliance dashboard at every meeting and noted the progress of compliance reporting and use of KPIs in this area. The Committee has made recommendations to improve further risk reporting, which will be implemented during 2024/25.

For further detail on BBC risks, see the Principal Risks report on page 108.

### Internal Audit

The BBC Audit and Assurance function maintained its independent reporting line into the Chair of the ARC and conducted a programme of internal audits aligned to the principal risks facing the BBC. The work of the team is a regular item at each meeting. During the year, the Committee has:

- approved the plan of work for the coming year, ensuring that it is risk-based and strikes a balance between providing assurance over core business processes and areas of strategic challenge;
- monitored the completion of the current plan, reviewing and approving changes and deferrals. 39 audit reviews and eight project assurance reviews were completed as part of a risk-based plan, with over 140 improvement actions raised (2022/23: 41 audit reviews were completed and eight project reviews were completed, with a similar number of actions raised).
- monitored the completion of agreed actions. This has been an area of management and Committee focus, and overdue actions are at a low level. At the March 2024 meeting, two actions were overdue both of which are expected for completion by July 2024;
- considered the findings from audit activity, focusing on audits with unsatisfactory outcomes and management's agreed actions to address these;
- considered the resource requirements for Internal Audit and its capability.

In line with good practice, an independent assessment of the Internal Audit function's effectiveness has been conducted within the last five years, with recommendations implemented. The Committee has requested that a further independent assessment is undertaken during 2024/25.

The Committee continues to monitor the structure of the Internal Audit function and the operation of the current resourcing model, with most audits provided by a third-party co-source. A re-procurement of co-source services is scheduled to be undertaken in 2024/25. The Committee requested that the operating model be assessed prior to any re-procurement. An external review of BBC Internal Audit's operating model was undertaken in the year as part of this assessment. The Committee approved a proportion of budget spent on co-source services to be re-allocated to further strengthen the in-house team, alongside some structural changes to improve Internal Audit's efficiency.

The Committee Chair meets with the Director of Internal Audit and the Director of Quality, Risk and Assurance on a regular basis outside of formal Committee meetings.

### Disclosures to Information Commissioner's Office ('ICO')

In June 2023, a third-party sub-contractor (provider of payroll services) was affected by a vulnerability in their software. This led to a data breach which was reported to the ICO. This was reported as a post-balance sheet event in the 2022/23 accounts. No action was taken by the ICO and there has been no material financial impact.

In May 2024, unauthorised access was gained to a platform used by the BBC in which files were exfiltrated including files containing personal information of some BBC Pension Scheme members. This has been reported to the ICO. The Committee was updated on the incident including investigations on root cause, immediate mitigations and plans for a lessons-learned exercise.

### Whistleblowing

Reports on the status of whistleblowing allegations and the outcomes of investigations were received. The Committee noted the challenges in completing investigations within expected timeframes and considered the root causes together with how we might address them.

From 2024/25, the Committee will support the senior independent director who oversees the whistleblowing process by supervising the integrity, independence and effectiveness of the BBC's whistleblowing policies and procedures. It will continue to monitor the effectiveness of the whistleblowing framework, including themes and the timeliness of completing investigations. The outcome of specific investigations will be reviewed by the BBC Executive Committee or its nominee,

and for particularly sensitive matters, the BBC Board.

### Sustainability

Updates on sustainability reporting, including mandatory and best practice standards, were received. The Committee provided challenge on the sufficiency of reporting and decided to voluntarily extend and enhance the disclosure of the UK Streamlined Energy and Carbon Reporting to the whole of the BBC Group. A third party has been engaged to provide assurance on carbon emissions for 2023/24.

### Critical projects

The Committee continued to oversee the composition and performance of the BBC's critical project portfolio and received assurance reports on project delivery risks. Deeper dives were held into specific projects, including the Eastbank construction project and E20 (the *EastEnders* set). An update on the business process outsource project, which is transferring off-shored finance processes to a new provider was received by the Committee. The Committee also discussed and challenged management on its plans to address issues with the IT upgrade within TV Licensing, which is behind schedule.

In summary, I am satisfied that the agendas for this year have been well considered and in line with the purpose of the Committee. I am also satisfied that the Committee has had access to suitable skills and support to discharge its duties properly.

Looking ahead, to 2024/25 and beyond, we expect to keep the focus on the Committee's core activity, continue to identify and implement improvements to the Committee's ways of working and ensure the agenda remains topical and relevant. The wider context of the 2027 Charter renewal, savings plans, and corporate governance changes will frame much of the Committee's work. In addition, the specific matters of international operating risks, cyber security and the re-tender of Internal Audit co-sourced services will feature on the agendas.

### Chris Jones

Chair Audit and Risk Committee  
10 July 2024

## Governance

### Our principal risks

Risks affect the ability of the BBC to fulfil its Charter obligations and deliver our public purposes. Our approach to risk management aims to support the delivery of our strategic priorities and operational objectives.

#### **Risk management at the BBC in 2023/24**

It was a challenging year from a geopolitical, economic, and social volatility perspective. The ongoing war in Ukraine and conflict in Israel and Gaza, and domestically, with tough economic conditions and the highest levels of industrial action since the 1980s, posed significant risks and challenges for the BBC.

The risk to safety and security of our staff and journalists covering global conflicts remains of paramount importance to us. Increased protestor activity has led to heightened risks to our premises. We continue to experience significant financial pressure from a two-year freeze in the licence fee and whilst a new settlement was agreed during the year, the levels of inflation and cost of production have increased the financial strain on the business. This is at a time when the business is undergoing significant change and transformation. During the course of the year, we experienced a number of risks including cyber security risks from third-party suppliers. We also had a number of high profile incidents relating to some of our on-air presenters. Please refer to the Chief Operating Officer's report on page 51 for more details on these areas.

With the pace of change in technology accelerating and the sense of volatility and uncertainty around us accelerating, the future media landscape continues to change rapidly. In this context, the BBC has clearly articulated the unique role it plays in the world i.e. the BBC of the future will:

1. Pursue truth with no agenda by reporting fearlessly and fairly.
2. Back the best homegrown storytelling by investing in British talent and creativity.
3. Bring people together by connecting everyone to unmissable content.

The BBC of the future will need to be more streamlined, more agile. We continue to transform the organisation to be as efficient and effective as possible, whilst managing the risks and challenges facing us.

#### **BBC's risk management approach**

Our approach to managing risk is by setting out standards and responsibilities for the principal risks faced by the business. These help define the degree of risk (our risk appetite) we are willing to undertake in our business, responsibilities of key management and governance of risk management activities.

Our corporate risk management framework is designed to help the business to manage both strategic risks arising from our strategic priorities, operational risks arising from our day-to-day business operations and compliance risks arising from the need to adhere to legal and regulatory requirements.

#### **1. How we manage risk**

Our approach to risk management helps to ensure that key corporate and divisional strategic, operational and compliance risks are identified, assessed, and managed appropriately.

**Corporate risk taxonomy:** The BBC has developed a corporate risk taxonomy to support the business to identify strategic, operational and compliance risks. The taxonomy aids the completeness of risk identification and facilitates aggregation and consistency within our risk reporting.

**Risk appetite and risk metrics:** Qualitative risk appetite statements have been agreed for key operational risk areas. Quantitative risk metrics and targets are in place for operational and compliance risk areas. Progress and performance against such targets are monitored and reported to the BBC Audit and Risk Committee (ARC) quarterly.

#### **Divisional and functional risk registers:**

Divisions and functions maintain local risk registers. Each risk is allocated to a risk owner, who is responsible for the day-to-day management of the risks, mitigations, and controls. Risk registers are discussed and updated at divisional meetings with significant risks escalated to a corporate level.

**Risk governance and reporting:** The ARC assists the BBC Board in providing oversight of corporate governance, particularly with respect to financial reporting, internal control and risk management. The ARC receives a quarterly risk report considering the BBC's top risks, risk appetite in key risk areas, noting and challenging management on risks trending outside of appetite and actions to remediate risk as required; emerging risks and status of management actions.

In 2023, we streamlined our approach to providing oversight to our key risks. The Board provides oversight over strategic risks, whilst the BBC Executive Committee is responsible for the management of strategic risks.

The ARC provides oversight to operational and compliance risks, including oversight into critical projects. The ARC also monitors the status of management actions in place over strategic risks.

The Operations Committee, which is a sub-committee of the Executive Committee, has delegated authority to focus on monitoring key operational, risk, compliance and project-related activities, including the improvement of internal controls, overseeing remedial activities, and conducting deep dives on specific risk areas.

#### **Risk deep dives**

Deep dives enable a more detailed discussion into specific risk areas with risk owners presenting risk outlook, the current status of the risk and mitigation activities.

Risk deep dives conducted by the Operations Committee included cyber security, including debriefs on all third-party cyber related incidents, high risk news safety, News International Controls, digital accessibility, prominence risk, and BBC events security. The Operations Committee also undertook reviews of key projects, including sustainability/Net Zero, Diversity and Inclusion, Across the UK (project to move programming spend and production to other parts of the UK), East Bank (relocation from the BBC's current live music studios to Stratford, East London), Elstree Studios redevelopment, Belfast Broadcasting House transformation, the Eurovision Song Contest 2023 and Value for All Operating Model (cost-saving programme).

The ARC undertook specific 'deep dives' into priority areas in the year. For further detail on ARC deep dives, please see the Audit and Risk Committee report on page 104.

#### **Enhancements made in 2023/24:**

In 2023, we have made significant progress in enhancing our risk management processes and procedures.

#### **Embedding strategic risks:**

Recommendations made in prior years to improve our strategic risk processes have been implemented. The Executive Committee and the Board have identified the top strategic risks facing the BBC. A strategic risk dashboard outlining risk owners, risk performance and planned management activities was discussed by the Board. The Board will review the strategic risk dashboard on a six-monthly cycle.

Based on the above, we have increased our disclosure of strategic principal risks compared to previous years.



**Risk metric development:** Risk metrics have been designed for strategic risk areas, including digital transformation and competition for on-air talent. The metrics will be monitored on a quarterly cycle going forward. Our Information Security team has reviewed and updated cyber risk metrics to give us better insight into our cyber risk landscape.

**Refreshing risk appetite for operational risks:** We refreshed our approach to setting risk appetite for operational risk areas in the year. The Operations Committee reviewed and re-established the risk appetite for High-Risk News safety, Safeguarding; Safety; Business Continuity; Corporate Security; Data Protection and Information Requests. The ARC considers operational risks trending outside of appetite and supporting management actions.

**Second line assurance activity:** We have commenced a programme of second line assurance reviews across a number of areas such as Safety; Safeguarding; and Compliance areas. Findings from these reviews have been reported to the Operations Committee and have resulted in pan-BBC remedial activity, driving improvements in our control environment.

#### **Priorities for 2024/25:**

Implementation for UK Financial Reporting Council Corporate Governance Code Requirements: Following the publication of the updated UK Corporate Governance Code in January 2024, we are mobilising a project team to implement the key changes from the FRC, the most significant of which is in respect of risk management and internal controls. The code will apply to financial years beginning on or after 1 January 2025 with the risk management and internal controls provision coming into effect from 1 January 2026.

**Refreshing risk appetite for operational risks:** Our risk appetite for technology and cyber risks will be reviewed and updated to include a review of technology risk taxonomy areas, supporting risk metrics and targets.

#### **Emerging risks**

Emerging risks are unforeseen threats which may develop or those which already exist but whose impacts are difficult to quantify. They are considered over short, medium and longer term timeframes.

The Corporate Risk Management team, in collaboration with the Divisions, Strategy and Performance team and other subject matter expert teams scan the internal and external environment in order to identify emerging risks for the BBC.

Emerging risks are categorised into external/market facing, political, legal, and regulatory, operational and technology. Such risks are monitored and tracked through our existing risk framework.

We expect Artificial Intelligence (AI) to be a growing disrupter in the media sector over the next few years. We have seen notable advancements in generative Artificial Intelligence (Gen AI) – which uses artificial intelligence to create new content, such as text, audio or video. Gen AI is likely to bring opportunities in both how we work and how we produce our content. We are running a number of gen AI innovation pilots across the BBC that will identify where there is real audience and operational value to be gained. We are exploring a range of areas, from content translation and reformatting to new accessibility features, tailored learning within BBC Bitesize and staff productivity tools, with a view to scaling some of these experiments further over the course of 2024/25.

Gen AI also brings risks and challenges, as it further reduces the cost and complexity of production for new entrants potentially increasing competition or the risk of substitution. Gen AI also raises a set of broad questions e.g. around accuracy and copyright, with a number of high-profile legal cases around data scraping and copyright infringement still working their way through the courts. The impact on search – so important for many publishers – is unclear but could lead to a decline in traffic from search. There are also critical concerns about disinformation. AI-generated or manipulated images, audio clips and videos could feature more prominently in the near and long term.

Other areas of emerging risk include the uncertainty of the geopolitical environment and the associated impact of any further escalation of current conflicts in Europe or the Middle East with respect to trade, supply chain, and the impact of expected regulatory changes with the new Media Act.

#### **Assessing the effectiveness of risk management and internal control**

The Board uses the mechanisms above, as well as the work of internal and external audit and assurance, and the work of the Audit and Risk Committee to help it assess the effectiveness of the system of risk management and internal control across the BBC, in order to make its assessment that the overall level is adequate.

## Governance

### Our principal risks continued

#### 2. Our risk framework

We have a four step process to support the business to manage risks within our day-to-day activities.



#### 1. Identify

- Corporate risks are identified and assessed by the Operations Committee with risk owners assigned to each risk.
- The Board and the ARC provide input during the annual review of principal risks.
- Divisional level risks are identified based on consideration of factors with the largest potential to impact Divisional strategy and objectives.
- Emerging risks are identified via scanning of upcoming areas of interest, threats and opportunities by Corporate Risk Management team in conjunction with the Strategy and Performance team and other subject matter expert teams.

#### 3. Manage

We use a three lines of defence model to manage risks:

- Risk owners in the Divisions and functions manage risk and ensure the effective operation of mitigations and controls.
- Risk owners in consultation with the Executive Committee set the risk appetite of operational risk areas.
- The Corporate Risk Management team monitors risks, including whether risks are in or out of appetite.
- Audit and Assurance provides independent assurance on key business risks, as appropriate and based on their audit plan.

#### 2. Analyse

- We analyse the likelihood of each identified risk crystallising given mitigations in place.
- We assess the potential impact of financial, reputational, legal and regulatory, operational and health and safety considerations.
- Collectively this analysis allows us to determine whether additional mitigation is needed given our risk appetite.

#### 4. Monitor and report

- Divisional leadership teams review Divisional risks and mitigating controls.
- The Operations Committee receives a monthly operational and compliance risk dashboard.
- The Executive Committee receives a quarterly risk summary with operational risk and compliance risk dashboards.
- The ARC receives a quarterly risk report covering key operational, compliance, emerging risk areas as well as a status update of management actions in place to manage strategic risks. Risk deep dives are conducted into specific areas as required.
- The Board receives a quarterly risk update report on key operational, and compliance risks. The Board also received a six-monthly strategic risk dashboard.

### 3. Our principal risks

The Board has carried out an assessment of the principal risks facing the Group, including those that would threaten its business model and future performance.

The impact of these risks is considered when developing the BBC’s viability statement. The principal risks and uncertainties faced by the Group are set out below:

#### Risk classification key:

- Strategic risk
- Operational risk

#### Public purposes key:

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

#### Strategic priorities key:

- A** Pursue truth with no agenda
- B** Back the best homegrown storytelling
- C** Bring people together
- D** Accelerating the transformation of the BBC

#### Key to risk movement:

- Risk has increased in year
- Risk has remained static in year
- Risk has decreased in year

### Strategic

#### 1. Our finances

**Risk:** Inability to deliver our expected outcomes due to financial constraints arising from:

- Reduced licence fee collection levels due to increased evasion, demographic change impacting household numbers or audiences ‘opting out’ of our content
- Being unable to successfully control production and administrative costs
- Failure to realise the expected commercial benefits from our commercial entities

**Potential impact:** A reduction to content and products offered and/or a reduction in investment in our strategic objectives (including our digital platforms), which would likely adversely impact our ability to reach audiences.

**Risk owner:** Chief Financial Officer

**2023/24 direction:**

**Public purposes:** 1 2 3 4 5

**Strategic priorities:** A B C D

#### 2023/24 activities undertaken and key mitigations:

- Close monitoring of licence fee collection, evasion, including reduction in household growth rates and changes in audience media consumption
- Robust budgeting to ensure spend is prioritised to meet the BBC’s strategic ambitions and identification/delivery of savings to meet the ambitions
- Quarterly monitoring of commercial debt covenants (actual and forecast)
- Robust controls over spend on overheads and inflationary rises to ensure they are kept as low as possible; prioritising spend to content and services
- Annual going concern and viability reviews to assess ongoing financial stability
- Scrutiny of the BBC’s financial position, cash headroom and above points has occurred at the Board, ARC, Commercial Board, Executive Committee and the Operations Committee
- Regular reporting to external stakeholders including Ofcom, the Department for Culture, Media and Sport, pension trustees

#### Residual risk and 2024/25 planned activities:

Adverse impact of the licence revenues and inflationary pressures on our supply chain are being addressed by:

- Introducing a new savings programme out to 2027/28
- Close management of inflation

#### Key risk metrics:

- Collection rates for licence fee revenue
- Delivery of savings programmes
- Cash headroom reporting and forecasting
- Metrics on commercial entities performance including sales, EBITDA
- Compliance with Department for Media, Culture and Sport debt levels
- Performance of the BBC defined benefit pension scheme

## Governance

### Our principal risks continued

#### 2. Impartiality

**Risk:** Failure to provide duly impartial, duly accurate and trusted news and other content.

**Potential impact:** Erosion of trust in the BBC. Serious breaches may result in Ofcom fines.

**Risk owner:** Director BBC Editorial Policy and Standards

**2023/24 direction:** ▲

**Public purposes:** 1 2 3 4 5

**Strategic priorities:** A B

#### 2023/24 activities undertaken and key mitigations:

- Content standards, serious editorial breaches, upheld complaints, and compliance with the Ofcom Code discussed at Editorial Guidelines and Standards Committee (EGSC) and at the BBC Board
- EGSC updated on delivery of the Impartiality action plan and the Serota implementation plan
- EGSC discussed the impact of events on impartiality scores. Scores being monitored by EGSC
- The rollout and monitoring of the completion of impartiality training continued
- BBC content on any platform has to comply with the Editorial Guidelines. The Editorial Guidelines apply due impartiality and due accuracy to all content, going further than the Ofcom Broadcasting Code requirement
- Programme of Thematic and Content Reviews in place and reported to Board and EGSC
- Editorial policy team strengthened with a particular focus on news and current affairs and factual content
- Impartiality complaints are subject to both Executive Complaints Unit (ECU) and Ofcom adjudication. Guideline breaches are reported up to and including the Board. Serious editorial breaches also reported to the Board

#### Residual risk and 2024/25 planned activities:

The risk to impartiality is being addressed by:

- A further programme of Thematic Reviews and Content Reviews
- Bespoke election guidelines ahead of the UK General Election
- Strengthening of BBC Verify, a team and a brand, using tools and techniques to investigate, source and verify information, video and images
- Enhanced role for EGSC in oversight of complaints. Dedicated EGSC adviser who can look into issues quickly on behalf of the EGSC
- 24/7 advice from BBC Editorial Policy
- Impartiality training will continue

#### Key risk metrics:

- Impartiality training completion levels
- Impartiality tracking survey
- Learning lessons from any upheld complaints
- Management of potentially difficult impartiality issues through regular discussion at the Executive's Editorial Standards and Complaints Committee and the Board's EGSC
- Staff survey

#### 3. Digital transformation risk

**Risk:** Inability to effect digital transformation of the BBC (people, process, technology) to create a digital-first BBC and to meet the changing needs of our audiences.

**Potential impact:** Audiences are unable to obtain sufficient value from our online propositions, resulting in the BBC losing market share to other SVOD providers.

**Risk owner:** Group Chief Operating Officer

**2023/24 direction:** ▲

**Public purposes:** 1 3

**Strategic priorities:** B C D

#### 2023/24 activities undertaken and key mitigations:

- A digital-first strategy, underpinned by a road map and targets, to increase the BBC's digital maturity, in line with the BBC's Value for All strategy
- Developed our product capabilities focusing on providing users with a tailored experience behind sign-in
- Investment in technology to simplify current architecture and underpin a single, modular platform
- Upskilling of leaders to ensure confidence in the digital environment
- Enhancement of the BBC's data management, governance and tracking capabilities and increased data integration
- Launch of the new BBC News app which offers an enhanced experience for users
- Launch of new iPlayer mobile app
- Development of new digital risk metrics to measure the pace of digital transformation approved by the Executive Committee
- Simplification and harmonisation of editorial tooling and common platforms

#### Residual risk and 2024/25 planned activities:

Enhancing user experience in line with competition will be addressed by:

- Improving the digital product offering, including mobile and television experience
- Maturing enterprise agility, ways of working and making available resources for all staff involved in the digital transformation
- Managing pace of digital change via the Digital Leadership Group, including the implementation of the digital risk metrics
- Development of a single integrated digital BBC roadmap, prioritising integrated capability development over independent service roadmaps
- Establishing a strategic priorities across the BBC to enable faster digital transformation via our Group Objectives and Key Results approach
- Establish a BBC Group Data Strategy

#### Key risk metrics:

- Weekly signed-in users for BBC's digital platforms
- % of BBC audience using the BBC's digital platforms
- Time to market for new product propositions

**4. Value for Audiences**

**Risk:** BBC unable to stay relevant, deliver value to all audiences and protect its brand and reputation.

**Potential impact:** Audience impact reduces and BBC less able to deliver public service mission through universal usage.

**Risk owner:** Director of Strategy and Performance

**2023/24 direction:** ▲

**Public purposes:** 1 2 3 4 5

**Strategic priorities:** A B C D

**2023/24 activities undertaken and key mitigations:**

- Delivered an exceptional year of high impact content, including seven out of ten of the most-watched transmissions in the UK across all broadcasters and streamers
- Secured additional investment in content and product to support the strategy
- Delivered an extensive programme of manager roadshows on the Value for All strategy, the key metrics and audience insight
- Continued to focus at leadership level on audience value, metrics and targets
- Every quarter the delivery of the strategy has been covered in performance reporting to the BBC Board and Executive Committee

**Residual risk and 2024/25 planned activities:**

- Global competition continues to increase, particularly online. The video market also continues to change, with future trajectories in content commissioning, inflation and co-production subject to considerable uncertainty
- Re-prioritisation to free up more investment in high impact content and online products
- Extensive communication of the BBC’s re-articulated Value for All strategy i.e. Pursuing Truth, Backing Homegrown Storytelling and Bringing People Together
- Significant investment in high-impact content, including an extensive year of sport, and in developing our online capabilities to support our products

**Key risk metrics:**

- We will continue to use the pan-BBC audience scorecard as our key indicator of risk, including digital growth, overall reach and breadth of engagement metrics and reputational measures

**5. Pace of external digital disruption, changes in industry models, strength of SVOD providers/technology giants**

**Risk:** Inability to compete with global “big tech” competitors.

**Potential impact:** Audience levels fall due to audiences using alternative services, reducing the BBC’s public service value.

**Risk owner:** Director of Strategy and Performance

**2023/24 direction:** ▲

**Public purposes:** 1 2 3 4 5

**Strategic priorities:** B C D

**2023/24 activities undertaken and key mitigations:**

- Continued to implement Value for All strategy to invest in premium video content and digital service portfolio, and identified additional funding for both areas
- Developed longer-term plans to support a strategic shift to enable longer-term digital growth on BBC owned and operated services and support the wider public service broadcasting ecology
- Developed and rolled out a number of pilots in Gen AI to explore the potential to support the BBC’s mission, whilst responding to the potential societal risks of Gen AI
- Delivered an extensive programme of manager roadshows on the market context and the Value for All strategy
- Every quarter, market development and the delivery of the strategy have been covered in performance reporting to the BBC Board and Executive Committee

**Residual risk and 2024/25 planned activities:**

- Global SVOD providers continue to experience challenges in the macroeconomic environment and are therefore focusing on profitability. A number of SVOD providers have recently re-shaped their subscription tiers, including announcing ad-supported tiers and price increases to drive Average Revenue Per User (ARPU). The longer-term impact of these changes on consumer willingness to pay is as yet unclear
- Re-prioritisation to free up more investment in high-impact content and online products
- Significant investment in high-impact content, including an extensive year of sport, and in developing our online capabilities to support our products
- Roll out AI projects more broadly, depending on the outcomes of our internal pilots

**Key risk metrics:**

- The pan-BBC audience scorecard includes key indicators of risk, including digital growth of BBC Online products, overall reach and breadth of engagement metrics, signed-in users, and online reach.
- Availability, performance and audience reaction to BBC online products
- The implementation of the pan-BBC product roadmap.

## Governance

### Our principal risks continued

#### 6. Programme supply and competition for on-air talent

**Risk:** Inability to produce programmes that satisfy changing market and audience requirements and attract and retain essential on-air talent.

**Potential impact:** Reduction of overall value for our audiences with potential for declining audience performance.

**Risk owner:** Chief Content Officer

**2023/24 direction:** >

**Public purposes:** 1 2 3 4 5

**Strategic priorities:** B D

#### 2023/24 activities undertaken and key mitigations:

Macroeconomic environment is impacting the creative market and pressure on performance-defining intellectual property/talent remains high. The BBC's ability to attract and retain key talent is still challenging, however our overall strength is evidenced by the retention of many other high-profile names and the development of new stars.

- Increasing sector engagement to ensure we remain competitive for the best ideas, as well as stimulating the wider creative UK supply base
- Working with a range of partners to support investment in our content offer
- Growth of our Group IP as part of the BBC Studios plan
- A competitive and effective approach to talent contracting
- A range of initiatives to actively nurture and support new talent
- Focusing on deal renewals and development of future talent and succession pipeline across the BBC

#### Residual risk and 2024/25 planned activities:

We plan to continue focus on our current activities as outlined above, with further sector collaboration, commercial terms and increasing impact of our initiatives planned. This will be underpinned by improved metrics to monitor our risk position with both leading and lagging indicators.

#### Key risk metrics:

- Programme supply targets, including Across the UK
- Supplier feedback and insight on working with BBC commissioning
- Investment from third parties underpinning programme funding
- Talent flight and inflation

#### 7. International News Audiences

**Risk:** Inability to reach and distribute BBC News content to global audiences caused by market restrictions and funding uncertainty which risks audience reach delivery on BBC platforms.

**Potential impact:** Increasing spending and innovation from competitors (including state-sponsored media, and tech platforms changing algorithms to de-prioritise news reach and consumption), coupled with BBC budgetary challenges, creating downward pressure on BBC News global reach and market share.

**Risk owner:** CEO, BBC News and Current Affairs

**2023/24 direction:** ^

**Public purpose:** 5

**Strategic priorities:** A

#### 2023/24 activities undertaken and key mitigations:

- Implementation of World Service digital-first transformation plans, including new ways of working
- Global strategy development, including plans to drive growth on bbc.com, and leverage new technologies (including AI) to transform the news offer for audiences globally, irrespective of language and platform
- Launch of new English-language global app, more user friendly and personally relevant, to drive growth
- BBC Board briefed on digital-first transformation of the BBC World Service, including the delivery of licence fee savings

#### Residual risk and 2024/25 planned activities:

- Risk that BBC World Service competitiveness comes under further pressure, as competitor spending increases, and licence fee savings impacts are felt
- UK Government engagement initiated on funding (effective 2025/26) to enable the BBC World Service to develop digital reach. Difficult trade-offs between global reach and financial pressures are anticipated
- Further development of AI technologies to add value to journalism, and enable eventual scaling of a core digital offer globally

#### Key risk metrics:

- Reach on BBC-owned digital platforms ex-UK
- Proportion of total BBC ex-UK reach coming from BBC owned platforms

**8. Organisational change**

**Risk:** The extent of organisational and culture change in progress creates a risk that the organisation is placed under significant operational strain.

This is underpinned by an accelerated pace of transformation within each of the BBC’s Divisions, introducing bold, long-lasting initiatives and structural innovation, creating a leaner and simpler organisation.

**Potential impact:** Impact on productivity, wellbeing, increased potential employee relations and legal challenges, and heightened potential of industrial action.

*Risk owner:* Chief People Officer

*2023/24 direction:* >

*Public purposes:* 1 2 3 4 5

*Strategic priorities:* C D

**2023/24 activities undertaken and key mitigations:**

- Effective staff communications, with engagement monitored via staff surveys
- Open and effective way of working with the Unions
- Employee engagement survey
- Placing utmost importance on the wellbeing of BBC staff by creating a safe environment, committed to hybrid working
- Whistleblowing hotline in place to enable the reporting of behavioural concerns and investigations conducted where appropriate
- Working to devise and update local operational business continuity plans
- Co-ordinate change activities to avoid multiple industrial relations risks occurring at the same time in the same place
- Continued engagement from people managers on Value for All strategy
- Increased communications on integrated stories about HR’s work and offerings and under the umbrella of employee experience

**Residual risk and 2024/25 planned activities:**

- Looking to utilise voluntary redundancy (VR) wherever possible to rebalance staffing requirements and potential incentives for increasing uptake of VR
- Review restructure and redundancy processes to improve employee experience and effectiveness of implementation
- Leverage technology to ensure employees are engaged and can focus on productive work

**Key risk metrics:**

- Employee Satisfaction Survey results
- Availability of wellbeing resources
- Monitoring of whistleblowing hotline
- Completion rates of training courses
- Days lost through industrial action

**9. Attracting and retaining organisational talent**

**Risk:** The BBC fails to attract and retain the ‘off-air’ and staff talent it needs to achieve its Value for All strategy.

**Potential impact:** Inability to retain key staff in high priority areas causing risk to achievement of our diversity and inclusion targets and parts of our Value for All strategy.

*Risk owner:* Chief People Officer

*2023/24 direction:* >

*Public purposes:* 1 2 3 4 5

*Strategic priorities:* C D

**2023/24 activities undertaken and key mitigations:**

- Embedding an improved recruitment and onboarding system and processes
- Implementation of candidate relationship marketing technology to build talent pools
- Continued delivery of the BBC’s core apprentice programme
- Expansion of the leadership index and BBC Values-based 360 feedback to all Senior and band F team leaders
- Continue the myConversation approach to staff performance and development focusing on goals and the link to strategy, expanding career and development opportunities via new mobility pilots
- Deliver annual pay review
- Provide growth opportunities through Hot Shoes, 80/20, and several Enterprise Leadership Development programmes
- Launched a new Team Leader dashboard to provide workforce data to all team leaders, including joiners, movers and leavers and diversity and inclusion representation
- Support staff networks to ensure employees have communities of engagement and interest

**Residual risk and 2024/25 planned activities:**

- Introduce a much closer link between pay progression and myConversation, goal setting, and the BBC Values to ensure sustained high performance
- Continue pan-BBC disability-focused employer branding campaign for deaf, disabled and neurodivergent talent
- Embed disability confident Interview scheme
- Continue to attract disabled talent through the Extend programme, with roles ringfenced within each Division
- Continue our work to deliver a Gold Standard for Inclusion – creating an inclusive culture which attracts and retains diverse talent
- Scale new leadership development offer to set out consistent expectations and support for team leaders through to senior leaders
- Continued dedicated focus on diversity and inclusion efforts with a push towards belonging to engage staff no matter who they are

**Key risk metrics:**

- Employee retention, turnover and ‘reason for leaving’
- Black, Asian and minority ethnic, disability, gender, LGBTQ+ and low Socio-Economic Diversity (SED) representation in leadership roles and all staff
- Diversity and inclusion targets incorporated into the Senior Leader Index
- Employee Satisfaction Survey results

## Governance

### Our principal risks continued

#### Operational risks

##### 1. Health, safety, security, safeguarding and high-risk News deployments

**Risk:** Failure to protect the health, safety, security, safeguarding, and wellbeing of our people, contributors and visitors, including those to whom we owe a duty of care.

**Potential impact:** Failure in our ability to look after the physical and/or mental health of our people, journalists, contributors and visitors.

*Risk owner:* **Director of Safety, Security and Resilience**

*2023/24 direction:* ➤

##### 2023/24 activities undertaken and key mitigations:

- Launched an incident reporting platform for reporting safeguarding concerns
- Introduced a new Peer Support Network and mental health training modules to promote psychological safety in the workplace
- Launch of pan-BBC assurance work across safeguarding and safety activities
- Continued to support news gathering operations in Ukraine and facilitated the safe extraction of BBC staff from Gaza
- Policies and procedures in place for high-risk, safety and safeguarding, including checklists to follow when engaging with independent production companies
- Risk assessment process in place for high-risk deployments, safety and safeguarding activities
- Training and awareness courses for safety and safeguarding
- Specialised training for staff deploying into or having oversight of high risk News activities
- Additional specialised support for teams operating in high-risk territories

##### Residual risk and 2024/25 planned activities:

- Managing safety and security at UK events and productions, including implementation of provisions under Martyn's Law (Protection of Premises – Terrorism Bill)
- Embedding safeguarding practices across the Divisions, including review of criminal records checks process and associated governance
- Implementation of a new global safety management system
- Review and refresh of A-Z guidance (including introduction of formal governance)

##### Key risk metrics:

- Training completion rates
- Number of RIDDOR reportable incidents, including near misses
- Number of serious incidents
- Number of safeguarding concerns raised
- Levels of non-conformance arising identified during assurance visits and inspections
- Open actions for improvement arising from the assurance visits and inspections

##### 2. Compliance with international laws and regulations

**Risk:** Failure by the BBC's offices and operations internationally to comply with legislation and regulations, internal policies and other standards.

**Potential impact:** Compliance breaches could result in potential investigations, financial penalties and liabilities, loss of trust and reputational damage.

*Risk owner:* **Chief Operating Officer – BBC News**

*2023/24 direction:* ➤

##### 2023/24 activities undertaken and key mitigations:

- This risk and the associated plan has been discussed with BBC Board, BBC Audit and Risk Committee, BBC Operations Committee and BBC News Board
  - Review completed of operating and tax structures for BBC News overseas entities including the India entity
  - Financial controls strengthened for key processes
  - BBC News divisional risk governance process instituted for review and treatment of operating risk
  - Set of actions developed to reduce risk exposure for international locations, with implementation commenced
  - Restructuring plan implemented to adhere to local foreign ownership laws and regulations in India
- ##### Residual risk and 2024/25 planned activities:
- Development of a long-term sustainable global operating structure commensurate with our global ambitions
  - Enhanced Company Secretariat function to cover overseas entities for News and Current Affairs, aligning with wider corporate governance
  - Jurisdiction-specific guidance being updated to ensure ongoing adherence to Corporate standards
  - Regional-level risk registers to be introduced for management of identified compliance issues
  - Completion of roll-out of risk reduction actions for international locations

##### Key risk metrics:

- Mandatory training completion levels
- Tax proceedings and updates on ongoing cases
- Status of open and accepted risks
- Open Internal Audit recommendations



### 3. Data protection

**Risk:** Failure to comply with the relevant data protection legislation and to adequately protect the personal data processed and handled by the BBC.

**Potential impact:** Reputational damage, loss of trust in the BBC, legal action, the payment of damages, fines or other penalties from the regulator (ICO).

*Risk owner:* **Data Protection Officer**

*2023/24 direction:* **>**

**2023/24 activities undertaken and key mitigations:**

- Working in partnership with key stakeholders in response to a third-party data breach. Key activities included co-ordination with third-party vendors, external service providers and regulators, whilst supporting staff and business areas impacted
- Developed a Data Protection Compliance and Assurance Framework
- Design and delivery of advanced data protection training to equip data protection representatives on appropriate frameworks, processes and tools
- The Data Governance Committee established and operationalised several privacy related subgroups, including Cookies/e-Privacy and Children’s Code

**Residual risk and 2024/25 planned activities:**

- Implementation of a new Data Protection Compliance and Assurance Framework
- Implement and roll out Third-Party Risk Management Framework for suppliers processing personal data
- Design and delivery of improved role-specific enhanced Data Protection training
- Implementation of an electronic case management system for the management of data breaches, subject access requests and data protection complaints

**Key risk metrics:**

- Number of data breaches reported to the ICO
- % of late Subject Access Requests (SARs)
- Number of 2nd line assurance activities completed.
- Monitoring spikes in future due date of SARs
- Mandatory training compliance completion rates

### 4. Cyber security landscape

**Risk:** Failure to prevent a cyber incident, such as a ransomware attack at the BBC, and/or a key third-party supplier.

**Potential impact:** Compromise to the availability, integrity, and confidentiality of BBC information (including personal and other sensitive data).

*Risk owner:* **Chief Information Security Officer**

*2023/24 direction:* **▲**

**2023/24 activities undertaken and key mitigations:**

- Successful delivery of high profile events e.g. the Coronation of His Majesty The King and Her Majesty The Queen Consort, and the Eurovision Song Contest
- Offering a comprehensive response in partnership with key stakeholders to manage third-party data breach incidents
- Top-level cyber threats to the BBC discussed at the BBC Audit and Risk Committee
- Executive Committee cyber rehearsal held to support our incident management response procedures. Next steps and recommendations are currently being implemented
- Monitoring of our threat landscape, supported by cyber threat assessments and tests across internal and third-party systems
- Vulnerability management to detect and manage threats and to remove vulnerabilities to the BBC’s estate
- Mandatory Data Protection and Cyber Security training courses for all BBC staff
- Rehearsal of our security incident response plans to test the effectiveness of our corporate incident management framework for specific scenarios
- Using our post-incident review process to further enhance best practice internally and with our third-party partners

**Residual risk and 2024/25 planned activities:**

- Implementing preparedness plans in response to this year’s heightened cyber risk profile, including preparedness to support our election coverage
- Using independent third-party expertise to enhance our cyber risk maturity
- Our ongoing staff information security campaign to promote personal cyber security awareness

**Key risk metrics:**

- Type, volume and criticality of cyber incidents
- The application of key security controls covering critical information assets and systems
- The status of security patch management
- The status of residual risk acceptance
- Mandatory training compliance completion rates
- External assurance review findings

## Governance

### Our principal risks continued

#### 5. Technology resilience

**Risk:** Inability to provide a resilient broadcasting service across all our distribution channels.

**Potential impact:** Potential to compromise our output to our audiences and meet our obligations to maintain broadcast and network resilience.

**Risk owner:** Chief Technology Officer

**2023/24 direction:** ➤

#### 2023/24 activities undertaken and key mitigations:

- The operational performance and availability of audience-facing services, including any technology incidents and associated actions required, are reviewed weekly by the Technology and Product Operations Leadership team
- The BBC Operations Committee provides regular oversight of operational performance and the escalation of any material issues and specific risk scenarios
- Resilience is designed into the BBC's systems, services and supporting infrastructure, ensuring no single point of failure in our critical systems. This multi-layered approach is a core component of the BBC's business continuity capability
- The operational performance of our broadcast and online services is continuously monitored using a range of metrics. Targets for our critical services form part of our contractual agreements with key partners
- Continued development of technology roadmaps and the implementation of targeted technology refresh projects
- Programmes of work to further improve our resilience include implementation of cloud solutions for the BBC Group's SAP estate and archive storage
- Well-rehearsed business continuity and disaster recovery plans are in place, including a rehearsal for broadcast resilience held with key stakeholders

#### Residual risk and 2024/25 planned activities:

- Ongoing targeted investment to fund major programmes e.g. systems and infrastructure upgrades to maintain operational integrity and mitigate risks as well as alongside strategic investment in digital capability
- Ongoing rehearsal of our business continuity and disaster recovery plans to support our preparedness in response to material risk scenarios

#### Key risk metrics:

- Service availability, accuracy and quality
- The volume and criticality of incidents
- Performance against internal and contractually agreed targets
- Monitoring against service level agreements of key third-party suppliers

#### 6. Transformation risk

**Risk:** The risk that the BBC's transformation plans do not respond sufficiently, and at pace, to changing audience needs and the external environment.

**Potential impact:** Inability to deliver value creation opportunities impacting audience offerings and impact to our financial sustainability.

**Risk owner:** Group Chief Operating Officer

**2023/24 direction:** ▲

#### 2023/24 activities undertaken and key mitigations:

- Transformation strategy and component parts discussed and agreed by the BBC Executive Committee and the BBC Board
- Close monitoring of transformation projects conducted by the BBC Executive Committee across the following areas: digital and technology; organisation development; content and audiences; revenue, restructure, re-investment; property and carbon foot printing
- Monthly report on the full transformation portfolio presented to BBC Executive Committee
- The BBC Audit and Risk Committee provides oversight and scrutiny to critical projects

#### Residual risk and 2024/25 planned activities:

- Finalisation of transformation projects and associated workstreams, including their respective funding requirements
- To ensure the success of our transformation agenda, sufficient pan-BBC buy-in and engagement is a focus area
- Overcoming cultural barriers in order to increase change capacity across the organisation
- Increase change leadership and capability to drive change required for future growth and sustainability
- Continued focus on benefits realisation

#### Key risk metrics:

- Number of projects with a 'Red' RAG status
- Projects at risk of falling behind planned timelines
- Financial exposure for projects with budgetary risk
- Projects that are at risk of not realising benefits or achieving milestones.

## 7. Third-party supplier risk

**Risk:** The BBC is dependent on the provision of goods and services from third-party suppliers. There is an inherent risk of failure by one or more of the BBC's key suppliers.

**Potential impact:** The BBC's key suppliers provide services covering licence fee collection, audience contact, enterprise IT and broadcast services. The risk of failure by one of the BBC's key suppliers could have a material impact on the BBC's output to customers.

**Risk owner:** Director Procurement

**2023/24 direction:** ➤

### 2023/24 activities undertaken and key mitigations:

- In response to volatile macroeconomic/geopolitical environment and recent supplier incidents, a review of contract management (including risk management) controls has commenced
- Training of individuals responsible for managing key BBC contracts has commenced and will continue

### Residual risk and 2024/25 planned activities:

- Review of risks posed by critical suppliers and assessment of outsourcing risk
- Third-party framework/governance standards to be established to mitigate threats to BBC operations and data posed by cyberattack on suppliers
- BBC Supplier ecosystem to be reclassified/segmented and appropriate treatment strategies and controls to be implemented, mitigating risks of supplier service failure and delivery of key BBC projects
- An enterprise-wide approach to risk monitoring and reporting will be established, including steps to improve resilience to macroeconomic and geopolitical events

### Key risk metrics:

- % Tier 1 and 2 suppliers performing against contractual SLAs
- % Tier 1 and 2 suppliers with appropriate controls in place

## 8. Editorial risk

**Risk:** Content is not compliant with the BBC Editorial Guidelines.

**Potential impact:** Breach of standards which may result in loss of trust in the BBC and reputational damage. A serious breach of standards could result in Ofcom fines.

**Risk owner:** Director BBC Editorial Policy and Standards

**2023/24 direction:** ➤

### 2023/24 activities undertaken and key mitigations:

- Content standards and editorial risk are discussed at each BBC Editorial Guidelines and Standards Committee (EGSC)
- Editorial guidelines and accompanying specific guidance maintained by the Editorial Policy team
- Operation of a simplified set of procedures for fast-track complaints and self-initiated investigations
- Procedures to ensure compliance with Ofcom requirements, supported by monitoring and reporting
- Editorial whistleblowing policy in place and accessible to all staff
- Reporting of complaints and whistleblowing disclosures to the BBC Audit and Risk Committee and to the EGSC
- Launched new social media guidance and AI guidance
- Adherence to social media guidance monitored at the Executive's Editorial Standards and Complaints Committee (ESCC)

### Residual risk and 2024/25 planned activities:

- Revised Editorial Guidelines will be published in 2024, following a public consultation
- Editorial guidance will be updated to reflect the new guidelines
- Tracking complaints, investigation results and whistleblower disclosures to identify any trends or learning points beyond the specific matters raised
- Enhanced role for EGSC in oversight of complaints
- Dedicated EGSC adviser who can look into issues quickly on behalf of the EGSC

### Key risk metrics:

- Upheld complaints
- Serious editorial breaches
- Ofcom decisions

## Governance

### Our principal risks continued

#### 9. Environmental sustainability and climate change

**Risk:** Failure to achieve the decarbonisation levels that we have set out in our near-term 2030 Net Zero targets or to achieve the content aspirations set out in our Climate Content Pledge.

**Potential impact:** Negative public, audience, talent and employee perception in these areas as a result of us:

- Not delivering upon our Net Zero and Climate Content Commitments
- Failing to match the levels of environmental interventions demonstrated by other broadcasters

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**Risk owner:** Group Sustainability Director

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**2023/24 direction:** >

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**2023/24 activities undertaken and key mitigations:**

- Sustainability Net Zero is classified as a critical project with documented governance, targets and reporting
- BBC Group Sustainability strategy approved, science-based targets developed for Scope 1 and 2 and Scope 3
- Sustainability training in place for all staff

**Residual risk and 2024/25 planned activities:**

Consistent implementation of the plan in the divisions will be assisted by:

- Developing and socialising the People Positive strategies to accompany the BBC's Net Zero ambitions
- Continued investment in property infrastructure changes within the decarbonisation plan including the installation of heat-pumps to de-gasify key sites
- Review and rationalisation of our UK property strategy
- The development of a carbon accounting and reporting platform which captures carbon data down to department level providing clear ownership, accountability and tracking change against targets
- Achieving Zero Waste to Landfill certification from the Carbon Trust for England and Wales

**Key risk metrics:**

- Scope 1 and 2 and 3 Greenhouse Gas emissions targets
- Sustainability training completion rates
- Achievement of targeted travel emission reductions
- Number of productions with Albert (screen industry organisation for environmental sustainability) certifications
- Reach of sustainability content and stories
- Tracking supplier uptake of Carbon Disclosure Project and Science Based Targets and maturing from spend-based data to consumption metrics

Further details of our sustainability-related activities can be found in the environmental sustainability pages, from page 67.

## Viability statement

In accordance with the UK Corporate Governance Code, the BBC Board has assessed the prospects of the Corporation over a longer period than the minimum 12 months required by the ‘Going Concern’ provision.

The three year plan covering the period to 31 March 2027 has been considered by the BBC Board and, as in previous years, the 2024/25 budget was approved. A three year horizon is considered appropriate as this is in line with the BBC’s budgeting and planning process. The three year plan considers cash flows as well as the financial covenants and credit facilities.

Key assumptions underpinning the three year plan, and the associated cash flow forecast, are the licence fee settlement that sets the financial parameters for the BBC from 2024/25 to 2027/28 and the Charter and Agreement that protects a licence fee until 2027 along with the licence fee coverage assumptions. Following a detailed risk assessment of our savings plans, we have assessed a higher level of risk in some transformation projects in the outer years of the plan. As a consequence, we will apply additional oversight and operational focus on these areas. BBC management have implemented increased financial stress testing and sensitivity analysis in our financial planning routines, with increased governance and support from the Board. Quarterly cash management, savings progress and risk tracking reporting take place to ensure risk mitigation is a key priority. This process provides enhanced visibility of future year cash projections.

In addition to the budget process, a robust assessment of the principal risks facing the Corporation, as described in our principal risks, has been undertaken, including those that would threaten its business model, future performance, solvency or liquidity. For 2024/25, the continuing changing media market, the requirement for the BBC to transform to enable its Value for All strategy and maintain willingness to pay the licence fee requires stringent management to deliver the BBC purposes within the funding available. Consequently, we conducted additional financial stress testing and sensitivity analysis, considering income at risk as well as our response to the recent licence fee price agreement.

Sensitivity analysis has been undertaken in relation to the cash flow to model the potential effects should principal risks actually occur, individually or in combination. The peak borrowing requirement was calculated by modelling a combination of severe but plausible risks (see table), however with the inclusion of mitigations, the cash flows remained within the borrowing limit throughout the three year period.

Taking account of the BBC Group’s current cash position, budgeted cash projections, principal risks and the aforementioned sensitivity analysis, the Board has a reasonable expectation that the Corporation will be able to continue in operation and meet its liabilities as they fall due over the three year period of the assessment.

| Risk  | Scenario modelled   | Mitigation modelled   |
|---|---|---|
| <b>Change in LF Price Methodology</b>                                     | The April 2024 Price methodology was changed, confirmation of any changes to pricing mechanism will be agreed in Autumn 2024 and CPI forecasts are reducing.<br><br>Modelled – a change from 12 month average to spot rate.   | We have explored a number of high-level mitigations, consistent with delivering the BBC’s Value for All strategy and maximising return on investment. This would prioritise non-audience-facing activity such as restricting and/or delaying capital expenditure and delaying restructuring spend, as well as exploring alternative commercial proposals. Ultimately, initiatives could include sharing more content between services, reducing content spend overall and shifting genre mix. |
| <b>A negative movement in Television Penetration (TVP) and/or Evasion</b> | Changes in audience behaviour, acceleration in the rate of TVP decline, the current economic environment and level of price increase could impact renewals and purchase of licences.<br><br>Modelled – a decrease in TVP and Evasion above the rates included in forecasts. |   |
| <b>Savings risk</b>   | Modelled – the impact of savings plans not being fully achieved.  |   |

## Governance

### Commercial Board report

This year, we have seen strong progress against strategic goals for BBC Commercial as the business invested heavily in growth, with the ambition of doubling the business by 2028.

Alongside bringing audiences in the UK and around the world together with moments like the Coronation, it consolidated its digital routes to market and built on long-term partnerships with high-quality global brands like Apple and Disney.

The business encompasses all BBC Group Commercial operations, of which BBC Studios is the principal commercial arm, including the Content Studio, channels and streaming services. BBC Commercial is key to the BBC's overall strategy, in particular its award-winning expertise in the very best of homegrown storytelling, which sits at the heart of the Director-General's plans to prioritise audiences whilst meeting its current challenges.

In the last few years, the Commercial Board has undergone a series of changes, widening its experience to recruit individuals with senior backgrounds in global and digital. Those changes have now settled in, and we have an engaged, knowledgeable and active Board of non-executive directors exhibiting oversight of the BBC's commercial operations.

We met 11 times in the year: seven scheduled meetings and four further meetings. The Board considered BBC Studios' routes to market strategy, its long-range strategy, financial plans and other growth initiatives. The National Audit Office, as the external auditor, compiled audit planning and completion reports for our consideration, and the BBC Audit and Risk Committee carried out its annual session on control and governance issues.

BBC Studios is a diversified global business with a strong pipeline of content, with good sales for UKTV and consumer products – led by global smash hit *Bluey* – a highlight against a backdrop of tough market conditions, with softness in the advertising and commissioning markets causing uncertainty and affecting overall sales.

Investment in organic growth for UKTV's catch-up service UKTV Play boosted views by 56%, and the launch of a new BBC.com and BBC app streamlined access for audiences and advertisers overseas.

In addition to this organic investment, we approved the move to take full ownership of BritBox International in March, acquiring ITV's 50% stake for £272 million, comprising £255 million for equity acquired and an additional £17 million payment for ITV debt held with BritBox International. This is a fast-growing, profitable, direct to consumer business providing scripted content to North America and select markets, which has grown 25% year on year, delivering strong revenue growth and has lots of potential to further expand.

It complements an existing portfolio which includes BBC.com, BBC Select, the BBC's premium ad-free documentary streaming service in North America and BBC Podcast Premium, an audio service available in more than 160 countries.

Alongside this, we considered and approved a series of key acquisitions to build production capability around the world, adding talented creative expertise in Spain, Australia and Scandinavia.

Content highlights included coverage of Eurovision, reaching 162 million people globally over three live shows, *Doctor Who* anniversary specials, a third outing for *Planet Earth* from the BBC Studios Natural History Unit and a series of new, feature-length episodes of *The Famous Five* for the BBC and ZDF, made by BBC Studios Invested Indie Moonage Pictures.

Sales were £1,859 million (2023: £2,115 million) against challenging market conditions and the phasing of revenues from multi-year partnerships which boosted 2022/23 sales, while EBITDA was £199 million\* (2023: £252 million) after investment in the growth initiatives mentioned above. In the year, we paid a cash dividend of £198 million to BBC Group, and we have declared a further £88 million to be paid in the forthcoming financial year. The investment activity increased BBC Commercial's net debt excluding leases to £(327) million. The Board supports BBC Commercial's strategy to seek opportunities to invest further whilst delivering cash returns to the BBC.

Looking ahead, there is a strong pipeline of greenlit commissions, a sound indication of the creative health of the business. Market conditions are still tough, both in terms of slower demand for new content and uncertainty in the advertising market, but the diversification of the commercial operations, alongside the investment made into future growth over the last 12 months, will continue to ensure that the business can flex to respond to both external challenges and opportunities as they arise.

#### Sir Damon Buffini

Chair, Commercial Board and  
Deputy Chair of the BBC  
10 July 2024

#### Membership of the BBC Commercial Board

BBC Commercial Limited (the 'Commercial Board') is composed of ten directors, seven non-executives:

- Sir Damon Buffini (Chair)
- Gunjan Bhow
- Mai Fyfield
- Ian Griffiths
- Claire Hungate
- Gary Newman
- Bhav Singh

With three BBC group executive directors:

- Tom Fussell (CEO, BBC Commercial)
- Lorraine Burgess (CFO, BBC Commercial)
- Leigh Tavaziva (COO, BBC Group)

Anthony Corriette is the Commercial Company Secretary

Full biographies of all Commercial Board members, including their other roles, can be found on the BBC's website: [bbc.com/aboutthebbc/howeare/commercial](https://bbc.com/aboutthebbc/howeare/commercial)

## Editorial Guidelines and Standards Committee report

The role of the Editorial Guidelines and Standards Committee (EGSC) is to ensure the BBC meets the standards set by the Board in its Editorial Guidelines and that the BBC is accountable to the licence fee payer through its complaints process. The EGSC reports to the Board on editorial risks and implements any decisions by the Board on editorial standards. It acts as the interface between the BBC and Ofcom on editorial standards and now meets with Ofcom every six months. In addition, the Committee monitors the BBC's progress with the commitments made in the Serota Review and the Impartiality plan. This remains a vital priority for the BBC and was the subject of discussion at every EGSC meeting during the year. BBC Internal Audit conducted a rigorous review of implementation confirming that all the commitments had been actioned and advising on the form of continuing monitoring.

The role of the EGSC was strengthened to enhance its oversight of the complaints process and additional research resource was provided to the Committee and its external editorial advisers. The recommendations from the Mid-Term Review were discussed at the EGSC and with Ofcom, and actions agreed. During the year a structural change was made to separate the management of editorial standards pre- and post-broadcast, ensuring a direct reporting line on editorial complaints to the Director-General as Editor-in-Chief.

### Editorial Policy

This year the EGSC received regular reports on the review of the BBC's Editorial Guidelines and agreed the approach to be taken, including public consultation. The Committee also reviewed updates to the BBC's editorial guidance on the use of AI and on changes to, and implementation of, social media policy following the Hardie Review. The Committee discussed major editorial challenges, including the BBC's coverage of the conflict in the Middle East. The Committee also signed off the election guidelines for the May local elections and UK General Election guidelines.

### Editorial Reviews

The EGSC continued its oversight of the Thematic Reviews, commissioned by the BBC Board, which form an essential component of the Serota Review and Impartiality plan. Following publication of the first Thematic Review on taxation, public expenditure, government borrowing and debt, its joint authors, Michael Blastland and Andrew Dilnot, undertook a significant programme of engagement with relevant staff and the EGSC received full briefings. It also closely monitored implementation of the Executive's response and encouraged the dissemination of the Review's six main points to staff in advance of the planning for coverage of major fiscal events.

In addition, the EGSC developed the terms of reference for the second Thematic Review on migration which the Board commissioned in April 2023. It was jointly led by Madeleine Sumption and Samir Shah. Following Samir's appointment as BBC Chair in December, he stood back from the Review to avoid any conflict of interest and Madeleine wrote the report independently. The EGSC was regularly informed of progress with the second Review and the Board approved its publication at the end of the reporting year. The report was published on 7 May 2024. The EGSC also initiated work on the terms of reference and leadership of the third Thematic Review, on Portrayal and Representation, prior to a public announcement.

The EGSC has been informed of progress with the Internal Content Review process, which provides deep dives into the performance of individual programmes in delivering the BBC's editorial standards. These reviews are designed to promote a culture of review and improvement across the BBC with six content areas under review this year. The process consists of a panel of senior editorial experts from outside the line management of the area examining the content across an appropriate period, bespoke audience research based on the same period and open and direct engagement with the teams. Some of the key themes emerging from these reviews include the importance of timely and robust editorial discussion, how to enhance the range of voices and contributors in our output and maintaining editorial standards through a period of change and resource constraint. The experienced reviewers seek to come up with helpful and practical suggestions which will make a positive difference to the output and which are then agreed and taken forward.

The Committee has also reviewed audience research to understand more deeply how all audiences view the BBC on impartiality. The regular cycle of editorial reviews is also underpinned by specially commissioned audience research which allows our programme teams to learn from targeted audience feedback on their content.

### Impartiality training

Building audience trust continues to be a priority with 97.3% of staff having completed mandatory Impartiality training. The BBC Academy has added new content throughout the year to the Editorial Standards Learning Hub, an area that hosts learning content dedicated to the pursuit of high editorial standards. As part of the Impartiality plan we now assess staff understanding of impartiality through the regular BBC-wide staff survey and the Committee also heard about a pilot scheme in BBC Scotland to provide on-the-ground support about impartiality for teams, which will now be rolled out further.

### Editorial Complaints

The EGSC has continued to actively engage with both DCMS and Ofcom on the 'BBC First' system of complaints handling. Regular enhanced editorial complaints information is a key agenda item for the EGSC throughout the year, and in November 2023, the EGSC created additional support in this area with one of the external editorial advisers scrutinising the complaints process on behalf of the Committee and reporting back at each meeting. A key objective is to learn from complaints and disseminate that insight quickly across the BBC. We also continue to seek new ways to make the complaints process simpler and more responsive for the audience. Much more use has been made of the Complaints and Corrections website as a means of responding quickly when we get things wrong and making that transparent to all licence fee payers.

The BBC received 179,743 complaints at stage 1. 92% of complaints at stage 1a were handled within ten working days against a target of 93%.

The KPI at stage 1a was not met principally because of a large spike in the volumes of complaints in March 2023 around a presenter's use of social media which had a knock-on effect on turnaround times into April 2023 and, because of the scale and complexity of complaints received relating to the conflict in the Middle East which affected turnaround in November and December 2023. Turnaround times have recovered to 95% across the final quarter of the year (Jan - Mar 2024)

The Executive Complaints Unit (ECU) dealt with 594 complaints at stage 2 of the BBC's complaints process in 2023/24. The ECU found the BBC in breach of editorial standards on 35 occasions. One of these was a broadcast on BBC News Channel which occasioned two complaints referred to the ECU by the Director-General under the Procedure for fast-tracked editorial complaints agreed with Ofcom. The EGSC receives details of all complaints and discusses breaches and any issues they raise with the Executive. These complaints figures are also reported to the BBC Board. 78% of complaints at stage 2 were concluded within 20 working days for standard stage 2 complaints and 35 working days for complex stage 2 complaints against a target of 80%. The failure to meet KPIs at stage 2 was almost entirely due to one complex case which attracted 44 upheld complaints, all of which went beyond the target date for response.

## Governance

### Editorial Guidelines and Standards Committee report continued

In the financial year 2023/24, Ofcom found the BBC in breach of the Broadcasting Code on one occasion, in relation to a complaint which went directly to Ofcom under its Fairness remit and not through the BBC First system. Ofcom also gave its opinion on one online article, concurring with a previous ECU finding that the headline and one aspect of the article fell below the BBC's standards of accuracy.

In addition to the 35 ECU upheld/resolved findings in 2023/24, the following serious editorial breaches were identified by the Executive in the course of the year:

We reported that former UKIP leader Nigel Farage's bank account had been closed by Coutts because it fell below the required financial threshold. This information came from a senior source familiar with the matter. After the original coverage, Mr Farage obtained a report from the bank's reputational risk committee which pointed to other reasons for the decision.

Due to this new evidence the original report was changed to reflect that the claim came from a source and the story was updated. The BBC acknowledged that the information originally reported turned out to be inaccurate and apologised to Mr Farage. The story was also rectified in TV, radio and online coverage to make clear and transparent the sequence of events.

The headline of the online piece should have attributed the story to a source. Correspondents and reporters were reminded to seek editorial policy advice, if necessary, when dealing with anonymous/single sources.

BBC Arabic broadcast a Trending TV segment posted on YouTube looking into the massacre of Kfar Aza kibbutz in Israel where the headline was " Hamas rejects accusations that its gunmen carried out atrocities in the Israeli 'Kfar Aza' village". The script gave too much prominence to the Hamas narrative and did not provide an equivalent official Israeli response. This was a breach of the BBC editorial guidelines on impartiality. The clip was removed from social media, but was still accessible to those who had recorded the original link. The team concerned have been taken through the editorial guidelines on impartiality and provided with training on the BBC takedown process. Extra steps were taken to ensure senior editorial oversight of BBC Arabic YouTube output.

BBC North East and Cumbria produced an online story that a man who had been holidaying in France went to a doctor with an infected toe which he claimed was as a result of a bite from a Peruvian Wolf Spider which he said had also planted eggs in his toe. The story became very popular online and featured on the BBC UK News front page. Members of the public and experts immediately challenged the truth of this account. The picture used showed a different spider and the Peruvian Wolf Spider is not native to France and does not lay eggs inside other living organisms. The article was amended to clarify that these were claims made by the patient and to include the challenge to the account from the experts.

The online piece was based on a radio interview originated by a different team, but without basic checks being made before presenting the story in the form of a permanent online record of fact. Swift action was taken and those involved in the story were reminded of the BBC's editorial guidelines on accuracy.

All serious editorial breaches were reported to the EGSC and the Board, and Ofcom were informed, where relevant, in line with the protocol agreed with Ofcom.

As Chair, I should like to thank fellow members of the Committee and, in particular, our External Advisers, Caroline Daniel and Michael Prescott, for their careful scrutiny of every aspect of our work. The advance of AI and the opportunities that widespread use of social media creates for the spread of false information makes the task of the BBC as a trusted source of impartial news and wider content ever more challenging. The Committee also recognises and is grateful for the enhanced role being played by members of the Executive, including David Jordan, Peter Johnston, Rizwana Rahmani, Simon Coates and Helen White, in the preparation and implementation of the recommendations of the Thematic and Internal Reviews and in regular meetings with Ofcom, as well as the revision of the Editorial Guidelines.

**Nicholas Serota**  
Chair, Editorial Guidelines and  
Standards Committee  
10 July 2024



## Nations Committee reports

The four Nations Committees support the Board in reviewing and monitoring the output and performance of the BBC across the UK. This section provides a report from the Chair on the work of each Committee during the year.

### Wales

I am delighted to have been asked to represent BBC Cymru Wales as Interim Chair of the Wales Committee pending the appointment of Michael Plaut as the new BBC Board member for Wales after Dame Elan Closs Stephens stepped down.

This has been another busy and successful year for BBC Cymru Wales, including dramas such as *Steel Town Murders* and *Wolf* along with *Paranormal*, *The Crash Detectives* and *Dark Land* in factual content.

The next big drama project for BBC Wales is *Lost Boys and Fairies* which has just launched on BBC One.

On BBC Sounds, audiences consumed *Crossbow Killer* and *Death of a Codebreaker*. On Radio, BBC Cymru Two launched as a full service with extended hours and there was a revamp of the breakfast show on BBC Radio Wales. The Central Square building in Cardiff now produces output for most of the BBC network radio services with live programmes for BBC Radio 1, BBC Radio 2 and BBC Radio 6 Music. Over 70 additional staff now work in Wales as a result of the Across the UK initiative.

Off-air, the Talk Disability year concluded and has met objectives, including the launch of disability traineeships, Extend scheme job opportunities and improved portrayal. The BBC Bitesize team visited forty secondary schools in Wales as part of the Education programme which links to content on the BBC and our partners S4C.

In News, there was comprehensive coverage of the Welsh Labour Leadership election.

In its centenary year, the BBC provided in-depth coverage of the National Eisteddfod on the Llŷn Peninsula whilst another vital, annual connection was renewed with coverage of the Six Nations rugby union competition.

The BBC National Orchestra of Wales was faced with the serious challenge of the temporary closure of St David's Hall in Cardiff. Undaunted, musicians responded with renewed vigour and a commitment to take their musical mission to all four corners of Wales and beyond. Concerts have included the UK premiere of *Stravaganza* by Sir Karl Jenkins and *Shostakovich's 13th symphony* with principal conductor Ryan Bancroft.

During the year, the Wales Committee met four times. Its standing members have been Dame Elan Closs Stephens, Rhodri Talfan Davies, Rhuanedd Richards and Rhys Evans. The Committee met at the BBC at Central Square in Cardiff and at Aberystwyth University. We also welcomed members of the Nations Committees from England, Scotland and Northern Ireland for a joint meeting in Cardiff. This meeting was the first of a planned annual joint meeting of all the Nations Committees, which has been added to the calendar following a recommendation in this year's external Board effectiveness review.

I would like to say particular thanks to Dame Elan as our outgoing Chair. We shall miss her wisdom, support and commitment to the Wales Committee and to the BBC Board, in which she was Interim Chair.

Alongside the Committee, Dame Elan met with audiences and stakeholders at the Aberystwyth Arts Centre, the Eisteddfod in Llŷn and Eifionydd, and in Cardiff at both the BBC and at the Institute of Welsh Affairs' Annual General Meeting.

I'm looking forward to future Committees and hearing from audience members from across Wales.

More detailed information on the BBC's performance in Wales can be found on page 34 and page 154. To read more about the BBC Wales Committee go to [bbc.com/aboutthebbc/whoweare/bbcboard/wales](https://bbc.com/aboutthebbc/whoweare/bbcboard/wales).

### Michael Smyth

Interim Chair, Wales Committee  
10 July 2024

### Scotland

As Chair of the Scotland Committee, I continue to be impressed and proud of the BBC's commitment to content portraying and representing Scotland to audiences at home and across the Nations.

TV successes made in Scotland this year include the final series of the drama trilogy, *Guilt*; specialist factual programmes including *Scam Interceptors*; and children's content *Saturday Mash Up* for CBBC.

I welcomed the recently appointed Chair of MG ALBA to join a discussion about the future of Gaelic broadcasting and renewed the partnership commitment to make highly consumable content for Gaelic speakers and learners.

The Committee noted the publication of Ofcom's Media Nations report, and the positive audience and economic impact of *Radio 1's Big Weekend* in Dundee.

I was pleased to see the creation of a substantial multi-site audio production unit. This will increase the volume of content that is made for BBC Radio, BBC Sounds and BBC World Service from Scotland and also from Northern Ireland focusing on arts and culture, drama and readings, jazz and classical music.

In News, there are ambitious plans for a news and current affairs visualised podcast, an expanded *Reporting Scotland* programme and a refreshed BBC Scotland Channel news and extra episodes of *Debate Night*. The resources for this new content will be taken from existing funding for *The Nine* and this is now being discussed with staff, trades unions and the regulator, Ofcom, and will be a matter of scrutiny in future Committees.

Alongside the Committees, I was able to meet with audience members and key stakeholders, including film makers and political representatives at events in Inverness, Stornaway, Glasgow, Dundee, Kirkwall, Dumbarton and Lerwick amongst others.

The Scotland Committee met four times during the year. I was joined by Richard Sharp, Dame Elan Closs Stephens, Rhodri Talfan Davies, Steve Carson and Luke McCullough. We met in Inverness, Glasgow and Aberdeen and additionally attended a joint meeting of all the members of the Nations Committees which was held in Cardiff.

More detailed information on the BBC's performance in Scotland can be found on page 35 and page 158. To read more about the BBC Scotland Committee go to [bbc.com/aboutthebbc/whoweare/bbcboard/scotland](https://bbc.com/aboutthebbc/whoweare/bbcboard/scotland).

### Muriel Gray

Chair, Scotland Committee  
10 July 2024

## Governance

### Nations Committee reports continued

#### Northern Ireland

I am delighted to have been appointed as the Chair of the Northern Ireland Committee and to represent Northern Ireland on the BBC Board.

I know from my own experience, and conversations with local stakeholders, how much the BBC is valued by audiences in Northern Ireland and also the contribution that it makes to community and cultural life and the creative economy. It's an enabler of great programmes and necessary conversations, reflecting local diversity, showcasing talent and providing points of connection for people from different backgrounds and places. All of this matters and is arguably more important than ever before.

I have been interested in BBC News NI's response to digital needs and opportunities and the role that the Foyle newsroom now plays as part of its work. It has also been encouraging to see the return of *Blue Lights* and *Hope Street* to BBC network television and the progress that has been made in making locally produced content more easily accessible on BBC iPlayer and BBC Sounds.

Co-commissions with BBC network television are important and *Once Upon a Time in Northern Ireland* was a notable achievement in 2023/24, complementing programmes that are primarily intended for local audiences. Much of this work is facilitated by the independent production sector and it's made possible as a result of the BBC's long-established partnership with Northern Ireland Screen – something that I'm pleased will continue, with new ambition, for a further period.

Audience research and feedback inform everything that the BBC does. And it provides the context for strategic decisions about BBC output and how best to maximise its value and impact in a fast-changing environment. This information is an essential part of the Committee's work and the discussions that we have about BBC Northern Ireland and the services that it provides.

I am pleased that my appointment coincides with the 100th birthday of the BBC in Northern Ireland and works to complete the large-scale refurbishment of Broadcasting House, Belfast – recognising its significance as a major broadcast centre and its place in the life and affections of local audiences.

The Northern Ireland Committee met four times during the year. I was joined by Nicholas Serota, Rhodri Talfan Davies, Adam Smyth and Mark Adair in Belfast and we attended a joint meeting of all the members of the Nations Committees in Cardiff.

During my first year as Chair, I've met with the BBC's key partner organisations in Northern Ireland and with civic and community leaders at different events in Belfast, Ballymena and elsewhere. I also engaged with the local independent production sector and with colleagues in Ofcom. All of this was in addition to meetings with BBC staff about their work for local and network audiences.

More detailed information on the BBC's performance in Northern Ireland can be found on page 36 and page 162. To read more about the BBC Northern Ireland Committee go to [bbc.com/aboutthebbc/whoware/bbcboard/northernireland](https://bbc.com/aboutthebbc/whoware/bbcboard/northernireland).

#### Michael Smyth

Chair, Northern Ireland Committee  
10 July 2024

#### England

It's been an incredibly busy year for our local teams in England as they consolidate the work to increase the depth and volume of news stories online. The impact of this work had become evident by the end of the year with an increase in the size of audiences consuming local news online. However, these reforms have necessarily resulted in schedule changes for audiences across Local Radio with more sharing of programmes, off-peak and at weekends. A significant part of the work of the Committee has been to scrutinise and evaluate the execution of the plans and we will continue to monitor the quality and breadth of the output to make sure the needs of all audiences are met.

In the last year I've welcomed the significant investment in TV studios and galleries to drive creative storytelling and improve visualised Local Radio output.

The Audio Commissioning Unit in England has delivered new factual titles for BBC Sounds, including *Seven*, *The SpyCops* and *In Court*. The newly formed Investigations Unit in England has delivered its first story about Nitizenos, a new form of illicit drug entering the UK, made in China and linked to a number of deaths here.

Impartiality and best practice is an important matter for the BBC Board and for the Committee. Following the publication of the Serota Review, I have been keen to understand more about the action plan response in England and will keep this at the top of my agenda.

The Committee met four times during the year. I was joined by Nicholas Serota, Rhodri Talfan Davies, Jason Horton and Adrian Mills. We met in London, Dunstable and Bristol and additionally attended a joint meeting of all the members of the Nations Committees which was held in Cardiff.

Alongside the Committees, I took the opportunity to meet audience members, external stakeholders and BBC staff and will do more of this in the next year. The Committee in Bristol was held on the same day as a multimedia debate ahead of the Kingswood by-election. I met with key stakeholders and the city's opinion formers after this debate.

More detailed information on the BBC's performance in England can be found on page 37 and page 165. To read more about the BBC England Committee go to [bbc.com/aboutthebbc/whoware/bbcboard/england](https://bbc.com/aboutthebbc/whoware/bbcboard/england).

#### Robbie Gibb

Chair, England Committee  
10 July 2024

## Fair Trading Committee report

This report provides detail on the work of the Fair Trading Committee (FTC) in 2023/24. I started the year as the interim Chair of the Committee and was appointed Chair by the Board on 15 September 2023. At that point, I was joined on the Committee by Chris Jones – recognising the important link between the work of the FTC and the compliance and assurance focus of the Audit and Risk Committee. Leigh Tavaziva, the Group Chief Operating Officer, was also a member of the Committee in the year.

This year, the Committee has continued to undertake its role in overseeing the BBC's compliance with the trading and separation rules set out by Ofcom. The FTC was established by the Board as a means to oversee these obligations. In doing so, this means we monitor and assure the separation between the BBC's public service and commercial subsidiaries, in line with the Fair Trading frameworks in place.

'Fair Trading' is the way that we describe the processes and practices, both within the BBC and in dealing with third parties, which ensure that our commercial and public services remain appropriately separate and trade with each other on a market basis. This means that the parts of the BBC which are funded by the licence fee are not able to give a competitive advantage to the BBC's commercial operations or to any other independent production company or other third party with which we deal.

The core responsibilities of the FTC include:

- considering reports on the extent to which the activities of the BBC are consistent with Ofcom's trading and separation requirements and engaging informally with the regulator on an annual basis;
- keeping under review the BBC's compliance with Ofcom's trading and separation regulatory requirements, through bi-annual assurance and risk reports;
- commissioning and receiving the annual independent assurance of compliance controls;
- considering and approving for publication the BBC's statement of operational separation, annual reporting and Group Trading Manual; and
- ensuring that the BBC's transfer pricing methodologies are reviewed regularly.

The trading and separation rules have been in place since 2017 and were last updated by Ofcom in April 2023. They are part of Ofcom's framework for the BBC's commercial activities, which regulates the BBC's interaction with the market both through its public service activities and those of its commercial subsidiaries.

The framework requires the BBC to ensure that:

- all commercial activities are undertaken by commercial subsidiaries;
- any subsidiaries must have operational separation from the public service BBC;
- that it provides goods and services to commercial subsidiaries on arm's length commercial terms;
- that subsidiaries achieve a commercial rate of return; and
- the BBC ensures appropriate transparency, monitoring and reporting on the activities of the subsidiaries.

To ensure that these rules are complied with, the FTC oversees and assures the BBC's processes and procedures to ensure that awareness and understanding of the framework is high. To do this, the BBC's Group Policy and Regulation team manages a targeted training programme for staff likely to encounter Fair Trading issues. The past year has seen continued strong performance in Fair Trading training compliance, with compliance rates sustained at a high level – 97% for Advanced level training.

During the year the Committee was briefed on relevant regulatory and Fair Trading issues, including: the proposed transfer of Audio Production staff to BBC Studios; ongoing work to review and assure compliance with all necessary Service Level Agreements in place; an external review of the BBC's brand fee methodology; and work to address concerns raised in the Ofcom review of BBC Studios about the ownership of IP and the treatment of profits arising from this. We also met with Ofcom officials to discuss areas of interest in scope of the Committee, and we noted that there were no relevant regulatory complaints received by the BBC during the year.

Our meetings were attended by the Director of Policy and the Controller, Regulation, as well as the Head of Commercial Legal, the Director of Quality, Risk and Assurance and other advisers as necessary. Three Committee meetings were held during the year (see page 103 for the Committee attendance table).

To support the framework, and to assure the BBC's approach to regularity and the use of public funds, the FTC continues to voluntarily commission annual assurance by an assurance provider in accordance with ISAE 3000 (Revised). The Fair Trading Assurance provider's report is on the following page.

The Framework Agreement sets four criteria for the carrying out of the BBC's commercial activities: fit with the Mission and public purposes; commercial efficiency; not jeopardising the reputation of the BBC or the value of its brand; and not distorting the market. Having received reports from relevant senior management, and having considered the findings of the Fair Trading Assurance, the FTC is satisfied that all commercial services have met the above criteria for the period 1 April 2023 to 31 March 2024.

**Muriel Gray**

Chair of the Fair Trading Committee  
10 July 2024

## Governance

### Independent Fair Trading Assurance report to the BBC for the year ended 31 March 2024

#### Opinion on Fair Trading arrangements

We have assessed, in our role as the BBC's Fair Trading reasonable assurance provider, the system of internal controls established within the BBC to comply with the Fair Trading aspects of Ofcom's Trading and Separation requirements for the year ended 31 March 2024 ('the Fair Trading Arrangements').

In our opinion the BBC has established and applied a system of internal controls that provide reasonable assurance that it has complied with the requirements of the Fair Trading Arrangements for the year ended 31 March 2024.

#### Responsibilities of the BBC Board

The Board is charged by Ofcom with establishing and operating a system of internal controls designed to ensure compliance with the BBC's Fair Trading Arrangements for the year ended 31 March 2024, including identifying and assessing risks that could threaten Fair Trading and designing and implementing responses to such risks.

#### Our independence and quality control

We have complied with the independence and other ethical requirements of the ICAEW Code of Ethics, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We applied the International Standard on Quality Management (UK) 1 ("ISQM (UK) 1"), issued by the Financial Reporting Council. Accordingly, we maintained a comprehensive system of quality, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### Our responsibilities

Our responsibility is to express an opinion on the internal controls established by the BBC to ensure compliance with the Fair Trading Arrangements, based on our assurance work. We performed a reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information.

We are required to plan and perform our procedures in order to obtain reasonable assurance as to whether the BBC has established and applied a system of internal controls that provide reasonable assurance that it has complied with the requirements of the Fair Trading Arrangements for the year ended 31 March 2024.

We conducted a risk assessment to identify those aspects of the BBC's Trading and Separation control regime that were most likely to result in non-compliance with the Fair Trading Arrangements, and focused our detailed testing on those areas. Individual cases were selected from the BBC's fair trading advice correspondence for review and for each we examined written records and interviewed relevant parties. Our work included examination of transfer pricing and separation arrangements, use of and payment for the BBC brand, and the application of the Royal Charter requirement that the BBC's commercial activities do not, as a result of their relationship with the UK Public Services, non-service activities or trading activities, distort the market or gain an unfair competitive advantage.

#### Inherent limitations

Every internal control system is subject to limitations, and accordingly the internal controls established by the BBC may not prevent or detect all instances of non-compliance with the Fair Trading Arrangements. Further, because fair trading issues require judgements which ultimately might be tested in a court of law, competition authority or elsewhere, there is always a risk of challenge even where the system of internal controls has been followed and decisions have been taken with the greatest care.

#### Use of our report

This report has been made solely to the BBC in accordance with our instructions which were agreed with the Fair Trading Committee on behalf of the BBC. Our work has been undertaken so that we might state to the Fair Trading Committee those matters we are required to state to them in an independent assurance 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 BBC for our work, for this report, or for the opinions we have formed.

#### Deloitte LLP

London, UK  
10 July 2024

## Statement of Board responsibilities in respect of the Annual Report and Accounts

The Charter requires the BBC to prepare an audited Annual Report and statement of accounts.

The Board has accepted its responsibility for the preparation of a strategic report, statements of compliance with applicable codes and regulations (including the Board remuneration report) and the statement of accounts which are intended to give a true and fair view of the state of affairs of the BBC and its subsidiaries (the “Group”) and of the income and expenditure for that period. The Board has prepared the accounts in accordance with UK-adopted International Financial Reporting Standards (IFRS). The Board must not approve the statement of accounts (or “financial statements”) unless it is satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and of the surplus or deficit for that period.

In preparing the financial statements, the Board has:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether they have been prepared in accordance with the UK-adopted IFRS; and
- prepared the financial statements on the going concern basis as they believe that the BBC will continue in business.

The Board is responsible for keeping proper accounting records that are sufficient to show and explain the BBC’s transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements and the Board remuneration report comply with the Charter. It also has a general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the BBC and to prevent and detect fraud and other irregularities.

The responsibilities of the Board for ensuring that the BBC exercises rigorous stewardship of public money, including responsibility for the propriety and regularity of management of the BBC’s resources, are set out in article 16 of the Charter.

The Board is responsible for the maintenance and integrity of the BBC’s website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Board members who held office at the date of approval of the Annual Report and Accounts, whose names and functions are listed in the Governance section of the Annual Report and Accounts, confirm that, to the best of each of their knowledge and belief:

- the financial statements, prepared in accordance with the UK-adopted IFRS, give a true and fair view of the assets, liabilities, financial position and deficit of the Group;
- the Annual Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces; and
- the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for licence fee payers to assess the Group’s performance, business model and strategy.

### Statement of disclosure of information to auditors

The Board members who held office at the date of approval of the Annual Report and Accounts confirm that, so far as they are each aware, there is no relevant audit information of which the BBC’s auditors are unaware; and each Board member has taken all the steps that they ought to have taken as a Board member to make themselves aware of any relevant audit information and to establish that the BBC’s auditors are aware of that information.

### Going concern

The Board has considered cash flow forecasts for a period in excess of a year from the date of approval of these financial statements, and have reviewed these forecasts, together with the sensitivities and mitigating factors in the context of available funds.

The Board is satisfied that the BBC is well placed to manage the risks and has adequate resources to continue in operation for at least the next 12 months. As a result, the going concern basis has been adopted in the preparation of the financial statements.

This statement was approved by the Board.

### Samir Shah

Chairman  
10 July 2024

# PERFORMANCE AGAINST PUBLIC COMMITMENTS



The late Dave Myers and Si King filming *The Hairy Bikers Go West*

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General Duties

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BBC Public Service  
promotions

This section sets out our progress towards various public commitments. These commitments come from the Charter, the Agreement, our Licence obligations and commitments we have made to deliver services for our audiences.

## Performance against public commitments

### General Duties

The Charter sets out a number of General Duties that apply to the BBC. This section sets out the BBC's performance against these Duties – the measures for reporting were set out in the BBC Annual Plan for 2023/24.

#### 1. Acting in the public interest

The BBC must act in the public interest, aiming to serve its audiences not just as consumers, but as members of a wider society, with programmes and services which, whilst seeking to inform, educate and entertain audiences, also serve wider public purposes. As a result, the BBC must ensure that the benefits (whether direct or indirect) of decisions relating to the mission or purposes outweigh the costs (whether direct or indirect); and have regard to economic, social and cultural benefits and costs.

| Measure  | Achieved  |
|--|---|
| We will publish an Annual Plan and an Annual Report  | YES   |
| We will publish the number of complaints upheld where we have failed to comply with the BBC's obligations under the Charter and Agreement or with the Ofcom Operating Framework or World Service Licence | YES – see <a href="#">Other regulatory matters</a>                            |
| We will publish the number of complaints upheld on BBC editorial matters and overall volumes of complaints made  | YES – see <a href="#">Editorial Guidelines and Standards Committee report</a> |
| We will publish performance measurement data, including data on the fulfilment of the public purposes  | YES   |

#### 2. Engagement with the public

The BBC must assess the views and interests of the public and audiences, including licence fee payers, across the whole of the United Kingdom. The BBC must make arrangements to ensure that the diverse perspectives and interests of the public and audiences, including licence fee payers, across the whole of the United Kingdom are taken into account in its decision-making.

| Measure   | Achieved  |
|---|---|
| We will publish annually data on audiences' views about the BBC as part of the Annual Report  | YES   |
| We will hold around six face-to-face events with audiences and report on the findings in the BBC's Annual Report, four of which will be delivered by the Board's Nations Committees | YES – see <a href="#">Engaging with audiences</a> |

#### 3. Market impact

The BBC plays a crucial role in the UK media and broadcasting market. In addition to serving audiences directly by providing content and services, it can contribute to the market more broadly, for example by promoting competition, supporting supply chains and encouraging sector-wide innovation. The BBC must have particular regard to the effects of its activities on competition in the UK. In complying with this duty, the BBC must (a) seek to avoid unnecessary adverse effects on competition and (b) promote positive market impact.

| Measure   | Achieved  |
|---|---|
| We will publish and consult on any planned material changes   | YES – see <a href="#">Other regulatory matters</a>  |
| We will publish annually the number of regulatory complaints upheld and actions taken in response                                 | YES – see <a href="#">Other regulatory matters</a>  |
| We will publish the number of Ofcom enforcement actions in relation to compliance with the Ofcom Operating Framework in this area | YES – none  |
| We will publish the outcomes of any Public Interest Tests   | YES – see <a href="https://bbc.com/aboutthebbc/reports/consultation">bbc.com/aboutthebbc/reports/consultation</a> |

#### 4. Openness, transparency and accountability

The BBC must observe high standards of openness and seek to maximise transparency and accountability. It must publish Board minutes, important decisions concerning changes to remit/services, and minutes of Committee meetings. The Board also needs to have regard to the benefits of consultation with interested persons.

| Measure  | Achieved  |
|--|---|
| We will publish an Annual Plan that sets out the BBC's strategic priorities, creative plans, budget and any planned material changes to services   | YES – see <a href="https://bbc.com/aboutthebbc">bbc.com/aboutthebbc</a> |
| We will publish the following after the relevant event: <ul style="list-style-type: none"> <li>minutes of the meetings of the Board</li> <li>important decisions concerning changes to the creative remit, work plan and material changes to the UK Public Services, non-service activities and commercial activities</li> <li>summary minutes of the meetings of committees of the Board</li> </ul> | YES – see <a href="https://bbc.com/aboutthebbc">bbc.com/aboutthebbc</a> |
| We will publish an Annual Report and Accounts, containing a detailed summary of performance against our regulatory quotas; full financial details and accounts; and information required as part of our equality information report  | YES   |
| We will continue to publish the salary disclosures required under the Charter, along with our voluntary regime of quarterly salary and expenses disclosure for senior managers   | YES – see <a href="#">Remuneration report</a>                           |

## Performance against public commitments

### General Duties continued

#### 5. Partnership

The BBC will work collaboratively and in partnership, especially in the creative economy, in the public interest. It should partner with a wide range of organisations of all sizes, including commercial and non-commercial, throughout the UK. Partnerships should be fair and beneficial to all with due attribution and recognition for partners.

| Measure  | Achieved   |
|--|--|
| We will collect and publish performance data on key partnership output and activities, including on the BBC's range of partnerships, range of partners, geographical breadth, and impact | YES – see <a href="#">Partnerships and collaboration</a> |

#### 6. Diversity

The BBC must ensure it reflects the diverse communities of the whole of the United Kingdom through its output, the means by which its output and services are delivered, and in the organisation and management of the BBC. This includes support for the regional and minority languages of the UK.

| Measure  | Achieved  |
|--|---|
| We will publish detailed diversity data for all our staff, including on socio-economic background, as part of our annual equality information report | YES – see <a href="#">Equality information report</a> |
| We will continue to publish gender pay gap information, and analysis of our pay gaps for other groups  | YES – see <a href="#">BBC Pay Gap report</a>          |
| We will also publish performance measurement data collected on the fulfilment of our fourth public purpose   | YES   |

#### 7. Technology

The BBC must promote technological innovation, and maintain a leading role in research and development. To do this, it needs to seek to work in partnership with other organisations and share, as far as is reasonable, its research and development knowledge and technologies.

| Measure  | Achieved |
|--|----------|
| We will continue to invest in the BBC's Research and Development (R&D) department in line with the BBC's long-term objectives  | YES      |
| We will continue to share our insights from R&D, for example using industry white papers and relevant professional gatherings, including standards bodies. We will use our web and social presence to highlight key messages to a wider audience | YES      |

#### 8. Stewardship of public money

The BBC exercises rigorous stewardship of public money in accordance with the following principles:

- regularity – Management of all of the BBC's resources must accord with the provisions of the Charter, Framework Agreement and other agreements the BBC enters into with Government Ministers
- propriety – Management of all of the BBC's resources must meet high standards of public conduct, robust governance and duly consider the expectations of Parliament (including those of the Public Accounts Committee), which have been formally communicated to the BBC
- value for money – Procurement, projects and processes must be systematically evaluated and assessed to provide confidence about the economy, effectiveness and efficiency of the project, taking into account the wider public interest, not just that of the BBC itself
- feasibility – Proposals using public funds should be implemented accurately, sustainably and to the intended timetable

| Measure   | Achieved |
|---|----------|
| True and Fair audit opinion from the BBC's external auditors  | YES      |
| We will report on our mechanisms for provision of information to the Board and the Audit and Risk Committee on compliance with the Charter, to ensure that the transactions reflected in the BBC's financial statements have been applied to the purposes as intended and conform to the relevant frameworks governing them | YES      |
| We will comply with funding conditions as part of a separate funding agreement, e.g. grant funding for the BBC World Service  | YES      |
| We will publish our response to Value for Money reviews conducted by the National Audit Office or other commissioned parties  | YES      |



## 9. Guidance and best practice

The BBC has to have regard to general guidance concerning the management of the affairs of public bodies and generally accepted principles of good corporate governance, where applicable and appropriate.

| Measure  | Achieved  |
|--|---|
| We will audit our voluntary compliance with the UK Corporate Governance Code and principles of good corporate governance based on a general aim of compliance with the Code wherever possible              | YES – see <a href="#">Governance</a>                  |
| Our Annual Report will set out the BBC's performance against the Code; areas where the Code does not apply to the BBC; areas where the Charter overrides the Code; and areas where the BBC does not comply | YES – see <a href="#">Governance</a>                  |
| We will also publish an annual equality information report, in compliance with the Public Sector Equality Duty   | YES – see <a href="#">Equality information report</a> |
| An annual statement on licence fee collection will be audited by the National Audit Office and laid before Parliament  | YES   |
| We will continue to comply with best practice in offering training on a range of issues such as anti-bribery, data protection and child protection   | YES   |

## 10. General duties in relation to commercial activities

The BBC's commercial activities need to act in the public interest, engage with the public, and ensure openness and transparency. They must not distort the market nor gain an unfair competitive advantage.

| Measure   | Achieved  |
|---|---|
| The Fair Trading Committee will continue to: keep under review the BBC's compliance with Ofcom's trading and separation requirements; commission an annual independent audit; review, consider and approve the BBC's transfer pricing methodologies; report progress in the BBC's Annual Report; and review the ongoing compliance of the commercial activities with the Four Commercial Criteria | YES – see <a href="#">Fair Trading Committee report</a>                     |
| We will abide by our published policy on material changes to Commercial Activities  | YES – see <a href="#">Other regulatory matters</a>                          |
| Our complaints framework includes a procedure for complaints about a failure to meet any commercial activities requirements   | YES   |
| We will publish forthcoming potential material changes to commercial services in the BBC's Annual Plan, subject to issues of commercial confidentiality   | YES   |
| We will carry out the commercial test for any proposed material change to our commercial activities, and publish the proposed change once we have done so   | YES – none  |
| We will continue to train key staff on compliance with the Fair Trading rules   | YES – see <a href="#">Fair Trading Committee report</a>                     |
| We will continue to meet our publication and information provision obligations to Ofcom, detailing the financial performance of our commercial subsidiaries and setting out detailed methodologies for transfer pricing within our group  | YES – see <a href="#">Commercial Annual Report and Group Trading Manual</a> |
| We will publish the number of upheld complaints about compliance with the commercial activities requirements under the Charter and Agreement or in the Ofcom Operating Framework, and our response to such complaints   | YES – none  |
| We will publish the number of Ofcom enforcement actions in relation to compliance with the Ofcom Operating Framework in this area   | YES – none  |
| The Fair Trading Committee will report annually on its work in the Annual Report and Accounts   | YES – see <a href="#">Fair Trading Committee report</a>                     |

## Performance against public commitments

## Access Services

## Audio-described

|                     | Audio-described hours |              | Total hours   | Actual for year (%) |         | Target for year (%) |         |
|---------------------|-----------------------|--------------|---------------|---------------------|---------|---------------------|---------|
|                     | 2023/24               | 2022/23      | 2023/24       | 2023/24             | 2022/23 | 2023/24             | 2022/23 |
| BBC One             | 1,979                 | 1,877        | 8,736         | 22.7%               | 21.5%   | 20.0%               | 20.0%   |
| BBC Two             | 2,391                 | 2,290        | 8,736         | 27.4%               | 26.2%   | 20.0%               | 20.0%   |
| BBC Three           | 1,668                 | 1,227        | 3,238         | 51.5%               | 37.9%   | 20.0%               | 20.0%   |
| BBC Four            | 1,186                 | 1,217        | 3,131         | 37.9%               | 39.2%   | 20.0%               | 20.0%   |
| CBBC                | 1,468                 | 1,464        | 4,346         | 33.8%               | 33.6%   | 20.0%               | 20.0%   |
| CBeebies            | 1,519                 | 1,254        | 4,883         | 31.1%               | 25.7%   | 20.0%               | 20.0%   |
| BBC Scotland        | 688                   | 597          | 1,820         | 37.8%               | 32.9%   | 20.0%               | 20.0%   |
| <b>Linear total</b> | <b>10,900</b>         | <b>9,926</b> | <b>34,890</b> |                     |         |                     |         |

|                          | Audio-described programme |         | Total programmes    | Actual for year (%) |         | Target for year (%) |         |
|--------------------------|---------------------------|---------|---------------------|---------------------|---------|---------------------|---------|
|                          | 2023/24                   | 2022/23 | 2023/24             | 2023/24             | 2022/23 | 2023/24             | 2022/23 |
| BBC iPlayer <sup>1</sup> | 16,166                    | 13,709  | 81,785 <sup>2</sup> | 19.8%               | 17.3%   | N/A                 | N/A     |

## Sign-interpreted

|                     | Sign-interpreted hours |              | Total hours   | Actual for year (%) |         | Target for year (%) |         |
|---------------------|------------------------|--------------|---------------|---------------------|---------|---------------------|---------|
|                     | 2023/24                | 2022/23      | 2023/24       | 2023/24             | 2022/23 | 2023/24             | 2022/23 |
| BBC One             | 550                    | 499          | 8,736         | 6.3%                | 5.7%    | 5.0%                | 5.0%    |
| BBC Two             | 486                    | 467          | 8,736         | 5.6%                | 5.3%    | 5.0%                | 5.0%    |
| BBC Three           | 227                    | 225          | 3,238         | 7.0%                | 6.9%    | 5.0%                | 5.0%    |
| BBC Four            | 183                    | 189          | 3,131         | 5.8%                | 6.1%    | 5.0%                | 5.0%    |
| CBBC                | 245                    | 277          | 4,346         | 5.6%                | 6.4%    | 5.0%                | 5.0%    |
| CBeebies            | 249                    | 256          | 4,883         | 5.1%                | 5.2%    | 5.0%                | 5.0%    |
| BBC Scotland        | 106                    | 100          | 1,820         | 5.8%                | 5.5%    | 5.0%                | 5.0%    |
| BBC News            | 512                    | 510          | 8,736         | 5.9%                | 5.8%    | 5.0%                | 5.0%    |
| BBC Parliament      | 127                    | N/A          | 8,736         | 1.5%                | N/A     | 1.25%               | N/A     |
| <b>Linear total</b> | <b>2,686</b>           | <b>2,521</b> | <b>52,362</b> |                     |         |                     |         |

|                          | Sign interpreted programmes |         | Total programmes    | Actual for year (%) |         | Target for year (%) |         |
|--------------------------|-----------------------------|---------|---------------------|---------------------|---------|---------------------|---------|
|                          | 2023/24                     | 2022/23 | 2023/24             | 2023/24             | 2022/23 | 2023/24             | 2022/23 |
| BBC iPlayer <sup>1</sup> | 9,951                       | 6,995   | 81,785 <sup>2</sup> | 12.2%               | 8.8%    | N/A                 | N/A     |

## Subtitled

|                     | Subtitled hours |               | Total hours   | Actual for year (%) |         | Target for year (%) |         |
|---------------------|-----------------|---------------|---------------|---------------------|---------|---------------------|---------|
|                     | 2023/24         | 2022/23       | 2023/24       | 2023/24             | 2022/23 | 2023/24             | 2022/23 |
| BBC One             | 13,887          | 14,017        | 13,906        | 99.9%               | 99.9%   | 100%                | 100%    |
| BBC Two             | 9,166           | 9,183         | 9,168         | 100.0%              | 100.0%  | 100%                | 100%    |
| BBC Three           | 3,238           | 3,234         | 3,238         | 100.0%              | 99.9%   | 100%                | 100%    |
| BBC Four            | 3,131           | 3,102         | 3,131         | 100.0%              | 99.9%   | 100%                | 100%    |
| CBBC                | 4,346           | 4,352         | 4,346         | 100.0%              | 100.0%  | 100%                | 100%    |
| CBeebies            | 4,883           | 4,882         | 4,883         | 100.0%              | 100.0%  | 100%                | 100%    |
| BBC Scotland        | 1,909           | 1,880         | 1,911         | 99.9%               | 100.0%  | 100%                | 100%    |
| BBC News            | 8,730           | 8,733         | 8,736         | 99.9%               | 100%    | 100%                | 100%    |
| BBC Parliament      | 4,371           | 3,029         | 8,736         | 50.0%               | 34.7%   | 25.0%               | N/A     |
| <b>Linear total</b> | <b>53,661</b>   | <b>52,412</b> | <b>58,056</b> |                     |         |                     |         |

|                          | Subtitled programmes |         | Total programmes | Actual for year (%) |         | Target for year (%) |         |
|--------------------------|----------------------|---------|------------------|---------------------|---------|---------------------|---------|
|                          | 2023/24              | 2022/23 | 2023/24          | 2023/24             | 2022/23 | 2023/24             | 2022/23 |
| BBC iPlayer <sup>1</sup> | 73,296               | 70,993  | 81,785           | 89.6%               | 86.6%   | N/A                 | N/A     |

## Notes

1 For the five main broadcast channels, including nations and regional variants, 100% of content is subtitled, 20% audio-described and 5% signed. This content including subtitles, audio description and signed versions is all made available on BBC iPlayer. The figures for 2022/23 BBC iPlayer subtitled, audio-described and signed-interpreted data have been adjusted since 2022/23 to reflect a change in methodology. Specifically, the data period for qualification has been adjusted to reflect programmes available at any time during the period defined. BBC iPlayer aggregates those main broadcast channels and other channels for which lower levels of access services are provided, so the overall figures for BBC iPlayer are at a lower level than the main broadcast channels

2 Figures are for the total number of episodes available on BBC iPlayer excluding S4C and World Service content

3 Due to rounding, some totals may not correspond with the sum of the separate figures

4 The BBC Parliament target was zero % until 1 January 2024, after which a 100% target applied. "Target for year (%)" is an average of these targets

## Regulatory compliance

This section sets out the BBC’s compliance with the regulatory conditions in Ofcom’s Operating Licence for the BBC. The BBC met all but one of its Operating Licence requirements.

For condition 4.66.2, the hours of news and current affairs on BBC Radio Foyle reflect the well-publicised changes to the Radio Foyle breakfast show. As of April 2023, the Foyle Breakfast show was reduced from two hours per day to 30 minutes a day. Due to an internal miscommunication the need to amend the Operating Licence was not raised with Ofcom at the appropriate time. We are engaging with Ofcom.

The full detail of our compliance with Ofcom’s Operating Licence conditions can be found in our adjoining report Delivering Our Mission and Public Purposes. This report also collates our performance against the commitments we made as part of the 2023/24 Annual Plan.

This report can be found at: [bbc.co.uk/aboutthebbc/documents/domapp-2023-24.pdf](https://bbc.co.uk/aboutthebbc/documents/domapp-2023-24.pdf).

| Operating licence condition                          | Quota                | Actual    | Difference  |
|--|----------------------|-----------|-------------|
| Hours of news and current affairs on BBC Radio Foyle | 1,043 hours per year | 651 hours | (392) hours |

## Other regulatory matters

### Changes to the BBC’s UK Public Services and non-service activities

Under the Charter and Agreement, the BBC has to assess whether changes to UK Public Services are material. If the changes are material, we are required to carry out a Public Interest Test, which must then be approved by Ofcom before the change can be made.

In July 2023, the BBC opened a consultation on proposals to extend hours originated Welsh-language hours offered by BBC Radio Cymru 2, making it a UK Public Service in its own right. In September 2023, the BBC Board concluded that the proposal had met the Public Interest Test, delivering additional public value with little or no adverse impact on the radio market in Wales. In January 2024, after carrying out their own assessment, Ofcom agreed with the BBC Board’s conclusions and decided the BBC could proceed with its plans.

In February 2024, the BBC published two Public Interest Test consultations following. These were for:

- An extension of broadcast hours for BBC Radio 5 live sports extra
- A launch of four DAB+ Music stations

The BBC Board had decided in October 2023, that the proposal for BBC Radio 5 live sports extra was a change that may have a significant adverse impact on fair and effective competition and that the launch of DAB+ stations would be new UK Public Services. As such these changes were material and required Public Interest Tests.

The BBC will take its decisions on these Public Interest Tests in the summer of 2024.

### Changes to the BBC’s commercial activities

Under the Charter and Agreement, the BBC has to assess whether changes to its commercial activities are material.

In August 2023, we conducted a materiality assessment for a proposal to move selected factual, entertainment and drama audio content from the BBC’s in-house production team to BBC Studios. The BBC decided the changes were not material. Ofcom confirmed the changes were not material in November 2023.

### Regulatory complaints

Under the Charter and Agreement, the BBC is responsible for handling complaints, in a BBC First approach. This year we received no complaints regarding competition issues. We have also received no complaints regarding other non-editorial relevant requirements.

### Audience satisfaction with the reflection, representation and serving of the diverse communities in the UK

The BBC needs to measure audience satisfaction during the financial year with the reflection, representation and serving of the diverse communities of the whole of the United Kingdom.

The survey findings from 2023/24 show that by age band, gender, social grade, area of the UK, and amongst white audiences and Black, Asian and minority ethnic audiences and audiences who are disabled and not disabled, the proportion rating the BBC as effective on these measures outnumbers those saying ineffective. In some audience groups, whilst the majority or plurality of people surveyed rated the BBC as effective, this proportion of people saying the BBC was effective can be lower than in their comparator group. This indicates that some audience groups have less satisfaction with the BBC in this regard than others.

This year this was the case for C2DE compared with ABC1 audiences, and for people who are disabled compared with people who are not disabled; and on some measures for Black, Asian and minority ethnic audiences compared with white audiences; men compared with women; 16-34s compared with over 35s; in Scotland and Wales, and the North of England and the Midlands compared with the England average.

## Performance against public commitments

### Contestability

Under the Charter and Agreement, the BBC must secure competition between BBC producers and external producers, whether independent producers or not, for production of television, radio and online content. The levels of contestability has increased for all content types. More information on contestability in television can be found in the BBC Commissioning Supply Report, published alongside this report at: [bbc.co.uk/commissioning/documents/bbc-commissioning-supply-report-202324.pdf](http://bbc.co.uk/commissioning/documents/bbc-commissioning-supply-report-202324.pdf).

| Platform            | Target to contest      | Contested to date | Completion date  | Achieved    |
|---------------------|------------------------|-------------------|------------------|-------------|
| TV <sup>1</sup>     | 100% of relevant hours | 77%               | 31 December 2027 | In progress |
| Radio <sup>2</sup>  | 60% of relevant hours  | 61%               | 31 December 2022 | Delivered   |
| Online <sup>3</sup> | 100% of relevant spend | 82%               | 31 December 2027 | In progress |

#### Notes

- 1 The Agreement requires the BBC to ensure that it secures competition for 100% of relevant television programmes by 31 December 2027. Our outturn is based on the number of hours broadcast or provided on BBC iPlayer in 2023, taking into account commissioning decisions made up to 31 December 2023
- 2 The Agreement required the BBC to ensure that for relevant radio programmes it secures competition for at least 60% of relevant broadcasting time by 31 December 2022. This has been achieved and is no longer a requirement, however we will continue to publish our performance for contestability. Our outturn is based on the number of hours broadcast in 2023/24, taking into account commissioning decisions made up to 31 March 2024
- 3 The Agreement requires the BBC to secure competition for 100% of relevant online material by 31 December 2027. The BBC has defined relevant online material in a way that adheres to the provisions of the Agreement and has discussed this definition with Ofcom. We measure online contestability by expenditure on content production of relevant online material. Our outturn is based on expenditure in 2023/24

## Network radio supply

The following table shows the levels of all BBC Network Radio hours from different suppliers.

|  | Proportion of all eligible hours produced by <b>independent producers</b> for BBC Network Radio (%) |         | Proportion of all eligible hours produced by <b>BBC producers</b> for BBC Network Radio (%) |         |
|--|---|---------|---|---------|
|  | 2023/24   | 2022/23 | 2023/24   | 2022/23 |
| BBC Radio 1                              | <b>25.2</b>   | 25.6    | <b>74.8</b>   | 74.4    |
| BBC Radio 1Xtra                          | <b>16.7</b>   | 19.2    | <b>83.3</b>   | 80.8    |
| BBC Radio 2                              | <b>53.7</b>   | 53.0    | <b>46.3</b>   | 47.0    |
| BBC Radio 3                              | <b>14.1</b>   | 11.3    | <b>85.9</b>   | 88.7    |
| BBC Radio 4                              | <b>15.3</b>   | 16.8    | <b>84.7</b>   | 83.2    |
| BBC 4 Extra                              | <b>0.0</b>  | 0.0     | <b>100.0</b>  | 100.0   |
| BBC Radio 5 live and 5 live sports extra | <b>25.1</b>   | 21.8    | <b>74.9</b>   | 78.2    |
| BBC 6 Music                              | <b>48.0</b>   | 46.3    | <b>52.0</b>   | 53.7    |
| BBC Asian Network                        | <b>44.0</b>   | 35.2    | <b>56.0</b>   | 64.8    |
| <b>Total</b>                             | <b>32.4</b>   | 31.0    |   | 69.0    |

#### Notes

Eligible hours excludes Repeats, Simulcasts, Core News, Education/Social Action, Presentation, EBU Output, World Service

Information on our network television supply in 2023/24 is available in the BBC Commissioning Supply Report, published alongside this report at: [bbc.co.uk/commissioning/documents/bbc-commissioning-supply-report-202324.pdf](http://bbc.co.uk/commissioning/documents/bbc-commissioning-supply-report-202324.pdf).

## Distribution

Distribution of BBC content is key to delivering our mission and public purposes. The Charter requires the BBC to report on how it has made its output and services available to the public. This section sets out our progress this year.

**98.5%**  
Digital Terrestrial Television (DTT) coverage of UK households.

**99%**  
AM/FM coverage of UK household

**97.5%**  
DAB coverage of UK households

**98%**  
Satellite availability to UK households

BBC iPlayer is available on  
**>20,000**  
types of device overall

BBC Sounds is available on  
**>20,000**  
types of device overall

**Note**  
The figures quoted for DTT and DAB relate to coverage for services carried on the BBC's multiplexes. In addition, nations and regions radio stations and a small number of HD channels are made available via commercial multiplexes. BBC iPlayer is available on over 420 platforms (groups of devices) and BBC Sounds is available on over 250 platforms (groups of devices)

The BBC distributes its content with the goal of providing its audiences with full and convenient access to the services that are relevant to them. In 2023/24 we have continued to ensure that:

- a. we provide effectively universal broadcast coverage of our TV and radio services
- b. The BBC's online video service, iPlayer, is available on more consumer devices (from smart TVs to games consoles and tablets) than any other streaming service in the UK
- c. Live and on-demand audio on Sounds is widely available for audiences to access across an increasing number of devices
- d. BBC services are amongst the most prominent on all devices that can be accessed

As audiences increasingly watch and listen online, we are working with other PSBs and supply chain partners on how to transition all our services from broadcast to internet distribution for everyone. Working with our PSB partners and Everyone TV, we are launching 'Freely', to update free-to-air television for the internet age across a range of television devices. Freely will futureproof live TV for the streaming era, providing linear television via an internet connection only or in conjunction with an aerial, as well as making available the full range of UK PSB on-demand content.

Looking further ahead, we are working collaboratively to make sure we meet the right conditions for all-internet distribution in the future: everyone in the UK is connected, with no-one left behind; everyone benefits from a fair and prosperous UK media economy; and everyone has easy access to high-quality content. We are also working with government and the regulator on this topic and in December 2023, we responded comprehensively to Ofcom's call for evidence on the future of TV distribution.

The last 12 months have seen us accelerate our work on sustainable distribution, with several projects removing significant amounts of carbon from our supply chain. These have been carried out with an audience focus, ensuring that neither services nor availability have been impacted.

As well as widespread availability and maximising value for the licence fee payer, it remains critical that the ways in which BBC services and content are distributed both support and protect our public service mission. The BBC's Distribution Policy sets out the conditions under which the BBC needs to satisfy in order to distribute its UK public services. It continues to guide our distribution agreements to ensure UK Public Service and creativity remain prominent and relevant in an increasingly competitive and global market.

## Performance against public commitments

### BBC Public Service promotions

The Agreement between the BBC and the Secretary of State for Culture, Media and Sport sets out that the BBC must ensure that the promotion of any output of a UK Public Service or any such service in the UK Public Services focuses on output contributing substantially to the fulfilment of the mission and promotion of the public purposes. The BBC must publish information on such promotion, including:

- the number of minutes of promotions in each UK Public Service;
- the time of day of such promotions;
- such other information it considers would be in the public interest to publish

This table sets out the total minutes of promotional material broadcast on each UK Public Service by time period in 2023/24:

|                                      | Morning | Daytime | Evening | Overnight | Total  |
|--------------------------------------|---------|---------|---------|-----------|--------|
| BBC One                              | 1,236   | 3,364   | 2,624   | 1,819     | 9,042  |
| BBC Two                              | 2,105   | 2,263   | 2,250   | 1,877     | 8,496  |
| BBC Three                            | N/A     | N/A     | 2,198   | 3,198     | 5,397  |
| BBC Four                             | N/A     | N/A     | 1,685   | 1,615     | 3,300  |
| CBBC                                 | 3,359   | 3,747   | 588     | N/A       | 7,694  |
| CBeebies                             | 3,461   | 3,236   | 63      | N/A       | 6,760  |
| BBC News                             | 1,268   | 447     | 1,321   | 9,311     | 12,346 |
| BBC Scotland                         | 2       | 176     | 2,292   | 20        | 2,490  |
| BBC Radio 1                          | 1,133   | 2,482   | 1,146   | 279       | 5,040  |
| BBC Radio 1Xtra                      | 1,004   | 2,377   | 1,354   | 167       | 4,902  |
| BBC Radio 2                          | 1,398   | 2,796   | 1,741   | 1,356     | 7,290  |
| BBC Radio 3                          | 867     | 1,458   | 1,057   | 0         | 3,382  |
| BBC Radio 4                          | 1,497   | 2,970   | 2,348   | 301       | 7,116  |
| BBC 4 Extra                          | 1,593   | 2,216   | 1,801   | 1,385     | 6,996  |
| BBC Radio 5 live                     | 1,130   | 2,406   | 2,027   | 2,075     | 7,638  |
| BBC 6 Music                          | 1,365   | 2,686   | 1,554   | 309       | 5,913  |
| BBC Asian Network                    | 931     | 2,665   | 1,215   | 0         | 4,811  |
| BBC Radio Scotland                   | 1,560   | 2,738   | 832     | 0         | 5,130  |
| BBC Radio Wales                      | 1,369   | 3,392   | 2,086   | 48        | 6,895  |
| BBC Radio Cymru                      | 2,139   | 4,201   | 3,064   | 173       | 9,578  |
| BBC Radio 2 Cymru                    | 2,103   | 747     | –       | –         | 2,850  |
| BBC Radio Ulster and BBC Radio Foyle | 546     | 1,248   | 1,092   | 1,028     | 3,914  |
| BBC Local Radio                      | N/A     | N/A     | N/A     | N/A       | N/A    |

#### Notes

Time periods are defined as: morning, 6am – 11.59am; daytime, 12pm – 5.59pm; evening, 6pm – 10.59pm; overnight, 11pm – 5.59am. Minutes of promotions on radio here do not include the service trails for the programmes themselves; these figures are included in the following table. The figure for BBC Local Radio is an average figure across all local radio stations in England. Promotions on BBC Parliament, BBC ALBA, BBC Radio 5 live sports extra and BBC Radio nan Gàidheal are not measured due to very low volume and frequency. Quantitative data is not available for promotions on BBC Red Button or BBC Online

This table sets out the total minutes of promotion of each platform (i.e. TV, radio or online) promoted on each UK Public Service. 'On Service' refers to minutes of self-promotional material, e.g. BBC One promoting BBC One, 'TV and iPlayer' refers to minutes of TV and iPlayer promos on the channel/service, and 'Radio and Sounds' refers to the minutes of promo for any radio station or BBC Sounds on that channel/service.

|                                      | On Service | TV and BBC iPlayer | Radio and BBC Sounds |
|--------------------------------------|------------|--------------------|----------------------|
| BBC One                              | 3,051      | 5,235              | 757                  |
| BBC Two                              | 1,194      | 6,612              | 690                  |
| BBC Three                            | 2,529      | 2,601              | 267                  |
| BBC Four                             | 1,647      | 1,486              | 167                  |
| CBBC                                 | 7,539      | 155                | 0                    |
| CBeebies                             | 6,760      | 0                  | 0                    |
| BBC News                             | 11,642     | 445                | 259                  |
| BBC Scotland                         | 213        | 2,100              | 177                  |
| Radio 1                              | 2,772      | 1,461              | 806                  |
| 1Xtra                                | 2,696      | 1,422              | 784                  |
| Radio 2                              | 3,718      | 2,114              | 1,458                |
| Radio 3                              | 2,131      | 609                | 643                  |
| Radio 4                              | 4,697      | 1,139              | 1,281                |
| BBC 4 Extra                          | 5,803      | 381                | 812                  |
| BBC Radio 5 live                     | 4,354      | 1,680              | 1,604                |
| BBC 6 Music                          | 3,371      | 1,242              | 1,301                |
| BBC Asian Network                    | 2,646      | 1,395              | 770                  |
| BBC Radio Scotland                   | 2,544      | 1,483              | 1,103                |
| BBC Radio Wales                      | 4,205      | 621                | 2,069                |
| BBC Radio Cymru                      | 5,076      | 0                  | 4,502                |
| BBC Radio 2 Cymru                    | 1,625      | 0                  | 1,225                |
| BBC Radio Ulster and BBC Radio Foyle | 1,270      | 1,183              | 433                  |
| BBC iPlayer                          | 94.9%      | 0%                 | 5.1%                 |

#### Notes

Promotions on BBC Parliament, BBC ALBA, BBC Radio 5 live sports extra and BBC Radio nan Gàidheal are not measured due to very low volume and frequency. Quantitative data is not available for promotions on BBC Local Radio or BBC Red Button. BBC Radio Ulster and BBC Radio Foyle does not include 5 Live overnight figures

This year we have added an Other column for the total minutes of promotion on each platform promoted on each public service. This includes trails such as the Our BBC brand film, the Covid-19 public information films, and corporate messages

Some BBC podcasts available through BBC Sounds and third-party platforms carry promotional material for other BBC podcast content. Promotional trails, each with a duration of 15-45 seconds, for these podcasts are produced and inserted into other podcasts, at the start, middle and/or end of the audio file. The choice and placement of these trails is at the discretion of the podcast producers, though it is predominantly pre- or post-roll. Some stations also trail their own content (e.g. Radio 4 promotes its content on Radio 4 podcasts)

# PERFORMANCE DATA PACKS

This section sets out audience performance this year, including full statistical information for the public purposes, plus detailed performance data by service in Wales, Scotland, Northern Ireland and England.

**p.151**

BBC audience performance in the UK

**p.153**

BBC audience and financial performance across the nations

Izuka Hoyle starring in *Boiling Point*





## Performance data packs

### Performance against 2023/24 audience targets

#### Performance against 2023/24 audience targets

##### Ensure delivery of value to audiences overall

**The reach of the BBC**  
% of UK adults 16+ who use BBC TV/  
iPlayer, Radio or Online on average  
per week

**85%**  
Target 85-90%

Source Compass by Ipsos UK

**A valued habit with the BBC**  
% of UK adults 16+ who use the  
BBC for 5+ days on average per week

**66%**  
Target 60-65%

Source Compass by Ipsos UK

% of UK adults 16+ who use the BBC  
for 5+ hours on average per week

**55%**  
Target 55-60%

Source Compass by Ipsos UK

% of UK adults 16+ who use two or  
more BBC modes on average per week

**61%**  
Target circa 65%

Source Compass by Ipsos UK

##### Maintain focus on key audience challenges

###### Young adults

**The reach of the BBC**  
% of UK 16-34s who use BBC TV/  
iPlayer, Radio or Online on average  
per week

**71%**  
Target circa 75%

Source Compass by Ipsos UK

**Personal relevance**  
UK 16-34s' rating of 'the BBC is  
for me' (mean score out of 10)

**5/10**  
Target 6/10

Source Kantar Media

###### Under 16s

**The reach of the BBC**  
% of UK under 16s who use BBC TV/  
iPlayer, Radio or Online on average  
per week

**69%**  
Target circa 70%

Source Kids Cross-Media Insight by Ipsos UK

**The reach of BBC Children's/  
Education services**  
% of UK under 16s who use  
BBC Children's/Education services  
on average per week

**48%**  
Target circa 45-50%

Source Kids Cross-Media Insight by Ipsos UK

Source Kids Cross-Media Insight by Ipsos UK

#### Accelerate activity central to continued and future delivery of value to audiences

**Account reach of BBC Online**  
Average weekly active accounts using  
BBC Online

**22.8m**  
Target 22m+

Source Piano Analytics

**Account reach of BBC iPlayer**  
Average weekly active accounts using  
BBC iPlayer

**14.1m**  
Target 13.5m+

Accounts overall

Source Piano Analytics

**Under 35 accounts**

**4.1m**  
Target 4.0m+

Source Piano Analytics

**BBC iPlayer time spent per head  
per week**  
Average weekly time spent per head  
per week

**66 mins**  
Target 65 mins+

Source BARB As Viewed. All devices

**Rating of BBC iPlayer**  
Weekly users' rating of BBC iPlayer  
(mean score out of 10)

**8/10**  
Target 8/10

UK adults 16+ weekly users

Source YouGov

**UK 16-34 weekly users**

**8/10**  
Target 8/10

Source YouGov

**Account reach of BBC Sounds**  
Average weekly active accounts  
using BBC Sounds

**4.8m**  
Target 4.5m+

Accounts overall

Source Piano Analytics

**16-34 accounts**

**0.59m**  
Target 0.6m+

Source Piano Analytics

**Reach of BBC News Online**  
% who use BBC News Online  
on average per week

**32%**  
Target 32%+

UK adults 16+

Source Compass by Ipsos UK

**UK 16-34s**

**31%**  
Target 32%+

Source Compass by Ipsos UK

## Performance data packs

### Audience performance by purpose

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

##### Experience

|   |                |                     | Source   |
|---|----------------|---------------------|--|
| <b>Overall BBC News reach</b>   |                |                     |  |
| % of UK adults (16+) who use BBC News services on average per week  | <b>2023/24</b> | <b>75%</b>          | Compass by Ipsos UK. 16+   |
|   | 2022/23        | 78%                 |  |
| <b>BBC News reach by platform</b>   |                |                     |  |
| <b>BBC TV Network News and Current Affairs</b>  |                |                     |  |
| % of UK adults who watch BBC TV Network News and Current Affairs on average per week                      | <b>2023/24</b> | <b>46%</b>          | BARB As Viewed. All devices~. 16+. Reach based on 3+ mins        |
|   | 2022/23        | 50%                 |  |
| <b>BBC Radio Network News and Current Affairs programmes</b>  |                |                     |  |
| % of UK adults who listen to news and current affairs programmes on BBC Network Radio on average per week | <b>2023/24</b> | <b>48%</b>          | RAJAR. 15+. Reach based on 15+mins                               |
|   | 2022/23        | 50%                 |  |
| <b>BBC News Online</b>  |                |                     |  |
| % of UK adults who use BBC News Online on average per week  | <b>2023/24</b> | <b>32%</b>          | Compass by Ipsos UK. 16+   |
|   | 2022/23        | 33%                 |  |
| % of UK 16-34s who use BBC News Online on average per week  | <b>2023/24</b> | <b>31%</b>          | Compass by Ipsos UK. 16-34                                       |
|   | 2022/23        | 32%                 |  |
| Number of unique UK browsers accessing BBC News Online on average per week                                | <b>2023/24</b> | <b>34 million</b>   | Piano Analytics*   |
| BBC News Online cross-product average weekly active accounts  | <b>2023/24</b> | <b>10.1 million</b> | Piano Analytics<br>New metric for 2023/24, hence no 2022/23 data |

~ New BARB As Viewed measurement was introduced in BBC reporting from 2022/23 onwards. The new data measures all viewing, both linear and on-demand, in all households with a TV set and/or a broadband internet connection, across all devices. Therefore, BARB As Viewed data from 2022/23 and 2023/24 is not comparable with previous years' figures

\* Owing to new measurement, the number of unique UK browsers accessing BBC News Online in 2023/24 is not comparable year-on-year so the 2022/23 figure is not included here

##### Perception

|   |                | % Effective        | % Ineffective | Source        |
|---|----------------|--------------------|---------------|---------------|
| <b>Delivery of the purpose</b>  |                |                    |               |               |
| % of UK adults who think BBC News and Current Affairs is effective at helping them understand what is happening in the UK/world today       | <b>2023/24</b> | <b>65%</b>         | <b>15%</b>    | Ipsos UK. 16+ |
|   | 2022/23        | 67%                | 14%           |               |
| % of UK adults who think BBC News and Current Affairs is effective at helping them understand what is happening in their part of the UK     | <b>2023/24</b> | <b>59%</b>         | <b>17%</b>    |               |
|   | 2022/23        | 60%                | 18%           |               |
| % of UK adults who think BBC News and Current Affairs is effective at informing them about the day's issues so they can make up their minds | <b>2023/24</b> | <b>57%</b>         | <b>18%</b>    |               |
|   | 2022/23        | 60%                | 17%           |               |
| % of UK adults who think the BBC is effective at providing news and current affairs that is impartial                                       | <b>2023/24</b> | <b>45%</b>         | <b>28%</b>    |               |
|   | 2022/23        | 50%                | 26%           |               |
| % of UK adults who think the BBC is effective at providing UK news and current affairs that is accurate                                     | <b>2023/24</b> | <b>59%</b>         | <b>19%</b>    |               |
|   | 2022/23        | 62%                | 18%           |               |
| % of UK adults who think the BBC is effective at providing news and current affairs that is trustworthy                                     | <b>2023/24</b> | <b>57%</b>         | <b>21%</b>    |               |
|   | 2022/23        | 61%                | 19%           |               |
| <b>Quality of BBC News by platform</b>  |                |                    |               |               |
| % of weekly users who say BBC News on TV sets a high standard for quality   | <b>2023/24</b> | <b>74%</b>         | <b>9%</b>     |               |
|   | 2022/23        | 75%                | 9%            |               |
| % of weekly users who say BBC News on Radio sets a high standard for quality  | <b>2023/24</b> | <b>80%</b>         | <b>7%</b>     |               |
|   | 2022/23        | 80%                | 6%            |               |
| % of weekly users who say BBC News Online sets a high standard for quality  | <b>2023/24</b> | <b>74%</b>         | <b>8%</b>     |               |
|   | 2022/23        | 77%                | 8%            |               |
| <b>Weekly users' rating of BBC News Online (mean score/10)</b>  |                |                    |               |               |
| 16+ UK weekly users   | <b>2023/24</b> | <b>8 out of 10</b> |               | YouGov. 16+   |
|   | 2022/23        | 8 out of 10        |               |               |
| <b>Delivery of the News purpose via iPlayer</b>   |                |                    |               |               |
| <b>% of weekly users rating iPlayer as effective at helping the BBC to deliver the public purposes</b>                                      |                |                    |               |               |
| News purpose: 16+ UK weekly users   | <b>2023/24</b> | <b>85%</b>         | <b>6%</b>     | Ipsos UK. 16+ |
|   | 2022/23        | 84%                | 6%            |               |
| News purpose: 16-34 UK weekly users   | <b>2023/24</b> | <b>86%</b>         | <b>5%</b>     |               |
|   | 2022/23        | 78%                | 8%            |               |

|  |         | % BBC | % Next Nearest Named                 | Source   |
|--|---------|-------|--------------------------------------|--|
| <b>BBC News in market context</b>  |         |       |                                      |  |
| <b>Of all the news sources (TV, radio, newspaper, magazine, website, app or social media) which one source are you most likely to turn to...</b> |         |       |                                      |  |
| ... if you want impartial news coverage  | 2023/24 | 37%   | 6% ITV News                          | Ipsos UK. 907 UK adults 18+ who follow the news, February 2024 |
|  | 2022/23 | 39%   | Sky News/ITV News = 6% each          |  |
| ... for news you trust the most  | 2023/24 | 45%   | Sky News/ITV News = 6% each          |  |
|  | 2022/23 | 45%   | Guardian/Sky News/ITV News = 6% each |  |
| ... if you want accurate news coverage   | 2023/24 | 48%   | 6% Sky News                          |  |
|  | 2022/23 | 47%   | 8% Sky News                          |  |

## 2. To support learning for people of all ages

### Experience

|   |         |       |  | Source                               |
|---|---------|-------|--|--------------------------------------|
| <b>Usage of the BBC overall amongst under 16s</b>   |         |       |  |                                      |
| <b>Under 16s pan-BBC reach</b>  |         |       |  |                                      |
| % of under 16s who use BBC TV/iPlayer, Radio or Online on average per week                                  | 2023/24 | 69%   |  | Kids Cross-Media Insight by Ipsos UK |
|   | 2022/23 | 72%   |  |                                      |
| <b>Under 16s pan-BBC time</b>   |         |       |  |                                      |
| Length of time under 16s spend with the BBC per head on average per week (hours:mins)                       | 2023/24 | 03:33 |  |                                      |
|   | 2022/23 | 04:06 |  |                                      |
| <b>0-6 pan-BBC reach</b>  |         |       |  |                                      |
| % of 0-6s who use BBC TV/iPlayer, Radio or Online on average per week                                       | 2023/24 | 75%   |  |                                      |
|   | 2022/23 | 80%   |  |                                      |
| <b>7-12 pan-BBC reach</b>   |         |       |  |                                      |
| % of 7-12s who use BBC TV/iPlayer, Radio or Online on average per week                                      | 2023/24 | 66%   |  |                                      |
|   | 2022/23 | 65%   |  |                                      |
| <b>Usage of BBC Children's/Education services amongst under 16s</b>   |         |       |  |                                      |
| <b>Under 16s</b>  |         |       |  |                                      |
| % of under 16s who use BBC Children's/Education content across BBC TV/iPlayer or Online on average per week | 2023/24 | 48%   |  | Kids Cross-Media Insight by Ipsos UK |
|   | 2022/23 | 51%   |  |                                      |
| <b>0-6s</b>   |         |       |  |                                      |
| % of 0-6s who use BBC Children's/Education content across BBC TV/iPlayer or Online on average per week      | 2023/24 | 66%   |  |                                      |
|   | 2022/23 | 69%   |  |                                      |
| <b>7-12</b>   |         |       |  |                                      |
| % of 7-12s who use BBC Children's/Education content across BBC TV/iPlayer or Online on average per week     | 2023/24 | 41%   |  |                                      |
|   | 2022/23 | 41%   |  |                                      |

### Perception

|  |         |             | Mean score/10 | Source   |
|--|---------|-------------|---------------|----------|
| <b>View of the BBC amongst under 16s</b> |         |             |               |          |
| Perception of BBC by under 16s           | 2023/24 | 7 out of 10 |               | Ipsos UK |
|  | 2022/23 | 7 out of 10 |               |          |

|   |         | % Effective | % Ineffective | Source        |
|---|---------|-------------|---------------|---------------|
| <b>Delivery of the purpose</b>  |         |             |               |               |
| % of parents who think the BBC is effective at supporting children and teenagers with their learning          | 2023/24 | 55%         | 15%           | Ipsos UK. 16+ |
|   | 2022/23 | 59%         | 11%           |               |
| % of UK adults who think the BBC is effective at helping them learn new things                                | 2023/24 | 59%         | 17%           |               |
|   | 2022/23 | 60%         | 18%           |               |
| % of UK adults who think the BBC is effective at exploring subjects that they would know less about otherwise | 2023/24 | 60%         | 15%           |               |
|   | 2022/23 | 60%         | 16%           |               |

## Performance data packs

### Audience performance by purpose continued

#### BBC learning by content

|  |                |            | Source             |
|--|----------------|------------|--------------------|
| % of responses rating <b>BBC TV</b> programmes they have watched as helping them to learn something new            | <b>2023/24</b> | <b>72%</b> | Pulse by GfK. 16+* |
|  | 2022/23        | 72%        |                    |
| % of responses rating <b>non-BBC TV</b> programmes they have watched as helping them to learn something new        | <b>2023/24</b> | <b>59%</b> |                    |
|  | 2022/23        | 59%        |                    |
| % of responses rating <b>BBC radio</b> programmes they have listened to as helping them to learn something new     | <b>2023/24</b> | <b>68%</b> |                    |
|  | 2022/23        | 68%        |                    |
| % of responses rating <b>non-BBC radio</b> programmes they have listened to as helping them to learn something new | <b>2023/24</b> | <b>53%</b> |                    |
|  | 2022/23        | 55%        |                    |

\* Pulse is a panel of c.15,000 UK nationally representative respondents. Panellists take a daily survey rating BBC and non-BBC content they consumed yesterday. Figures shown are the average over the financial year across all content they have rated.

#### BBC Bitesize

|  |                |                    | Source          |
|--|----------------|--------------------|-----------------|
| <b>Experience</b>  |                |                    |                 |
| <b>Primary pupils</b>  |                |                    |                 |
| % of primary school pupils who use Bitesize  | <b>2023/24</b> | <b>59%</b>         | DJS             |
|  | 2022/23        | 65%                |                 |
| <b>Secondary pupils</b>  |                |                    |                 |
| % of secondary school pupils who use Bitesize  | <b>2023/24</b> | <b>75%</b>         |                 |
|  | 2022/23        | 77%                |                 |
| Number of unique UK browsers accessing Bitesize on average per week                    | <b>2023/24</b> | <b>1.5 million</b> | Piano Analytics |
|  | 2022/23        | 1.5 million        |                 |
| <b>Perception</b>  |                |                    |                 |
| % of under 16 users who say Bitesize helps them understand their studies/learning more | <b>2023/24</b> | <b>83%</b>         | DJS             |
|  | 2022/23        | 85%                |                 |
| % of secondary school users who say Bitesize helps them to achieve better grades       | <b>2023/24</b> | <b>68%</b>         |                 |
|  | 2022/23        | 64%                |                 |

% Effective      % Ineffective      Source

#### Delivery of the Learning purpose via iPlayer

##### % of weekly users rating iPlayer as effective at helping the BBC to deliver the public purposes

|   |                |            |           |               |
|---|----------------|------------|-----------|---------------|
| Learning purpose: 16+ UK weekly users   | <b>2023/24</b> | <b>84%</b> | <b>6%</b> | Ipsos UK. 16+ |
|   | 2022/23        | 83%        | 5%        |               |
| Learning purpose: 16-34 UK weekly users | <b>2023/24</b> | <b>83%</b> | <b>9%</b> |               |
|   | 2022/23        | 81%        | 8%        |               |

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

#### Experience

|   |                |              | Source  |
|---|----------------|--------------|---|
| <b>Usage of the BBC overall amongst adults</b>  |                |              |   |
| <b>Pan-BBC reach</b>  |                |              |   |
| % of UK adults who use BBC TV/iPlayer, Radio or Online on average per week            | <b>2023/24</b> | <b>85%</b>   | Compass by Ipsos UK. 16+  |
|   | 2022/23        | 88%          |   |
| <b>Pan-BBC time</b>   |                |              |   |
| Length of time UK adults spend with the BBC per head on average per week (hours:mins) | <b>2023/24</b> | <b>15:32</b> | Estimated from BARB As Viewed (all devices), RAJAR, Piano Analytics, ONS. 16+ |
|   | 2022/23        | 16:41        |   |

Source

**Usage of the BBC by platform amongst adults****BBC TV/iPlayer**

|  |                |              |   |
|--|----------------|--------------|---|
| % of UK adults who watch BBC TV/iPlayer on average per week                                  | <b>2023/24</b> | <b>65%</b>   | BARB As Viewed. All devices<sup>-</sup>. 16+. Reach based on 15+ mins |
|  | 2022/23        | 69%          |   |
| Length of time UK adults spend with BBC TV/iPlayer per head on average per week (hours:mins) | <b>2023/24</b> | <b>06:26</b> |   |
|  | 2022/23        | 06:56        |   |

**BBC Radio**

|  |                |              |                                     |
|--|----------------|--------------|-------------------------------------|
| % of UK adults who listen to BBC Radio on average per week                     | <b>2023/24</b> | <b>56%</b>   | RAJAR. 16+. Reach based on 15+ mins |
|  | 2022/23        | 58%          |                                     |
| Length of time UK adults spend with BBC Radio on average per week (hours:mins) | <b>2023/24</b> | <b>07:55</b> |                                     |
|  | 2022/23        | 08:34        |                                     |

**BBC Online**

|   |                |            |                          |
|---|----------------|------------|--------------------------|
| % of UK adults who use BBC Online on average per week | <b>2023/24</b> | <b>61%</b> | Compass by Ipsos UK. 16+ |
|   | 2022/23        | 60%        |                          |

~ New BARB As Viewed measurement was introduced in BBC reporting from 2022/23 onwards. The new data measures all viewing, both linear and on-demand, in all households with a TV set and/or a broadband internet connection, across all devices. Therefore, BARB As Viewed data from 2022/23 and 2023/24 is not comparable with previous years' figures

**Perception**

|  |                | % Effective | % Ineffective | Source        |
|--|----------------|-------------|---------------|---------------|
| <b>Delivery of the purpose</b>   |                |             |               |               |
| % of UK adults who think the BBC is effective at providing content/services that set a high standard for quality     | <b>2023/24</b> | <b>62%</b>  | <b>14%</b>    | Ipsos UK. 16+ |
|  | 2022/23        | 66%         | 14%           |               |
| % of UK adults who think the BBC is effective at providing content/services that set a high standard for creativity  | <b>2023/24</b> | <b>57%</b>  | <b>15%</b>    |               |
|  | 2022/23        | 61%         | 15%           |               |
| % of UK adults who think the BBC is effective at providing content/services that are distinctive                     | <b>2023/24</b> | <b>56%</b>  | <b>15%</b>    |               |
|  | 2022/23        | 59%         | 15%           |               |
| % of UK adults who think the BBC is effective at providing content/services that set a high standard for originality | <b>2023/24</b> | <b>56%</b>  | <b>16%</b>    |               |
|  | 2022/23        | 59%         | 17%           |               |
| % of UK adults who think the BBC is effective at providing content/services that cater for a wide range of tastes    | <b>2023/24</b> | <b>60%</b>  | <b>15%</b>    |               |
|  | 2022/23        | 61%         | 15%           |               |
| <b>BBC quality and distinctiveness by platform</b>   |                |             |               |               |
| <b>BBC TV/iPlayer programmes</b>   |                |             |               |               |
| % of users who say BBC TV/iPlayer sets a high standard for quality   | <b>2023/24</b> | <b>72%</b>  | <b>9%</b>     |               |
|  | 2022/23        | 74%         | 9%            |               |
| % of users who say BBC TV/iPlayer is distinctive   | <b>2023/24</b> | <b>68%</b>  | <b>9%</b>     |               |
|  | 2022/23        | 71%         | 10%           |               |
| % of users who say BBC TV/iPlayer sets a high standard for originality   | <b>2023/24</b> | <b>69%</b>  | <b>10%</b>    |               |
|  | 2022/23        | 70%         | 10%           |               |
| <b>BBC Radio/podcasts</b>  |                |             |               |               |
| % of users who say BBC Radio/podcasts sets a high standard for quality   | <b>2023/24</b> | <b>70%</b>  | <b>9%</b>     |               |
|  | 2022/23        | 69%         | 9%            |               |
| % of users who say BBC Radio/podcasts is distinctive   | <b>2023/24</b> | <b>67%</b>  | <b>10%</b>    |               |
|  | 2022/23        | 66%         | 10%           |               |
| % of users who say BBC Radio/podcasts sets a high standard for originality   | <b>2023/24</b> | <b>67%</b>  | <b>10%</b>    |               |
|  | 2022/23        | 67%         | 10%           |               |
| <b>BBC Online</b>  |                |             |               |               |
| % of users who say BBC Online sets a high standard for quality   | <b>2023/24</b> | <b>67%</b>  | <b>9%</b>     |               |
|  | 2022/23        | 69%         | 9%            |               |
| % of users who say BBC Online is distinctive   | <b>2023/24</b> | <b>63%</b>  | <b>9%</b>     |               |
|  | 2022/23        | 65%         | 9%            |               |
| % of users who say BBC Online sets a high standard for originality   | <b>2023/24</b> | <b>63%</b>  | <b>9%</b>     |               |
|  | 2022/23        | 63%         | 10%           |               |

## Performance data packs

### Audience performance by purpose continued

#### BBC distinctiveness by content

|   |                |            | Source             |
|---|----------------|------------|--------------------|
| % of responses rating <b>BBC TV</b> programmes as different                                       | <b>2023/24</b> | <b>78%</b> | Pulse by GfK. 16+* |
|   | 2022/23        | 77%        |                    |
| % of responses rating <b>non-BBC TV</b> programmes as different                                   | <b>2023/24</b> | <b>77%</b> |                    |
|   | 2022/23        | 75%        |                    |
| % of responses rating <b>BBC radio</b> programmes as content they wouldn't hear anywhere else     | <b>2023/24</b> | <b>75%</b> |                    |
|   | 2022/23        | 77%        |                    |
| % of responses rating <b>non-BBC radio</b> programmes as content they wouldn't hear anywhere else | <b>2023/24</b> | <b>63%</b> |                    |
|   | 2022/23        | 65%        |                    |

\* Pulse is a panel of c.15,000 UK nationally representative respondents. Panellists take a daily survey rating BBC and non-BBC content they consumed yesterday. Figures shown are the average over the financial year across all content they have rated

|  |                | % Effective | % Ineffective | Source        |
|--|----------------|-------------|---------------|---------------|
| <b>Delivery of the Creativity purpose via iPlayer</b>  |                |             |               |               |
| <b>% of weekly users rating iPlayer as effective at helping the BBC to deliver the public purposes</b> |                |             |               |               |
| Creativity purpose: 16+ UK weekly users  | <b>2023/24</b> | <b>88%</b>  | <b>5%</b>     | Ipsos UK. 16+ |
|  | 2022/23        | 86%         | 6%            |               |
| Creativity purpose: 16-34 UK weekly users  | <b>2023/24</b> | <b>87%</b>  | <b>5%</b>     |               |
|  | 2022/23        | 79%         | 8%            |               |

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

**Perception: UK adults**

|   |                | % Effective | % Ineffective | Source        |
|---|----------------|-------------|---------------|---------------|
| <b>Delivery of the purpose</b>  |                |             |               |               |
| % of UK adults who think the BBC is effective at reflecting people like them  | <b>2023/24</b> | <b>51%</b>  | <b>23%</b>    | Ipsos UK. 16+ |
|   | 2022/23        | 54%         | 22%           |               |
| % of UK adults who think the BBC is effective at providing content/services relevant to them  | <b>2023/24</b> | <b>54%</b>  | <b>21%</b>    |               |
|   | 2022/23        | 58%         | 20%           |               |
| % of UK adults who think the BBC is effective at reflecting the part of the UK they live in   | <b>2023/24</b> | <b>50%</b>  | <b>22%</b>    |               |
|   | 2022/23        | 53%         | 21%           |               |
| % of UK adults who think the BBC is effective at catering for the part of the UK they live in   | <b>2023/24</b> | <b>50%</b>  | <b>21%</b>    |               |
|   | 2022/23        | 54%         | 20%           |               |
| % of UK adults who think the BBC has programmes, content and services that raise awareness of the different ways of life and perspectives in UK society | <b>2023/24</b> | <b>60%</b>  | <b>16%</b>    |               |
|   | 2022/23        | 62%         | 15%           |               |
| <b>Delivery of the Reflect/represent/serve purpose via iPlayer</b>  |                |             |               |               |
| <b>% of weekly users rating iPlayer as effective at helping the BBC to deliver the public purposes</b>  |                |             |               |               |
| Reflect/represent/serve purpose: 16+ UK weekly users  | <b>2023/24</b> | <b>81%</b>  | <b>6%</b>     | Ipsos UK. 16+ |
|   | 2022/23        | 79%         | 7%            |               |
| Reflect/represent/serve purpose: 16-34 UK weekly users  | <b>2023/24</b> | <b>83%</b>  | <b>7%</b>     |               |
|   | 2022/23        | 79%         | 7%            |               |

**By audience group**  
*Experience*

|   |                | Male 16+     | Female 16+   | 16-34        | 35-54        | 55+          | ABC1 16+     | C2DE 16+     | White 16+    | Black, Asian and minority ethnic 16+ | Disabled 16+  | Not Disabled 16+ | Source   |
|---|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------------------------------|---------------|------------------|--|
| <b>Pan-BBC reach</b>  |                |              |              |              |              |              |              |              |              |                                      |               |                  |  |
| % of each audience group who use BBC TV/ iPlayer, Radio or Online on average per week                   | <b>2023/24</b> | <b>86%</b>   | <b>85%</b>   | <b>71%</b>   | <b>85%</b>   | <b>96%</b>   | <b>86%</b>   | <b>84%</b>   | <b>88%</b>   | <b>70%</b>                           | <b>86%</b>    | <b>85%</b>       | Compass by Ipsos UK. 16+                                   |
|   | 2022/23        | 88%          | 88%          | 76%          | 88%          | 97%          | 89%          | 86%          | 90%          | 73%                                  | 90%           | 87%              |  |
| <b>BBC TV/iPlayer</b>   |                |              |              |              |              |              |              |              |              |                                      |               |                  |  |
| % of each audience group who watch BBC TV/iPlayer on average per week                                   | <b>2023/24</b> | <b>63%</b>   | <b>67%</b>   | <b>38%</b>   | <b>64%</b>   | <b>86%</b>   | <b>66%</b>   | <b>64%</b>   | <b>68%</b>   | <b>46%</b>                           | <b>73%</b>    | <b>64%</b>       | BARB As Viewed. All devices~. 16+. Reach based on 15+ mins |
|   | 2022/23        | 67%          | 71%          | 42%          | 69%          | 88%          | 70%          | 67%          | 71%          | 53%                                  | 77%           | 68%              |  |
| Length of time each audience group spends with BBC TV/iPlayer per head on average per week (hours:mins) | <b>2023/24</b> | <b>05:58</b> | <b>06:53</b> | <b>01:53</b> | <b>04:33</b> | <b>11:15</b> | <b>06:10</b> | <b>06:47</b> | <b>06:57</b> | <b>03:11</b>                         | <b>09:50</b>  | <b>06:00</b>     |  |
|   | 2022/23        | 06:29        | 07:22        | 02:08        | 05:09        | 11:54        | 06:46        | 07:09        | 07:27        | 03:30                                | 10:21         | 06:29            |  |
| <b>BBC Radio</b>  |                |              |              |              |              |              |              |              |              |                                      |               |                  |  |
| % of each audience group who listen to BBC Radio on average per week                                    | <b>2023/24</b> | <b>58%</b>   | <b>55%</b>   | <b>42%</b>   | <b>55%</b>   | <b>67%</b>   | <b>62%</b>   | <b>49%</b>   | <b>59%</b>   | <b>40%</b>                           | <b>54%*</b>   | <b>61%*</b>      | RAJAR. 16+. Reach based on 15+ mins                        |
|   | 2022/23        | 60%          | 57%          | 44%          | 57%          | 70%          | 65%          | 50%          | 61%          | 41%                                  | 56%*          | 62%*             |  |
| Length of time each audience group spends with BBC Radio on average per week                            | <b>2023/24</b> | <b>08:04</b> | <b>07:46</b> | <b>03:10</b> | <b>06:34</b> | <b>12:37</b> | <b>08:46</b> | <b>06:51</b> | <b>08:47</b> | <b>03:10</b>                         | <b>07:54*</b> | <b>08:39*</b>    |  |
|   | 2022/23        | 08:40        | 08:28        | 03:21        | 07:12        | 13:38        | 09:25        | 07:30        | 09:22        | 03:25                                | 08:49*        | 09:15*           |  |
| <b>BBC Online</b>   |                |              |              |              |              |              |              |              |              |                                      |               |                  |  |
| % of each audience group who use BBC Online on average per week   | <b>2023/24</b> | <b>65%</b>   | <b>57%</b>   | <b>59%</b>   | <b>67%</b>   | <b>57%</b>   | <b>67%</b>   | <b>52%</b>   | <b>61%</b>   | <b>57%</b>                           | <b>54%</b>    | <b>63%</b>       | Compass by Ipsos UK. 16+                                   |
|   | 2022/23        | 66%          | 55%          | 61%          | 65%          | 55%          | 66%          | 51%          | 61%          | 56%                                  | 54%           | 63%              |  |

~ New BARB As Viewed measurement was introduced in BBC reporting from 2022/23 onwards. The new data measures all viewing, both linear and on-demand, in all households with a TV set and/or a broadband internet connection, across all devices. Therefore, BARB As Viewed data from 2022/23 and 2023/24 is not comparable with previous years’ figures

\* In the RAJAR survey, whether people are disabled or not disabled is self-defined. The disability question was extended in Jan-Mar 2022 to include mental health for the first time. This means that 2022/23 and 2023/24 figures are not directly comparable with previous years’ figures

## Performance data packs

## Audience performance by purpose continued

## Perception

|   |                            | Male<br>16+ | Female<br>16+ | 16-34      | 35-54      | 55+        | ABC1<br>16+ | C2DE<br>16+ | White<br>16+ | Black,<br>Asian and<br>minority<br>ethnic<br>16+ | Disabled<br>16+ | Not<br>Disabled<br>16+ | Source        |
|---|----------------------------|-------------|---------------|------------|------------|------------|-------------|-------------|--------------|--|-----------------|------------------------|---------------|
| % of each audience group who think the BBC informs, educates and entertains people in the UK/them                           | <b>2023/24 Effective</b>   | <b>65%</b>  | <b>68%</b>    | <b>65%</b> | <b>66%</b> | <b>68%</b> | <b>74%</b>  | <b>57%</b>  | <b>68%</b>   | <b>59%</b>                                       | <b>61%</b>      | <b>67%</b>             | Ipsos UK. 16+ |
|   | <b>2023/24 Ineffective</b> | <b>15%</b>  | <b>12%</b>    | <b>12%</b> | <b>12%</b> | <b>15%</b> | <b>11%</b>  | <b>16%</b>  | <b>13%</b>   | <b>12%</b>                                       | <b>18%</b>      | <b>12%</b>             |               |
|   | 2022/23 Effective          | 66%         | 70%           | 66%        | 70%        | 69%        | 73%         | 63%         | 69%          | 61%  | 62%             | 69%                    |               |
|   | 2022/23 Ineffective        | 15%         | 11%           | 13%        | 13%        | 12%        | 12%         | 15%         | 13%          | 16%  | 17%             | 13%                    |               |
| % of each audience group who think the BBC is effective at reflecting people like them                                      | <b>2023/24 Effective</b>   | <b>48%</b>  | <b>54%</b>    | <b>45%</b> | <b>54%</b> | <b>52%</b> | <b>58%</b>  | <b>42%</b>  | <b>52%</b>   | <b>41%</b>                                       | <b>45%</b>      | <b>52%</b>             |               |
|   | <b>2023/24 Ineffective</b> | <b>26%</b>  | <b>20%</b>    | <b>22%</b> | <b>21%</b> | <b>25%</b> | <b>22%</b>  | <b>24%</b>  | <b>22%</b>   | <b>26%</b>                                       | <b>30%</b>      | <b>22%</b>             |               |
|   | 2022/23 Effective          | 53%         | 56%           | 53%        | 56%        | 54%        | 58%         | 50%         | 55%          | 49%  | 45%             | 56%                    |               |
|   | 2022/23 Ineffective        | 24%         | 19%           | 22%        | 21%        | 22%        | 20%         | 23%         | 21%          | 25%  | 32%             | 20%                    |               |
| % of each audience group who think the BBC is effective at providing content/ services that set a high standard for quality | <b>2023/24 Effective</b>   | <b>62%</b>  | <b>63%</b>    | <b>60%</b> | <b>62%</b> | <b>64%</b> | <b>70%</b>  | <b>52%</b>  | <b>64%</b>   | <b>53%</b>                                       | <b>60%</b>      | <b>63%</b>             |               |
|   | <b>2023/24 Ineffective</b> | <b>16%</b>  | <b>12%</b>    | <b>13%</b> | <b>13%</b> | <b>17%</b> | <b>12%</b>  | <b>17%</b>  | <b>14%</b>   | <b>15%</b>                                       | <b>19%</b>      | <b>13%</b>             |               |
|   | 2022/23 Effective          | 64%         | 67%           | 63%        | 66%        | 67%        | 70%         | 60%         | 67%          | 55%  | 58%             | 67%                    |               |
|   | 2022/23 Ineffective        | 17%         | 11%           | 12%        | 14%        | 14%        | 13%         | 15%         | 13%          | 19%  | 19%             | 13%                    |               |

**i** **p.154** For Purpose 4 audience performance in Wales

**i** **p.158** For Purpose 4 audience performance in Scotland

**i** **p.162** For Purpose 4 audience performance in Northern Ireland

**i** **p.165** For Purpose 4 audience performance in England

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

## Perception

|  |                | % Effective | % Ineffective | Source        |
|--|----------------|-------------|---------------|---------------|
| <b>Delivery of the purpose</b>   |                |             |               |               |
| % of UK adults who think that the BBC is effective at reflecting the UK to the world | <b>2023/24</b> | <b>59%</b>  | <b>15%</b>    | Ipsos UK. 16+ |
|  | 2022/23        | 63%         | 14%           |               |

## BBC Global Audience Measure

|  | 2023/24            | 2022/23     |          | Source                      |
|--|--------------------|-------------|----------|-----------------------------|
| <b>Global weekly reach</b> (including BBC News and BBC Studios)  | <b>450 million</b> | 447 million | up 1%    | BBC Global Audience Measure |
| <b>BBC News International weekly audience</b>  | <b>414 million</b> | 411 million | up 1%    |                             |
| <b>BBC World Service weekly audience</b>   | <b>320 million</b> | 318 million | up 1%    |                             |
| <b>BBC World Service digital weekly audience</b> (website, social and online audio including podcasts) | <b>124 million</b> | 141 million | down 12% |                             |
| <b>BBC World Service television weekly audience</b>  | <b>113 million</b> | 105 million | up 7%    |                             |
| <b>BBC World Service radio weekly audience</b>   | <b>129 million</b> | 121 million | up 7%    |                             |
| <b>The News Channel (ex.UK)</b>  | <b>100 million</b> | 98 million  | up 2%    |                             |
| <b>BBC Studios' incremental global weekly reach</b> (total reach 68 million)                           | <b>37 million</b>  | 36 million  | up 3%    |                             |



## Audience performance across the UK

### Audience performance of BBC Online: overview

#### Usage of BBC Online

|   |                |                     | Source                        |
|---|----------------|---------------------|-------------------------------|
| % of UK adults who use BBC Online on average per week | <b>2023/24</b> | <b>61%</b>          | Compass by Ipsos UK. 16+      |
|   | 2022/23        | 60%                 |                               |
| Average weekly active accounts – all accounts         | <b>2023/24</b> | <b>22.8 million</b> | Piano Analytics. All accounts |
|   | 2022/23        | 21.1 million*       |                               |

\* Owing to improved measurement, the figure for 2022/23 average weekly active accounts using BBC Online has been restated this year to 21.1 million from 20.6 million in the 2022/23 BBC Annual Report and Accounts.

|   |                | % Effective | % Ineffective | Source        |
|---|----------------|-------------|---------------|---------------|
| <b>Delivery of the mission and purposes overall via BBC Online</b>  |                |             |               |               |
| <b>% of weekly users rating BBC Online as effective at helping the BBC to deliver the mission</b>         |                |             |               |               |
| Mission overall: 16+ UK weekly users  | <b>2023/24</b> | <b>84%</b>  | <b>7%</b>     | Ipsos UK. 16+ |
|   | 2022/23        | 81%         | 9%            |               |
| <b>% of weekly users rating BBC Online as effective at helping the BBC to deliver the public purposes</b> |                |             |               |               |
| Purposes overall: 16+ UK weekly users   | <b>2023/24</b> | <b>85%</b>  | <b>6%</b>     | Ipsos UK. 16+ |
|   | 2022/23        | 81%         | 8%            |               |

#### BBC Online by product

##### BBC News online Experience

|   |                |                     | Source   |
|---|----------------|---------------------|--|
| <b>BBC News Online average weekly reach</b>                         |                |                     |  |
| % of UK adults who use BBC News Online on average per week          | <b>2023/24</b> | <b>32%</b>          | Compass by Ipsos UK. 16+   |
|   | 2022/23        | 33%                 |  |
| % of UK 16-34s who use BBC News Online on average per week          | <b>2023/24</b> | <b>31%</b>          | Compass by Ipsos UK. 16-34                                       |
|   | 2022/23        | 32%                 |  |
| <b>BBC News Online cross-product average weekly active accounts</b> |                |                     |  |
| Average weekly active accounts – all accounts                       | <b>2023/24</b> | <b>10.1 million</b> | Piano Analytics<br>New metric for 2023/24, hence no 2022/23 data |

#### Perception

|  |                |                    | Source      |
|--|----------------|--------------------|-------------|
| <b>Weekly users' rating of BBC News Online (mean score/10)</b> |                |                    |             |
| 16+ UK weekly users  | <b>2023/24</b> | <b>8 out of 10</b> | YouGov. 16+ |
|  | 2022/23        | 8 out of 10        |             |

#### BBC Sport Online

##### Experience

|  |                |                    | Source   |
|--|----------------|--------------------|--|
| <b>BBC Sport Online average weekly reach</b>                         |                |                    |  |
| % of UK adults who use BBC Sport Online on average per week          | <b>2023/24</b> | <b>16%</b>         | Compass by Ipsos UK. 16+   |
|  | 2022/23        | 17%                |  |
| % of UK 16-34s who use BBC Sport Online on average per week          | <b>2023/24</b> | <b>12%</b>         | Compass by Ipsos UK. 16-34 (modelled data)                       |
|  | 2022/23        | 14%                |  |
| <b>BBC Sport Online cross-product average weekly active accounts</b> |                |                    |  |
| Average weekly active accounts – all accounts                        | <b>2023/24</b> | <b>7.9 million</b> | Piano Analytics<br>New metric for 2023/24, hence no 2022/23 data |

#### Perception

|   |                |                    | Source      |
|---|----------------|--------------------|-------------|
| <b>Weekly users' rating of BBC Sport Online (mean score/10)</b> |                |                    |             |
| 16+ UK weekly users   | <b>2023/24</b> | <b>8 out of 10</b> | YouGov. 16+ |
|   | 2022/23        | 8 out of 10        |             |

## Audience performance across the UK

### Audience performance of BBC Online: overview continued

#### BBC iPlayer Experience

|   |                |                                    | Source                                 |
|---|----------------|------------------------------------|--|
| <b>Average weekly active accounts using BBC iPlayer</b>                           |                |                                    |  |
| Accounts overall  | <b>2023/24</b> | <b>14.1 million</b>                | Piano Analytics                        |
|   | 2022/23        | 13.4 million                       |  |
| Under 35 year olds' accounts  | <b>2023/24</b> | <b>4.1 million</b>                 |  |
|   | 2022/23        | 4.0 million                        |  |
| <b>BBC iPlayer streaming time</b>   |                |                                    |  |
| Average weekly hours played through iPlayer                                       | <b>2023/24</b> | <b>54.4 million</b>                | Piano Analytics/<br>Sky catch-up data* |
|   | 2022/23        | 50.4 million                       |  |
| <b>BBC iPlayer time per population head</b>                                       |                |                                    |  |
| Length of time UK population spends with iPlayer on average per week (hours:mins) | <b>2023/24</b> | <b>01:06</b>                       | BARB As Viewed.<br>All devices~        |
|   | 2022/23        | 00:56                              |  |
| Length of time UK 16-34s spend with iPlayer on average per week (hours:mins)      | <b>2023/24</b> | <b>00:53</b>                       |  |
|   | 2022/23        | 00:47                              |  |
| % of all BBC TV viewing that is delivered by BBC iPlayer                          | <b>2023/24</b> | <b>19% (all) /<br/>47% (16-34)</b> |  |
|   | 2022/23        | 15% (all) /<br>37% (16-34)         |  |

~ New BARB As Viewed measurement was introduced in BBC reporting from 2022/23 onwards. The new data measures all viewing, both linear and on-demand, in all households with a TV set and/or a broadband internet connection, across all devices. Therefore, BARB As Viewed data from 2022/23 and 2023/24 is not comparable with previous years' figures

\* Improved measurement of iPlayer streaming time in 2023/24

#### Perception

|  |                | 16+                | 16-34              | Source      |
|--|----------------|--------------------|--------------------|-------------|
| <b>Weekly users' rating of BBC iPlayer (mean score/10)</b> |                |                    |                    |             |
| UK weekly users  | <b>2023/24</b> | <b>8 out of 10</b> | <b>8 out of 10</b> | YouGov. 16+ |
|  | 2022/23        | 8 out of 10        | 8 out of 10        |             |
|  |                | % Effective        | % Ineffective      | Source      |

#### Delivery of the mission and purposes overall via iPlayer

##### % of weekly users rating iPlayer as effective at helping the BBC to deliver the mission and public purposes

|   |                |            |           | Source        |
|---|----------------|------------|-----------|---------------|
| Mission overall: 16+ UK weekly users    | <b>2023/24</b> | <b>85%</b> | <b>7%</b> | Ipsos UK. 16+ |
|   | 2022/23        | 85%        | 8%        |               |
| Mission overall: 16-34 UK weekly users  | <b>2023/24</b> | <b>86%</b> | <b>7%</b> |               |
|   | 2022/23        | 78%        | 13%       |               |
| Purposes overall: 16+ UK weekly users   | <b>2023/24</b> | <b>87%</b> | <b>5%</b> |               |
|   | 2022/23        | 86%        | 6%        |               |
| Purposes overall: 16-34 UK weekly users | <b>2023/24</b> | <b>87%</b> | <b>5%</b> |               |
|   | 2022/23        | 83%        | 8%        |               |

#### BBC Sounds Experience

|   |                | All         | 16-34       | Source           |
|---|----------------|-------------|-------------|------------------|
| Average weekly active accounts using BBC Sounds | <b>2023/24</b> | <b>4.8m</b> | <b>585k</b> | Piano Analytics~ |
|   | 2022/23        | 4.4m        | 587k        |                  |

~ Revised definition from 2023/24

|  |                | All          | Source           |
|--|----------------|--------------|------------------|
| <b>BBC Sounds streaming time</b>           |                |              |                  |
| Average weekly hours played through Sounds | <b>2023/24</b> | <b>17.3m</b> | Piano Analytics~ |
|  | 2022/23        | 15.3m        |                  |

~ Improved measurement of BBC Sounds on smart speakers from April 2023

#### Perception

|   |                |                    | Source      |
|---|----------------|--------------------|-------------|
| <b>Weekly users' rating of BBC Sounds (mean score/10)</b> |                |                    |             |
| 16+ UK weekly users                                       | <b>2023/24</b> | <b>8 out of 10</b> | YouGov. 16+ |
|   | 2022/23        | 8 out of 10        |             |

## Performance by service: UK-wide services

## Television performance by service

| Network television  | Content (£m)<br>We spent a total of<br>£1,697 million on these<br>services in 2023/24 | Reach (%)<br>UK population who<br>use the service on<br>average per week | Time spent watching<br>a channel weekly<br>(hh:mm)<br>Length of time the<br>average viewer spent<br>on average per week<br>with the service | Costs per user hour<br>How much it costs to<br>deliver each service for<br>each hour used |
|---|---|--|---|---|
| <b>BBC ONE</b><br>BBC One is our flagship service and the UK's most popular television channel. It unites and inspires the nation with high-quality programmes across a range of genres that includes news and current affairs, drama, comedy, entertainment and factual. | <b>£1,125m</b><br>2022/23: £1,204m  | <b>51%</b><br>2022/23: 55%   | <b>07:04</b><br>2022/23: 07:05  | <b>9p</b><br>2022/23: 9p  |
| <b>BBC TWO</b><br>BBC Two is a mixed-genre channel with programmes of depth and substance. It includes the greatest amount and range of knowledge-building programming on the BBC, complemented by distinctive comedy, drama and arts programming.                        | <b>£312m</b><br>2022/23: £340m  | <b>32%</b><br>2022/23: 34%   | <b>03:05</b><br>2022/23: 03:05  | <b>9p</b><br>2022/23: 9p  |
| <b>BBC THREE</b><br>BBC Three is constantly innovating to provoke thought and to entertain audiences from 16 year olds to 30-somethings with original comedy, drama and factual programming that celebrates new British talent.   | <b>£90m</b><br>2022/23: £95m  | <b>3%</b><br>2022/23: 4%   | <b>01:23</b><br>2022/23: 01:20  | <b>28p</b><br>2022/23: 32p~   |
| <b>BBC FOUR</b><br>BBC Four aims to be British television's most intellectually and culturally enriching channel, offering an ambitious range of UK and international arts, music, culture and factual programmes.  | <b>£17m</b><br>2022/23 £21m   | <b>8%</b><br>2022/23: 8%   | <b>01:46</b><br>2022/23: 01:41  | <b>4p</b><br>2022/23: 4p  |
| <b>BBC CBBC</b><br>The CBBC channel offers a distinctive mixed schedule for 6-12 year olds, with mainly UK programmes served in a stimulating, creative and enjoyable environment.  | <b>£68m</b><br>2022/23: £67m  | <b>1%</b><br>2022/23: 1%   | <b>02:16</b><br>2022/23: 02:22  | <b>38p</b><br>2022/23: 38p~   |
| <b>BBC CBeebies</b><br>CBeebies provides a mix of high-quality, mostly UK-produced, programmes designed to encourage learning through play in a consistently safe environment for children under six.   | <b>£33m</b><br>2022/23: £29m  | <b>3%</b><br>2022/23: 4%   | <b>05:21</b><br>2022/23: 04:35  | <b>5p</b><br>2022/23: 4p  |
| <b>BBC NEWS</b><br>The BBC News Channel is a 24-hour impartial and independent news service offering breaking news, analysis and insight. It provides fast and comprehensive coverage of local, UK and international events as they unfold.                               | <b>£51m</b><br>2022/23: £66m  | <b>6%</b><br>2022/23: 8%   | <b>03:08</b><br>2022/23: 03:21  | <b>8p</b><br>2022/23: 7p  |
| <b>BBC PARLIAMENT</b><br>BBC Parliament is the UK's only channel dedicated to politics. It shows debates and committees from Westminster, Holyrood, Stormont, Cardiff Bay and Strasbourg as well as political programmes from across the UK.                              | <b>£1m</b><br>2022/23 £2m   | <b>1%</b><br>2022/23: 1%   | <b>01:41</b><br>2022/23: 01:46  | <b>4p</b><br>2022/23: 5p  |

Reach definition 15+ minutes consecutive for all services and audiences aged 4+

Source BARB As Viewed. All devices (TV reach and time per viewer – all channels include their simulcast HD channel where applicable)

NB New BARB As Viewed measurement was introduced in BBC reporting from 2022/23 onwards. The new data measures all viewing to the channel, both linear and on-demand, in all households with a TV set and/or a broadband internet connection, across all devices. Therefore, BARB As Viewed data from 2022/23 and 2023/24 is not comparable with previous years' figures. Channel reach and time spent does not include viewing pre-TX or beyond 28 days. Cost per user hour data does include viewing pre-TX and beyond 28 days

CBBC: amongst its target audience of 6-12 year olds reach was 5% and time spent per viewer was 02:45 (based on 15+ min reach). Based on 3+ minute reach, reach was 9% of 6-12 year-olds and time spent per viewer was 01:43

CBeebies: amongst its target audience of 0-6 year olds (measured as children aged 4-6 and housepersons with children aged 0-3) reach was 20% and time spent per viewer was 06:13 (based on 15+ min reach). Based on 3+ minute reach, reach was 32% of 0-6 year-olds and time spent per viewer was 03:57

Three-minute reach for BBC News Channel and BBC Parliament – in line with industry standards – would be 9% and 1%, respectively (11% and 1% amongst 16+ population)

BBC Three reach and time spent in the table is based on viewing to the BBC Three channel, both linear and on-demand, within 28 days. The Cost per User Hour figure in the table is based on viewing to the BBC Three channel, BBC Three content on iPlayer and BBC Three channel content shown on other BBC TV channels. The BBC Three brand average weekly reach among UK 16-34s is 7% – this includes viewing to the BBC Three channel, BBC Three content on iPlayer and BBC Three channel content shown on other BBC TV channels











~ Owing to new measurement, the 2022/23 BBC Three Cost per User Hour figure has been restated to 32p from 34p in the 2022/23 BBC Annual Report and Accounts. The 2022/23

CBBC Cost per User Hour figure has been restated to 38p from 39p in the 2022/23 BBC Annual Report and Accounts

## Audience performance across the UK

### Performance by service: UK-wide services continued

#### Radio performance by service

| Network radio  |  | Content (£m)<br>We spent a total of<br>£311 million on these<br>services in 2023/24 | Reach (%)<br>UK population who<br>use the service on<br>average per week | Time spent listening<br>to a service weekly<br>(hh:mm)<br>Length of time the<br>average listener spent<br>on average per week<br>with the service | Costs per user hour<br>How much it costs to<br>deliver each service for<br>each hour used |
|--|--|---|--|---|---|
|    | BBC Radio 1 broadcasts a distinctive mix of new music and entertainment for 15-29 year olds, as well as providing tailored news, documentaries and advice campaigns for young adults.  | <b>£41m</b><br>2022/23: £39m  | <b>13%</b><br>2022/23: 14%   | <b>06:17</b><br>2022/23: 06:13  | <b>2p</b><br>2022/23: 2p  |
|    | BBC Radio 1Xtra plays the best in contemporary black music, with a strong emphasis on delivering high-quality live music and supporting new artists.   | <b>£10m</b><br>2022/23: £10m  | <b>1%</b><br>2022/23: 1%   | <b>04:14</b><br>2022/23: 04:11  | <b>6p</b><br>2022/23: 6p  |
|    | BBC Radio 2 broadcasts a unique mix of music and speech programmes covering a diverse mix of live pop and rock, comedy, documentaries and religious output, as well as running social action campaigns to over 14 million listeners.       | <b>£49m</b><br>2022/23: £50m  | <b>24%</b><br>2022/23: 25%   | <b>10:13</b><br>2022/23: 11:12  | <b>1p</b><br>2022/23: 1p  |
|    | BBC Radio 3 centres on classical music, around which it provides a broad spectrum of jazz, world music, arts programmes, religion and drama. There is a strong emphasis on musical performance across the UK.                              | <b>£38m</b><br>2022/23: £34m  | <b>3%</b><br>2022/23: 3%   | <b>07:29</b><br>2022/23: 07:23  | <b>5p</b><br>2022/23: 5p  |
|   | BBC Radio 4 is a mixed-speech radio station, offering in-depth news and current affairs and a wide range of other speech programmes, including drama, readings, comedy, factual and magazine programmes.                                   | <b>£87m</b><br>2022/23: £88m  | <b>16%</b><br>2022/23: 18%   | <b>11:56</b><br>2022/23: 11:19  | <b>1.5p</b><br>2022/23: 1.5p  |
|  | The digital-only network is the principal outlet for the BBC's archive of speech entertainment, including comedy, drama and readings.  | <b>£3m</b><br>2022/23: £3m  | <b>3%</b><br>2022/23: 3%   | <b>07:36</b><br>2022/23: 07:19  | <b>0.5p</b><br>2022/23: 0.4p  |
|  | BBC Radio 5 live broadcasts continuous news and live sports coverage, bringing major news stories and sports events to its listeners as they happen, and providing context through wide-ranging analysis and discussion.                   | <b>£58m</b><br>2022/23: £50m  | <b>9%</b><br>2022/23: 9%   | <b>05:53</b><br>2022/23: 06:04  | <b>4p</b><br>2022/23: 3p  |
|  | BBC Radio 5 live sports extra brings a greater choice of live action to sports fans by extending live coverage of various sporting events.   | <b>£4m</b><br>2022/23: £3m  | <b>3%</b><br>2022/23: 2%   | <b>03:43</b><br>2022/23: 03:34  | <b>1p</b><br>2022/23: 1p  |
|  | BBC Radio 6 Music is a digital radio station that entertains lovers of popular music with a service that celebrates the alternative spirit of popular music from the 60s to the present day, complemented by music news and documentaries. | <b>£14m</b><br>2022/23: £14m  | <b>5%</b><br>2022/23: 5%   | <b>10:05</b><br>2022/23: 10:01  | <b>1p</b><br>2022/23: 1p  |
|  | BBC Asian Network offers speech and music appealing to British Asians, with a focus on news and current affairs.   | <b>£7m</b><br>2022/23: £7m  | <b>1%</b><br>2022/23: 1%   | <b>05:14</b><br>2022/23: 05:33  | <b>5p</b><br>2022/23: 5p  |

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

Sources RAJAR (Radio reach and time per listener)

Radio 1: amongst 15-29 year olds reach was 20% and time spent per listener was 05:46

Radio 1Xtra: amongst 15-24 year olds reach was 2% and time spent per listener was 04:39

Radio 2: amongst 35+ year olds reach was 29% and time spent per listener was 10:54

Asian Network: amongst Asians under 35 reach was 8% and time spent per listener was 05:10. Ethnicity definitions in RAJAR: Asian = White and Asian, Indian, Pakistani, Bangladeshi, any other Asian background

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BBC performance  
across the nations

## The BBC in Wales

### Audience performance

The BBC is the most used brand for media in Wales – used by 90% of adults in Wales on average per week in 2023/24 and steady on 2022/23. This is the highest of any UK nation.

In video and audio, the BBC was the leader in Wales in 2023/24. Year-on-year, the time that the people of Wales spent watching BBC TV was down a little, though less so than the UK average. The proportion of people listening to BBC Radio was steadier year-on-year in Wales than in the UK overall, though the hours spent listening were down more. Usage of iPlayer and Sounds were both up.

On average, 51% of adults in Wales consumed BBC Wales content per week across BBC TV/iPlayer, BBC Radio and BBC Online.

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

#### Wales adults 16+

*Experience: Usage of the BBC amongst adults in Wales*

|  |                |              | Source   |
|--|----------------|--------------|--|
| <b>Pan-BBC reach</b>   |                |              |  |
| % of adults in Wales who use BBC TV/iPlayer, Radio or Online on average per week                   | <b>2023/24</b> | <b>90%</b>   | Compass by Ipsos UK. 16+   |
|  | 2022/23        | 91%          |  |
| <b>BBC TV/iPlayer</b>  |                |              |  |
| % of adults in Wales who watch BBC TV/iPlayer on average per week                                  | <b>2023/24</b> | <b>67%</b>   | BARB As Viewed (all devices)/BBC calculations for 2022/23. 16+. Reach based on 15+ mins~ |
|  | 2022/23        | 72%          |  |
| Length of time adults in Wales spend with BBC TV/iPlayer per head on average per week (hours:mins) | <b>2023/24</b> | <b>07:28</b> |  |
|  | 2022/23        | 07:43        |  |
| <b>BBC Radio</b>   |                |              |  |
| % of adults in Wales who listen to BBC Radio on average per week                                   | <b>2023/24</b> | <b>64%</b>   | RAJAR. 16+. Reach based on 15+ mins  |
|  | 2022/23        | 64%          |  |
| Length of time adults in Wales spend with BBC Radio per head on average per week (hours:mins)      | <b>2023/24</b> | <b>09:42</b> |  |
|  | 2022/23        | 10:51        |  |
| <b>BBC Online</b>  |                |              |  |
| % of adults in Wales who use BBC Online on average per week  | <b>2023/24</b> | <b>64%</b>   | Compass by Ipsos UK. 16+   |
|  | 2022/23        | 60%          |  |
| <b>BBC iPlayer</b>   |                |              |  |
| Average weekly active accounts in Wales using BBC iPlayer  | <b>2023/24</b> | <b>653k</b>  | Piano Analytics. All accounts  |
|  | 2022/23        | 599k         |  |
| <b>BBC Sounds</b>  |                |              |  |
| Average weekly active accounts in Wales using BBC Sounds   | <b>2023/24</b> | <b>223k</b>  | Piano Analytics. All accounts  |
|  | 2022/23        | 204k         |  |
| <b>BBC Wales content across BBC TV, Radio and Online</b>   |                |              |  |
| % of adults in Wales consuming BBC Wales content on average per week                               | <b>2023/24</b> | <b>51%</b>   | BARB, RAJAR, Piano Analytics, Compass by Ipsos UK*                                       |
|  | 2022/23        |              |  |

~ New BARB As Viewed measurement was introduced in BBC reporting from 2022/23 onwards. The new data measures all viewing, both linear and on-demand, in all households with a TV set and/or a broadband internet connection, across all devices. Therefore, BARB As Viewed data from 2022/23 and 2023/24 is not comparable with previous years' figures. BARB As Viewed regional breaks started in August 2022. Therefore, the 2022/23 figures are modelled using BARB As Viewed (all devices) and BARB 28 days as viewed data

\* Owing to measurement change, the % of adults in Wales consuming BBC Wales content in 2023/24 is not comparable year-on-year so the 2022/23 figure is not included here

#### Perception

|  |                | % Effective | % Ineffective | Source        |
|--|----------------|-------------|---------------|---------------|
| % of adults in Wales who think the BBC informs, educates and entertains people in the UK/them                          | <b>2023/24</b> | <b>64%</b>  | <b>18%</b>    | Ipsos UK. 16+ |
|  | 2022/23        | 64%         | 18%           |               |
| % of adults in Wales who think the BBC is effective at reflecting people like them                                     | <b>2023/24</b> | <b>48%</b>  | <b>27%</b>    |               |
|  | 2022/23        | 50%         | 29%           |               |
| % of adults in Wales who think the BBC is effective at providing content/services that set a high standard for quality | <b>2023/24</b> | <b>63%</b>  | <b>15%</b>    |               |
|  | 2022/23        | 61%         | 18%           |               |

## Wales-only services

### Dedicated services for Wales

| The BBC in Wales   | Content (£m)<br>We spent a total of £28 million on these services in 2023/24 | Reach (%)<br>Wales population who use the service on average per week | Time spent listening to a service weekly (hh:mm)<br>Length of time the average listener spent on average per week with the service | Costs per user hour (p)<br>How much it costs to deliver each service for each hour used |
|--|--|---|--|---|
| <b>BBC RADIO WALES</b><br>BBC Radio Wales is a speech-led service for adults, which offers a wide range of genres and reflects the issues, events, culture and interests of the people of Wales.                     | <b>£14m</b><br>2022/23: £14m   | <b>13%</b><br>2022/23: 12%  | <b>07:59</b><br>2022/23: 08:41   | <b>10p</b><br>2022/23: 10p  |
| <b>BBC RADIO CYMRU</b><br>BBC Radio Cymru is a speech and music radio service for Welsh speakers, which offers a wide range of genres and reflects the issues, events, culture and interests of the people of Wales. | <b>£14m</b><br>2022/23: £14m   | <b>16%</b><br>2022/23: 19%  | <b>13:22</b><br>2022/23: 15:21   | <b>22p</b><br>2022/23: 17p  |

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

RAJAR (Radio reach and time per listener; data based on total survey area – TSA)

BBC Radio Cymru: RAJAR data (reach and time per listener) based on 'Understand Welsh'. BBC Radio Cymru reaches 4% of the overall 15+ population in Wales who listen for 11:04 a week on average

### Dedicated TV content for Wales

|   |                |                             | Source  |
|---|----------------|-----------------------------|---|
| <b>BBC Wales TV content</b>   |                |                             |   |
| % in Wales who view BBC Wales TV content on average per week                        | <b>2023/24</b> | <b>33% (4+) / 37% (16+)</b> | BARB As Viewed (all devices). Reach based on 3+ mins~     |
| <b>BBC TV News for Wales</b>  |                |                             |   |
| % of adults in Wales who view dedicated news services on BBC TV on average per week | <b>2023/24</b> | <b>31% (16+)</b>            | BARB As Viewed (all devices). 16+ Reach based on 3+ mins~ |

~ This BARB data is new for Dedicated TV content for Wales in 2023/24 and measures all viewing, both linear and on-demand, in all households with a TV set and/or a broadband internet connection, across all devices. Therefore, it is not comparable with previous years' figures so the 2022/23 figures are not included here

## The BBC in Wales

### Financial performance

#### Estimated income from each nation

These numbers are estimated as figures for each nation have been calculated by applying the proportion of licenced premises to the total number of licences in force. The exact number of licences in force varies on a daily basis. The number of licenced premises are different to the number of licences in force as, in some cases, a premises may need more than one licence. Figures exclude concessionary licences for those living in residential care.

|                         | 2023/24<br>£m | 2022/23<br>£m |
|-------------------------|---------------|---------------|
| <b>Estimated income</b> |               |               |
| UK                      | 3,660         | 3,740         |
| Wales                   | 184           | 187           |

The fee for a standard household TV licence is £159. The licence fee income received contributes towards programmes made across the whole of the UK and the world. These programmes are consumed in each nation in addition to the nation's local services outlined below.

#### Expenditure by service

Direct and indirect spend relating to programmes produced in the nation.

|                             | 2023/24<br>£m | 2022/23<br>£m |
|-----------------------------|---------------|---------------|
| <b>Network content</b>      |               |               |
| Television                  | 63            | 72            |
| Radio                       | 5             | 6             |
| Online                      | 1             | 3             |
| <b>Total network spend</b>  | <b>69</b>     | <b>81</b>     |
| <b>Wales content</b>        |               |               |
| BBC One                     | 27            | 29            |
| BBC Two                     | 5             | 7             |
| BBC Radio Wales             | 14            | 14            |
| BBC Radio Cymru             | 14            | 14            |
| Online                      | 13            | 13            |
| <b>Total Wales spend</b>    | <b>73</b>     | <b>77</b>     |
| National Orchestra of Wales | 5             | 5             |
| S4C                         | 22            | 22            |
| Development                 | 2             | 1             |
| Distribution                | 23            | 22            |
| <b>Total</b>                | <b>194</b>    | <b>208</b>    |



Ukweli Roach stars as DI Jack Caffery in *Wolf*



**Local opt-out hours<sup>^</sup> (including repeats) on BBC One and BBC Two**

|  | 2023/24<br>Hours | 2022/23<br>Hours |
|--|------------------|------------------|
| Drama, Comedy, Entertainment, Music and Arts | 40               | 65               |
| Daily, Weekly News and Current Affairs       | 359              | 342              |
| Sport and Leisure                            | 161              | 162              |
| Education, Factual and Religion              | 221              | 213              |
| <b>Total</b>                                 | <b>781</b>       | <b>782</b>       |

<sup>^</sup> Television content commissioned specifically for audiences in the nation

**S4C\***

|  | 2023/24<br>Hours | 2022/23<br>Hours |
|--|------------------|------------------|
| Drama, Comedy, Entertainment, Music and Arts | 220              | 220              |
| Daily, Weekly News and Current Affairs       | 265              | 297              |
| Sport and Leisure                            | 123              | 96               |
| Education, Factual and Religion              | –                | 1                |
| <b>Total</b>                                 | <b>608</b>       | <b>614</b>       |

\* This represents the television programmes commissioned, produced and funded by BBC Wales and supplied to S4C (excluding programmes commissioned directly by S4C from other producers). The total of hours for 2023/24 include 83 hours of repeats (2023: 73 hours). This includes repeats where BBC Wales has incurred a charge associated with the transmission of the programmes.

**BBC Radio Wales**

|                          | 2023/24<br>Hours | 2022/23<br>Hours |
|--------------------------|------------------|------------------|
| News and Current Affairs | 1,989            | 2,207            |
| General                  | 5,596            | 5,512            |
| <b>Total</b>             | <b>7,585</b>     | <b>7,719</b>     |

**BBC Radio Cymru**

|                          | 2023/24<br>Hours | 2022/23<br>Hours |
|--------------------------|------------------|------------------|
| News and Current Affairs | 1,379            | 1,469            |
| General                  | 6,868            | 6,464            |
| <b>Total</b>             | <b>8,247</b>     | <b>7,933</b>     |

**Headcount****Average headcount of individuals based in Wales across all services including support functions**

|  | 2023/24<br>Number | 2022/23<br>Number |
|--|-------------------|-------------------|
| Average number of persons employed in the year | 1,162             | 1,109             |

## The BBC in Scotland

### Audience performance

The BBC is the most used brand for media in Scotland – used by 84% of adults in Scotland on average per week in 2023/24, slightly down on 2022/23 as per the UK overall.

In video, the BBC was the leader in Scotland in 2023/24. Reflecting the UK-wide picture, BBC watching levels were down year-on-year in Scotland, though more so than the UK average. The proportion of people listening to BBC Radio was steadier year-on-year in Scotland than in the UK overall, though – like the UK – the hours spent listening were down. Usage of iPlayer and Sounds were both up.

On average, 57% of adults in Scotland consumed BBC Scotland content per week across BBC TV/iPlayer, BBC Radio and BBC Online.

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

#### Scotland adults 16+

*Experience: Usage of the BBC amongst adults in Scotland*

|   |                |              | Source   |
|---|----------------|--------------|--|
| <b>Pan-BBC reach</b>  |                |              |  |
| % of adults in Scotland who use BBC TV/iPlayer, Radio or Online on average per week                   | <b>2023/24</b> | <b>84%</b>   | Compass by Ipsos UK. 16+   |
|   | 2022/23        | 87%          |  |
| <b>BBC TV/iPlayer</b>   |                |              |  |
| % of adults in Scotland who watch BBC TV/iPlayer on average per week                                  | <b>2023/24</b> | <b>63%</b>   | BARB As Viewed (all devices)/BBC calculations for 2022/23. 16+. Reach based on 15+ mins~ |
|   | 2022/23        | 68%          |  |
| Length of time adults in Scotland spend with BBC TV/iPlayer per head on average per week (hours:mins) | <b>2023/24</b> | <b>06:40</b> |  |
|   | 2022/23        | 07:23        |  |
| <b>BBC Radio</b>  |                |              |  |
| % of adults in Scotland who listen to BBC Radio on average per week                                   | <b>2023/24</b> | <b>52%</b>   | RAJAR. 16+. Reach based on 15+ mins  |
|   | 2022/23        | 52%          |  |
| Length of time adults in Scotland spent with BBC Radio per head on average per week (hours:mins)      | <b>2023/24</b> | <b>06:29</b> |  |
|   | 2022/23        | 07:08        |  |
| <b>BBC Online</b>   |                |              |  |
| % of adults in Scotland who use BBC Online on average per week  | <b>2023/24</b> | <b>60%</b>   | Compass by Ipsos UK. 16+   |
|   | 2022/23        | 59%          |  |
| <b>BBC iPlayer</b>  |                |              |  |
| Average weekly active accounts in Scotland using BBC iPlayer  | <b>2023/24</b> | <b>1.1m</b>  | Piano Analytics. All accounts  |
|   | 2022/23        | 1.0m         |  |
| <b>BBC Sounds</b>   |                |              |  |
| Average weekly active accounts in Scotland using BBC Sounds   | <b>2023/24</b> | <b>363k</b>  | Piano Analytics. All accounts  |
|   | 2022/23        | 341k         |  |
| <b>BBC Scotland content across BBC TV, Radio and Online</b>   |                |              |  |
| % of adults in Scotland consuming BBC Scotland content on average per week                            | <b>2023/24</b> | <b>57%</b>   | BARB, RAJAR, Piano Analytics, Compass by Ipsos UK*                                       |
|   | 2022/23        |              |  |

~ New BARB As Viewed measurement was introduced in BBC reporting from 2022/23 onwards. The new data measures all viewing, both linear and on-demand, in all households with a TV set and/or a broadband internet connection, across all devices. Therefore, BARB As Viewed data from 2022/23 and 2023/24 is not comparable with previous years' figures. BARB As Viewed regional breaks started in August 2022. Therefore, the 2022/23 figures are modelled using BARB As Viewed (all devices) and BARB 28 days as viewed data





\* Owing to measurement change, the % of adults in Scotland consuming BBC Scotland content in 2023/24 is not comparable year-on-year so the 2022/23 figure is not included here

#### Perception

|   |                | % Effective | % Ineffective | Source        |
|---|----------------|-------------|---------------|---------------|
| % of adults in Scotland who think the BBC informs, educates and entertains people in the UK/them                          | <b>2023/24</b> | <b>64%</b>  | <b>15%</b>    | Ipsos UK. 16+ |
|   | 2022/23        | 64%         | 17%           |               |
| % of adults in Scotland who think the BBC is effective at reflecting people like them                                     | <b>2023/24</b> | <b>45%</b>  | <b>28%</b>    |               |
|   | 2022/23        | 50%         | 24%           |               |
| % of adults in Scotland who think the BBC is effective at providing content/services that set a high standard for quality | <b>2023/24</b> | <b>64%</b>  | <b>12%</b>    |               |
|   | 2022/23        | 60%         | 18%           |               |

## Scotland-only services

### Dedicated services for Scotland

| The BBC in Scotland   |  | Content (£m)<br>We spent a total of £77 million on these services in 2023/24 | Reach (%)<br>Scotland population who use the service on average per week | Time spent watching or listening to a service weekly (h:m)<br>Length of time the average viewer or listener spent on average per week with the service | Costs per user hour (p)<br>How much it costs to deliver each service for each hour used |
|---|--|--|--|--|---|
|  | The BBC Scotland Channel features a mix of documentary, popular factual and entertainment, comedy, drama, news and current affairs and sport programming reflecting Scottish life and culture.   | <b>£40m</b><br>2022/23: £35m   | <b>13%</b><br>2022/23: 13%   | <b>01:34</b><br>2022/23: 01:25   | <b>17p</b><br>~   |
|  | BBC ALBA offers, to Gaelic speakers and learners, a distinctive range of originated programming that reflects and supports Gaelic culture, identity and heritage.  | <b>£10m</b><br>2022/23: £10m   | <b>46%</b><br>2022/23: 50%   | <b>03:49</b><br>2022/23: 03:23   | <b>28p</b><br>2022/23: 31p  |
|  | BBC Radio Scotland is a speech-led service for adults. Mixed genre programming reflects the diversity of Scottish culture and covers national and international issues and events relevant to listeners across the country.  | <b>£23m</b><br>2022/23: £25m   | <b>18%</b><br>2022/23: 17%   | <b>05:59</b><br>2022/23: 06:29   | <b>9p</b><br>2022/23: 9p  |
|  | BBC Radio nan Gàidheal offers a comprehensive speech and music radio service for Gaelic speakers. Mixed genre programming reflects the diversity of Scottish culture and, from a Gaelic perspective and through the medium of the Gaelic language, covers national and international issues and events relevant to listeners across the country. | <b>£4m</b><br>2022/23: £4m   | <b>52%</b><br>2022/23: 53%   | <b>06:27</b><br>2022/23: 06:39   | <b>30p</b><br>2022/23: 28p  |

BBC Scotland: Reach definition: 15+ minutes consecutive and audiences 4+ in Scotland

Source: BARB As Viewed (all devices) / BBC calculations for 2022/23

NB New BARB As Viewed measurement was introduced in BBC reporting from 2022/23 onwards. The new data measures all viewing to the channel, both linear and on-demand, in all households with a TV set and/or a broadband internet connection, across all devices. Therefore, BARB As Viewed data from 2022/23 and 2023/24 is not comparable with previous years' figures. Channel reach and time spent does not include viewing pre-TX or beyond 28 days. Cost per user hour data does include viewing pre-TX and beyond 28 days

BARB As Viewed regional breaks started in August 2022 therefore reach and time spent figures for 2022/23 are modelled using BARB As Viewed (all devices) and BARB 28 days as viewed

The Cost per User Hour figure in the table for BBC Scotland is based on viewing to the BBC Scotland channel, BBC Scotland content on iPlayer and BBC Scotland channel content shown on other BBC TV channels

For viewing to the BBC Scotland channel and BBC Scotland content on iPlayer only, the Cost per User Hour of the channel is 43p. ~ Owing to new measurement, the 2023/24

BBC Scotland Cost per User Hour figure is not comparable with previous years' figures so the 2022/23 figure is not included here

BBC ALBA: TRP PRAEG Panel based on Gaelic community 16+ in Scotland. BBC ALBA reaches 7% of the overall 16+ population in Scotland who use the service for 02:02 a week on average

(source: Kantar Scottish Opinion Survey based on adults aged 16+ in Scotland)

BBC nan Gàidheal: TRP PRAEG Panel based on Gaelic community 16+ in Scotland

BBC Radio Scotland: Reach definition: 15+ minutes and audiences aged 15+. RAJAR (Radio reach and time per listener; data based on total survey area – TSA)

### Dedicated TV content for Scotland

|  |                |                             | Source  |
|--|----------------|-----------------------------|---|
| <b>BBC Scotland TV content</b>   |                |                             |   |
| % in Scotland who view BBC Scotland TV content on average per week                     | <b>2023/24</b> | <b>39% (4+) / 43% (16+)</b> | BARB As Viewed (all devices). Reach based on 3+ mins~     |
| <b>BBC TV News for Scotland</b>  |                |                             |   |
| % of adults in Scotland who view dedicated news services on BBC TV on average per week | <b>2023/24</b> | <b>32% (16+)</b>            | BARB As Viewed (all devices). 16+ Reach based on 3+ mins~ |

~ This BARB data is new for Dedicated TV content for Scotland in 2023/24 and measures all viewing, both linear and on-demand, in all households with a TV set and/or a broadband internet connection, across all devices. Therefore, it is not comparable with previous years' figures so the 2022/23 figures are not included here

## The BBC in Scotland

### Financial performance

#### Estimated income from each nation

These numbers are estimated as figures for each nation have been calculated by applying the proportion of licenced premises to the total number of licences in force. The exact number of licences in force varies on a daily basis. The number of licenced premises are different to the number of licences in force as, in some cases, a premises may need more than one licence. Figures exclude concessionary licences for those living in residential care.

|                         | 2023/24<br>£m | 2022/23<br>£m |
|-------------------------|---------------|---------------|
| <b>Estimated income</b> |               |               |
| UK                      | 3,660         | 3,740         |
| Scotland                | 297           | 304           |

The fee for a standard household TV licence is £159. The licence fee income received contributes towards programmes made across the whole of the UK and the world. These programmes are consumed in each nation in addition to the nation's local services outlined below.

#### Expenditure by service

Direct and indirect spend relating to programmes produced in the nation.

|                             | 2023/24<br>£m | 2022/23<br>£m |
|-----------------------------|---------------|---------------|
| <b>Network content</b>      |               |               |
| Television                  | 105           | 81            |
| Radio                       | 3             | 3             |
| Online                      | 6             | 4             |
| <b>Total network spend</b>  | <b>114</b>    | <b>88</b>     |
| <b>Scotland content</b>     |               |               |
| BBC One                     | 32            | 37            |
| BBC Alba                    | 10            | 10            |
| BBC Scotland                | 40            | 35            |
| BBC Radio Scotland          | 23            | 25            |
| BBC Radio nan Gaidheal      | 4             | 4             |
| Online                      | 16            | 10            |
| <b>Total Scotland spend</b> | <b>125</b>    | <b>121</b>    |
| National Orchestra          | 6             | 6             |
| Development                 | 12            | 10            |
| Distribution                | 39            | 37            |
| <b>Total</b>                | <b>296</b>    | <b>262</b>    |



BBC Scotland's *The Agency: Unfiltered*

**Local opt-out hours^ (including repeats) on BBC One**

|  | 2023/24<br>Hours | 2022/23<br>Hours |
|--|------------------|------------------|
| Drama, Comedy, Entertainment, Music and Arts | 49               | 55               |
| Daily, Weekly News and Current Affairs       | 405              | 392              |
| Sport and Leisure                            | 146              | 124              |
| Education, Factual and Religion              | 71               | 78               |
| <b>Total</b>                                 | <b>671</b>       | <b>649</b>       |

^ Television content commissioned specifically for audiences in the nation

**BBC Scotland**

|  | 2023/24<br>Hours | 2022/23<br>Hours |
|--|------------------|------------------|
| Drama, Comedy, Entertainment, Music and Arts | 430              | 446              |
| Daily, Weekly News and Current Affairs       | 345              | 362              |
| Sport and Leisure                            | 268              | 214              |
| Education, Factual and Religion              | 882              | 861              |
| <b>Total</b>                                 | <b>1,925</b>     | <b>1,883</b>     |

**BBC ALBA**

|  | 2023/24<br>Hours | 2022/23<br>Hours |
|--|------------------|------------------|
| Drama, Comedy, Entertainment, Music and Arts | 602              | 601              |
| Daily, Weekly News and Current Affairs       | 216              | 214              |
| Sport and Leisure                            | 235              | 258              |
| Education, Factual and Religion              | 1,048            | 944              |
| Children's                                   | 549              | 562              |
| <b>Total</b>                                 | <b>2,650</b>     | <b>2,579</b>     |

**Radio Scotland**

|                          | 2023/24<br>Hours | 2022/23<br>Hours |
|--------------------------|------------------|------------------|
| News and Current Affairs | 3,005            | 2,952            |
| General                  | 5,177            | 5,439            |
| <b>Total</b>             | <b>8,182</b>     | <b>8,391</b>     |

**Radio nan Gàidheal^**

|                          | 2023/24<br>Hours | 2022/23<br>Hours |
|--------------------------|------------------|------------------|
| News and Current Affairs | 640              | 656              |
| General                  | 4,253            | 4,216            |
| <b>Total</b>             | <b>4,893</b>     | <b>4,872</b>     |

^ 2022/23 restated genre apportionment to reflect News bulletins within programmes

**Headcount****Average headcount of individuals based in Scotland across all services including support functions**

|  | 2023/24<br>Number | 2022/23<br>Number |
|--|-------------------|-------------------|
| Average number of persons employed in the year | 1,276             | 1,236             |

## The BBC in Northern Ireland

### Audience performance

The BBC is the most used brand for media in Northern Ireland – used by 86% of adults in Northern Ireland on average per week in 2023/24 and up on 2022/23. In video, the BBC was the leader in Northern Ireland in 2023/24. BBC viewing and listening levels in Northern Ireland were steadier year-on-year than the UK overall, which was down more. Usage of iPlayer and Sounds were both up year-on-year.

On average, 62% of adults in Northern Ireland consumed BBC Northern Ireland content per week across BBC TV/iPlayer, BBC Radio and BBC Online – the highest level of consumption of nations/regions content in the UK.

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

#### Northern Ireland adults 16+

*Experience: Usage of the BBC amongst adults in Northern Ireland*

|   |                |              | Source   |
|---|----------------|--------------|--|
| <b>Pan-BBC reach</b>  |                |              |  |
| % of adults in Northern Ireland who use BBC TV/iPlayer, Radio or Online on average per week                   | <b>2023/24</b> | <b>86%</b>   | Compass by Ipsos UK. 16+   |
|   | 2022/23        | 84%          |  |
| <b>BBC TV/iPlayer</b>   |                |              |  |
| % of adults in Northern Ireland who watch BBC TV/iPlayer on average per week                                  | <b>2023/24</b> | <b>68%</b>   | BARB As Viewed (all devices)/BBC calculations for 2022/23. 16+. Reach based on 15+ mins~ |
|   | 2022/23        | 67%          |  |
| Length of time adults in Northern Ireland spend with BBC TV/iPlayer per head on average per week (hours:mins) | <b>2023/24</b> | <b>06:07</b> |  |
|   | 2022/23        | 06:09        |  |
| <b>BBC Radio</b>  |                |              |  |
| % of adults in Northern Ireland who listen to BBC Radio on average per week                                   | <b>2023/24</b> | <b>55%</b>   | RAJAR. 16+. Reach based on 15+ mins  |
|   | 2022/23        | 55%          |  |
| Length of time adults in Northern Ireland spend with BBC Radio per head on average per week (hours:mins)      | <b>2023/24</b> | <b>06:45</b> |  |
|   | 2022/23        | 07:05        |  |
| <b>BBC Online</b>   |                |              |  |
| % of adults in Northern Ireland who use BBC Online on average per week  | <b>2023/24</b> | <b>62%</b>   | Compass by Ipsos UK. 16+   |
|   | 2022/23        | 62%          |  |
| <b>BBC iPlayer</b>  |                |              |  |
| Average weekly active accounts in Northern Ireland using BBC iPlayer  | <b>2023/24</b> | <b>340k</b>  | Piano Analytics. All accounts  |
|   | 2022/23        | 303k         |  |
| <b>BBC Sounds</b>   |                |              |  |
| Average weekly active accounts in Northern Ireland using BBC Sounds   | <b>2023/24</b> | <b>105k</b>  | Piano Analytics. All accounts  |
|   | 2022/23        | 97k          |  |
| <b>BBC Northern Ireland content across BBC TV, Radio and Online</b>   |                |              |  |
| % of adults in Northern Ireland consuming BBC Northern Ireland content on average per week                    | <b>2023/24</b> | <b>62%</b>   | BARB, RAJAR, Piano Analytics, Compass by Ipsos UK*                                       |
|   | 2022/23        | 97k          |  |

~ New BARB As Viewed measurement was introduced in BBC reporting from 2022/23 onwards. The new data measures all viewing, both linear and on-demand, in all households with a TV set and/or a broadband internet connection, across all devices. Therefore, BARB As Viewed data from 2022/23 and 2023/24 is not comparable with previous years' figures. BARB As Viewed regional breaks started in August 2022. Therefore, the 2022/23 figures are modelled using BARB As Viewed (all devices) and BARB 28 days as viewed data


\* Owing to measurement change, the % of adults in Northern Ireland consuming BBC Northern Ireland content in 2023/24 is not comparable year-on-year so the 2022/23 figure is not included here

#### Perception

|   |                | % Effective | % Ineffective | Source        |
|---|----------------|-------------|---------------|---------------|
| % of adults in Northern Ireland who think the BBC informs, educates and entertains people in the UK/them                          | <b>2023/24</b> | <b>61%</b>  | <b>16%</b>    | Ipsos UK. 16+ |
|   | 2022/23        | 64%         | 14%           |               |
| % of adults in Northern Ireland who think the BBC is effective at reflecting people like them                                     | <b>2023/24</b> | <b>48%</b>  | <b>25%</b>    |               |
|   | 2022/23        | 53%         | 20%           |               |
| % of adults in Northern Ireland who think the BBC is effective at providing content/services that set a high standard for quality | <b>2023/24</b> | <b>58%</b>  | <b>14%</b>    |               |
|   | 2022/23        | 61%         | 15%           |               |

## Northern Ireland-only services

### Dedicated services for Northern Ireland

| The BBC in Northern Ireland   |   | Content (£m)   | Reach (%)   | Time spent listening to a service weekly (h:m)                                 | Costs per user hour (p)                                      |                          |
|---|---|--|---|--|--|--------------------------|
|   |   | We spent a total of £21 million on these services in 2023/24   | Northern Ireland population who use the service on average per week | Length of time the average listener spent on average per week with the service | How much it costs to deliver each service for each hour used |                          |
|  | BBC RADIO<br><b>ULSTER</b><br>BBC RADIO<br><b>FOYLE</b> | BBC Radio Ulster is a speech-led service, providing a mix of programmes that reflect news, events and community life in all its different aspects and diversity. | <b>£21m</b><br>2022/23: £20m  | <b>30%</b><br>2022/23: 30%   | <b>10:11</b><br>2022/23: 10:54                               | <b>8p</b><br>2022/23: 8p |

Reach definition: 15+ minutes and audiences aged 15+  
 RAJAR (Radio reach and time per listener; data based on total survey area – TSA)

Source

### BBC Northern Ireland TV content

|  |                |                             |   |
|--|----------------|-----------------------------|---|
| % in Northern Ireland who view BBC Northern Ireland TV content on average per week | <b>2023/24</b> | <b>39% (4+ / 45% (16+))</b> | BARB As Viewed (all devices). Reach based on 3+ mins~ |
|--|----------------|-----------------------------|---|

### BBC TV News for Northern Ireland

|  |                |                  |  |
|--|----------------|------------------|--|
| % of adults in Northern Ireland who view dedicated news services on BBC TV on average per week | <b>2023/24</b> | <b>40% (16+)</b> | BARB As Viewed (all devices), 16+. Reach based on 3+ mins~ |
|--|----------------|------------------|--|

~ This BARB data is new for Dedicated TV content for Northern Ireland in 2023/24 and measures all viewing, both linear and on-demand, in all households with a TV set and/or a broadband internet connection, across all devices. Therefore, it is not comparable with previous years' figures so the 2022/23 figures are not included here



Siân Brooke stars as Grace Ellis in *Blue Lights* series 2

## The BBC in Northern Ireland

### Financial performance

#### Estimated income from each nation

These numbers are estimated as figures for each nation have been calculated by applying the proportion of licenced premises to the total number of licences in force. The exact number of licences in force varies on a daily basis. The number of licenced premises are different to the number of licences in force as, in some cases, a premises may need more than one licence. Figures exclude concessionary licences for those living in residential care.

|                         | 2023/24<br>£m | 2022/23<br>£m |
|-------------------------|---------------|---------------|
| <b>Estimated income</b> |               |               |
| UK                      | 3,660         | 3,740         |
| Northern Ireland        | 96            | 98            |

The fee for a standard household TV licence is £159. The licence fee income received contributes towards programmes made across the whole of the UK and the world. These programmes are consumed in each nation in addition to the nation's local services outlined below.

#### Expenditure by service

Direct and indirect spend relating to programmes produced in the nation.

|                                     | 2023/24<br>£m | 2022/23<br>£m |
|-------------------------------------|---------------|---------------|
| <b>Network content</b>              |               |               |
| Television                          | 40            | 38            |
| Radio                               | 1             | 1             |
| Online                              | 1             | 2             |
| <b>Total network spend</b>          | <b>42</b>     | <b>41</b>     |
| <b>Northern Ireland content</b>     |               |               |
| BBC One                             | 24            | 23            |
| BBC Two                             | 5             | 4             |
| BBC Radio Ulster/Foyle              | 21            | 20            |
| Online                              | 8             | 8             |
| <b>Total Northern Ireland spend</b> | <b>58</b>     | <b>55</b>     |
| Distribution                        | 12            | 13            |
| <b>Total</b>                        | <b>112</b>    | <b>109</b>    |

#### Local opt-out hours<sup>^</sup> (including repeats) on BBC One and BBC Two

|  | 2023/24<br>Hours | 2022/23<br>Hours |
|--|------------------|------------------|
| Drama, Comedy, Entertainment, Music and Arts | 33               | 35               |
| Daily, Weekly News and Current Affairs       | 382              | 381              |
| Sport and Leisure                            | 71               | 96               |
| Education, Factual and Religion              | 216              | 240              |
| <b>Total</b>                                 | <b>702</b>       | <b>752</b>       |

<sup>^</sup> Television content commissioned specifically for audiences in the nation

#### BBC Radio Foyle/Ulster

|                          | 2023/24<br>Hours | 2022/23<br>Hours |
|--------------------------|------------------|------------------|
| News and Current Affairs | 2,850            | 3,396            |
| General                  | 4,623            | 4,559            |
| <b>Total</b>             | <b>7,473</b>     | <b>7,955</b>     |

#### Headcount

Average headcount of individuals based in Northern Ireland across all services including support functions

|  | 2023/24<br>Number | 2022/23<br>Number |
|--|-------------------|-------------------|
| Average number of persons employed in the year | 650               | 665               |



## The BBC in England

### Audience performance

The BBC is the most used brand for media in England – used by 85% of adults in England on average per week in 2023/24, slightly down year-on-year. In video and audio, performance was down year-on-year in 2023/24, though the BBC was the leader in England in both markets. Usage of iPlayer and Sounds were both up year-on-year. On average, 45% of adults in England consumed BBC Local content per week across BBC TV/iPlayer, BBC Radio and BBC Online.

There are differences in the proportion of adults rating the BBC as effective at reflecting people like them depending on the region of England or the UK nation they live in – the BBC's Across the UK plan is focused on narrowing gaps in perceptions of portrayal.

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

#### England adults 16+

*Experience: Usage of the BBC amongst adults in England*

|  |                | England      | North of England | Midlands     | South of England | London       | Source   |
|--|----------------|--------------|------------------|--------------|------------------|--------------|--|
| <b>Pan-BBC reach</b>   |                |              |                  |              |                  |              |  |
| % who use BBC TV/iPlayer, Radio or Online on average per week                      | <b>2023/24</b> | <b>85%</b>   | <b>86%</b>       | <b>85%</b>   | <b>89%</b>       | <b>80%</b>   | Compass by Ipsos UK. 16+   |
|  | 2022/23        | 88%          | 89%              | 86%          | 92%              | 83%          |  |
| <b>BBC TV/iPlayer</b>  |                |              |                  |              |                  |              |  |
| % who watch BBC TV/iPlayer on average per week                                     | <b>2023/24</b> | <b>65%</b>   | <b>66%</b>       | <b>65%</b>   | <b>69%</b>       | <b>60%</b>   | BARB As Viewed (all devices)/BBC calculations for 2022/23. 16+. Reach based on 15+ mins~ |
|  | 2022/23        | 69%          | 69%              | 70%          | 72%              | 65%          |  |
| Length of time spent with BBC TV/iPlayer per head on average per week (hours:mins) | <b>2023/24</b> | <b>06:22</b> | <b>06:27</b>     | <b>06:25</b> | <b>07:16</b>     | <b>05:19</b> |  |
|  | 2022/23        | 06:54        | 06:55            | 07:06        | 07:47            | 05:47        |  |
| <b>BBC Radio</b>   |                |              |                  |              |                  |              |  |
| % who listen to BBC Radio on average per week                                      | <b>2023/24</b> | <b>56%</b>   | <b>53%</b>       | <b>59%</b>   | <b>65%</b>       | <b>49%</b>   | RAJAR. 16+. Reach based on 15+ mins  |
|  | 2022/23        | 59%          | 56%              | 62%          | 68%              | 50%          |  |
| Length of time spent with BBC Radio per head on average per week (hours:mins)      | <b>2023/24</b> | <b>08:00</b> | <b>07:29</b>     | <b>08:13</b> | <b>10:17</b>     | <b>06:10</b> |  |
|  | 2022/23        | 08:38        | 07:58            | 09:00        | 10:59            | 06:49        |  |
| <b>BBC Online</b>  |                |              |                  |              |                  |              |  |
| % who use BBC Online on average per week   | <b>2023/24</b> | <b>60%</b>   | <b>60%</b>       | <b>57%</b>   | <b>61%</b>       | <b>65%</b>   | Compass by Ipsos UK. 16+   |
|  | 2022/23        | 60%          | 59%              | 56%          | 61%              | 65%          |  |
| <b>BBC iPlayer</b>   |                |              |                  |              |                  |              |  |
| Average weekly active accounts in England using BBC iPlayer                        | <b>2023/24</b> | <b>11.3m</b> | <b>3.2m</b>      | <b>2.7m</b>  | <b>2.8m</b>      | <b>2.5m</b>  | Piano Analytics. All accounts  |
|  | 2022/23        | 10.7m        | 3.0m             | 2.6m         | 2.6m             | 2.5m         |  |
| <b>BBC Sounds</b>  |                |              |                  |              |                  |              |  |
| Average weekly active accounts in England using BBC Sounds                         | <b>2023/24</b> | <b>4.0m</b>  | <b>1.0m</b>      | <b>984k</b>  | <b>1.1m</b>      | <b>848k</b>  | Piano Analytics. All accounts  |
|  | 2022/23        | 3.7m         | 950k             | 915k         | 1.1m             | 815k         |  |
| <b>BBC Local content across BBC TV, Radio and Online</b>                           |                |              |                  |              |                  |              |  |
| % of adults in England consuming BBC Local content on average per week             | <b>2023/24</b> | <b>45%</b>   | <b>46%</b>       | <b>45%</b>   | <b>51%</b>       | <b>40%</b>   | BARB, RAJAR, Piano Analytics, Compass by Ipsos UK*                                       |

~ New BARB As Viewed measurement was introduced in BBC reporting from 2022/23 onwards. The new data measures all viewing, both linear and on-demand, in all households with a TV set and/or a broadband internet connection, across all devices. Therefore, BARB As Viewed data from 2022/23 and 2023/24 is not comparable with previous years' figures. BARB As Viewed regional breaks started in August 2022. Therefore, the 2022/23 figures are modelled using BARB As Viewed (all devices) and BARB 28 days as viewed data

\* Owing to measurement change, the % of adults in England consuming BBC Local content in 2023/24 is not comparable year-on-year so the 2022/23 figure is not included here

## The BBC in England

### Audience performance continued

#### Perception

|   |                                | England<br>16+ | North of England<br>16+ | Midlands<br>16+ | South of England<br>16+ | London<br>16+ | Source        |
|---|--------------------------------|----------------|-------------------------|-----------------|-------------------------|---------------|---------------|
| % who think the BBC informs,<br>educates and entertains people<br>in the UK/them                          | <b>2023/24<br/>Effective</b>   | <b>67%</b>     | <b>65%</b>              | <b>62%</b>      | <b>72%</b>              | <b>70%</b>    | Ipsos UK. 16+ |
|   | <b>2023/24<br/>Ineffective</b> | <b>13%</b>     | <b>17%</b>              | <b>12%</b>      | <b>11%</b>              | <b>9%</b>     |               |
|   | 2022/23<br>Effective           | 69%            | 65%                     | 68%             | 76%                     | 71%           |               |
|   | 2022/23<br>Ineffective         | 12%            | 12%                     | 13%             | 9%                      | 15%           |               |
| % who think the BBC is effective<br>at reflecting people like them  | <b>2023/24<br/>Effective</b>   | <b>52%</b>     | <b>49%</b>              | <b>52%</b>      | <b>54%</b>              | <b>53%</b>    |               |
|   | <b>2023/24<br/>Ineffective</b> | <b>22%</b>     | <b>24%</b>              | <b>21%</b>      | <b>21%</b>              | <b>20%</b>    |               |
|   | 2022/23<br>Effective           | 55%            | 49%                     | 54%             | 59%                     | 62%           |               |
|   | 2022/23<br>Ineffective         | 21%            | 23%                     | 21%             | 19%                     | 20%           |               |
| % who think the BBC is effective<br>at providing content/services that<br>set a high standard for quality | <b>2023/24<br/>Effective</b>   | <b>62%</b>     | <b>62%</b>              | <b>59%</b>      | <b>66%</b>              | <b>63%</b>    |               |
|   | <b>2023/24<br/>Ineffective</b> | <b>14%</b>     | <b>16%</b>              | <b>16%</b>      | <b>11%</b>              | <b>12%</b>    |               |
|   | 2022/23<br>Effective           | 67%            | 63%                     | 66%             | 69%                     | 68%           |               |
|   | 2022/23<br>Ineffective         | 13%            | 12%                     | 14%             | 11%                     | 15%           |               |

## England-only services

### Dedicated services for England

| The BBC in England     |   | Content (£m)<br>We spent a total of £120 million on these services in 2023/24 | Reach (%)<br>England population who use the service on average per week | Time spent listening to a service weekly (h:m)<br>Length of time the average listener spent on average per week with the service | Costs per user hour (p)<br>How much it costs to deliver each service for each hour used |
|------------------------|---|---|---|--|---|
| <b>LOCAL BBC RADIO</b> | BBC Local Radio is a primarily speech-based service of news, information and debate, with a strong emphasis on interactivity. | <b>£120m</b><br>2022/23: £123m  | <b>11%</b><br>2022/23: 11%  | <b>07:08</b><br>2022/23: 07:29   | <b>6p</b><br>2022/23: 6p  |

Reach definition: 15+ minutes and audiences aged 15+  
RAJAR (Radio reach and time per listener; data based on total survey area – TSA)

|  |                | England                     | North of England            | Midlands                    | South of England            | London                      | Source   |
|--|----------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|--|
| <b>BBC Local TV content</b>  |                |                             |                             |                             |                             |                             |  |
| % in England who view BBC Local TV content on average per week                         | <b>2023/24</b> | <b>26% (4+) / 30% (16+)</b> | <b>26% (4+) / 30% (16+)</b> | <b>26% (4+) / 29% (16+)</b> | <b>29% (4+) / 34% (16+)</b> | <b>22% (4+) / 25% (16+)</b> | BARB As Viewed (all devices). Reach based on 3+ mins~      |
| <b>BBC TV News for English regions</b>   |                |                             |                             |                             |                             |                             |  |
| % who view dedicated news services for the nation/region on BBC TV on average per week | <b>2023/24</b> | <b>29% (16+)</b>            | <b>30% (16+)</b>            | <b>29% (16+)</b>            | <b>33% (16+)</b>            | <b>24% (16+)</b>            | BARB As Viewed (all devices). 16+. Reach based on 3+ mins~ |

~ This BARB data is new for Dedicated TV content for England in 2023/24 and measures all viewing, both linear and on-demand, in all households with a TV set and/or a broadband internet connection, across all devices. Therefore, it is not comparable with previous years' figures so the 2022/23 figures are not included here



Lacey Turner as Stacey Slater, Kellie Bright as Linda Carter and Balvinder Sopal as Suki Kaur Panesar in *EastEnders*

## The BBC in England

### Financial performance

#### Estimated income from each nation

These numbers are estimated as figures for each nation have been calculated by applying the proportion of licenced premises to the total number of licences in force. The exact number of licences in force varies on a daily basis. The number of licenced premises are different to the number of licences in force as, in some cases, a premises may need more than one licence. Figures exclude concessionary licences for those living in residential care.

|                         | 2023/24<br>£m | 2022/23<br>£m |
|-------------------------|---------------|---------------|
| <b>Estimated income</b> |               |               |
| UK                      | 3,660         | 3,740         |
| England                 | 3,070         | 3,137         |

The fee for a standard household TV licence is £159. The licence fee income received contributes towards programmes made across the whole of the UK and the world. These programmes are consumed in each nation in addition to the nation's local services outlined below.

#### Expenditure by service

Direct and indirect spend relating to programmes produced in the nation.

|                            | 2023/24<br>£m | 2022/23<br>£m |
|----------------------------|---------------|---------------|
| <b>Network content</b>     |               |               |
| Television                 | 1,224         | 1,366         |
| Radio                      | 296           | 282           |
| Online                     | 165           | 170           |
| <b>Total network spend</b> | <b>1,685</b>  | <b>1,818</b>  |
| <b>England content</b>     |               |               |
| BBC One                    | 91            | 94            |
| BBC Local Radio            | 120           | 123           |
| Online                     | 23            | 15            |
| <b>Total England spend</b> | <b>234</b>    | <b>232</b>    |
| National Orchestra         | 18            | 20            |
| Development                | 77            | 61            |
| Distribution               | 134           | 125           |
| <b>Total</b>               | <b>2,148</b>  | <b>2,256</b>  |

#### Local opt-out hours<sup>^</sup> (including repeats) on BBC One

|  | 2023/24<br>Hours | 2022/23<br>Hours |
|--|------------------|------------------|
| Drama, Comedy, Entertainment, Music and Arts | –                | 5                |
| Daily, Weekly News and Current Affairs       | 3,544            | 3,643            |
| Sport and Leisure                            | 16               | 21               |
| Education, Factual and Religion              | 10               | 76               |
| <b>Total</b>                                 | <b>3,570</b>     | <b>3,745</b>     |

<sup>^</sup> Television content commissioned specifically for audiences in the nation.

#### BBC English Regions

|         | 2023/24<br>Hours | 2022/23<br>Hours |
|---------|------------------|------------------|
| General | 226,394          | 237,535          |

<sup>^</sup> 2022/23 restated in line with Ofcom reporting to include 6,592 hours of shared output from neighbouring stations between 06:00-19:00

#### Headcount

##### Average headcount of individuals based in England across all services including support functions

|  | 2023/24<br>Number | 2022/23<br>Number |
|--|-------------------|-------------------|
| Average number of persons employed in the year | 12,758            | 12,775            |



Jamie Dorman reprises his role in *The Tourist* series 2

# FINANCIAL STATEMENTS

## Financial statements

### Comptroller and Auditor General's Certificate and Report on the Group Financial Statements

The Certificate and Report of the Comptroller and Auditor General to the Board of the British Broadcasting Corporation, acknowledging that Parliament also places reliance on the Group Accounts and Report

#### Opinion on financial statements

I certify that I have audited the financial statements of the British Broadcasting Corporation (BBC) Group for the year ended 31 March 2024. The financial statements comprise the BBC Group's:

- Consolidated balance sheet as at 31 March 2024;
- Consolidated income statement, Consolidated statement of comprehensive income, Consolidated cashflow statement and Consolidated statement of changes in equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the BBC Group's affairs as at 31 March 2024 and of its surplus for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the Royal Charter for the continuance of the British Broadcasting Corporation and Secretary of State directions issued thereunder.

#### Opinion on regularity

In my opinion, in all material respects the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

#### Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I am independent of the BBC Group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

The framework of authorities that has been considered in the context of my opinion on regularity is:

- the Royal Charter for the continuance of the British Broadcasting Corporation and the agreements issued thereunder on 7 November 2016 and 26 May 2022; and
- other agreements the BBC has entered into with Government Ministers.

#### Conclusions relating to going concern

In auditing the financial statements, I have concluded that the BBC Group's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

My evaluation of the BBC Board's assessment of the BBC Group's ability to continue to adopt the going concern basis of accounting included understanding and assessing risks to future revenue streams and the BBC Group's ability to access borrowings and take other mitigating actions to manage cash-flows. I also considered my wider understanding of the environment in which the BBC Group operates which may have implications for the ability to adopt the going concern basis of accounting.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the BBC Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the BBC Board's reporting on how it has applied the UK Corporate Governance Code, I have nothing material to add or draw attention to in relation to the BBC Board's statement in the financial statements about whether the Board considered it appropriate to adopt the going concern basis of accounting.

My responsibilities and the responsibilities of the BBC Board with respect to going concern are described in the relevant sections of this certificate.

#### Overview of my audit approach

##### Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditor, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of the audit of the financial statements as a whole, and in forming my opinion thereon. I do not provide a separate opinion on these matters.

This is not a complete list of all risks identified though the course of my audit but only those areas that had the greatest effect on my overall audit strategy, allocation of resources and direction of effort. I have not, for example, included information relating to the work I have performed around the presumed risk of fraud through management override of controls, where my work has not identified any matters to report.

The key audit matters were discussed with the Audit and Risk Committee; its report on matters that it considered to be significant to the financial statements is set out on pages 104-107.

In this year's certificate the following changes to the risks identified have been made compared to my prior year certificate:

- I identified a new significant risk around major IT changes and the acquisition of BritBox International; and
- I have more precisely defined the significant risk around the accounting for FONTUS cash flow swaps as relating to the valuation of derivatives and the significant risk around complex property transactions as relating to the valuation of lease liabilities.

### Revenue recognition – Licence fee

*Licence fee revenue – £3,660 million (2022/23: £3,740 million) – refer to note B2*

#### Description of risk

The BBC's primary source of revenue is derived from the BBC Television Licence Fee (the licence fee). The licence fee is set by the Secretary of State for Culture, Media and Sport in accordance with the 2016 Royal Charter for the Continuance of the BBC; the current licence fee settlement ends in 2027/28.

I consider that there may be an incentive to manage and report licence fee revenue in ways that meet stakeholders' expectations. This might involve the BBC or other parties involved in the licence fee revenue collection and reporting process. I consider that there is a heightened risk around the year end of revenue recognition being managed to achieve particular results and this has been a key focus of my testing in this area.

#### How the scope of my audit responded to the risk

In relation to the licence fee revenue recognised in the BBC Group's consolidated financial statements, I have assessed the reasonableness of the BBC's licence fee revenue recognition policy. I have substantively tested the amounts and the timing of licence fee revenue funding paid to the BBC by the Secretary of State for Culture, Media and Sport as well as its associated disclosures.

Given that the licence fee revenue and balances recorded in the BBC Television Licence Fee Trust Statement (the Trust Statement) provide an authoritative expectation as to the related licence fee revenue and balances recorded in the consolidated financial statements, I have carried out audit procedures on the BBC Licence Fee Unit collection systems and processes and on related transactions and balances reported in the Trust Statement, which I also audit. These included obtaining assurance on the accuracy, completeness and occurrence of licence fee revenue recorded in the Trust Statement by using IT audit procedures on key licence fee collection systems, testing controls and a sample of in-year transactions and year end balances. I have also obtained assurance over the proper operation of cut-off by examining evidence showing cash receipts and licences issued around the year end.

#### Key observations

The outcomes of the procedures I performed in response to this risk were satisfactory. I noted no material issues arising from my work.

### Revenue recognition – Commercial

*Commercial revenue from contracts with customers – £1,859 million (2022/23: £2,311 million) – refer to note B1*

#### Description of risk

There are several sources of revenue within the BBC's commercial subsidiaries where I deem the recognition of revenue to be complex and involve management judgement and therefore to present a higher risk of fraud or misreporting, including revenue recognition being managed to achieve particular results or to meet stakeholder expectations.

The revenue streams I have considered subject to the most risk include:

- Content and format licensing income: this income is derived from complex contracts licensing intellectual property, requiring significant judgement around revenue recognition.
- Advertising revenue: these contracts are managed externally by third parties and not billed in line with the financial year. Therefore, accrued advertising revenues are subject to a degree of estimation.
- Revenue associated with productions: although most production revenue is generated from within the BBC Group, a material amount is derived from external commissions. Large production contracts are complex with multiple performance obligations which require a degree of judgement under IFRS 15 to determine the timing of delivery.

I consider that there may be an incentive to manage and report commercial revenue in ways that meet stakeholders' expectations. This might involve revenue collection and reporting processes. Since the BBC Commercial Group has not achieved revenue performance consistent with the prior year, I consider there is a heightened risk around the existence and cut-off of revenue recorded in the current period. There is an incentive to postpone revenue recognition into future periods in order to manage the consistency of performance over time. This has been a key focus of my testing in this area.

#### How the scope of my audit responded to the risk

I have carried out work to understand the nature of the BBC Group's commercial revenues, including reviewing contractual documentation and management reporting, making enquiries of management responsible for BBC commercial activities (both within the UK and at significant territories overseas, both by value and by risk). I have assessed the reasonableness of revenue recognition policies adopted by the BBC's commercial subsidiaries, focusing my attention on the highest risk and most significant revenue streams.

My testing included: undertaking detailed analysis of key revenue streams and identifying transactions with the greatest risk for which I reviewed contract /documentation to understand the key features and confirmed that they have been appropriately treated in the financial statements, assessing the appropriateness of management's judgements with regards to the phasing and timing of revenue recognition; and considering transactions arising around the year-end, for evidence of that they had been included in the correct accounting period.

For the revenue streams above, a sample of contracts have been substantively tested to ensure that the accounting reflects the substance of the contract, taking an integrated approach to encompass both income statement and balance sheet impacts arising from contractual transactions.

I reviewed recoverability by assessing the nature of contractual arrangements, confirming amounts received after the reporting date, and reviewing management's assessment of the need to provide for non-recovery. I have also reviewed disclosures made to confirm these are in accordance with accounting standards.

#### Key observations

The outcomes of the procedures I performed in response to this risk were satisfactory. I noted no material issues arising from my work.

## Financial statements

### Consolidation processes and scope

#### Description of risk

The production of BBC Group financial statements requires multiple levels of consolidation of entities within the Group, identification of consolidation adjustments and elimination of intra-group transactions. The complexity of the group structure, the volume and value of required adjustments and the manual nature of the consolidation processes increase the risk of material misstatement.

There is also a risk around the scope of consolidation as management judgement is often required in determining which entities are required to be consolidated into the Group, rather than treated as joint ventures, associates or investments. This applies primarily to the BBC's investment in Daunus Ltd, which was set up as part of the 2016/17 refinancing of the London Broadcasting House sale and lease back arrangement. Management have assessed that the investment represents a joint venture and that it is not a subsidiary controlled by the BBC. This is a significant judgement.

#### Key observations

The outcomes of the procedures I performed in response to this risk were satisfactory. I noted no material issues arising from my work.

#### How the scope of my audit responded to the risk

I have reperformed the BBC Group consolidation to ensure it has been undertaken appropriately, including sub-consolidations in the commercial entities. I have also tested the accuracy and completeness of consolidation adjustments and intra-group eliminations.

In respect of Daunus Ltd, through review of contractual information, management information, financial statements of Daunus Ltd and Board minutes, I concluded that there had been no changes to the existing arrangement and that Daunus Ltd continues to be correctly classified as a Joint Venture.

### Acquisition of BritBox International

*Purchase consideration: £272 million (2022/23: nil) – refer to note C1*

#### Description of risk

In February 2024, the BBC purchased ITV plc's 50% stake in BritBox International for £272 million. The acquisition includes each of the regional entities: UK (BritBox International "Nordics" and Denipurna Ltd "Brand"), US (BritBox LLC and BB Rights LLC), and Australia (BritBox Australia Management Pty Ltd). The purchase was made by BBC Studios Distribution with a loan from BBC Commercial, with the BBC now the sole owner of BritBox International. BBC Commercial Group and BBC Group consolidate all of the acquired entities into their accounts.

There is a risk that the transaction is not accounted for or valued correctly, given the judgemental nature of the purchase price allocation and valuation of intangible assets and goodwill. I also consider there to be completeness and cut-off risks around amounts recognised around the date of the transaction given that it took place one month ahead of year end, and a risk that any impairments are not appropriately and completely recognised.

#### Key observations

The outcomes of the procedures I performed in response to this risk were satisfactory. I noted no material issues arising from my work.

#### How the scope of my audit responded to the risk

I have audited the transaction and associated net assets including goodwill acquired in the purchase of ITV plc's 50% stake in BritBox International, the consolidation across the financial statements and the necessary disclosures. I performed substantive procedures over the net assets acquired and consolidated into the financial statements.

I have sought specialist valuation and accounting support in reviewing the judgements made including:

- the value of the consideration paid;
- the revaluation of the pre-existing holding and gain on deemed disposal recognised in the consolidated income statement;
- the identification of the BritBox International cash generating units (CGUs), and management's allocation of the considerations to the CGUs;
- the recognition and measurement of assets acquired, and liabilities assumed on acquisition; and
- the recognition and measurement of goodwill, including management's impairment review of goodwill.

### Major IT changes

#### Description of risk

The BBC underwent a number of IT changes in 2023/24 including:

- Decommissioning of the SAP Supplier Relationship Management (SRM) system
- Implementation of a replacement to SAP SRM, SAP Ariba
- Migration of SAP data and processing to a new cloud platform

The change from SAP SRM to SAP Ariba has predominantly impacted processes around vendor maintenance, purchasing and receipting of expenditure (as part of the purchase to pay process). I identified a risk around the design and configuration of the SAP Ariba system and migration of data and processing to SAP Ariba from the SRM system. I also assessed that the migration of SAP processing and data to a cloud platform meets the auditing standards definition of a significant system change and therefore it posed a risk around the completeness and accuracy of data that was subject to the migration.

#### Key observations

The outcomes of the procedures I performed in response to this risk were satisfactory. I noted no material issues arising from my work.

#### How the scope of my audit responded to the risk

With support from NAO IT audit specialists, I have assessed and tested the design and implementation of controls relating to the IT system, to evaluate the design risk, configuration risk and the migration risk associated with the change programme. I reviewed project governance, decision making, user acceptance testing and access controls. I assessed the impact of these IT changes on the purchase to pay processes and controls.

I have also performed substantive procedures on the migration of data to ensure that the migration of financial statement information is complete.



### Programme asset accounting

*Programme-related assets and other inventory: £1,203 million (2022/23: £1,020 million) – refer to note E1*

#### Description of risk

The BBC Group recognises assets in respect of costs associated with making or acquiring a programme. These assets are then released to cost of sales in the Consolidated Income Statement as programmes are delivered (BBC Studios Productions Limited) or transmitted (Public Service Broadcaster).

The valuation of programme assets is a highly material estimate in the accounts, and there is a significant amount of judgement over the initial value, release to cost of sales and the impairment of these assets. There is a risk that the approach to valuation will result in material misstatement of the balance sheet, or that the processes to identify impairment of programme assets are not sufficient to identify material overstatement of the balance sheet.

#### Key observations

The outcomes of the procedures I performed in response to this risk were satisfactory. I noted no material issues arising from my work.

#### How the scope of my audit responded to the risk

I have assessed the policy adopted by management in respect of programme assets as a key accounting judgement, including an assessment against the relevant accounting standards and the wider practice within the media industry. I substantively tested a sample of programme assets to confirm that these had been accounted for in accordance with the policy adopted by management.

I understood and evaluated the approach to managing production costs and identifying indicators of impairment and considered potential indicators of impairment of programme assets through my wider understanding of the business. This included a review of Board Minutes, considering wider information, and holding discussions with the programme and production accounting teams to assess the controls over programme spend.

### Valuation of defined benefit pension scheme assets

*Defined benefit pension scheme asset: £13,776 million (2022/23: £14,675 million) – refer to note D6*

#### Description of risk

The valuation of the defined benefit pension scheme assets reported in the accounts is highly judgemental, and changes to market assumptions can result in material changes to the valuation. Pension assets include equities, bonds, repurchase agreements, property, alternative investments and other assets. There is also a longevity swap contract in place for this pension scheme which is held at fair value. The valuations for some of these assets are inherently subjective and require a significant level of estimation in selecting appropriate valuation methodologies and assumptions. Given these factors, and the quantum of the assets, I have assessed the valuation of the pension scheme assets as a significant risk of material misstatement to my audit.

#### How the scope of my audit responded to the risk

I have obtained an understanding of the BBC's pension scheme arrangements and assessed the processes and controls used by management to value and account for pension scheme assets.

To audit the pension scheme assets, I have taken assurance from the work of the BBC pension scheme auditors. The scheme auditors used their in-house valuations experts to consider whether the methodology and assumptions used in valuing these assets were reasonable. I reviewed the results of the procedures carried out by the scheme auditors to assess if they were sufficient for the purposes of my audit. I have also commissioned additional specified procedures from the pension scheme auditors to ensure that all assets material to the BBC Group have been audited, and that where assets are held in unquoted formats, appropriate benchmarks, control reports and fund manager statements have been reviewed to challenge or verify year end valuations. The totality of this work by the pension scheme auditors, with my team's review of this work, provides assurance over the valuation of the Scheme assets, which is a key input to the pension scheme calculation reported by the BBC Group.

I have also commissioned experts to consider the assumptions and methodology used in valuing the assets were reasonable in relation to the longevity swap contract. I reviewed the results of their procedures and assessed the expertise and independence of the experts who prepared the valuation of the swap.

I have tested the accounting entries to the underlying work performed by the BBC's actuaries and reviewed disclosures made to confirm these are in accordance with the accounting standards.

#### Key observations

The outcomes of the procedures I performed in response to this risk were satisfactory. I noted no material issues arising from my work.

## Financial statements

### Valuation of defined benefit pension scheme liabilities

*Defined benefit pension scheme liability: £13,890 million (2022/23: £13,973 million) – refer to note D6*

#### Description of risk

The valuation of the defined benefit pension scheme liabilities reported in the accounts is highly judgemental, and changes to actuarial assumptions, such as discount rate, inflation and mortality rates, can result in material changes to the valuation. The IAS 19 valuation of the pension scheme liability was carried out by external actuarial experts commissioned by the BBC. Given these factors, and the quantum of pension scheme liabilities, I have assessed the valuation of the pension scheme liabilities as a significant risk of material misstatement to my audit.

#### How the scope of my audit responded to the risk

I have obtained an understanding of the BBC's pension scheme arrangements and assessed the processes and controls used by management to value and account for pension scheme liabilities.

Using actuarial experts, I have assessed the reasonableness of the method, model, data and key assumptions used by the BBC's actuaries in determining the pension scheme liability, benchmarking them against other schemes; and I have assessed the nature and appropriateness of BBC context-specific assumptions and challenged these where appropriate. I have assessed the expertise and independence of the BBC's actuaries.

I have tested the accounting entries to the underlying work performed by the BBC's actuaries and reviewed disclosures made to confirm these are in accordance with the accounting standards.

#### Key observations

The outcomes of the procedures I performed in response to this risk were satisfactory. I noted no material issues arising from my work.

### Valuation of derivatives

*Cash flow swaps financial assets: £343 million (2022/23: £376 million) – refer to note G5*

*Cash flow swaps financial liabilities: £482 million (2022/23: £481 million) – refer to note G5*

#### Description of risk

The BBC entered into an agreement involving cash flow swaps as part of the 2016/17 refinancing of the London Broadcasting House sale and lease back arrangement. The valuation of the FONTUS cash flow swap assets and liabilities requires significant management judgements, and changes to assumptions can result in material changes to the valuation. Therefore, I have assessed it as a significant risk of material misstatement for my audit.

#### How the scope of my audit responded to the risk

Using experts, I have assessed the reasonableness of the method, model, data and key assumptions used in determining the FONTUS cash flow swap assets and liabilities. I have reviewed the relevant disclosures to confirm these are in accordance with the accounting standards and that the values disclosed are in line with the output from the model used to value these assets and liabilities.

#### Key observations

The outcomes of the procedures I performed in response to this risk were satisfactory. I noted no material issues arising from my work.

### Valuation of lease liabilities

*Obligations under leases: £1,678 million (2022/23: £1,718 million) – refer to note F2*

#### Description of risk

BBC has a significant number of leases that often require judgment around the method, model, data and assumptions used in calculating the value of the lease liabilities. These judgments include a consideration of repurchase options at the end of the lease term and the treatment of contingent rent arrangements. Therefore, I have identified a risk of material misstatement in respect of the valuation of lease liabilities.

#### How the scope of my audit responded to the risk

My procedures included:

- Assessing the design and implementation of key controls relating to the identification and completeness of leases as well as modifications in lease arrangements;
- For a sample of leases – recalculating the lease liabilities, including those entered into in prior periods and confirming that the ongoing accounting treatment remains appropriate, assessing the reasonableness of inputs into lease calculations and key assumptions and judgements, and checking these for consistency and contradictory evidence through inspection of lease documentation.
- Assessing whether disclosures relating to the accounting policies adopted by management in relation to leases are sufficient.

#### Key observations

The outcomes of the procedures I performed in response to this risk were satisfactory. I noted no material issues arising from my work.

**Application of materiality**

**Materiality**

I applied the concept of materiality in both planning and performing my audit, and in evaluating the effect of misstatements on my audit and on the financial statements. This approach recognises that financial statements are rarely absolutely correct, and that an audit is designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement or irregularity. A matter is material if its omission or misstatement would, in the judgement of the auditor, reasonably influence the decisions of users of the financial statements.

Based on my professional judgement, I determined overall materiality for the BBC Group’s financial statements as a whole as follows:

|  |  |
|--|--|
| <b>Materiality</b>                         | £50 million (2022/23: £50 million)   |
| <b>Basis for determining materiality</b>   | Approximately 1% of revenue (2022/23: approximately 1% of revenue)   |
| <b>Rationale for the benchmark applied</b> | I chose Group revenue as the materiality benchmark because, in my professional judgement, revenue is the key driver of the BBC Group’s business; in particular licence fee revenue and Commercial revenue generated by the BBC Group are key drivers of stakeholder interest. Parliament and the public have an interest in the way in which the BBC Group is funded and how it spends its funds. The level of licence fee revenue and Commercial revenue determines the resources available to the BBC Group and drives strategic decisions around spending and investment. |

**Performance Materiality**

I set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Group performance materiality was set at 75% of Group materiality for the 2023/24 audit (2022/23: 75%). In determining performance materiality, I have also considered the uncorrected misstatements identified in the previous period.

**Other Materiality Considerations**

Apart from matters that are material by value (quantitative materiality), there are certain matters that are material by their very nature and would influence the decisions of users if not corrected. Such an example is any errors reported in the Related Parties note in the financial statements. Assessment of such matters needs to have regard to the nature of the misstatement and the applicable legal and reporting framework, as well as the size of the misstatement.

I applied the same concept of materiality to my audit of regularity. In planning and performing my audit work to support my opinion on regularity and in evaluating the impact of any irregular transactions, I considered both quantitative and qualitative aspects that would reasonably influence the decisions of users of the financial statements.

**Error Reporting Threshold**

I agreed with the Audit and Risk Committee that I would report to it all uncorrected misstatements identified through my audit in excess of £300,000, as well as differences below this threshold that in my view warranted reporting on qualitative grounds. I also report to the Audit and Risk Committee on disclosure matters that I identified when assessing the overall presentation of the financial statements.

Total unadjusted audit differences (excluding extrapolated errors) reported to the Audit and Risk Committee would have decreased the net surplus and net assets by £0.5 million.

**Audit scope**

The scope of my Group audit was determined by obtaining an understanding of the BBC Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level.

The BBC Group comprises over 100 subsidiaries, along with a number of associates and joint ventures. There are two levels of consolidation within the BBC Group:

- Level 1: BBC Group, comprising the BBC Public Service Broadcaster (PSB), PSB subsidiaries, and BBC Commercial Group;
- Level 2: BBC Commercial Group, comprising BBC Commercial Limited and subsidiary companies, including, BBC Studios Productions Limited, BBC Studios Distribution Limited and UKTV Media.

This audit opinion relates to the BBC Group, at level 1. My Group audit approach has been designed to enable me to form an opinion on these consolidated financial statements, and my assessment of significant components and the nature of the work I have performed is as follows:

**Level 1: BBC Group (key benchmark: income) Individually significant components and auditors**

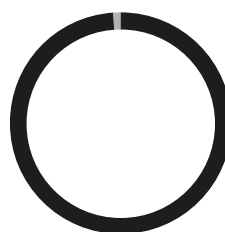
- BBC Public Service Broadcaster (NAO)
- BBC Commercial Group (NAO)

**Sampled non-significant components**

- None – due to coverage achieved from significant components

**Analytical procedures on non-significant components**

We performed analytical procedures on the remaining components.



|                              |     |
|------------------------------|-----|
| ● Significant components     | 99% |
| ● Non-significant components | 1%  |

## Financial statements

### Level 2: BBC Commercial Group (key benchmark: income)

#### Individually significant components and auditors

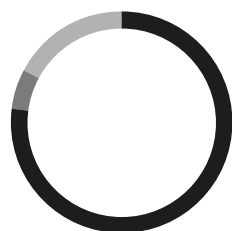
- BBC Studios Distribution Ltd (NAO)
- BBC Studios Productions Ltd (NAO)
- UKTV Media Ltd (NAO)
- BBC Studios Americas Inc (NAO)

#### Sampled non-significant components and auditors

- BBC Commercial Ltd (NAO)
- BBC Studios Australia Pty Ltd (Grant Thornton)
- BBC Natural History and Factual Productions Ltd (NAO)
- BBC Studios Ltd (NAO)
- BBC Studios France (KPMG)
- New Video Channel America Inc (KPMG)
- UKTV Media Holdings Ltd (NAO)

#### Analytical procedures on non-significant components

I performed analytical procedures on the remaining components.



|  |            |
|--|------------|
| ● Individually significant components and auditors | <b>77%</b> |
| ● Sampled non-significant components and auditors  | <b>6%</b>  |
| ● Other non-significant components                 | <b>17%</b> |

I am the appointed auditor and have direct involvement in the audit strategy for the BBC Group and all of its significant components. For each of those audits I have appointed Engagement Directors to direct the audit work.

At level 1, I audited the Public Service Broadcaster component as part of the Group audit. I am the auditor of the Commercial Group. Full statutory audit procedures in accordance with local adaptations of International Standards on Auditing have been conducted for the Commercial Group and I have satisfied myself that sufficient work has been undertaken to provide the necessary assurances for my audit opinion on the BBC Group's consolidated financial statements.

As part of my audit of the Commercial Group, I issued Group audit instructions to all level 2 individually significant components and sampled non-significant components, which enabled me to obtain the necessary assurances required for my audit opinion on the BBC Group's consolidated financial statements.

For level 2 individually significant and sampled non-significant components where I am the auditor, under the terms of the Group audit instructions I issued and in accordance with my role as appointed auditor of those components, full statutory audit procedures in accordance with local adaptations of International Standards on Auditing have been conducted and I have also satisfied myself that sufficient work has been undertaken to provide the necessary assurances for my audit opinion on the BBC Group's consolidated financial statements.

For level 2 individually significant and sampled components where I have not been appointed as auditor, my team has met with component auditors virtually or in person and assessed the audit strategy, significant audit risks and undertaken a review of the work and findings of the component auditors. I have satisfied myself that sufficient work has been undertaken to provide the necessary assurances for my audit opinion on the BBC Group's consolidated financial statements.

For other level 2 components I have undertaken other procedures to gain the necessary assurances for my audit opinion on the BBC Group's consolidated financial statements. This included evaluating and testing the BBC's Group wide controls, performing analytical and enquiry procedures and applying due professional scepticism to address the risk of residual misstatement.

#### Other Information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate and report thereon. The BBC Board is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

#### Opinion on other matters prescribed by the terms of my engagement

In addition to my audit of the BBC Group's consolidated financial statements, the Board has engaged me to audit the information in the Remuneration report that is described as having been audited, which the Board has decided to prepare as if the BBC were required to comply with the requirements of Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) made under the Companies Act 2006, where relevant.

In my opinion, the parts of the Remuneration report which I have been engaged to audit have been properly prepared in accordance with Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 where relevant, as if those requirements were to apply to the BBC Group.

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic and Governance Reports for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic and Governance Reports have been prepared in accordance with applicable legal requirements.

### Matters on which I report by exception

In the light of the knowledge and understanding of the BBC Group and its environment obtained in the course of the audit, I have not identified material misstatements in the Strategic Report or the Governance Report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept by the BBC Group or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the remuneration report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 have not been made; or
- a corporate compliance statement has not been prepared.

### Corporate compliance statement

The terms of my engagement require me to review the BBC Board's statement in relation to going concern, longer-term viability and that part of the Corporate Compliance Statement relating to the BBC Group's compliance with the provisions of the UK Corporate Governance Code specified for my review.

Based on the work undertaken as part of my audit, I have concluded that each of the following elements of the Corporate Compliance Statement is materially consistent with the financial statements or my knowledge obtained during the audit:

- The BBC Board's statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 185;
- The BBC Board's explanation as to its assessment of the entity's prospects, the period this assessment covers and why they feel this period is appropriate set out on page 121;
- The BBC Board's statement on fair, balanced and understandable set out on page 129;
- The BBC Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 108 to 120;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 108 to 108; and
- The section describing the work of the Audit and Risk Committee set out on page 104 to 107.

### Responsibilities of the BBC Board for the financial statements

As explained more fully in the Statement of the Board Responsibilities in respect of the Annual Report and Accounts, the BBC Board is responsible for:

- maintaining proper accounting records;
- providing me with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing me with additional information and explanations needed for my audit;
- providing me with unrestricted access to persons within the BBC Group from whom I determine it necessary to obtain audit evidence.
- preparing Group financial statements, which give a true and fair view, in accordance with applicable law and UK adopted international accounting standards;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statement to be free from material misstatement, whether due to fraud or error;

- preparing the Annual Report, which includes the Remuneration report, in accordance with the Royal Charter for the continuance of the British Broadcasting Corporation and Secretary of State directions issued thereunder; and
- assessing the BBC Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the BBC Board either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)).

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

### Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the BBC Group's accounting policies, key performance indicators and performance incentives;
- inquired of management, the BBC's Director for Quality, Risk and Assurance and those charged with governance, including obtaining and reviewing supporting documentation relating to the BBC Group's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the BBC Group's controls relating to the BBC Group's compliance with the Royal Charter for the continuance of the British Broadcasting Corporation, the Communications Act 2003 and the Communications (Television Licensing) Regulations 2004, the Companies Act 2006 in so far as it is applicable to the BBC Group, regulations established by the Office of Communications and regulations relating to money laundering and sanctions.
- inquired of management, the BBC's Director for Quality, Risk and Assurance and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud; and
  - discussed with the engagement team, including significant component audit teams, and the relevant internal and external specialists, including information technology, corporate finance, actuarial and tax specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

## Financial statements

As a result of these procedures, I considered the opportunities and incentives that may exist within the BBC Group for fraud and identified the greatest potential for fraud in the following areas: judgements relating to revenue recognition and profit recognition; posting of unusual journals; complex transactions; and management override of controls, including bias in management's estimation. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the BBC Group's framework of authority and other legal and regulatory frameworks in which the BBC Group operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the BBC Group. The key laws and regulations I considered in this context included the Royal Charter for the continuance of the British Broadcasting Corporation, the Communications Act 2003, the Communications (Television Licensing) Regulations 2004, the Companies Act 2006 in so far as it is applicable to the BBC Group, regulations established by the Office of Communications and the Competitions and Markets Authority, regulations relating to money laundering and sanctions and applicable taxation and employment legislation.

In addition, I considered the following matters:

- the risk of fraud in revenue recognition with respect to both Licence Fee and commercial revenue as well as the judgement involved in impairing their associated receivables;
- the potential for management bias and high degree of judgment required in valuing the intangible assets, in particular goodwill arising from the acquisition of BritBox International;
- the high degree of management's judgement applied in the valuation of programme assets and potential for management bias in making decisions to impair them;
- the high degree of judgement applied in valuing the defined benefit pension scheme assets and liabilities, which exposes the valuation to a risk of management manipulation or bias; and
- the complex nature of the BBC's property portfolio and related financing arrangements including accounting for property under IFRS 16, which gives rise to significant judgements that may be subject to management bias.

### Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and tested them to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- in assessing the reasonableness of the accounting treatment applied, as well as considerations of key inputs, model calculations and other methods of estimation, judgements and assumptions, relating to key estimates, I considered whether these indicated any potential bias or manipulation.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members, including internal and external specialists and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

### Other auditor's responsibilities

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

### Report

I have no observations to make on these financial statements.

### Gareth Davies

Comptroller and Auditor General  
National Audit Office

157-197 Buckingham Palace Road  
London  
SW1W 9SP

12 July 2024

## Consolidated income statement for the year ending 31 March 2024

|   | Note | 2024<br>£m     | 2023*<br>£m |
|---|------|----------------|-------------|
| <b>Licence fee income</b>                         | B1   | <b>3,660</b>   | 3,740       |
| <b>Other income</b>                               | B1   | <b>1,729</b>   | 1,985       |
| <b>Total income</b>                               | B1   | <b>5,389</b>   | 5,725       |
| Total operating costs                             | B1   | <b>(5,652)</b> | (5,918)     |
| <b>Group operating deficit</b>                    |      | <b>(263)</b>   | (193)       |
| Share of results of associates and joint ventures | E7   | <b>29</b>      | 12          |
| Other gains and losses                            | C2   | <b>209</b>     | (49)        |
| Net financing income                              | C3   | <b>13</b>      | 91          |
| <b>Deficit before taxation</b>                    |      | <b>(12)</b>    | (139)       |
| Taxation  | C4.1 | <b>241</b>     | 19          |
| <b>Surplus/(deficit) for the year</b>             |      | <b>229</b>     | (120)       |
| <b>Attributable to:</b>                           |      |                |             |
| BBC   |      | <b>230</b>     | (120)       |
| Non-controlling interests                         |      | <b>(1)</b>     | –           |
| <b>Surplus/(deficit) for the year</b>             |      | <b>229</b>     | (120)       |

\* The comparatives have been restated to reclassify the share of results of associates and joint ventures to below group operating deficit and to reclassify spend between other gains and losses and operating costs following a review in this area (see note B8 for further details).

## Consolidated statement of comprehensive expenditure for the year ending 31 March 2024

|   | Note | 2024<br>£m   | 2023<br>£m |
|---|------|--------------|------------|
| <b>Surplus/(deficit) for the year</b>   |      | <b>229</b>   | (120)      |
| Other comprehensive income:   |      |              |            |
| Remeasurement on defined benefit pension schemes                                | D6.1 | <b>(921)</b> | (648)      |
| Total items that will not be reclassified to the income statement in the future |      | <b>(921)</b> | (648)      |
| Currency translation adjustment   |      | <b>(8)</b>   | 12         |
| Gain on cash flow hedges  |      | <b>11</b>    | 13         |
| Deferred tax charge on financial instruments                                    |      | <b>(3)</b>   | (3)        |
| Total items that may be reclassified to the income statement in the future      |      | <b>–</b>     | 22         |
| <b>Other comprehensive expenditure net of tax</b>                               |      | <b>(921)</b> | (626)      |
| <b>Total comprehensive expenditure for the year</b>                             |      | <b>(692)</b> | (746)      |
| <b>Attributable to:</b>   |      |              |            |
| BBC   |      | <b>(691)</b> | (746)      |
| Non-controlling interests   |      | <b>(1)</b>   | –          |
| <b>Total comprehensive expenditure for the year</b>                             |      | <b>(692)</b> | (746)      |

## Financial statements

### Consolidated balance sheet

|  | Note   | As at 31 March |                |
|--|--------|----------------|----------------|
|  |        | 2024<br>£m     | 2023<br>£m     |
| <b>Non-current assets</b>                      |        |                |                |
| Intangible assets (including goodwill)         | E2     | 900            | 406            |
| Property, plant and equipment                  | E4     | 428            | 433            |
| Right-of-use assets                            | F1     | 1,501          | 1,506          |
| Investment properties                          | E5, F3 | 31             | 31             |
| Interests in associates and joint ventures     | E7     | 100            | 174            |
| Trade and other receivables                    | H1.2   | 220            | 223            |
| Investments                                    |        | 7              | 6              |
| Derivative financial instruments               | G5.2   | 349            | 390            |
| Deferred tax assets                            | C4.5   | 2              | 25             |
| Pension assets                                 | D6.1   | –              | 695            |
|  |        | <b>3,538</b>   | <b>3,889</b>   |
| <b>Current assets</b>                          |        |                |                |
| Programme-related assets and other inventories | E1     | 1,203          | 1,020          |
| Trade and other receivables                    | H1.3   | 1,112          | 1,159          |
| Contract assets                                | H1.1   | 19             | 31             |
| Assets classified as held for sale             | E6     | 32             | 34             |
| Derivative financial instruments               | G5.2   | 18             | 11             |
| Current tax assets                             | C4.4   | 116            | 62             |
| Investments (cash on long-term deposit)        | G2     | –              | 100            |
| Cash and cash equivalents                      | G1     | 559            | 500            |
|  |        | <b>3,059</b>   | <b>2,917</b>   |
| <b>Current liabilities</b>                     |        |                |                |
| Trade and other payables                       | H2.3   | (1,260)        | (1,153)        |
| Contract liabilities                           | H2.1   | (223)          | (183)          |
| Borrowings                                     | G3.1   | (6)            | (8)            |
| Obligations under leases                       | F2     | (133)          | (127)          |
| Provisions                                     | H4     | (54)           | (110)          |
| Derivative financial instruments               | G5.2   | (10)           | (14)           |
| Current tax liabilities                        | C4.6   | –              | (7)            |
|  |        | <b>(1,686)</b> | <b>(1,602)</b> |
| <b>Non-current liabilities</b>                 |        |                |                |
| Trade and other payables                       | H2.2   | (69)           | (70)           |
| Contract liabilities                           | H2.1   | (21)           | (83)           |
| Borrowings                                     | G3.2   | (520)          | (170)          |
| Obligations under leases                       | F2     | (1,545)        | (1,591)        |
| Provisions                                     | H4     | (113)          | (100)          |
| Derivative financial instruments               | G5.2   | (483)          | (491)          |
| Deferred tax liabilities                       | C4.5   | (63)           | (31)           |
| Pension liabilities                            | D6.1   | (121)          | –              |
|  |        | <b>(2,935)</b> | <b>(2,536)</b> |
| <b>Net assets</b>                              |        | <b>1,976</b>   | <b>2,668</b>   |
| <b>Attributable to the BBC:</b>                |        |                |                |
| Operating reserve                              | I2     | 1,926          | 2,617          |
| Hedging reserve                                | I2     | 10             | 2              |
| Translation reserve                            | I2     | 39             | 47             |
| Other reserves                                 | I2     | –              | –              |
|  |        | <b>1,975</b>   | <b>2,666</b>   |
| Non-controlling interests                      |        | 1              | 2              |
| <b>Total capital and reserves</b>              |        | <b>1,976</b>   | <b>2,668</b>   |

The financial statements were approved by the Board and authorised for issue on 10 July 2024, and signed on their behalf by:



**Tim Davie**  
Director-General



**Leigh Tavaziva**  
Group Chief Operating Officer



## Consolidated statement of changes in equity for the year ending 31 March 2024


|   | Note | Operating reserve<br>£m | Hedging reserve<br>£m | Translation reserve<br>£m | Other reserves<br>£m | Total<br>£m | Non-controlling interests<br>£m | Total<br>£m |
|---|------|-------------------------|-----------------------|---------------------------|----------------------|-------------|---------------------------------|-------------|
| <b>At 1 April 2022</b>                          |      | 3,398                   | (8)                   | 35                        | (13)                 | 3,412       | 2                               | 3,414       |
| Deficit for the year                            |      | (120)                   | –                     | –                         | –                    | (120)       | –                               | (120)       |
| Currency translation adjustment                 | I2   | –                       | –                     | 12                        | –                    | 12          | –                               | 12          |
| Cash flow hedges                                | I2   | –                       | 13                    | –                         | –                    | 13          | –                               | 13          |
| Deferred tax on financial instruments           |      | –                       | (3)                   | –                         | –                    | (3)         | –                               | (3)         |
| Unwinding of discount put options               |      | (13)                    | –                     | –                         | 13                   | –           | –                               | –           |
| Remeasurement of defined benefit pension scheme | D6.1 | (648)                   | –                     | –                         | –                    | (648)       | –                               | (648)       |
| Total comprehensive (loss)/income for the year  |      | (781)                   | 10                    | 12                        | 13                   | (746)       | –                               | (746)       |
| <b>At 31 March 2023</b>                         |      | 2,617                   | 2                     | 47                        | –                    | 2,666       | 2                               | 2,668       |
| Surplus/(deficit) for the year                  |      | 230                     | –                     | –                         | –                    | 230         | (1)                             | 229         |
| Currency translation adjustment                 | I2   | –                       | –                     | (8)                       | –                    | (8)         | –                               | (8)         |
| Cash flow hedges                                | I2   | –                       | 11                    | –                         | –                    | 11          | –                               | 11          |
| Deferred tax on financial instruments           |      | –                       | (3)                   | –                         | –                    | (3)         | –                               | (3)         |
| Remeasurement of defined benefit pension scheme | D6.1 | (921)                   | –                     | –                         | –                    | (921)       | –                               | (921)       |
| Total comprehensive (loss)/income for the year  |      | (691)                   | 8                     | (8)                       | –                    | (691)       | (1)                             | (692)       |
| <b>At 31 March 2024</b>                         |      | 1,926                   | 10                    | 39                        | –                    | 1,975       | 1                               | 1,976       |

## Financial statements

## Consolidated cash flow statement for the year ending 31 March 2024

|  | Note   | 2024<br>£m   | 2023<br>£m   |
|--|--------|--------------|--------------|
| <b>Operating activities</b>  |        |              |              |
| Group deficit before taxation  |        | (12)         | (139)        |
| Depreciation, amortisation and impairment                            | B6, C2 | 396          | 495          |
| Difference between pension charge and cash contribution              |        | (68)         | (66)         |
| Fair value impact of derivatives associated with loans               |        | 1            | 1            |
| Fair value impact of other derivatives                               |        | 16           | (74)         |
| (Gain)/loss on disposal of tangible and intangible fixed assets      |        | (3)          | 20           |
| Gain on disposal of associates and joint ventures                    | C2     | (202)        | (9)          |
| Other gains and losses   |        | -            | (3)          |
| Share of results of associates and joint ventures                    | E7     | (29)         | (12)         |
| Financing income (excluding fair value swaps)                        |        | (94)         | (74)         |
| Financing costs (excluding fair value swaps)                         |        | 62           | 60           |
| (Increase)/decrease in programme-related assets and inventories      |        | (56)         | 96           |
| Decrease/(increase) in receivables and contract assets               |        | 111          | (54)         |
| (Decrease)/increase in payables and contract liabilities             |        | (25)         | 8            |
| (Decrease)/increase in provisions                                    | H4, E7 | (41)         | 61           |
| <b>Cash generated from operations</b>                                |        | <b>56</b>    | <b>310</b>   |
| Tax received   |        | 158          | 50           |
| <b>Net cash from operations</b>                                      |        | <b>214</b>   | <b>360</b>   |
| <b>Investing activities</b>  |        |              |              |
| Interest received  | C3     | 40           | 22           |
| Financing income relating to swap transactions                       |        | 16           | 14           |
| Dividends received from associates and joint ventures                | E7     | 49           | 31           |
| Proceeds from disposal of property, plant and equipment              |        | 16           | 2            |
| Proceeds from disposal of associates and joint ventures              |        | -            | 6            |
| Cash placed on long-term deposit                                     | G2     | -            | (100)        |
| Cash received from long-term deposits                                | G2     | 100          | -            |
| Acquisition of interests in associates and joint ventures            |        | (9)          | (10)         |
| Acquisition of subsidiary net of cash acquired                       |        | (204)        | (16)         |
| Other acquisitions   |        | -            | (29)         |
| Purchases of other intangible assets                                 |        | (243)        | (245)        |
| Purchases of property, plant and equipment                           |        | (72)         | (74)         |
| <b>Net cash used in investing activities</b>                         |        | <b>(307)</b> | <b>(399)</b> |
| <b>Financing activities</b>  |        |              |              |
| Interest paid  | C3     | (11)         | (8)          |
| Proceeds from increase in borrowings                                 |        | 352          | 1            |
| Repayments of borrowings   |        | (4)          | (5)          |
| Payment of obligations under leases                                  |        | (183)        | (165)        |
| <b>Net cash used in financing activities</b>                         |        | <b>154</b>   | <b>(177)</b> |
| <b>Net increase/(decrease) in cash and cash equivalents</b>          |        | <b>61</b>    | <b>(216)</b> |
| Cash and cash equivalents at beginning of the year                   | G1     | 500          | 717          |
| Effect of foreign exchange rate changes on cash and cash equivalents |        | (2)          | (1)          |
| <b>Cash and cash equivalents at the end of the year</b>              | G1     | <b>559</b>   | <b>500</b>   |

## Contents

The structure of these notes to the financial statements include accounting risks and judgements clearly highlighted in each section, explanations of complex terms and the policies are included in the relevant notes as denoted by the book symbol: 

The notes are organised as follows:

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## Financial statements

### Notes to the accounts

#### A. How the BBC's accounts are prepared

This section includes the BBC's policies on how the financial statements have been prepared and what standards have been adopted during the year. Other accounting policies are captured in each of the following sections alongside the relevant notes.

#### Risk – Consolidation

The BBC is complex group consisting of many entities from across the world, some with different year end dates, functional currencies and accounting policies. Trade occurs between members which also requires identification for elimination on consolidation. The consolidation of such a large organisation therefore holds a degree of inherent risk of misstatement.

#### Incorporation

The BBC is incorporated in the United Kingdom by Royal Charter.

#### Statement of accounting policies

The BBC is required to select and apply accounting policies for each type of transaction entered into throughout the year and in the preceding year. An accounting policy sets out the framework for how assets, liabilities, income and expenditure should be accounted for in the financial statements, in accordance with the applicable standard, how those items will be measured and where they are presented in the statement of total income and expenditure, balance sheet and statement of cash flows.

#### Basis of preparation

These consolidated financial statements for the BBC have been prepared in accordance with UK adopted IFRS. Additional analysis is also presented to meet regulatory requirements including those prescribed by DCMS, Ofcom and the Charter.

The financial statements are principally prepared on the historical cost basis. Exceptions are noted within the relevant section of the notes.

Where items are sufficiently significant by virtue of their size or nature, they are disclosed separately in the financial statements in order to aid the reader's understanding of the BBC's financial position and performance.

#### Use of estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates that affect the reported performance and position of the BBC, or areas where assumptions or estimates are significant to the consolidated financial statements.







It also requires management to exercise judgement in applying the BBC's accounting policies. These areas involve a higher degree of judgement or complexity and are therefore drawn out at the front of each note.

In summary, the most significant estimate and judgement areas are:

| Area  | Key judgement  | Significant estimates   |
|---|--|---|
| Income recognition (Note B)                       | The criteria for recognising income have been satisfied  |   |
| Acquisitions (Note C)                             | Determining the valuation method for each asset/liability to derive the fair value   | Determining the duration and expected quantum of future revenues in the calculation of the fair value of intangible assets acquired |
| Other gains/losses (Note C)                       | Classification of income or expense as other gains and losses and therefore reported separately from operating profit  |   |
| Pension scheme and actuarial assumptions (Note D) |  | Estimates of the assumptions used in the valuation of pension assets and liabilities  |
| Programme assets (Note E)                         | Determining the most appropriate release of inventory to operating costs as programmes are consumed by audiences   |   |
| Leases (Note F)                                   | Determining the lease term used in the valuation of lease liabilities and right of use assets that are linked to the exercise of lease breaks and purchase options |   |
| Cash flow swaps (Note G)                          |  | Estimates over the assumptions used to calculate fair value   |
| Provisions (Note H)                               | Assessing whether a provision should be recognised in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets                              |   |

Risks relevant to the disclosures made are also highlighted at the start of each section and cross-referenced across the Annual Report and Accounts accordingly.

In addition to the consolidation risk mentioned above, the significant risk areas identified are:

-  Income recognition (Note B);
-  Acquisitions (Note C);
-  Valuation of defined benefit pension scheme (Note D);
-  Complex property transactions (Notes E and F);
-  Valuation of derivatives (Note G);
-  Programme accounting (Note E).

### Going concern

The financial statements are prepared on a going concern basis. The Directors believe this to be appropriate for the reasons set out below.

The Board have prepared and reviewed cash flow forecasts for the 24-month period to 31 March 2026, a period in excess of a year from the date of approval of these financial statements.

In the Board's judgement, the key factors in these forecasts are: the continuity of the Charter; the current licence fee settlement; the 2024/25 licence fee price agreement; the BBC Pension Scheme deficit recovery payments and importantly, the full delivery of stretching transformation and savings plans. In the short-term, these factors, alongside an exceptionally high volume of sports content produced in Summer 2024, point towards an atypical 2024/25 Income Statement deficit. However, this position is forecast to return to a surplus in the following years.

To prudently manage these factors, as well as dealing with other wider sector and macro-economic challenges, BBC management will apply increased financial stress testing and sensitivity analysis in its ongoing financial planning routines, adopting the same mechanisms which have been used to support the 2023/24 Going Concern assumption.

Further information on this approach is in the Viability Statement on page 121, which shows a robust assessment of the principal risks facing the Corporation, including those that would threaten its business model, future performance, solvency or liquidity. In particular, the Directors have applied assumptions relating to the changing risk profile arising as described under principal risk 1, "Our Finances" to cash flow and budgetary modelling.

The Charter and licence fee give the BBC a secure source of income, however the timing of cash flows is an important factor in the consideration of going concern given the borrowing restrictions agreed with the DCMS for both the Public Service Broadcaster (PSB) Group (£2,200 million of which £2,000 million is available to fund leases) and the Commercial Group (£800 million of which £200 million is specifically for leases).

The Board remains satisfied with the BBC's funding and liquidity position. The BBC PSB Group has external funding available, including a £200 million sterling revolving credit facility which expires on 31 March 2025, £150 million has been renewed early with a further £50 million expected to be agreed later in 2024. This facility is currently unutilised. Including leases, PSB Group net debt at 31 March 2024 was £1,203 million, which equates to headroom of £997 million against the borrowing limit available.

There is a separate facility available to the BBC Commercial Group. At the balance sheet date, the primary source of funding to the Commercial Group was a £310 million facility with a group of international banks (maturing March 2026 following the exercise of two one year extension options), £170 million term loan (maturing June 2025 following the exercise of two one year extension options) and £150 million Private Placement (with funding received on 26th February 2024 and maturing February 2039). As at the year-end the BBC Commercial Group had drawn down £520 million (£519 million net of the impact of foreign exchange swap transactions) (2023: £170 million).

In June 2024 the Commercial Group agreed a second £150 million private placement (with funding committed to be received in July 2024 and maturing in July 2041)

The Board of the BBC has reviewed the cash flow forecasts, projections and available external borrowing facilities. Together with the sensitivities and mitigating factors in the context of available funds, they expect the BBC to be able to meet its debts as they fall due for the 12-month period from the date of approval of these financial statements.

As a result, the Board are satisfied that the going concern basis is appropriate for the preparation of these financial statements.

### Basis of consolidation

The BBC's financial statements include the results of the BBC and all businesses controlled by the BBC (subsidiaries) together with the BBC's share of the results of businesses over which the BBC has significant influence but not control (associates) and those which the BBC jointly controls (joint ventures).

At the point of acquisition, and wherever relevant circumstances change thereafter, the BBC has assessed whether its economic interest should be considered to be subsidiaries, associates or joint ventures. In such circumstances, the assessment performed is on the BBC's ability to control or influence those entities. The BBC controls an investee if, and only if, it has power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee), exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns. Where such policies are reserved such that an economic partner has the power to veto key strategic financial and operating decisions, the entity is considered to be an associate or joint venture undertaking.

The BBC consolidates its subsidiaries on a line-by-line basis, recognising separately any share of results held by non-controlling interests. A non-controlling interest is the interest in a subsidiary that is not owned, directly or indirectly, by the BBC. The non-controlling interest reflects the amount of the net result for the year and the net assets/ (liabilities) which are not attributable to the BBC.

Changes in the BBC's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions, being movements between reserves attributable to the BBC and non-controlling interests. The carrying amounts of non-controlling interests are adjusted to reflect any changes in their and the BBC's relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the BBC.

When the BBC loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the net assets of the subsidiary (including attributable goodwill) and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to the income statement or transferred directly to retained earnings as appropriate. The fair value of any interest retained in the former subsidiary at the date when control is lost is regarded as the cost on initial recognition of an investment in an associate or joint venture.

The BBC accounts for its interests in associates and joint ventures using the equity method. Using the equity method, the BBC presents its interest in associates or joint ventures as a single line item in the balance sheet, measured at the cost of the investment plus the share of the net result, less dividends received. The equity-accounted result for the year is presented as a single line item in the income statement.

## Financial statements

### Notes to the accounts continued

Where necessary, adjustments are made to the financial statements of subsidiaries, associates and joint ventures to bring the accounting policies used into line with those used by the BBC. All intra-group transactions, balances, income and expenses are eliminated on consolidation. Unrealised gains from transactions with associates and joint ventures are eliminated to the extent of the BBC's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of each entity of the BBC at an average exchange rate.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at the rate of exchange ruling at that date. Foreign currency gains or losses arising from the translation of assets and liabilities at these rates of exchange, together with exchange differences arising from transactions settled during the year, are included in the income statement within operating costs. Non-monetary assets and liabilities measured at historical cost are translated into sterling at the rate of exchange on the date of initial recognition.

#### Financial statements of foreign operations

The assets and liabilities of foreign operations are translated into sterling at the rate of exchange ruling at the balance sheet date. The income and expenses of foreign operations are translated into sterling at average rates of exchange ruling during the financial period, which is a good approximation for the actual rate. Exchange differences arising on translation are recognised directly in the translation reserve.

On disposal of an investment in a foreign operation, the associated translation reserve balance is released to the income statement.

#### Adoption of new and revised accounting standards

The following new and revised standards and interpretations have been adopted for the first time, as they became effective for this financial year:

- Definition of Accounting Estimates (Amendments to IAS 8). The amendment introduces the definition of accounting estimates and helps entities distinguish changes in accounting estimates from changes in accounting policies.
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12). This amendment requires companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.
- Insurance Contracts (IFRS 17). This sets out the requirements for a company reporting information about insurance contracts it issues and reinsurance contracts it holds.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practical Statement 2). The amendment requires that an entity discloses its material accounting policies instead of its significant accounting policies.
- International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12). The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes and the disclosures thereon.

These have been applied since 1 April 2023 and have not had a significant impact on the results or financial position of the BBC. The Group has applied the exemption under IAS 12 for international tax reform, to recognising and disclosing information about deferred tax assets and liabilities related to top-up income taxes.

#### New standards and interpretations not yet adopted

At the date of authorisation of these financial statements, the following standards and interpretations that have been endorsed by the UK, which have not been applied as not yet effective are:

- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16). The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.
- Non-current Liabilities with Covenants (Amendments to IAS 1). The amendments clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability.
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7). The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

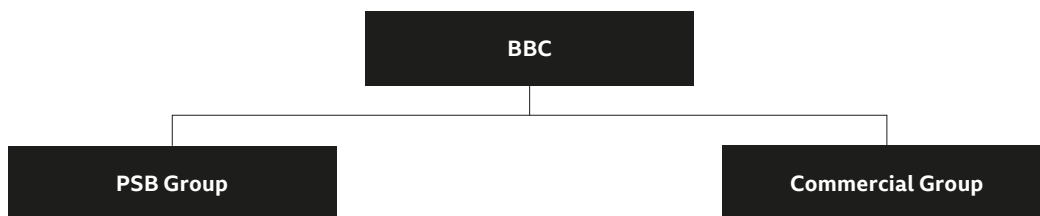
The directors do not expect that the adoption of the standards and interpretations above would have a material impact on the financial statements of the BBC in future periods.

**B. The BBC's operations, income and expenditure**

The BBC Group structure separates its Public Service Broadcasting (PSB) Group activities from Commercial Group.

The distinction between the segments is important as the BBC must not cross-subsidise its commercial activities through its PSB Group or grant-funded activities.

The PSB Group part of the BBC receives licence fee income for the purpose of making content available for licence fee payers. PSB Group therefore owns many programme titles which have the potential to generate additional income through a more commercial market, for example airing across other platforms, merchandising, etc.



The commercial arm of the BBC Group is used to trade within that commercial market. It is self-funded and operates independently to the PSB arm of the BBC Group. The profits generated are distributed back to the PSB Group, through dividends and programme investment, thereby contributing towards the funding of PSB Group activities.

The notes in this section provide information on the performance in the year for each segment of the BBC Group.

In previous years, Studios Group and Other Commercials were reported as separate segments to the BBC Board. This reporting however changed for 2023/24 where they combined to form the Commercial Group accordingly. The segmental analysis presented has therefore been restated to reflect this change.

The BBC's operating segments are reported in a manner consistent with the internal reports provided to the BBC Board, who are responsible for making strategic decisions, allocating resources and assessing performance of the operating segments. They are noted as:

**PSB Group**

PSB Group is responsible for the BBC Public Service activities and provides a wide range of programmes to audiences across the UK on television, radio, digitally and across the world via its World Service provision. Examples of some of its well known services are:



**Commercial Group**

The Commercial Group is the BBC's production and distribution business. It creates, invests in, develops, produces, commercialises and distributes content which sits at the heart of the BBC schedule as well as across multiple platforms and around the world, delivering value back to the licence fee consumer through support for programme funding and cash dividends. Examples of some of its well-known brands are:



## Financial statements

### Notes to the accounts continued

#### **B. The BBC's operations, income and expenditure** continued

**Group adjustments** reflect eliminations required for trading activity between the segments detailed above.

Information regarding reporting segment total assets and liabilities, financing income/cost and taxation is not reported to the Board.

Further information on the PSB Group expenditure can be found within the Strategic Report. Key policies adhered to are:

- Spend by BBC service shows the cost to the licence fee payer of providing the relevant service and therefore excludes any costs funded by a co-producer.
- For BBC Online, the service spend reflects the incremental costs of getting content to audiences unless the content is specifically commissioned for this service.

This means the costs reported against individual services are not necessarily equivalent to the costs which would be incurred by such a service on a stand-alone basis.

The prices charged for the services provided between PSB Group and the Commercial Group are determined on an arm's length basis in accordance with Ofcom's Trading and Separation Obligations and the BBC published transfer pricing methodologies.

Also included within this section is additional information to comply with Ofcom's Commercial and Trading Reporting requirements.

#### Risk – Income recognition

There is a risk that income is not recognised correctly in line with financial reporting standards. The nature of the risk varies between licence fee income in the public service and commercial income.

The BBC mitigates this risk by ensuring good financial controls are in place, and regularly reviewing material areas or complex judgements relating to income recognition.

#### Judgement – Income recognition

Income recognition in the BBC's Commercial Group can be complex with a number of different income streams including sale of content to global broadcasters, subscription income and income from the sale of physical and digital products. The complexity of individual contractual terms may require the BBC to make judgements in assessing when the criteria for recognising income have been satisfied, particularly whether the BBC has sufficiently fulfilled its obligations under the contract to allow income to be recognised.



**B. The BBC's operations, income and expenditure** continued**B1 Income and operating results**

| 2024  | Note | PSB Group<br>£m | Commercial<br>Group<br>£m | Intra-group<br>eliminations<br>£m | Group<br>£m  |
|---|------|-----------------|---------------------------|-----------------------------------|--------------|
| Licence fee income                                | B2   | 3,660           | –                         | –                                 | 3,660        |
| Total income from contracts with customers        | B3.2 | 207             | 1,859                     | (473)                             | 1,593        |
| Grant income                                      |      | 112             | –                         | –                                 | 112          |
| Rental and associated income                      |      | 31              | –                         | (12)                              | 19           |
| Other income                                      |      | 7               | –                         | (2)                               | 5            |
| Total other income                                |      | 357             | 1,859                     | (487)                             | 1,729        |
| <b>Total income</b>                               | B3.1 | <b>4,017</b>    | <b>1,859</b>              | <b>(487)</b>                      | <b>5,389</b> |
| Depreciation and amortisation                     | B6   | (149)           | (234)                     | 4                                 | (379)        |
| Other operating costs                             |      | (4,144)         | (1,681)                   | 552                               | (5,273)      |
| Total operating costs                             | B7   | (4,293)         | (1,915)                   | 556                               | (5,652)      |
| <b>Group operating (deficit)/surplus</b>          | B8   | <b>(276)</b>    | <b>(56)</b>               | <b>69</b>                         | <b>(263)</b> |
| Share of results of associates and joint ventures | E7   | –               | 29                        | –                                 | 29           |
| Other gains and losses                            | C2   | 13              | 196                       | –                                 | 209          |
| Operating segment result                          |      | (263)           | 169                       | 69                                | (25)         |
| Financing income                                  | C3   |                 |                           |                                   | 94           |
| Financing costs                                   | C3   |                 |                           |                                   | (81)         |
| Net financing income                              | C3   |                 |                           |                                   | 13           |
| <b>Deficit before taxation</b>                    |      |                 |                           |                                   | <b>(12)</b>  |
| Taxation  | C4.1 |                 |                           |                                   | 241          |
| <b>Surplus for the year</b>                       |      |                 |                           |                                   | <b>229</b>   |

The tables in this section demonstrate how each of our different operating segments have performed over the past 12 months and how we internally monitor and report our results. The Commercial Group aims to maximise their long-term operating profits to provide commercial returns back to the BBC Group. The PSB Group is closely monitored on its effective use of the licence fee and the public services it provides. Its primary obligation is delivering value for all audiences.

## Financial statements

### Notes to the accounts continued

#### B. The BBC's operations, income and expenditure continued

##### B1 Income and operating results continued

| 2023  | Note | PSB Group<br>£m | Commercial<br>Group*<br>£m | Intra-group<br>eliminations*<br>£m | Group<br>£m |
|---|------|-----------------|----------------------------|------------------------------------|-------------|
| Licence fee income                                | B2   | 3,740           | –                          | –                                  | 3,740       |
| Total income from contracts with customers        | B3.2 | 198             | 2,113                      | (458)                              | 1,853       |
| Grant income                                      |      | 98              | –                          | –                                  | 98          |
| Rental and associated income                      |      | 37              | 1                          | (12)                               | 26          |
| Other income                                      |      | 6               | 1                          | 1                                  | 8           |
| Total other income                                |      | 339             | 2,115                      | (469)                              | 1,985       |
| <b>Total income</b>                               | B3.1 | 4,079           | 2,115                      | (469)                              | 5,725       |
| Depreciation and amortisation                     | B6   | (156)           | (277)                      | (2)                                | (435)       |
| Other operating costs                             |      | (4,286)         | (1,732)                    | 535                                | (5,483)     |
| Total operating costs                             | B7   | (4,442)         | (2,009)                    | 533                                | (5,918)     |
| <b>Group operating (deficit)/surplus</b>          | B8   | (363)           | 106                        | 64                                 | (193)       |
| Share of results of associates and joint ventures | E7   | –               | 12                         | –                                  | 12          |
| Other gains and losses                            | C2   | 2               | (51)                       | –                                  | (49)        |
| Operating segment result                          |      | (361)           | 67                         | 64                                 | (230)       |
| Financing income                                  | C3   |                 |                            |                                    | 151         |
| Financing costs                                   | C3   |                 |                            |                                    | (60)        |
| Net financing income                              | C3   |                 |                            |                                    | 91          |
| <b>Deficit before taxation</b>                    |      |                 |                            |                                    | (139)       |
| Taxation  | C4.1 |                 |                            |                                    | 19          |
| <b>Deficit for the year</b>                       |      |                 |                            |                                    | (120)       |

\* The comparatives have been restated to reclassify the share of results of associates and joint ventures to below group operating deficit and to reclassify spend between other gains and losses and operating costs following a review in this area (see note B8 for further details).

##### B2 Licence fee income

Income from television licences represents the value of licences issued in the year, less a deduction for refunds, cancellations and estimated impairment of licence fee sales debt.

The BBC collects the licence fee on behalf of the Government's consolidated fund. Licence fee income is then drawn down from the consolidated fund by DCMS and passed to the BBC as grant income. Licence fee income is recognised in full at the point the licence comes into force. Accordingly a licence fee receivable/payable is also recognised for those licences paid in arrears/advance.

|  | 2024                     |  |                            | 2023                     |  |                            |
|--|--------------------------|--|----------------------------|--------------------------|--|----------------------------|
|  | Licence fee<br>2024<br>£ | Licences in force as<br>at 31 March 2024<br>'000 | Total income<br>2024<br>£m | Licence fee<br>2023<br>£ | Licences in force as<br>at 31 March 2023<br>'000 | Total income<br>2023<br>£m |
| Colour                                   | 159.00                   | 22,731   | 3,638                      | 159.00                   | 23,236   | 3,718                      |
| Monochrome                               | 53.50                    | 4  | –                          | 53.50                    | 4  | –                          |
| Concessionary – Blind                    | 79.50                    | 72   | 6                          | 79.50                    | 70   | 6                          |
| Concessionary – Other                    | 7.50                     | 117  | 1                          | 7.50                     | 115  | 1                          |
| Quarterly payment scheme premium         |                          |  | 15                         |                          |  | 15                         |
| <b>Total paid-for licences</b>           |                          | 22,924   | 3,660                      |                          | 23,425   | 3,740                      |
| BBC funded*                              |                          | 964  | –                          |                          | 947  | –                          |
| <b>Total licences/licence fee income</b> |                          | 23,888   | 3,660                      |                          | 24,372   | 3,740                      |

\* Primarily relates to free licences issued to anyone over 75 who receive Pension Credit. Licence holders who are over 75 and resident in an Accommodation for Residential Care (ARC) scheme or an ARC scheme with Preserved Rights are also eligible for a free licence.

During the year 3 million (2023: 3 million) colour licences were issued under the quarterly payment scheme at a premium of £5 each (2023: £5).

**B. The BBC's operations, income and expenditure** continued**B3 Total income****Income from contracts with customers**

Income is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Income recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. The complexity of individual contractual terms may require the BBC to make judgements in assessing when the triggers for income recognition have been met, particularly whether the BBC has sufficiently fulfilled its obligations under the contract to allow income to be recognised.

Income is recognised either when the performance obligation in the contract has been performed ('point in time' or 'over time') as control of the performance obligation is transferred to the customer. A performance obligation must meet one of the three criteria in IFRS 15 Revenue to meet 'over time' recognition. The default category, if none of these criteria are met, is 'point in time' recognition. Further detail on the category of income recognition for each income stream can be found below.

IFRS 15 provides more comprehensive guidance for contracts to licence intellectual property, or contracts where licence of intellectual property is a significant component. Each performance obligation is identified and evaluated as to whether it represents a right to access the content (income recognised over time) or represents a right to use the content (income recognised at a point in time) and all three of the criteria referred to above must be met to meet the definition of a 'right to access' licence. The majority of the Group's contracts to licence intellectual property have defaulted to a 'right to use' licence and the income recognised at a 'point in time'.

**Content and format sales**

Licence fees from programme content and programme formats are recognised on the later of the start of the licence period (taking into account any holdback dates) or when the Group's performance obligations have been satisfied. For content sales the performance obligation will generally be to deliver the associated programme to the customer, therefore income is recognised 'episodically' – on delivery of each episode. For format sales, there are two performance obligations – to provide the format 'bible' and in some cases production assistance. Income is allocated to each of these performance obligations based on stand-alone selling prices and recognition at the two separate 'points in time'. The payment terms are over the term of the contract.

**Production income**

Production income is recognised on delivery of the related programme or on a stage of completion basis, depending on the nature of the contract with the customer. Income is recognised either when the performance obligation in the contract has been performed ('point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer. The payment terms are over the term of the contract.

**Subscription fees**

Subscription fees on pay channel platforms, from subscriptions to print and online publications and services are recognised as earned, pro-rata over the subscription period. The performance obligation is to provide the subscription service over the period of the contract. This performance obligation meets the definition of 'right to access' as the customer simultaneously receives and consumes the benefits as the Group provides the service. Therefore, subscription fee income is recognised 'over time'. Minimum guarantees related to subscription fee income are recognised pro-rata straight line over the contract life, in line with 'over time' recognition. The payment terms are quarterly in arrears.

**Advertising income**

Advertising income is recognised on transmission or publication of the advertisement. The performance obligation is satisfied at this 'point in time' – when each advertisement occurs. The payment terms are over the term of the contract.

**Consumer products**

Income generated from the sale of consumer products (merchandising) is recognised at the time of delivery. Income from the sale of goods is stated net of deductions for actual and expected returns based on management judgement and historical experience. The performance obligation is delivery of the products and therefore income is recognised at a 'point in time'. The payment terms are over the term of the contract.

**Royalties**

Royalty income arising from sales and usage-based royalties are recognised at the later of when the subsequent sales or usage occurs, or the performance obligation has been satisfied except where there is insufficient data to measure this and then royalty income is recognised on a cash basis. The value of income recognised on a cash basis is immaterial to the accounts. Minimum guarantees related to royalty income are recognised on delivery of the completed content to the customer, with any subsequent royalties recognised as earned. Therefore, royalty income is recognised at a 'point in time'. The payment terms are over the term of the contract.

**Grant income**

Grants, other than licence fee income, from government departments are recognised as income in the financial year that they relate to. Grants from other public bodies are recognised as income consistently with the related costs, provided that there is reasonable assurance that the BBC will comply with any conditions attached to the grant and that the grant will be received.

**Rental income**

Rental income is recognised on a straight-line basis over the term of the lease.

**Other income**

Other income arises from activities such as the sale of goods, provision of services and granting of licences. Income is measured after deductions for value added tax, any other sales taxes, trade discounts and sales between BBC companies.

The recognition point varies depending on the nature of the revenue stream.

## Financial statements

## Notes to the accounts continued

## B. The BBC's operations, income and expenditure continued

## B3 Total income continued

## B3.1 PSB Group Income

|  | 2024                  |                             |                       | 2023                     |                             |                       |
|--|-----------------------|-----------------------------|-----------------------|--------------------------|-----------------------------|-----------------------|
|  | External income<br>£m | Intra-group<br>Income<br>£m | Total<br>Income<br>£m | External<br>income<br>£m | Intra-group<br>Income<br>£m | Total<br>Income<br>£m |
| Licence fee income                         | 3,660                 | –                           | 3,660                 | 3,740                    | –                           | 3,740                 |
| Content and format sales                   | 6                     | 10                          | 16                    | 7                        | 11                          | 18                    |
| Production income                          | 39                    | 5                           | 44                    | 33                       | 6                           | 39                    |
| Royalties                                  | 22                    | 48                          | 70                    | 25                       | 57                          | 82                    |
| Advertising income                         | –                     | –                           | –                     | 3                        | –                           | 3                     |
| Consumer products                          | 22                    | 1                           | 23                    | 16                       | 1                           | 17                    |
| Other contract income                      | 24                    | 30                          | 54                    | 11                       | 28                          | 39                    |
| Total income from contracts with customers | 113                   | 94                          | 207                   | 95                       | 103                         | 198                   |
| Grant income                               | 112                   | –                           | 112                   | 98                       | –                           | 98                    |
| Rental and associated income               | 19                    | 12                          | 31                    | 25                       | 12                          | 37                    |
| Other income                               | 5                     | 2                           | 7                     | 6                        | –                           | 6                     |
| Total other income                         | 136                   | 14                          | 150                   | 129                      | 12                          | 141                   |
| <b>Total income</b>                        | <b>3,909</b>          | <b>108</b>                  | <b>4,017</b>          | <b>3,964</b>             | <b>115</b>                  | <b>4,079</b>          |

## £ B3.2 Income from contracts with customers

| 2024  | Note     | PSB Group<br>£m | Commercial<br>Group<br>£m | Intra-group<br>eliminations<br>£m | Group<br>£m |
|---|----------|-----------------|---------------------------|-----------------------------------|-------------|
| <b>Income streams</b>                           |          |                 |                           |                                   |             |
| Content and format sales                        |          | 16              | 309                       | (31)                              | 294         |
| Production income                               |          | 44              | 821                       | (366)                             | 499         |
| Royalties                                       |          | 70              | 91                        | (48)                              | 113         |
| Advertising income                              |          | –               | 302                       | –                                 | 302         |
| Subscription fees                               |          | –               | 241                       | –                                 | 241         |
| Consumer products                               |          | 23              | 93                        | (1)                               | 115         |
| Other contract income                           |          | 54              | 2                         | (27)                              | 29          |
|   | B1, B3.1 | 207             | 1,859                     | (473)                             | 1,593       |
| <b>Timing of transfer of goods and services</b> |          |                 |                           |                                   |             |
| At a point in time                              |          | 134             | 1,560                     | (445)                             | 1,249       |
| Over time                                       |          | 73              | 299                       | (28)                              | 344         |
|   | B1       | 207             | 1,859                     | (473)                             | 1,593       |

This table details the BBC's external sources of contract income by operating segment and the timing of how the income is received.

**B. The BBC's operations, income and expenditure** continued**B3 Total income** continued**B3.2 Income from contracts with customers** continued

| 2023  | Note     | PSB Group<br>£m | Commercial<br>Group*<br>£m | Intra-group<br>eliminations*<br>£m | Group<br>£m |
|---|----------|-----------------|----------------------------|------------------------------------|-------------|
| <b>Income streams</b>                           |          |                 |                            |                                    |             |
| Content and format sales                        |          | 18              | 452                        | (20)                               | 450         |
| Production income                               |          | 39              | 1,009                      | (353)                              | 695         |
| Royalties                                       |          | 82              | 58                         | (56)                               | 84          |
| Advertising income                              |          | 3               | 295                        | –                                  | 298         |
| Subscription fees                               |          | –               | 208                        | –                                  | 208         |
| Consumer products                               |          | 17              | 91                         | (1)                                | 107         |
| Other contract income                           |          | 39              | –                          | (28)                               | 11          |
|   | B1, B3.1 | 198             | 2,113                      | (458)                              | 1,853       |
| <b>Timing of transfer of goods and services</b> |          |                 |                            |                                    |             |
| At a point in time                              |          | 132             | 1,803                      | (433)                              | 1,502       |
| Over time                                       |          | 66              | 310                        | (25)                               | 351         |
|   | B1       | 198             | 2,113                      | (458)                              | 1,853       |

\* The comparatives have been re-presented to reflect the new segments reported to the BBC Board.

**B3.3 Transaction price allocated to the remaining performance obligations**

The following table includes income expected to be recognised in the future related to the performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

|                          | 2025<br>£m | 2026<br>£m | 2027<br>£m | Beyond<br>£m |
|--------------------------|------------|------------|------------|--------------|
| Content and format sales | 158        | 101        | 9          | 185          |
| Production income        | 330        | 134        | 38         | 79           |
| Royalties                | 33         | 29         | 33         | 34           |
| Advertising income       | 249        | 236        | 248        | 255          |
| Subscription fees        | 165        | 48         | 35         | 12           |
| Other contract income    | 13         | 8          | 10         | 11           |
|                          | 948        | 556        | 373        | 576          |

This table details the amounts still due under contracts that have not yet been fulfilled. This therefore gives an indication of when that income is expected to be recognised in the future.

The BBC applies the practical expedient allowable by paragraph 121 of IFRS 15 and does not disclose information about the remaining performance obligations that have original expected durations of one year or less.

**B3.4 Contract costs****■ Costs of obtaining long-term contracts and costs of fulfilling contracts**

The costs of fulfilling contracts do not result in the recognition of a separate asset because:

- such costs are included in the carrying amount of inventory for contracts involving the sale of goods; and
- for service contracts, income is recognised over time by reference to the stage of completion, meaning that control of the asset is transferred to the customer on a continuous basis as work is carried out. Consequently, no asset for work in progress is recognised.

The Group has taken advantage of the practical exemptions:

- not to account for significant financing components where the time difference between receiving consideration and transferring control of goods (or services) to its customer is one year or less; and
- to expense the incremental costs of obtaining a contract when the amortisation period of the asset otherwise recognised would have been one year or less.

There were no capitalised commission fees or any other material contract costs in the current year or prior year.

## Financial statements

### Notes to the accounts continued

#### B. The BBC's operations, income and expenditure continued

##### B4 Geographical location of non-current assets and income

| 2024  | PSB Group<br>£m | Commercial<br>Group<br>£m | Intra-group<br>eliminations<br>£m | Group<br>£m  |
|---|-----------------|---------------------------|-----------------------------------|--------------|
| <b>Non-current assets excluding deferred tax and financial instruments:</b> |                 |                           |                                   |              |
| UK  | 2,294           | 637                       | (251)                             | 2,680        |
| America   | 9               | 432                       | –                                 | 441          |
| Australia   | –               | 23                        | –                                 | 23           |
| Rest of world   | 31              | 12                        | –                                 | 43           |
|   | <b>2,334</b>    | <b>1,104</b>              | <b>(251)</b>                      | <b>3,187</b> |
| Additions included in non-current assets and investments                    | 84              | 737                       | 1                                 | 822          |
| <b>External income:</b>   |                 |                           |                                   |              |
| UK  | 3,992           | 913                       | (487)                             | 4,418        |
| America   | 11              | 454                       | –                                 | 465          |
| Australia   | 1               | 79                        | –                                 | 80           |
| Rest of world   | 13              | 413                       | –                                 | 426          |
|   | <b>4,017</b>    | <b>1,859</b>              | <b>(487)</b>                      | <b>5,389</b> |

| 2023  | PSB Group<br>£m | Commercial<br>Group*<br>£m | Intra-group<br>eliminations*<br>£m | Group<br>£m  |
|---|-----------------|----------------------------|------------------------------------|--------------|
| <b>Non-current assets excluding deferred tax and financial instruments:</b> |                 |                            |                                    |              |
| UK  | 2,309           | 513                        | 443                                | 3,265        |
| America   | 10              | 152                        | –                                  | 162          |
| Australia   | –               | 10                         | –                                  | 10           |
| Rest of world   | 32              | 5                          | –                                  | 37           |
|   | <b>2,351</b>    | <b>680</b>                 | <b>443</b>                         | <b>3,474</b> |
| Additions included in non-current assets and investments                    | 76              | 310                        | –                                  | 386          |
| <b>External income:</b>   |                 |                            |                                    |              |
| UK  | 4,055           | 939                        | (469)                              | 4,525        |
| America   | 12              | 710                        | –                                  | 722          |
| Australia   | 2               | 85                         | –                                  | 87           |
| Rest of world   | 10              | 381                        | –                                  | 391          |
|   | <b>4,079</b>    | <b>2,115</b>               | <b>(469)</b>                       | <b>5,725</b> |

\* The comparatives have been re-presented to reflect the new segments reported to the BBC Board.

**Non-current assets** are the Group's long-term investments where the full value will not be realised within an accounting year.

The allocation of income and non-current assets to geographical segments is based upon the business region in which the income is generated/assets reside.

Further analysis of the Group's income by product or service line is not provided as this information is not routinely reported to the Board.

#### B5 Contribution from commercial activities

A dividend of £88 million was declared but not paid by BBC Commercial Limited to the PSB Group (2023: £198 million dividend declared that was paid during 2023/24).

BBC Studios declared a dividend of £73 million to BBC Commercial Limited (2023: £176 million), none of which was paid at 31 March 2024 (2023: £146 million paid during 2022/23, £30 million paid during 2023/24).

A dividend of £6 million was declared and paid to BBC Commercial Limited by BBC Studioworks Limited in the prior year.

The dividends above are not identifiable in the consolidated primary statements as they are eliminated upon consolidation.

**B. The BBC's operations, income and expenditure** continued**B6 Total operating costs**

The accounting policies for the sections below are detailed within their respective balance sheet notes with the exception of development and research costs.

- Online and TV development spend funds the near-term development of new platforms and services, particularly for BBC Online. This is primarily focused on new features for existing services and also includes related support and overhead costs.

It is distinct from research department costs which is focused on much longer-term research of new technology and standards that benefit the whole industry.

Total operating costs of £5,652 million (2023: £5,918 million) have been arrived at after charging the following items:

|   | Note   | 2024<br>£m | 2023*<br>£m |
|---|--------|------------|-------------|
| <b>Intangible fixed assets, property, plant and equipment and other investments</b> |        |            |             |
| Depreciation  |        |            |             |
| • owned assets  | E4     | 67         | 74          |
| • leased assets   | F1, F3 | 99         | 95          |
| Amortisation of intangible fixed assets   | E2     | 213        | 266         |
| <b>Inventories</b>  |        |            |             |
| Write-downs of programme-related assets recognised as an expense                    |        | 17         | 10          |
| <b>Other operating costs</b>  |        |            |             |
| Staff costs   | D2     | 1,587      | 1,520       |
| Online and TV development   |        | 71         | 51          |
| Research costs  |        | 21         | 21          |
| Content impairments   |        | 9          | –           |
| Net exchange differences on settled transactions                                    |        | (2)        | –           |
| Expenses relating to short-term leases  | F5     | 10         | 10          |
| Audit fees (see below)  |        | 3          | 3           |
| Impairment of trade receivables   | H1.4   | 5          | 2           |
| Expenses relating to leases of low-value assets, excluding short-term leases        | F5     | 1          | 4           |

\* The comparatives have been restated to reflect the reclassification of spend between other gains and losses and operating costs following a review in this area (see note B8 for further details).

**Research costs** are incurred to explore ideas for new programmes or assets, such as BBC iPlayer. Research costs are where the ideas are generated, some of which are then developed further into a plan or design where the costs are then categorised as development.

The Comptroller and Auditor General (C&AG) is the statutory external auditor for the BBC Group. The National Audit Office (NAO) provided external audit services on behalf of the C&AG for the financial years ended 31 March 2024 and 31 March 2023.

The following table presents the aggregate fees for the external audit (including the audit of pay disclosures and other assurance work) undertaken by the NAO which totalled £3,184,000. The aggregate external audit fees for 2022/23 of £2,968,000 were reduced after the reporting date to £2,906,000 reflecting a decrease in the number of group component statutory audits required. As in prior years, the NAO on behalf of the C&AG also audits the TV Licence Fee Trust Statement and provides Value for Money reports on the activities of the BBC to Parliament. These services are funded by Parliament.

No additional services were provided by the C&AG or NAO during 2023/24 or 2022/23.

|  | 2024<br>£m | 2023<br>£m |
|--|------------|------------|
| For the audit of the BBC's annual accounts | 1          | 1          |
| For the audit of subsidiaries of the BBC   | 2          | 2          |
| <b>Total fees paid</b>                     | <b>3</b>   | <b>3</b>   |

## Financial statements

### Notes to the accounts continued

#### B. The BBC's operations, income and expenditure continued

##### B7 Analysis of total operating costs by commercial activities

|                              | Commercial Group* |              |
|------------------------------|-------------------|--------------|
|                              | 2024<br>£m        | 2023<br>£m   |
| Cost of sales                | 1,440             | 1,608        |
| Distribution costs           | 164               | 142          |
| Administration expenses      | 311               | 259          |
| <b>Total operating costs</b> | <b>1,915</b>      | <b>2,009</b> |

\* The comparatives have been re-presented to reflect the new segments reported to the BBC Board and the presentational changes applied following the change in definition of EBITDA within the Commercial Group during the year. See note B8 for further details.

Analysis of total operating costs for the PSB Group can be found within the Chief Operating Officer's review on page 56.

##### B8 Commercial EBITDA

The Commercial Group believes that earnings before interest, tax, depreciation and amortisation ('EBITDA') is the non-statutory measure of financial performance that best provides guidance to help understand performance on a comparable basis year on year. The intention of this is to illustrate an underlying profitability that can be benchmarked relatively easily and gives a reasonable base from which to link through to cash flow measures.

The Commercial Group defines EBITDA margin as statutory operating profit, with the following operating expenses added back: depreciation; non-content-related amortisation; impairments; earnout costs and non-cash settled long term incentive plan costs; deal costs; transformational restructuring costs; and other non-recurring exceptional items. In calculating EBITDA, the Commercial Group also offsets costs with production tax credits, which aligns to market practice.

The following table reconciles the EBITDA to the operating profit report:

|   | Commercial Group |            |
|---|------------------|------------|
|   | 2024<br>£m       | 2023<br>£m |
| EBITDA  | 199              | 252        |
| Operating exceptional items                         | (56)             | (8)        |
| Share of EBITDA of associates and joint ventures    | (39)             | (17)       |
| Production tax credits                              | (80)             | (57)       |
| Depreciation, amortisation and impairment*          | (80)             | (64)       |
| <b>Commercial Group operating (deficit)/surplus</b> | <b>(56)</b>      | <b>106</b> |

\* Excludes amortisation relating to distribution rights

Operating exceptional items include the following:

|   | Commercial Group |            |
|---|------------------|------------|
|   | 2024<br>£m       | 2023<br>£m |
| Acquisition related costs                 | (23)             | (2)        |
| Transformational restructuring costs      | (10)             | (4)        |
| Content impairments and onerous contracts | (9)              | –          |
| Other gains and losses                    | (14)             | (2)        |
| <b>Total operating exceptional items</b>  | <b>(56)</b>      | <b>(8)</b> |



**B. The BBC's operations, income and expenditure** continued**B8 Commercial EBITDA** continued

Following a review during the year, the Commercial Group adjusted its definition of EBITDA to ensure consistency with industry best practice. This resulted in a change in the presentation of the Income Statement and the reclassification of prior year impairment charges previously recognised in operating expenditure to other gains and losses as follows:

|   | Original<br>2023<br>£m | Adjust<br>Presentation<br>£m | Reclass<br>Impairments<br>£m | Restated<br>2023<br>£m |
|---|------------------------|------------------------------|------------------------------|------------------------|
| Licence fee income                                | 3,740                  | –                            | –                            | 3,740                  |
| Other income                                      | 1,985                  | –                            | –                            | 1,985                  |
| <b>Total income</b>                               | <b>5,725</b>           | <b>–</b>                     | <b>–</b>                     | <b>5,725</b>           |
| Total operating costs                             | (5,957)                | –                            | 39                           | (5,918)                |
| Share of results of associates and joint ventures | 12                     | (12)                         | –                            | –                      |
| <b>Group operating deficit</b>                    | <b>(220)</b>           | <b>(12)</b>                  | <b>39</b>                    | <b>(193)</b>           |
| Share of results of associates and joint ventures | –                      | 12                           | –                            | 12                     |
| Gains on disposal                                 | 11                     | (11)                         | –                            | –                      |
| Other gains and losses                            | (21)                   | 11                           | (39)                         | (49)                   |
| Net financing income                              | 91                     | –                            | –                            | 91                     |
| Deficit before taxation                           | (139)                  | –                            | –                            | (139)                  |
| Taxation  | 19                     | –                            | –                            | 19                     |
| <b>Deficit for the year</b>                       | <b>(120)</b>           | <b>–</b>                     | <b>–</b>                     | <b>(120)</b>           |

## Financial statements

### Notes to the accounts continued

#### C. Other profit and loss items

This section provides information relating to the following areas of the income statement:

##### Acquisitions and disposals

The BBC operates within a competitive market, and in order to ensure the BBC remains competitive and innovative within the market place, commercial decisions can be made to acquire other commercial operations or dispose of existing assets and investments.

##### + Risk – Acquisitions

Where large acquisitions are performed there is the risk that the transaction is not valued or accounted for correctly given the degree of judgement applied to the fair value calculation of the assets and liabilities purchased, the value of the consideration paid and consequently the resulting goodwill generated.

##### Judgements – Acquisitions

All identified assets and liabilities included within an acquisition are recognised at fair value as at the acquisition date. Fair value is determined by what could be exchanged between knowledgeable, willing parties in an arm's length transaction. Judgement is required in determining the valuation method for each identifiable asset and liability, which is specific for each category based on the most appropriate valuation method – including the cost, income and market approaches.

##### Significant estimate – Acquisitions

Significant estimation techniques can be required when determining the duration and expected quantum of future revenues in the calculation of the fair value of intangible assets acquired.

##### Other gains and losses

The BBC generates gains and losses which are unrelated to its normal course of business. These gains and losses are associated with the reclassification of certain financial assets which are separately disclosed.

##### Judgement – Other gains and losses

The classification of income or expense as exceptional in nature and hence recognised separately from operating profit requires judgement.

##### Net financing costs

The BBC incurs interest and other costs associated with the borrowing of funds which largely relate to bank borrowings, leases and the unwinding of discount rate applied to its longer-term payables. Financing income is largely generated by the BBC on the cash it holds in the bank, including its investments returns during the year and the unwinding of discounts applied to its longer-term receivables. Also included in net financing costs is the fair value movement of financial instruments used to manage the risk of interest rate fluctuations and fix the payment profile of lease repayments. Depending on market movements, these fair value changes could be classified as either income or expense in the year.

##### Estimate – Net finance costs

Net finance costs is the difference between the expected return on assets and the interest liabilities. For long-term receivables (where the right to receive consideration exceeds one year) and long-term payables (where the obligation to pay consideration exceeds one year) an effective interest rate is used to discount future cash flows over the life of the contract back to its present value. Judgement is required in determining the value of the effective interest rate so it reflects a current market assessment of the time value of money.

##### Taxation

The BBC's public sector 'free-to-air' broadcasting activities are not subject to taxation. The PSB Group is however liable to taxation on its other activities which yield a taxable profit including rent, royalties and interest receivable. The commercial subsidiaries in the BBC Group are taxed in accordance with tax legislation.

##### Estimate – Deferred tax

The amount of deferred tax provided is based on the expected manner of realisation of settlement of the carrying amount of assets and liabilities. A deferred tax asset is recognised only to the extent that it is probable that sufficient taxable profit will be available to utilise the temporary difference. Recognition of deferred tax assets therefore involves estimates around the timing and level of future taxable income.

**C. Other profit and loss items** continued**C1 Acquisitions**■ **Business combinations**

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given by the BBC in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date. Subsequent adjustments to the fair values of net assets acquired are made within 12 months of the acquisition date where original fair values were determined provisionally. These adjustments are accounted for from the date of acquisition. Transaction costs that the BBC incurs in connection with a business combination, such as legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred. On acquisition, the BBC recognises any non-controlling interest either at fair value or at the non-controlling interest's proportionate share of net assets. When control is obtained in successive share purchases (a 'step acquisition') it is accounted for using the acquisition method at the acquisition date. The previously held interest is remeasured to fair value at the acquisition date and a gain or loss is recognised in the income statement.

■ **Acquisitions**

All identified assets and liabilities included within an acquisition are recognised at fair value as at the acquisition date.

Material acquisitions in year were as follows:

**BritBox International**

On 29 February 2024, BBC Studios completed a deal with ITV plc to acquire their share of BritBox International. A gross cash payment of £272 million was made comprising a cash consideration for equity acquired paid of £255 million and a £17 million payment for ITV debt held with BritBox. At the date of acquisition, the BritBox balance sheet had £80 million of cash so the net cash investment was £192 million. The principal reason for this acquisition is that taking full ownership of a successful, growing streaming service aligns with the longer-term growth ambitions of the company and is expected to deliver a financial return.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

|   | £m  |
|---|-----|
| Cash consideration for equity acquired      | 255 |
| Cash payment for ITV debt held with BritBox | 17  |
|   | 272 |

The assets and liabilities recognised as a result of the acquisition are as follows:

|                            | Book value<br>£m | Adjustment<br>£m | Fair value<br>£m |
|----------------------------|------------------|------------------|------------------|
| <b>Intangible assets:</b>  |                  |                  |                  |
| Technology                 | 5                | –                | 5                |
| Brand name                 | –                | 76               | 76               |
| Customer relationships     | –                | 214              | 214              |
| Content licences           | 153              | (17)             | 136              |
| Receivables                | 36               | –                | 36               |
| Cash and cash equivalents  | 80               | –                | 80               |
| Payables                   | (118)            | 4                | (114)            |
| Deferred revenue           | (26)             | 5                | (21)             |
| Provisions                 | (2)              | (5)              | (7)              |
| Deferred tax liability     | –                | (38)             | (38)             |
| <b>Net assets acquired</b> | <b>128</b>       | <b>239</b>       | <b>367</b>       |

The assets acquired included customer-related intangible assets with an aggregate fair value of £214 million. The fair value of these assets has been determined using the excess earnings method. This method considers the present value of net cash-flows expected to be generated by the customer relationships, excluding any cash-flows relating to contributory assets.

The determination of their fair value was affected by assumptions such as future revenue levels and the duration over which revenues are expected to be derived from those relationships. Different assumptions about such matters would have changed the estimated fair value calculated.

The provisional goodwill recognised has been calculated as follows:

|                                 | £m    |
|---------------------------------|-------|
| Cash consideration paid         | (272) |
| Net assets acquired             | 367   |
| Joint venture disposed          | (272) |
| Provisional goodwill recognised | 177   |

## Financial statements

### Notes to the accounts continued

#### C. Other profit and loss items continued

##### C1 Acquisitions continued

###### Business combination achieved in stages

Pre-acquisition the BritBox joint venture was revalued from £70 million to a fair value of £272 million, resulting in a profit on disposal of £202 million recognised in the income statement.

###### Acquired receivables

The fair value of acquired trade receivables is £27 million. The gross contractual amount for trade receivables due is £27 million, all of which is expected to be collected.

###### Revenue and profit contribution

The acquired business contributed revenues of £19 million and net profit of £5 million to the Group for the period from 1 March 2024 to 31 March 2024.

###### Purchase consideration – cash inflow

|   | £m           |
|---|--------------|
| <b>Cash consideration</b>                         | <b>(272)</b> |
| Add cash acquired                                 | 80           |
| <b>Net outflow of cash – investing activities</b> | <b>(192)</b> |

#### C2 Other gains and losses

The table below provides a summary of the other gains and losses.

|  | Note | 2024<br>£m | 2023*<br>£m |
|--|------|------------|-------------|
| Gain on financial instruments                                  |      | 2          | 1           |
| Gain on disposal of asset held for sale                        |      | 13         | 2           |
| Gain on deemed disposal of associates and joint ventures       | C1   | 202        | 4           |
| Gain on disposal of interests in associates and joint ventures |      | –          | 5           |
| Impairment of investments                                      | E2   | (8)        | (39)        |
| Other gains and losses   |      | –          | (22)        |
|  |      | <b>209</b> | <b>(49)</b> |

\* The comparatives have been restated to reclassify spend between other gains and losses and operating costs following a review in this area (see note B8 for further details).

Deemed disposal gains and losses were driven by the BBC increasing its investment leading to the reclassification to that of a subsidiary. The entity is therefore consolidated as such, and hence a deemed disposal is recognised for the equity investment previously held.

#### C3 Net financing costs

Set out below is an analysis of the financing income and expenses incurred in the year. These amounts include interest relating to lease liabilities (see Note F5) and defined benefit pension schemes (see Note D6).

|   | Note | 2024<br>£m  | 2023<br>£m  |
|---|------|-------------|-------------|
| <b>Financing income</b>   |      |             |             |
| Interest income   |      | 40          | 22          |
| Unwinding of discounted receivables   |      | 17          | 16          |
| Fair value gains on financial instruments classified as fair value through surplus/(deficit)  |      | –           | 77          |
| <b>Financing income excluding that received from pension plan liabilities</b>                 |      | <b>57</b>   | <b>115</b>  |
| Net interest income on pension plan liabilities   | D6.3 | 37          | 36          |
| <b>Total financing income</b>   |      | <b>94</b>   | <b>151</b>  |
| <b>Financing costs</b>  |      |             |             |
| Interest expense  |      | (11)        | (8)         |
| Fair value losses on financial instruments classified as fair value through surplus/(deficit) |      | (19)        | (1)         |
| Interest on obligations under leases  | F5   | (51)        | (51)        |
| <b>Total financing costs</b>  |      | <b>(81)</b> | <b>(60)</b> |
| <b>Net financing income</b>   |      | <b>13</b>   | <b>91</b>   |

**C. Other profit and loss items** continued**C4 Taxation**

■ The tax charge for the period comprises both tax currently payable and deferred tax. Taxation is recognised in the income statement except to the extent that it relates to items recognised directly in reserves, in which case it is recognised in reserves.

Current tax is the expected tax payable for the year, using tax rates that are enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. In respect of tax currently payable:

- the PSB Group is not liable to corporation tax on any surplus licence fee income or grants received from government departments; however, it is fully liable for corporation tax on capital gains and on all its other external income. Expenditure on capital assets is not eligible for capital allowances giving rise to temporary differences that would lead to deferred tax assets or liabilities. Movements of fair value adjustments in the income statement give rise to deferred tax balances; and
- the BBC's commercial subsidiaries are liable for corporation tax based on taxable profit for the year.

Current tax assets and current tax liabilities are offset if, and only if, there is a legally enforceable right to set off the recognised amounts; and the entity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is provided using the balance sheet liability method on any temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the tax rates expected to apply in the period when the liability is settled or the asset is realised using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

- the same taxable entity; or
- different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**C4.1 Recognised in the income statement**

The tax credit for the year, based on the rate of corporation tax of 25% (2023: 19%) comprised:

|  | Note | 2024<br>£m  | 2023<br>£m |
|--|------|-------------|------------|
| <b>Current tax</b>   |      |             |            |
| UK corporation tax   |      | 77          | 25         |
| Foreign tax  |      | (19)        | (17)       |
| Adjustments in respect of prior years                      |      | 198         | 8          |
| <b>Total current tax</b>                                   |      | <b>256</b>  | <b>16</b>  |
| <b>Deferred tax</b>  |      |             |            |
| Origination and reversal of temporary differences          |      | (11)        | 6          |
| Changes in tax rate  |      | –           | 1          |
| Adjustments in respect of prior years                      |      | (4)         | (4)        |
| <b>Total deferred tax</b>                                  |      | <b>(15)</b> | <b>3</b>   |
| <b>Total taxation in the consolidated income statement</b> | C4.2 | <b>241</b>  | <b>19</b>  |

## Financial statements

### Notes to the accounts continued

#### C. Other profit and loss items continued

##### C4 Taxation continued

##### C4.2 Reconciliation of taxation

|  | Note | 2024<br>£m | 2023<br>£m |
|--|------|------------|------------|
| Deficit before tax   |      | (12)       | (139)      |
| Deficit before tax multiplied by standard rate of corporation tax in the UK of 25% (2023: 19%) |      | 3          | 26         |
| <b>Effects of:</b>   |      |            |            |
| <b>Public service activities</b>   |      |            |            |
| Public service taxable external income   |      | 2          | (12)       |
| Non-taxable public service income  |      | (70)       | (57)       |
| <b>Commercial activities</b>   |      |            |            |
| Disallowed expenditure (including impairment)  |      | 13         | 16         |
| Losses utilised  |      | (9)        | (5)        |
| Creative sector incentives   |      | 80         | 57         |
| Tax exempt capital gain (International)  |      | 37         | –          |
| Tax exempt capital gain (UK)   |      | 13         | –          |
| Overseas earnings  |      | (7)        | (13)       |
| Tax differential on overseas earnings  |      | –          | 2          |
| Deferred tax not recognised  |      | (15)       | –          |
| Changes in the tax rate  |      | –          | 1          |
| Adjustments in respect of prior years  |      | 194        | 4          |
| <b>Total tax for the year</b>  | C4.1 | <b>241</b> | <b>19</b>  |

The tax credit is primarily driven by the results of the commercial businesses, as the Group's public sector 'free-to-air' broadcasting activities are not subject to taxation.

The lower effective tax rate in the current year is partly driven by the resolution of PSB HMRC's enquiry into the corporate tax treatment of intellectual property income derived from the BBC's Rights Archive, for accounting periods ended 31 March 2009 to 31 March 2021. The agreement impacts accounting periods following the enquiry period. As a result of the agreement reached with HMRC during the year regarding the application of the intangible fixed asset regime, a one-off adjustment in respect of prior periods has been recorded. This comprises a prior year current tax credit of £137 million. As the Group now has excess tax losses no deferred tax asset is recognised on the UK tax losses carried forward. At the prior year reporting date, the BBC was working with advisers and HMRC to assess a number of potential scenarios and the tax consequences could not be reliably estimated. The repayment between HMRC and the BBC was only agreed in March 2024. Prior to this agreement there was significant uncertainty on the possible outcome, consequently this led to the adjustment being recognised in the 2023/24 financial statements.

##### C4.3 Factors that may affect future tax charges

The UK corporation tax rate is 25%, which was announced on 3 March 2021 by the Chancellor with effect from 1 April 2023.

In the UK Government's Finance Act (No.2) 2023, legislation was enacted introducing a 15% global minimum corporate income tax rate, in line with the Organisation for Economic Cooperation and Development's (OECD) Pillar Two model framework. The Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions where the Group operates. The legislation is effective for the Group's financial year beginning on 1 April 2024.

The Group is in scope of the legislation and has performed a number of preliminary assessments of the Group's potential exposure to Pillar Two income taxes based on financial information of the constituent entities in the Group. Based on the assessments performed, the Pillar Two effective tax rates in all jurisdictions in which the Group operates are expected to be either above 15% or covered by exemptions provided within the rules. Therefore, it is not expected that the legislation will have a material impact on the Group tax charge.

The BBC has applied the mandatory exception to the requirements in IAS 12 that an entity does not recognise and does not disclose information about deferred tax assets and liabilities related to the OECD pillar two income taxes.

##### C4.4 Current tax asset

The current tax asset totalling £116 million (2023: £62 million) includes £80 million (2023: £57 million) due in respect of creative sector incentives outstanding on high-end drama, comedy, natural history and factual productions.

**C. Other profit and loss items** continued**C4 Taxation** continued**C4.5 Deferred tax assets/(liabilities)**

|  | Fixed asset temporary differences<br>£m | Provisions<br>£m | Financial instruments<br>£m | Associates and joint ventures<br>£m | Programme rights<br>£m | Other<br>£m | Net deferred tax (liability)/asset<br>£m |
|--|---|------------------|-----------------------------|-------------------------------------|------------------------|-------------|--|
| At 1 April 2023                              | 6                                       | 6                | (4)                         | (21)                                | (7)                    | 14          | (6)                                      |
| Charge to the income statement               | (2)                                     | (5)              | –                           | –                                   | –                      | (4)         | (11)                                     |
| Charge to reserves                           | –                                       | –                | (3)                         | –                                   | –                      | –           | (3)                                      |
| Adjustment in respect of prior years         | –                                       | 1                | 1                           | –                                   | –                      | (6)         | (4)                                      |
| Exchange and other differences               | (11)                                    | (12)             | 5                           | 21                                  | 7                      | (9)         | 1  |
| Acquisition of joint ventures and associates | –                                       | –                | –                           | –                                   | –                      | (38)        | (38)                                     |
| <b>At 31 March 2024</b>                      | <b>(7)</b>                              | <b>(10)</b>      | <b>(1)</b>                  | <b>–</b>                            | <b>–</b>               | <b>(43)</b> | <b>(61)</b>                              |

| Deferred tax asset/(liability) presented within: | 2024<br>£m  | 2023<br>£m |
|--|-------------|------------|
| Non-current assets                               | 2           | 25         |
| Non-current liabilities                          | (63)        | (31)       |
|  | <b>(61)</b> | <b>(6)</b> |

**Deferred tax** is the amount of income tax payable or recoverable in future periods in respect of taxable or deductible temporary differences, the carry forward of unused losses and/or the carry forward of unused tax credits.

**Temporary differences** are differences between the carrying amount of an asset or liability in the statement of financial position and its tax base, where the tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

The BBC has unrecognised deferred tax assets arising on capital losses totalling £146 million (2023: £137 million) and other trading and non-trading losses, including non-trading losses arising from fixed intangible assets, of £924 million (2023: nil).

The deferred tax asset on capital losses has not been recognised on the basis that there is insufficient certainty that capital gains will arise against which the Group can utilise these losses. The deferred tax assets on trading and non-trading losses have not been recognised on the basis that there is insufficient certainty that future profits will arise against which the Group can utilise these losses.

There is no time limit for the utilisation of either of these losses and the position is reviewed annually.

**C4.6 Current tax liabilities**

There were no current tax liabilities due at 31 March 2024. Liabilities totalling £7 million were due in overseas jurisdictions at 31 March 2023.

## Financial statements

### Notes to the accounts continued

#### D. What the BBC spends on its people

The BBC employs a significant number of people. It also provides pension benefits to both current and past employees. This section has two main parts; the first details employee numbers (excluding freelancers and agency staff), staff costs and transactions with members of the BBC Board and BBC Executive Committee who served during the year. The second presents the key information relating to the BBC Group's pension plans.

The analysis provided in the pension notes is based on the IAS 19 Employee Benefits estimate of the scheme's assets and liabilities as at 31 March 2024. This accounting valuation provides a snapshot of the scheme at the year end date and is therefore sensitive to short-term fluctuations within markets.

To ensure the scheme is adequately funded to meet its liabilities, a statutory triennial actuarial valuation is also performed as an appraisal of the fund's assets versus liabilities. This will often differ to the IAS 19 accounting valuation due to the difference in discount rates used to determine the liability. Whilst the actuarial valuation uses discount rates based on gilts, the accounting valuation uses discount rates based on high credit corporate bonds. Generally therefore, the accounting valuation presents a more favourable funding position than that required on an actuarial basis.

#### Risk – Defined benefit pension scheme

Changes in the assumptions used to calculate the IAS 19 valuation of the BBC's defined benefit pension scheme can result in large swings in the final numbers disclosed. The BBC therefore carries a risk of a material misstatement arising on this highly judgemental area if the assumptions used are not appropriate.

Sensitivity analysis on these assumptions (discount, inflation and mortality rates) is presented in Note D7.5 to reflect the impact of this risk.

The defined benefit pension scheme exposes the BBC to the following risks:

| Risk                      | Description   |
|---------------------------|---|
| <b>Investment risk</b>    | Actual returns may differ from expected returns. Investments are diversified, across and within asset classes, to avoid over-exposure to any one asset class or market.   |
| <b>Currency risk</b>      | Scheme assets are subject to currency risk because some of the Scheme's investments are held in overseas markets, either as segregated investments or via pooled investment vehicles (PIV). The Trustees limit overseas currency exposure through a currency hedging policy which seeks to partially hedge the major currency exposures (euro and US dollar). |
| <b>Counterparty risk</b>  | A counterparty may default whilst owing money to the scheme. Collateral is posted by the counterparty for long-term transactions when the valuation of the transaction is favourable to the scheme.   |
| <b>Interest rate risk</b> | A fall in interest rates would cause the present value of liabilities to rise. To mitigate this risk, the scheme's Trustees invest in bonds, derivatives and other investments with predictable long-term cash flows that will tend to rise in price if interest rates fall.  |
| <b>Longevity risk</b>     | Longer life expectancy would increase the Scheme's liabilities. The Scheme's Trustees regularly assess the possibility and value of hedging the Scheme's longevity risk. The scheme has also taken out a longevity hedge to cover approximately one third of the pension liability.   |
| <b>Inflation risk</b>     | An increase in expected inflation will cause the present value of liabilities to rise if it is not accompanied by a rise in interest rates. To mitigate this risk, the scheme's Trustees invest in index-linked bonds, derivatives and other assets where value is likely to increase if inflation rises.   |
| <b>Liquidity risk</b>     | The scheme may not have sufficient liquid assets to allow it to meet its liabilities and other obligations as they fall due. The amount of cash held to pay benefits is assessed well in advance to minimise unforeseen sales and transaction costs and the large majority of the scheme's assets are invested in highly liquid assets.                       |

#### Significant estimate – Defined benefit pension scheme

Judgement is required when determining the assumptions used in calculating the pension costs and obligations of the BBC's defined benefit schemes. These include the discount rate, inflation rate and mortality.

The BBC mitigates this risk by using assumptions recommended by independent actuarial specialists, which is reviewed and approved by BBC senior management (see page 104).



**D. What the BBC spends on its people** continued**D1 Persons employed**

The average full-time equivalent number of persons employed in the year was:

| Average            | 2024                        |                          |               | 2023                        |                          |               |
|--------------------|-----------------------------|--------------------------|---------------|-----------------------------|--------------------------|---------------|
|                    | Staff excluding apprentices | Apprentices <sup>^</sup> | Total number  | Staff excluding apprentices | Apprentices <sup>^</sup> | Total number  |
| PSB Group          | 17,201                      | 410                      | 17,611        | 17,375                      | 313                      | 17,688        |
| Commercial Group*  | 4,118                       | 66                       | 4,184         | 3,898                       | 45                       | 3,943         |
| <b>Group total</b> | <b>21,319</b>               | <b>476</b>               | <b>21,795</b> | <b>21,273</b>               | <b>358</b>               | <b>21,631</b> |

<sup>^</sup> Includes Early Careers and FJAA apprentices.

\* The comparatives have been re-presented to reflect the new segments reported to the BBC Board.

Within the averages above 2,899 (2023: 2,542) part-time employees have been included at their full-time equivalent of 1,655 (2023: 1,670).

In addition to the above, the BBC employed an average full-time equivalent of 1,554 (2023: 1,577) persons on a casual contract.

The full-time equivalent number of persons employed at 31 March was:

| At March 31        | 2024                        |                          |               | 2023                        |                          |               |
|--------------------|-----------------------------|--------------------------|---------------|-----------------------------|--------------------------|---------------|
|                    | Staff excluding apprentices | Apprentices <sup>^</sup> | Total number  | Staff excluding apprentices | Apprentices <sup>^</sup> | Total number  |
| PSB Group          | 17,203                      | 389                      | 17,592        | 17,321                      | 364                      | 17,685        |
| Commercial Group*  | 4,268                       | 58                       | 4,326         | 4,095                       | 60                       | 4,155         |
| <b>Group total</b> | <b>21,471</b>               | <b>447</b>               | <b>21,918</b> | <b>21,416</b>               | <b>424</b>               | <b>21,840</b> |

<sup>^</sup> Includes Early Careers and FJAA apprentices.

\* The comparatives have been re-presented to reflect the new segments reported to the BBC Board.

**D2 Employee remuneration****Other employee benefits**

Other short and long-term employee benefits, including holiday pay and long service leave, are recognised as an expense over the period in which they accrue.

**Termination benefits**

Termination benefits (redundancy costs) are recognised when the BBC has a present obligation as a result of a past event and it is probable that it will result in a payment. This is typically the earlier of when the BBC can no longer withdraw or recognises costs for a restructure.

|                               | Note | 2024<br>£m   | 2023<br>£m   |
|-------------------------------|------|--------------|--------------|
| Salaries and wages            |      | 1,250        | 1,134        |
| Social security costs         |      | 152          | 147          |
| Pension costs                 |      |              |              |
| Main scheme (defined benefit) | D6.3 | 93           | 163          |
| Other schemes                 | D6.3 | 92           | 76           |
|                               |      | <b>1,587</b> | <b>1,520</b> |

Employee pension contributions made via salary sacrifice are included within pension costs, with a corresponding reduction in salaries and wages.

**D3 Remuneration of the BBC Board and BBC Executive Committee**

The total emoluments of the members of the BBC Board and BBC Executive Committee are disclosed in the Remuneration Report.

**D4 Key management personnel compensation**

Key management personnel are those people who have authority and responsibility for planning, directing and controlling the activities of the BBC. This includes members of the BBC Board and BBC Executive Committee, including the non-executive directors (see the BBC Remuneration report).

At 31 March 2024, 20 individuals were classified as key management personnel (2023: 20).

Information about the BBC's structure, senior staff salaries and expenses are published on the BBC's website.

|                              | 2024<br>£m | 2023<br>£m |
|------------------------------|------------|------------|
| Short-term employee benefits | 5.6        | 4.7        |
| Pension benefits             | 0.1        | 0.1        |
| Total tax for the year       | 5.7        | 4.8        |

## Financial statements

### Notes to the accounts continued

#### D. What the BBC spends on its people continued

##### D5 Related party transactions with key management personnel

Juniper Communications Limited (Juniper) is co-owned by BBC Chair Samir Shah (70%) and his wife Belkis Shah (20%). Samir Shah is not an employee of Juniper and has no editorial control. Juniper currently produces Politics London and Politics South East for the BBC, in a commissioning arrangement pre-dating Samir Shah's appointment to the BBC Board on 4 March 2024.

There were no financial transactions recorded between Juniper and the BBC in the period between 4 March 2024 and 31 March 2024, and there were no amounts outstanding at 31 March 2024. The BBC had future commitments with Juniper totalling £254k under the pre-existing production contracts at the balance sheet date.

##### D6 Group pension plans

###### ■ *Defined contribution plans*

The BBC Group's defined contribution pension plans do not give rise to balance sheet pension assets/(liabilities) as there is no ongoing liability for the employer from these plans once the contributions due for the year have been settled.

The amounts charged as expenditure for the defined contribution plans represent the contributions payable by the BBC for the accounting period.

###### ☰ *Defined benefit plans*

■ The BBC Group has two defined benefit pension schemes, the BBC Pension Scheme and the Unfunded Scheme.

The BBC Pension Scheme is accounted for within its own financial statements but gives rise to net liabilities which are included on the BBC Group balance sheet as the BBC bears the risks of investment returns, life expectancies and inflation, which impact the future pension payment amounts. The net position consists of two parts:

- Scheme liabilities: the present value of the future pension payments the BBC is required to pay in respect of employee service performed up to the balance sheet date; and
- Scheme assets: the assets held by the pension fund, into which the BBC pays annual contributions. These assets are used to fund the payments to retired members and to generate returns to fund future pension payments.

The Pension Scheme, of which a significant minority of staff are members, provides benefits based on pensionable pay. The assets of the BBC's Pension Scheme are held separately from those of the BBC.

The Unfunded Scheme gives rise to net liabilities, representing the present value of liabilities expected to be paid to remaining members, and is reported collectively with the BBC Pension Scheme above in the balance sheet.

Pension scheme assets are measured at fair value. Pension scheme liabilities are measured using the projected unit credit method. The present value of scheme liabilities is calculated by discounting estimated future cash outflows at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities.

Should the pension scheme be in a net asset position, under the Pension Scheme rules, the BBC considers that they are entitled to any surplus on the pension scheme in the event that it is wound up. It is the actuarial valuation, as opposed to the IAS 19 estimate, which would be used to determine the amount due if the scheme was wound up.

Remeasurement comprising gains and losses and the return on scheme assets (excluding interest) are recognised immediately in the balance sheet with a charge or credit to the statement of comprehensive income in the period in which they occur.

Remeasurement recorded in the statement of comprehensive income is not recycled through the income statement. When the benefits of a plan are changed the resulting change in benefit that relates to past service is then recognised immediately in the income statement. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. Defined benefit costs are split into three categories:

- current service cost, past service cost and gains and losses on settlements and curtailments;
- net interest expense or income; and
- remeasurement.

The current service cost and past service cost are included within operating costs in the consolidated income statement. Curtailments gains and losses are accounted for as past service cost. Net interest expense or income relating to the funded defined benefit pension plans is included within 'finance income' or 'finance costs', as relevant, in the consolidated income statement.

Administration costs directly related to the management of plan assets are deducted from the return on plan assets, which are recorded as remeasurements in the statement of comprehensive income. Other administrative scheme expenses associated with running the scheme are recorded within operating expenses when incurred.

The retirement benefit obligation recognised in the consolidated balance sheet represents the deficit or surplus in the BBC's defined benefit schemes. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the schemes or reductions in future contributions to the schemes.

**D. What the BBC spends on its people** continued**D6 Group pension plans** continued**D6.1 Group pension plans**

|   | 2024                     |                       |              | 2023                     |                       |             |
|---|--------------------------|-----------------------|--------------|--------------------------|-----------------------|-------------|
|   | BBC Pension Scheme<br>£m | Unfunded Scheme<br>£m | Total<br>£m  | BBC Pension Scheme<br>£m | Unfunded Scheme<br>£m | Total<br>£m |
| Surplus/(deficit) in scheme at the start of the year      | 702                      | (7)                   | 695          | 1,249                    | (8)                   | 1,241       |
| Movement in the year:                                     |                          |                       |              |                          |                       |             |
| Current service cost                                      | (93)                     | –                     | (93)         | (163)                    | –                     | (163)       |
| Contributions (from employer)                             | 170                      | –                     | 170          | 239                      | –                     | 239         |
| Administration costs incurred                             | (9)                      | –                     | (9)          | (10)                     | –                     | (10)        |
| Net finance income  | 37                       | –                     | 37           | 36                       | –                     | 36          |
| Remeasurement (losses)/gains                              | (921)                    | –                     | (921)        | (649)                    | 1                     | (648)       |
| <b>(Deficit)/surplus in scheme at the end of the year</b> | <b>(114)</b>             | <b>(7)</b>            | <b>(121)</b> | 702                      | (7)                   | 695         |

**Current service cost** is the underlying cost to the BBC of pension rights earned by employees during the year.

**Net finance income** is the net of the expected return on assets and the interest charged on liabilities.

**Remeasurement gains and losses** arise when the actual performance of the scheme is different from that predicted.

The assumptions for pension scheme liabilities of the Unfunded Scheme are the same as the main scheme. As the scheme is unfunded there are no assets.

**D6.2 BBC Pension Scheme financial position**

| IAS 19 valuation   | Note | 2024<br>£m      | 2023<br>£m |
|--|------|-----------------|------------|
| Scheme assets  | D7.6 | <b>13,776</b>   | 14,675     |
| Scheme liabilities   | D7.2 | <b>(13,890)</b> | (13,973)   |
| <b>(Deficit)/surplus</b>                                   |      | <b>(114)</b>    | 702        |
| <b>Percentage by which scheme assets cover liabilities</b> |      | <b>99%</b>      | 105%       |

**The IAS 19 Pensions valuation** takes assets at their market value and discounts the accrued liabilities by reference to the discount rate of an AA-rated corporate.

A deferred tax asset or liability in relation to the scheme does not arise for the BBC because most of the BBC's PSB Group activity is not subject to taxation.

**D6.3 Pension charges in the consolidated income statement**

|  | Note | Defined benefit schemes  |                       | Defined contribution scheme<br>£m | All schemes<br>£m |
|--|------|--------------------------|-----------------------|-----------------------------------|-------------------|
|  |      | BBC Pension Scheme<br>£m | Unfunded Scheme<br>£m |                                   |                   |
| <b>2024</b>                                      |      |                          |                       |                                   |                   |
| Current service cost                             | D2   | <b>(93)</b>              | –                     | <b>(92)</b>                       | <b>(185)</b>      |
| Administration costs                             |      | <b>(9)</b>               | –                     | –                                 | <b>(9)</b>        |
| Total operating charge                           |      | <b>(102)</b>             | –                     | <b>(92)</b>                       | <b>(194)</b>      |
| Net finance income                               | C3   | <b>37</b>                | –                     | –                                 | <b>37</b>         |
| <b>Net cost in consolidated income statement</b> |      | <b>(65)</b>              | –                     | <b>(92)</b>                       | <b>(157)</b>      |
| <b>2023</b>                                      |      |                          |                       |                                   |                   |
| Current service cost                             | D2   | (163)                    | –                     | (76)                              | (239)             |
| Administration costs                             |      | (10)                     | –                     | –                                 | (10)              |
| Total operating charge                           |      | (173)                    | –                     | (76)                              | (249)             |
| Net finance income                               | C3   | 36                       | –                     | –                                 | 36                |
| Net cost in consolidated income statement        |      | (137)                    | –                     | (76)                              | (213)             |

## Financial statements

### Notes to the accounts continued

#### D. What the BBC spends on its people continued

##### D6 Group pension plans continued

##### D6.4 BBC Pension Scheme gains/(losses) in the consolidated statement of comprehensive income

|  | 2024<br>£m   | 2023<br>£m   |
|--|--------------|--------------|
| IAS 19 valuation   |              |              |
| Return on plan assets (excluding amounts included within interest)               | (1,190)      | (5,268)      |
| Remeasurement (losses)/gains arising from:                                       |              |              |
| • Experience adjustments   | (117)        | (1,088)      |
| • Changes in demographic assumptions   | 100          | (113)        |
| • Changes in financial assumptions   | 286          | 5,820        |
| <b>Net loss recognised in the consolidated statement of comprehensive income</b> | <b>(921)</b> | <b>(649)</b> |

**Remeasurement (losses)/gains** arise from actual performance being different from that predicted.

Only defined benefit schemes give rise to gains and losses in the statement of comprehensive income/(loss).

#### D7 BBC Pension Scheme

The BBC Pension Scheme is closed to new entrants. It provides pensionable salary-related benefits on a defined benefit basis.

The Pension Scheme is administered by a fund that is legally separated from the BBC Group. The Trustees of the pension fund are required by law to act in the interest of the fund and of all relevant stakeholders of the scheme. The Pension Scheme Trustees manage the plan in the short-, medium- and long-term. They make funding decisions based on valuations which take a longer-term view of the assets required to fund the scheme's liabilities.

##### D7.1 Funding the BBC Pension Scheme

Accounting valuations of the scheme are performed by PricewaterhouseCoopers LLP, consulting actuaries. Formal actuarial valuations are performed by Willis Towers Watson and are undertaken at least every three years. The most recent triennial actuarial valuation as at 1 April 2022 showed a funding shortfall of £841 million. The next formal valuation will be performed as at 1 April 2025.

A recovery plan was agreed between the BBC and the pension scheme Trustees where an additional £50 million contribution will be paid per annum by the BBC through to December 2028.

A revised recovery plan and schedule of contributions (SOC) was agreed between the Trustees and the BBC on 4 June 2024. Under this new SOC, it was agreed that the cash deficit contributions payable to the Scheme from the BBC in respect of the months June 2024 to March 2025 inclusive will be payable as a lump sum (of £42 million) on 31 March 2025 rather than being payable in monthly instalments. No other changes to the payment obligations under the schedule of contributions dated 16 June 2023 were made as a result of this new SOC dated 4 June 2024. The timing and cost of the future service accrual (30.0% of pensionable salaries) remains as per the 16 June 2023 schedule of contributions.

| Contribution rates                      | 2025<br>% | 2024<br>% | 2023<br>% |
|---|-----------|-----------|-----------|
| Employer*                               | 30.0      | 42.3/30.0 | 42.3      |
| Employee (Old and New Benefits)         | 7.5       | 7.5       | 7.5       |
| Employee (Career Average Benefits 2006) | 4.0       | 4.0       | 4.0       |
| Employee (Career Average Benefits 2011) | 6.0       | 6.0       | 6.0       |

\* The employer contribution rate has been reduced to 30.0% following the completion of the triennial actuarial valuation.

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

On the basis of the pension assumptions above, contributions totalling £167 million are expected to be paid in 2024/25.

Below are the cash flows that have occurred through the BBC Pension Scheme itself. These are recognised in the BBC Pension Scheme's own financial statements as opposed to the BBC's.

|  | 2024<br>£m   | 2023<br>£m  |
|--|--------------|-------------|
| Contributions including additional voluntary (employer and employee) | 172          | 240         |
| Investment income  | 315          | 329         |
| Cash inflows   | 487          | 569         |
| Payments of pensions and transfers out                               | (563)        | (559)       |
| Expenses   | (27)         | (30)        |
| <b>Net cash outflow</b>  | <b>(103)</b> | <b>(20)</b> |

As the scheme is closed to new entrants, the level of contribution from employees will decrease (as members retire, there are no new entrants to replace the reduction in employee contributions).

**D. What the BBC spends on its people** continued**D7 BBC Pension Scheme** continued**D7.2 Changes in the fair value of plan liabilities**

The key items which affect the movement on plan liabilities are the additional year of pension benefits earned, any gains or losses relating to participants leaving the pension scheme, changes in assumptions made and benefits paid out during the year.

|  | Note | 2024<br>£m    | 2023<br>£m |
|--|------|---------------|------------|
| Opening present value of plan liabilities        |      | 13,973        | 18,496     |
| Current service cost                             |      | 93            | 163        |
| Administration cost                              |      | 9             | 10         |
| Interest on pension plan liabilities             |      | 644           | 483        |
| Remeasurement losses/(gains):                    |      |               |            |
| • Experience adjustments                         |      | 117           | 1,088      |
| • Changes in financial assumptions               |      | (286)         | (5,820)    |
| • Changes in demographic assumptions             |      | (100)         | 113        |
| Contributions by plan participants               |      | 2             | 1          |
| Benefits paid and expenses                       |      | (562)         | (561)      |
| <b>Closing present value of plan liabilities</b> | D6.2 | <b>13,890</b> | 13,973     |

**Changes in demographic and financial assumptions** change the estimates used to value the future pension asset/liability.

**Demographic assumptions** include mortality rates, staff turnover and early retirement.

**Financial assumptions** encompass items such as discount rate and future salary levels.

**D7.3 Plan liabilities principal actuarial assumptions made**

The calculation of the scheme liabilities requires a number of financial and demographic assumptions to be made. The principal assumptions used by the actuaries at the balance sheet date were:

|                                       | 2024<br>% | 2023<br>% |
|---------------------------------------|-----------|-----------|
| Principal financial assumptions       |           |           |
| Rate of increase in salaries          | 1.0       | 1.0       |
| Rate of increase in pension payments: |           |           |
| Old Benefits*                         | 3.5       | 3.5       |
| New Benefits*                         | 3.3       | 3.4       |
| Career Average Benefits (2006)*       | 2.3       | 2.3       |
| Career Average Benefits (2011)*       | 2.9       | 2.9       |
| Inflation assumption (RPI)^           | 3.5       | 3.5       |
| Inflation assumption (CPI)^           | 3.1       | 3.2       |
| Discount rate                         | 4.8       | 4.7       |

\* For more information on the different pension arrangements, please refer to the Remuneration Report.

^ RPI and CPI are long-term assumptions.

The discount rate for the IAS 19 Pensions valuation has been derived with reference to market yields at the end of the reporting period on AA-rated sterling-denominated corporate bonds with maturities consistent with the estimated term of the post-employment benefit obligations. Certain types of bonds are excluded from the calculating model, either because they have unusual features, are relatively small or potential outliers, in order to remove the distortion that might otherwise occur from including unusual, less liquid or potentially misrated bonds. Extrapolation is performed when the profile of the scheme's expected benefit outflow is longer than the cash flows of the available bonds.

The average life expectancy assumptions for members, after retiring at 60 years of age, are as follows:

|                                   | 2024<br>Number of<br>years | 2023<br>Number of<br>years |
|-----------------------------------|----------------------------|----------------------------|
| Principal demographic assumptions |                            |                            |
| Retiring today:                   |                            |                            |
| Male                              | 27                         | 28                         |
| Female                            | 29                         | 30                         |
| Retiring in 20 years:             |                            |                            |
| Male                              | 29                         | 29                         |
| Female                            | 31                         | 31                         |

## Financial statements

### Notes to the accounts continued

#### D. What the BBC spends on its people continued

##### D7 BBC Pension Scheme continued

##### D7.3 Plan liabilities principal actuarial assumptions made continued

The mortality assumptions have been selected to reflect the characteristics and experience of the membership of the scheme and are based on those in line with the preliminary funding valuation as at 1 April 2022. The standard 'S3' series of tables, published by the Continuous Mortality Investigation (CMI), reflect recent research into mortality experience in the UK. A subset of these tables has been used for males and females, with a multiplier of 98% for male members and dependents, 100% for female members and 93% for female dependents. For the allowance for future improvements, the CMI 2022 core projection has been adopted with an 'initial addition' of 0.5% and a long-term trend of 1.25% for both males and females.

##### D7.4 Scheme membership analysis and maturity profile

| Principal demographic assumptions | 2024<br>Number | 2023<br>Number |
|-----------------------------------|----------------|----------------|
| Contributors                      | 6,223          | 6,800          |
| Pensioners                        | 22,640         | 21,836         |
| Dependants                        | 4,468          | 4,375          |
| Deferred pensioners               | 24,888         | 25,776         |

The maturity of a scheme provides an indication of the cash requirements of the scheme and the likely attitude of the Trustees to risk within their investment policy.

The more mature a scheme, the more likely that the Trustees will favour low-risk investments.

As the scheme is now closed to new entrants, the number of contributors will decrease whilst the number of pensioners increase over time.

The total number of scheme beneficiaries as at 31 March 2024 was 44,777 (2023: 45,416).

Membership numbers in the table above are higher as members can hold more than one record. For example, contributing members who have transferred to the Career Average Benefits 2011 section from another section of the scheme may have a deferred pensioner record for their benefits built up in the Old Benefits, New Benefits or Career Average Benefits 2006 sections and a contributing record for their Career Average Benefits 2011 benefits.

The average duration of the benefit obligation at the end of the reporting period is 15 years (2023: 16 years). This number can be subdivided into the duration related to:

- Contributors: 22 years (2023: 23 years)
- Pensioners: 11 years (2023: 11 years)
- Deferred pensioners: 20 years (2023: 21 years)

##### D7.5 Plan liabilities assumption sensitivities

The sensitivities of the schemes' liabilities to changes in the principal assumptions are set out below:

| 2024                        | Assumption used | Movement        | Impact on scheme liabilities % | (Increase)/decrease on scheme liabilities £m |
|-----------------------------|-----------------|-----------------|--------------------------------|--|
| Discount rate               | 4.8%            | decrease 0.1%   | 1.4%                           | (189)  |
|                             | 4.8%            | increase 0.1%   | 1.3%                           | 185  |
| Retail price inflation rate | 3.5%            | decrease 0.1%   | 1.1%                           | 154  |
|                             | 3.5%            | increase 0.1%   | 1.2%                           | (172)  |
| Mortality rate              | See Note D7.3   | decrease 1 year | 3.7%                           | 515  |
|                             | See Note D7.3   | increase 1 year | 3.9%                           | (548)  |

| 2023                        | Assumption used | Movement        | Impact on scheme liabilities % | (Increase)/decrease on scheme liabilities £m |
|-----------------------------|-----------------|-----------------|--------------------------------|--|
| Discount rate               | 4.7%            | decrease 0.1%   | 1.5%                           | (204)  |
|                             | 4.7%            | increase 0.1%   | 1.3%                           | 183  |
| Retail price inflation rate | 3.5%            | decrease 0.1%   | 1.0%                           | 146  |
|                             | 3.5%            | increase 0.1%   | 1.5%                           | (204)  |
| Mortality rate              | See Note D7.3   | decrease 1 year | 4.0%                           | 557  |
|                             | See Note D7.3   | increase 1 year | 3.9%                           | (539)  |

**D. What the BBC spends on its people** continued**D7 BBC Pension Scheme** continued**D7.5 Plan liabilities assumption sensitivities** continued

The **discount rate** for the IAS 19 Pensions valuation has been derived with reference to market yields at the end of the reporting period on AA-rated sterling-denominated corporate bonds with maturities consistent with the estimated term of the post-employment benefit obligations. Certain types of bonds are excluded from the calculating model, either because they have unusual features, are relatively small or potential outliers, in order to remove the distortion that might otherwise occur from including unusual, less liquid or potentially misrated bonds. Extrapolation is performed when the profile of the scheme's expected benefit outflow is longer than the cash flows of the available bonds.

The sensitivity analysis presented may not be representative of the actual change in the defined benefit obligation due to the likelihood of some linkage between assumptions.

In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

**D7.6 Changes in the fair value of plan assets**

The key items which affect the movement on plan assets are the additional year of contributions made, changes in the value of the pension plan assets (including the investment return) and benefits paid during the year.

The employee contributions to the scheme by members are mainly paid through a salary sacrifice arrangement. These have been treated as employer contributions.

|  | Note | 2024<br>£m    | 2023<br>£m |
|--|------|---------------|------------|
| Opening fair value of plan assets        |      | 14,675        | 19,745     |
| Interest income on assets                |      | 681           | 519        |
| Remeasurements on plan assets            |      | (1,190)       | (5,268)    |
| Contributions by employer                |      | 170           | 239        |
| Contributions by plan participants       |      | 2             | 1          |
| Benefits paid and expenses               |      | (562)         | (561)      |
| <b>Closing fair value of plan assets</b> | D6.2 | <b>13,776</b> | 14,675     |

**Remeasurements on plan assets** represent the amount by which the assets held by the scheme (such as equities, bonds and property) have performed better or worse than the prior year value.

## Financial statements

### Notes to the accounts continued

#### D. What the BBC spends on its people continued

##### D7 BBC Pension Scheme continued

###### D7.7 Plan assets

The allocation of assets by the pension fund Trustees is governed by the need to manage risk against the desire for high returns and liquidity needs.

| Type of asset                                 | 2024          |            | 2023           |            |
|---|---------------|------------|----------------|------------|
|   | £m            | %          | £m             | %          |
| Held at quoted market prices:                 |               |            |                |            |
| Equities                                      | 368           | 3          | 447            | 3          |
| Pooled vehicles                               | 64            | –          | 100            | 1          |
| Repurchase agreements                         | (1,578)       | (11)       | (2,307)        | (16)       |
| Fixed interest bonds                          | 2,772         | 20         | 2,733          | 19         |
| Index-linked bonds                            | 4,927         | 36         | 5,899          | 40         |
| Derivatives                                   | 11            | –          | 155            | 1          |
| Other assets:                                 |               |            |                |            |
| Property                                      |               |            |                |            |
| • UK  | 953           | 7          | 970            | 7          |
| • Pooled investment vehicles                  | 422           | 3          | 546            | 4          |
| Alternatives*                                 | 5,513         | 40         | 5,919          | 40         |
| Cash and other current assets                 | 324           | 2          | 213            | 1          |
| <b>Total assets</b>                           | <b>13,776</b> | <b>100</b> | <b>14,675</b>  | <b>100</b> |
| <b>Actual return on pension plan assets**</b> | <b>(510)</b>  |            | <b>(4,749)</b> |            |

\* Alternatives are investments in asset classes other than the traditional quoted equities, bonds, property and cash. They include investments in private equity, private credit, hedge funds, infrastructure and renewable energy investments. They are generally illiquid investments as some may require sufficient time to find buyers willing to pay full market value. They are useful for managing risk as they enhance portfolio diversification and potentially reduce risk as their cash flows can be well suited to meeting the scheme's liabilities.

\*\* This constitutes realised (losses)/gains from the receipt of investment income (e.g. dividends and rent), transactions where assets are sold and unrealised fair value changes.

A long-term plan of achieving full funding on a discount rate equal to the yield on liability matching gilts plus 0.5% per annum has been agreed. The scheme's strategic asset allocation is based on the scheme's funding ratio, with the intention of not taking more risk than necessary to return to full funding over the horizon of the plan. Indirect currency risk exposure exists through pooled investment vehicles held in foreign currencies, valued at £3,425 million (2023: £3,724 million).



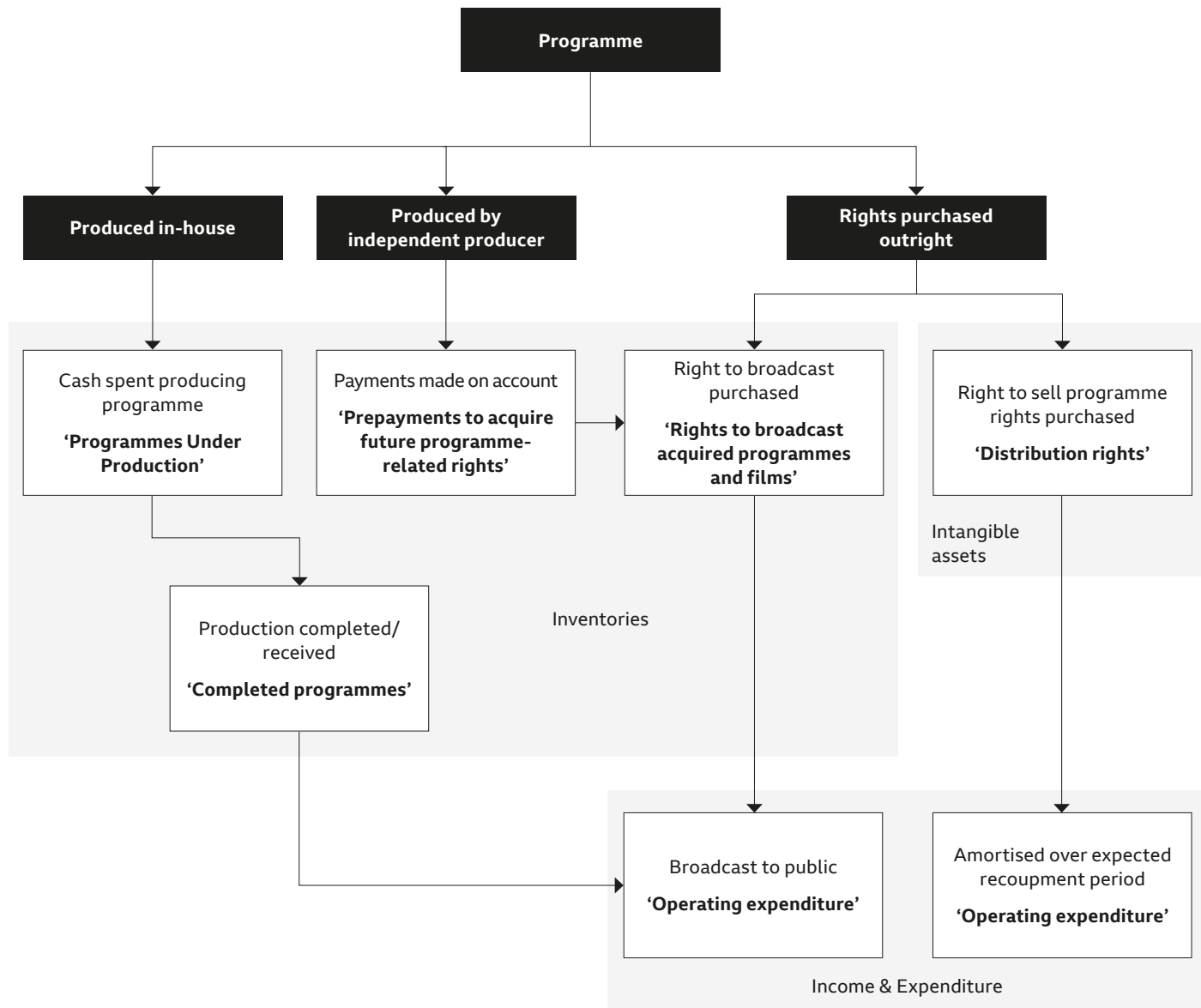
**E. The assets owned by the BBC**

In providing the range of services to audiences, the BBC makes use of a significant number of assets in its operations. This section sets out the owned assets the BBC intends to continue to use, those to be disposed of and any disposals made during the year. See section F for leased (right-of-use) assets held.

Owned assets can be broadly split into the following sections:

**Programme-related assets**

Programme assets can be recognised within either inventories or intangible assets as follows:



## Financial statements

### Notes to the accounts continued

#### E. The assets owned by the BBC continued

##### Risk – Programme assets

There is a risk the accounting for programme assets held on the balance sheet may result in a misstatement due to the significant amount of judgements used in the accounting valuation methodologies.

The changing approach to the way viewers consume BBC content (iPlayer vs linear) also adds risk around the timing of the release of these assets to the consolidated income statement and therefore the carrying value held on the consolidated balance sheet at each year end.

##### Judgement – Carrying value of programme assets

Judgement is required when assessing whether there is any indication of impairment over the carrying value of programme assets (including distribution rights).

When programmes are available across multiple platforms judgement is also required to determine when the associated cost should be recognised in the consolidated income statement. The BBC's policy is to recognise the majority of transmission spend from inventories on first transmission and a review is performed at each year end to verify whether this is still appropriate. There are a small number of instances where this basis of recognition wasn't appropriate to apply but they were not material to the financial statements.

As viewers consume more content across digital platforms, however, it's likely that the cost of a programme currently held in inventory should be released over the period of consumption rather than just first transmission. This is therefore something the BBC is monitoring very closely to ensure the correct recognition policy is maintained. The review at 31 March 2024 confirmed no changes were required.

##### Estimate – Carrying value of programme assets

Estimation can be required when calculating the carrying value of programme assets (including distribution rights), most significantly when calculating:

- the estimated average marketable life of distribution rights when setting the amortisation profile over these assets.
- the calculation of any identified impairment over the carrying value of all programme assets (inventories and distribution rights).

#### Intangible assets

Intangible assets include goodwill, programme rights (see above), software and carrier agreements.

##### Estimate – Impairment of goodwill

The determination of whether goodwill is impaired requires an estimation of the value in use of the cash-generating units. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate that reflects current market assessments of the risks specific to the asset and the time value of money, in order to calculate present value. The estimation process is complex due to the inherent risks and uncertainties associated with long-term forecasting. If different estimates of the projected future cash flows or a different selection of an appropriate discount rate or long-term growth rate were made, these changes could materially alter the projected value of the cash flows of the asset, and as a consequence materially different amounts would be reported in the financial statements.

#### Property-related assets

Property, plant and equipment, furniture and fittings and assets under construction.

##### Risk – Complex property transactions

Where there are complex property transactions, there is a risk of misstating carrying values due to the valuation methods used, along with external factors, particularly for the areas such as:

- Accounting for properties under IFRS 16 Leases
- London Broadcasting House refinancing and the treatment of Daunus Ltd
- Other property transactions

##### Estimate – Capital projects

The BBC is completing a number of capital projects for which amounts have been capitalised on the BBC's consolidated balance sheet. The capitalised values are based upon estimates regarding the recoverability of these assets, the achievement of project completion, and the assets being used in the manner intended.

**E. The assets owned by the BBC** continued**Investments**

Balances held to represent the BBC's interest in associates and joint ventures and the results of any sales of operations that have occurred.

**Judgement – Classification of investments**

The BBC owns numerous investments in other entities and their classification as either subsidiary, associate or joint ventures requires judgement over the control held and consequently how they are accounted for and the valuation attributable to them.

**Estimate – Carrying value of investments**

The calculation of the share of results of associates and joint ventures (most notably the BBC's interest in Daunus Limited) can require a degree of estimation through the alignment of accounting policies, different year end dates and the application of fair values at the date of acquisition. The BBC's interest in Daunus Limited (see page 221) also requires estimation around the use of forward RPI rates.

**Impairment**

At each balance sheet date, the BBC reviews the carrying amount (net amount held on the consolidated balance sheet) of those assets that are subject to amortisation, to determine whether there is an indication that any of those assets has suffered any impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. For goodwill, the recoverable amount is estimated each year at the same time. The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. For the purposes of impairment testing, assets are grouped at the lowest level at which they generate separately identifiable cash flows (cash-generating units). In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the consolidated income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. Where a cash-generating unit is impaired, the impairment loss will first be allocated to reduce goodwill and then to the other assets of the cash-generating unit on a pro-rata basis, except that the carrying amount of any individual asset will not be reduced below its separately identifiable recoverable amount. Impairment losses in respect of goodwill are not reversed. In respect of assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

The Group tests investment assets for indicators of impairment annually. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of the assets are determined from value in use calculations. The key assumptions used for these calculations are those regarding discount rates and growth rates. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to each CGU.

**E1 Programme-related assets and other inventories****Completed originated programmes, programmes in production and prepayments to acquire future programme-related rights**

Programme assets reported as inventory effectively represent the BBC's right to broadcast. The BBC's right to sell programme rights are, however, recognised within intangible assets.

Completed originated programmes and programmes in production are held at cost. Cost includes all direct costs, production overheads and a proportion of other attributable overheads. The proportion of programmes necessarily taking a substantial period of time to produce is small and as such, no borrowing costs are included in cost.

Where, exceptionally, it becomes certain that a programme is unable to be broadcast, the full value of the programme is written off to the consolidated income statement.

Programme development costs are expensed to the income statement until such time as there is a strong indication that the development work will result in a commissioned programme, when any further costs are recognised as programme-related assets.

Originated programmes that are still in production at the balance sheet date are recognised as programmes in production, except that prepayments to acquire future programme-related rights are shown separately where the BBC has made payments to independent producers, or the holders of certain rights (for example, rights to broadcast sporting events), to receive the programme on completion.

**Rights to broadcast acquired programmes and films**

The rights to broadcast acquired programmes and films are recognised at cost. The costs of acquired programmes and films are expensed on first transmission except to the extent that the number of further showings are contractually agreed, when they are expensed according to the expected transmission profile. Assets and liabilities relating to acquired programmes are recognised at the point of payment or commencement of the licence period, whichever is earlier. Agreements for the future purchase of rights whose licence period has not commenced and where there has been no payment by the balance sheet date are disclosed as purchase commitments.

Where the BBC has invested in independent productions, in addition to broadcasting rights, the BBC may obtain rights to future royalties from the sale of rights associated with the production. These residual interests are recognised initially at cost subject to amortisation as royalties are received, and impaired if anticipated royalties do not materialise.

## Financial statements

### Notes to the accounts continued

#### E. The assets owned by the BBC continued

##### E1 Programme-related assets and other inventories continued

The BBC's main purpose is the provision of services for audiences. As a result, the Group's output primarily includes the production of programmes for broadcast and the sale of rights for others to broadcast. This Note discloses the amounts for those programmes that are in production, completed programmes that are ready for broadcast but not yet aired and rights secured to broadcast programmes produced independently of the BBC. Inventory for the BBC's commercial activities are also contained in this Note.

|   | 2024<br>£m   | 2023<br>£m   |
|---|--------------|--------------|
| Programme-related assets                                    |              |              |
| Rights to broadcast acquired programmes and films           | 290          | 156          |
| Prepayments to acquire future programme-related rights      | 532          | 425          |
| Completed programmes  | 130          | 153          |
| Programmes in production                                    | 247          | 283          |
| Total programme-related assets                              | 1,199        | 1,017        |
| Other inventories   | 4            | 3            |
| <b>Total programme-related assets and other inventories</b> | <b>1,203</b> | <b>1,020</b> |

#### E2 Intangible assets

##### Programme-related intangible assets

The BBC's right to sell programme rights is recognised within intangible assets. Programme assets reported as inventory effectively represent the BBC's right to broadcast. Programme rights acquired by the Group are either purchased, generated internally or licensed following the payment of an advance on royalties. Where the Group controls the respective assets and the risks and rewards attached to them, rights are initially recognised at acquisition cost or production cost. The carrying amount is stated at cost less accumulated amortisation and provision for impairment. Amortisation including impairment is charged to the consolidated income statement to match the estimated future economic benefit. This is calculated as the higher of an estimated recoupment profile based on the average historic performance of the overall distribution rights portfolio or the actual recoupment of the specific initial distribution advance. Where the carrying value of any individual set of rights exceeds management's best estimate of future exploitation revenues, a provision for impairment is recorded in the income statement immediately. These costs are deferred within current assets and expensed upon recognition of the associated production income. Production income is recognised in accordance with the Group's income recognition policies.

##### Research and development expenditure – internally generated intangible assets

Expenditure on research activities is written off in the consolidated income statement when incurred. Expenditure on development activities is included on the consolidated balance sheet as an asset only if both of the following conditions are met:

- it is probable that the asset will generate future economic benefits; and
- the development costs of the asset can be measured reliably.

The assets are measured at cost less accumulated amortisation and any accumulated impairment losses. For the PSB Group it is generally unlikely that future economic benefits in the form of cash inflows will be received and as a result, other than assets created for use by the business in delivering its public purposes, development costs are only capitalised by the BBC Group's commercial businesses.

##### Other intangible assets

Other intangible assets acquired separately by the BBC are stated at cost less accumulated amortisation and any accumulated impairment losses. The identifiable intangible assets acquired as part of a business combination are shown at fair value at the date of acquisition (in accordance with IFRS 3 Business Combinations) less accumulated amortisation and any accumulated impairment losses.

An annual impairment review is conducted using management's best estimates of future income exploitation.

##### Amortisation

Amortisation is charged to the consolidated income statement on a systematic basis over the estimated useful lives of intangible assets, from the date that they are available for use, unless such lives are indefinite. Amortisation methods, useful lives and residual values are reviewed at each balance sheet date and adjusted if appropriate. The useful lives and amortisation methods of other classes of intangible asset are as follows:

|  |               |                              |
|--|---------------|------------------------------|
| Software                                   | Straight-line | 2 to 5 years                 |
| Customer relationships                     | Straight-line | Unexpired term of agreement  |
| Other intangibles: Licences and trademarks | Straight-line | 30 years or unexpired return |
| Other intangibles                          | Straight-line | 3 to 8 years                 |

Amortisation of distribution rights is charged to the income statement to match the average income profile over its estimated average marketable life.

**E. The assets owned by the BBC** continued**E2 Intangible assets** continued

|                                    | Goodwill<br>£m | Programme<br>rights<br>£m | Software<br>£m | Customer<br>relationships<br>£m | Other<br>intangibles<br>£m | Total<br>£m  |
|------------------------------------|----------------|---------------------------|----------------|---------------------------------|----------------------------|--------------|
| <b>Cost</b>                        |                |                           |                |                                 |                            |              |
| At 1 April 2022                    | 73             | 1,677                     | 286            | 68                              | 192                        | 2,296        |
| Additions                          | 1              | 216                       | 28             | –                               | 20                         | 265          |
| Disposals                          | –              | (7)                       | (15)           | (5)                             | (22)                       | (49)         |
| At 31 March 2023                   | 74             | 1,886                     | 299            | 63                              | 190                        | 2,512        |
| Additions                          | 178            | 203                       | 33             | 215                             | 86                         | 715          |
| Disposals                          | –              | –                         | (2)            | (7)                             | (1)                        | (10)         |
| <b>At 31 March 2024</b>            | <b>252</b>     | <b>2,089</b>              | <b>330</b>     | <b>271</b>                      | <b>275</b>                 | <b>3,217</b> |
| <b>Amortisation and impairment</b> |                |                           |                |                                 |                            |              |
| At 1 April 2022                    | 26             | 1,564                     | 199            | 40                              | 47                         | 1,876        |
| Charge for the year                | –              | 213                       | 29             | 7                               | 17                         | 266          |
| Impairment                         | 8              | –                         | –              | –                               | –                          | 8            |
| Disposals                          | –              | (6)                       | (15)           | (5)                             | (18)                       | (44)         |
| At 31 March 2023                   | 34             | 1,771                     | 213            | 42                              | 46                         | 2,106        |
| Charge for the year                | –              | 154                       | 29             | 8                               | 22                         | 213          |
| Disposals                          | –              | –                         | (2)            | (7)                             | –                          | (9)          |
| Impairment                         | 8              | –                         | –              | –                               | –                          | 8            |
| Exchange movements                 | –              | –                         | (1)            | –                               | –                          | (1)          |
| <b>At 31 March 2024</b>            | <b>42</b>      | <b>1,925</b>              | <b>239</b>     | <b>43</b>                       | <b>68</b>                  | <b>2,317</b> |
| <b>Net book value</b>              |                |                           |                |                                 |                            |              |
| <b>At 31 March 2024</b>            | <b>210</b>     | <b>164</b>                | <b>91</b>      | <b>228</b>                      | <b>207</b>                 | <b>900</b>   |
| At 31 March 2023                   | 40             | 115                       | 86             | 21                              | 144                        | 406          |

**Amortisation** is the reduction reflected in the carrying value of the asset as a consequence of the regular use of that asset by the organisation.

**Customer relationships** refers to intangible assets that arise from entity acquisitions (e.g. UKTV), which bring a number of carriage agreements with channel networks. These agreements can be secured for a fixed amount of time and are therefore amortised over the individual contract terms on a straight-line basis.

**Other intangibles** primarily includes intangible assets that arise from entity acquisitions, such as Electronic Programme Guide (EPG) slots, as well as brands and trademarks.

**E3 Goodwill****Goodwill**

Goodwill is recorded in the consolidated balance sheet as the difference between the fair value of the consideration transferred by the BBC and the recognised amount of non-controlling interests in the acquiree compared to the fair value of the identifiable assets and liabilities acquired. These are all measured at the date of acquisition. Where the consideration is less than the net assets acquired, the difference is recognised immediately in the consolidated income statement. Goodwill arising on the acquisition of associates and joint ventures is included in the carrying amount of the associate or joint venture and is tested for impairment as part of the overall balance. Goodwill is considered to have an indefinite useful economic life but is tested annually for impairment and is therefore measured at cost less any accumulated impairment losses. For the purposes of impairment testing, the goodwill is allocated to cash-generating units on the basis of those expected to benefit from the relevant business combination.

All goodwill is recognised in Studios Group and allocated by cash-generating unit (CGU) as follows:

|                                     | 2024<br>£m | 2023<br>£m |
|-------------------------------------|------------|------------|
| BritBox International (provisional) | 177        | –          |
| Production companies                | 33         | 32         |
| Australian channels business        | –          | 8          |
|                                     | <b>210</b> | <b>40</b>  |

**Fair value** is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

## Financial statements

### Notes to the accounts continued

#### E. The assets owned by the BBC continued

##### E3 Goodwill continued

The Group tests goodwill for impairment in the accounting period in which a business combination takes place; thereafter annually, or more frequently if there are indications that goodwill might be impaired. The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions used for these calculations are those regarding discount rates and growth rates. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to each CGU.

##### *BritBox (provisional)*

The goodwill balance arose as a result of the acquisition of BritBox during the current financial year. A provisional purchasing pricing allocation has been completed, with value allocated to cash generating units acquired. Management have compared recent performance and latest projections to the acquisition business plan and have concluded that the acquired goodwill and associated CGU assets are not impaired.

The cash flow projections used in the recoverable amount calculation use a terminal growth rate of 2.5% and a discount rate of 12.8%.

Goodwill balance is supported by managements projections of the future profitability of the business which is mainly driven by forecast revenue, if forecast subscriber additions was 10% lower than planned or churn rates 10% higher, it would still not result in any impairment of goodwill.

##### *Production companies*

The goodwill balance arose as a result of the acquisition of Firebird Pictures Limited and Voltage TV Productions Limited in the prior year.

The cash flow projections used in determining value in use for both CGUs are based on the current business plans approved by management, which cover a five-year period, after which cash flows have been extrapolated using an expected long-term growth rate of 1.0% (2023: 1.0%). A discount rate of 10.5% (2023: 11.8%) has been applied to the cash flows. As a result of this assessment, management have made the decision not to impair the goodwill balance as at 31 March 2024.

##### *Australian channels business*

Cash flow projections used in the recoverable amount calculation are based on financial budgets approved by management covering a period of five years (2023: five years) and a discount rate of 9.1% (2023: 11.4%). Cash flows beyond the forecast period have been extrapolated using an expected growth rate of -2.0% (2023: -2.0%).

The main assumption on which the forecast cash flows are based is licence fee rates. In forming its assumptions about licence fee rates, the Group has used a combination of long-term trends and recently contracted terms. As a result of changes in this market, management made the decision to impair the remaining value of the Group's share in the business by £8 million (2023: nil) following the annual impairment review.

#### E4 Property, plant and equipment

##### Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

##### Depreciation

Depreciation is provided to write off the cost of each item of property, plant and equipment, less its estimated residual value, on a straight-line basis over its estimated useful life.

Depreciation methods, estimated useful lives and residual values are reviewed at each reporting date.

The major categories of property, plant and equipment are depreciated as follows:

##### **Land and buildings**

|                                      |                       |                                      |
|--------------------------------------|-----------------------|--------------------------------------|
| Freehold land                        | Not depreciated       |                                      |
| Freehold buildings                   | Estimated useful life | 50 years                             |
| Freehold building improvements       | Estimated useful life | 10 to 50 years                       |
| Leasehold buildings and improvements | Estimated useful life | Shorter of 50 years or life of lease |

##### **Plant and machinery**

|  |               |                |
|--|---------------|----------------|
| Computer equipment                       | Straight-line | 3 to 5 years   |
| Electrical and mechanical infrastructure | Straight-line | 10 to 25 years |
| Other                                    | Straight-line | 3 to 10 years  |

##### **Furniture and fittings**

|               |               |
|---------------|---------------|
| Straight-line | 3 to 10 years |
|---------------|---------------|

**E. The assets owned by the BBC** continued  
**E4 Property, plant and equipment** continued

|   | Land and buildings*<br>£m | Plant and machinery<br>£m | Furniture and fittings<br>£m | Assets under construction<br>£m | Total<br>£m  |
|---|---------------------------|---------------------------|------------------------------|---------------------------------|--------------|
| <b>Cost</b>                             |                           |                           |                              |                                 |              |
| At 1 April 2022                         | 356                       | 1,065                     | 133                          | 52                              | 1,606        |
| Additions                               | 2                         | 2                         | 1                            | 69                              | 74           |
| Reclassification to asset held for sale | (35)                      | (16)                      | (1)                          | –                               | (52)         |
| Brought into service                    | 2                         | 55                        | 3                            | (60)                            | –            |
| Disposals                               | (16)                      | (73)                      | (16)                         | (2)                             | (107)        |
| At 31 March 2023                        | 309                       | 1,033                     | 120                          | 59                              | 1,521        |
| Additions                               | –                         | 2                         | 5                            | 65                              | 72           |
| Brought into service                    | 3                         | 47                        | 12                           | (62)                            | –            |
| Disposals                               | (19)                      | (65)                      | (10)                         | –                               | (94)         |
| <b>At 31 March 2024</b>                 | <b>293</b>                | <b>1,017</b>              | <b>127</b>                   | <b>62</b>                       | <b>1,499</b> |
| <b>Depreciation</b>                     |                           |                           |                              |                                 |              |
| At 1 April 2022                         | 173                       | 847                       | 108                          | –                               | 1,128        |
| Charge for the year                     | 16                        | 52                        | 6                            | –                               | 74           |
| Reclassification to asset held for sale | (12)                      | (11)                      | (1)                          | –                               | (24)         |
| Disposals                               | (8)                       | (68)                      | (14)                         | –                               | (90)         |
| At 31 March 2023                        | 169                       | 820                       | 99                           | –                               | 1,088        |
| Charge for the year                     | 14                        | 46                        | 7                            | –                               | 67           |
| Disposals                               | (13)                      | (61)                      | (10)                         | –                               | (84)         |
| <b>At 31 March 2024</b>                 | <b>170</b>                | <b>805</b>                | <b>96</b>                    | <b>–</b>                        | <b>1,071</b> |
| <b>Net book value</b>                   |                           |                           |                              |                                 |              |
| <b>At 31 March 2024</b>                 | <b>123</b>                | <b>212</b>                | <b>31</b>                    | <b>62</b>                       | <b>428</b>   |
| At 31 March 2023                        | 140                       | 213                       | 21                           | 59                              | 433          |

\* Land and buildings are not separable and therefore reported collectively.

## Financial statements

### Notes to the accounts continued

#### E. The assets owned by the BBC continued

##### E5 Investment properties (owned)

The majority of investment properties held by the BBC are right-of-use assets (see Note F3 for further details, including the BBC's accounting policy). One freehold property, with negligible net book value, is however classified as an investment property.

At 31 March 2024, this property was valued at £3 million (2023: £3 million). The valuation of these investment properties was carried out by independent valuers Lambert Smith Hampton, in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation Professional Standards. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The property, which is leased out under an operating lease, earned an immaterial amount of rental income and incurred an immaterial amount of direct operating expenditure.

##### E6 Assets classified as held for sale

###### ■ Assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through sale rather than continuing use. They are available for immediate sale and the sale is highly probable, normally within the next 12 months.

|  | 2024<br>£m | 2023<br>£m |
|--|------------|------------|
| <b>Property, plant and equipment held for sale</b> | <b>32</b>  | <b>34</b>  |

The prior year relates to the sale and leaseback of Maida Vale, which completed in September 2023, sale of Caversham and sale and lease back of Elstree. Both Caversham and Elstree were delayed, expecting to complete during 2024/25 and therefore remain as held for sale at 31 March 2024.

##### 🏠 E7 Interests in associates and joint ventures

This Note details the BBC's share of net assets in associates and joint ventures, along with the impact that they have on the consolidated income statement. Details of significant associates and joint ventures along with principal subsidiary undertakings, including their activities, are provided in Note I1.

|  | 2024<br>£m | 2023<br>£m |
|--|------------|------------|
| Interests in associates  | 86         | 111        |
| Interests in joint ventures                                    | 14         | 63         |
| <b>Total interests in associates and joint ventures</b>        | <b>100</b> | <b>174</b> |
| Share of results of associates                                 | 19         | 15         |
| Share of results of joint ventures                             | 10         | (3)        |
| <b>Total share of results of associates and joint ventures</b> | <b>29</b>  | <b>12</b>  |

An **associate** is an entity that the BBC has significant influence over, but that does not meet the definition of a joint venture or subsidiary. Significant influence is the power to participate in the financial and operating decisions of an entity but is not control or joint control over those policies.

A **joint venture** is where the BBC has joint control over an entity with another partner(s).

The movements in associates and joint ventures during the year were as follows:

|  | 2024             |                      |             | 2023             |                      |             |
|--|------------------|----------------------|-------------|------------------|----------------------|-------------|
|  | Associates<br>£m | Joint ventures<br>£m | Total<br>£m | Associates<br>£m | Joint ventures<br>£m | Total<br>£m |
| At 1 April                                     | 111              | 63                   | 174         | 152              | 58                   | 210         |
| Additions                                      | 3                | 6                    | 9           | 7                | 22                   | 29          |
| Disposals                                      | –                | (70)                 | (70)        | (3)              | –                    | (3)         |
| Share of results                               | 19               | 10                   | 29          | 15               | (3)                  | 12          |
| Share of losses reclassified to provisions     | (2)              | –                    | (2)         | –                | –                    | –           |
| Adjustment to provision for unrealised profits | –                | 8                    | 8           | 1                | (6)                  | (5)         |
| Dividends receivable                           | (46)             | (3)                  | (49)        | (31)             | –                    | (31)        |
| Foreign exchange translation gains             | 1                | –                    | 1           | 10               | 2                    | 12          |
| Impairment                                     | –                | –                    | –           | (40)             | (10)                 | (50)        |
| At 31 March                                    | <b>86</b>        | <b>14</b>            | <b>100</b>  | 111              | 63                   | 174         |

See Notes C1, C2 and I3 for further details.



**E. The assets owned by the BBC** continued**E7 Interests in associates and joint ventures** continued

The Group tests assets for indicators of impairment annually. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount of the assets are determined from value in use calculations. The key assumptions used for these calculations are those regarding discount rates and growth rates. Management estimates discount rates and growth rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to each CGU.

Interests in joint ventures includes £14 million (2023 : £14 million) for the Group's investment in Daunus Limited.

**New Video Channel America, LLC (NVCA)**

The investment in this channel arose from the Group retaining 50.1% ownership in the business partially sold to AMC Networks on 23 October 2014. The Group accounts for its retained interest as an associate as AMC Networks retains operational control (see below for further detail). The cash flow projections used in determining value in use are based on the current business plan approved by management, which covers a five-year period after which cash flows have been extrapolated using an expected long-term growth rate of -10.0% (2023: -5.0%).

A discount rate of 9.4% (2023: 11.7%) has been applied to the cash flows.

Management believes that no impairment is due on the Group's share in the channel (2023: £20 million) following the annual impairment review. The remaining investment balance of £67 million (2023: £98 million) reflects confidence in the channel's future profitability.

The following table presents the Group's share of material associates during the year:

|   | 2024                                |                       | 2023                                |                       |
|---|-------------------------------------|-----------------------|-------------------------------------|-----------------------|
|   | New Video Channel America LLC<br>£m | YouView Limited<br>£m | New Video Channel America LLC<br>£m | YouView Limited<br>£m |
| Non-current assets  | 104                                 | 5                     | 114                                 | 3                     |
| Current assets  | 50                                  | 5                     | 95                                  | 10                    |
| Current liabilities                                       | (16)                                | (12)                  | (10)                                | (11)                  |
| Non-current liabilities                                   | –                                   | (130)                 | (2)                                 | (121)                 |
| <b>Net assets/(liabilities) of material associates</b>    | <b>138</b>                          | <b>(132)</b>          | <b>197</b>                          | <b>(119)</b>          |
| <b>Group's share of net assets of material associates</b> | <b>67</b>                           | <b>–</b>              | <b>98</b>                           | <b>–</b>              |
| Material associate income                                 | 109                                 | 25                    | 126                                 | 23                    |
| Material associate profit/(loss) after tax                | 36                                  | 11                    | (43)                                | (12)                  |
| Share attributable to other parties                       | (18)                                | (11)                  | 21                                  | 12                    |
| <b>Share of results of material associates</b>            | <b>18</b>                           | <b>–</b>              | <b>(22)</b>                         | <b>–</b>              |

The BBC's share of results of immaterial associates totalled £1 million (2023: £37 million).

The following table presents the Group's share of material joint ventures during the year:

|   | Daunus Limited<br>2024<br>£m | Daunus Limited<br>2023<br>£m |
|---|------------------------------|------------------------------|
| Non-current assets  | 844                          | 937                          |
| Current assets  | 75                           | 76                           |
| Current liabilities   | (80)                         | (75)                         |
| Non-current liabilities                                       | (561)                        | (589)                        |
| <b>Net assets of material joint venture</b>                   | <b>278</b>                   | <b>349</b>                   |
| <b>Group's share of net assets of material joint ventures</b> | <b>–</b>                     | <b>–</b>                     |
| Material joint venture income                                 | 72                           | 68                           |
| Material joint venture profit after tax                       | 29                           | 25                           |
| Share attributable to other parties                           | (29)                         | (25)                         |
| <b>Share of results of material joint ventures</b>            | <b>–</b>                     | <b>–</b>                     |

The BBC's share of results of immaterial joint ventures totalled £10 million (2023: £(3) million).

Daunus Limited, a company set up to facilitate the redevelopment and subsequent financing arrangements of London Broadcasting House, prepares its financial statements to a 30 November accounting reference date and under Financial Reporting Standard 102. Adjustments are therefore made to align these to the Group, reducing the BBC's share to nil in the current year. Also see Note G5 for further details on the BBC's interest in Daunus Limited.

The Group is unable to receive dividends from Daunus Limited until 2033 due to restrictions mandated within this entity.

## Financial statements

### Notes to the accounts continued

#### F. Leasing activities at the BBC

In providing the range of services to audiences, the BBC makes use of a significant number of assets in its operations, many of which are leased. This section sets out those leased assets, held for both operating purposes and as investment properties and their related liabilities including detail on any additions or disposals to these during the year.

Disclosures have also been made on lease-related activity such as income received as a lessor and lease expenses recognised directly within the income statement.

Lease liabilities held by the BBC are subject to certain limits, as agreed with the DCMS and are explained in detail within Note G3. The BBC has remained in compliance with these throughout the year.

#### Risks – Leasing

The complex nature of some of the BBC's properties and the contractual conditions of leases entered may require judgement in the calculation of the valuation of the related right-of-use assets and lease obligations. Where significant judgements are made, the risk of potential misstatement is also present.

#### Judgement – Leases

Judgement is required when assessing whether a contract contains a lease, the timing of recognition under IFRS 16 Leases for assets under construction and the appropriate discount rates, etc. to be applied where this is not implicit within the contract.

Where a lease is identified, further judgement can be required in the determination of the lease term used in the valuation of lease liabilities and right-of-use assets that are linked to the exercise of lease breaks and purchase options.

#### Leases – initial assessment

At inception of a contract the Group assesses whether a contract contains a lease; defined as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group assesses whether:

- the contract involves the use of an identified asset – either specified explicitly or implicitly – and should be (or represent substantially all the capacity of) a physical asset. If the supplier has substantive substitution rights, then the asset is not identified;
- the Group has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset, which is when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

This predominantly includes land and buildings (both in the UK and overseas) as well as a range of specialised broadcast equipment.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relevant stand-alone prices as determined by the underlying contract.

The Group has a number of options to extend the lease on a right-of-use asset, or to purchase the underlying asset – typically relating to land and buildings, either in the UK or overseas. An assessment of the location and the availability of suitable alternatives has been undertaken in determining the likelihood of exercising these options.

When determining the accounting for a lease, the BBC has assessed whether it has the right to use the leased asset at the inception of the lease, or whether this right passes at a later date (“the commencement date”).

Where a significant site is being redeveloped, occupation may occur in distinct phases; consequently, the leased asset and liabilities are recognised based on the proportion of the site occupied at each commencement date.


#### Lease remeasurement

When the lease liability is remeasured a corresponding adjustment is made to the carrying amount of the right-of-use asset. If the carrying value has been reduced to zero then any further reductions are recorded in the consolidated income statement.

#### Short-term leases

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets, which are expensed. This includes laptops and other items of small IT equipment.

#### F1 Right-of-use assets

 The Group recognises a right-of-use asset upon lease commencement. The right-of-use asset is initially measured at cost, being the initial amount of the lease liability adjusted for any lease payments made before the commencement date, less incentives received.

The right-of-use asset is subsequently depreciated using a straight-line method from the commencement date over the lease term (which is equal to, or shorter than, the asset's useful life). The right-of-use asset is periodically reduced by impairment losses and adjustments for certain remeasurements of the lease liability.

**F. Leasing activities at the BBC** continued**F1 Right-of-use assets** continued

|                         | Land and buildings*<br>£m | Plant and machinery<br>£m | Assets under construction<br>£m | Total<br>£m  |
|-------------------------|---------------------------|---------------------------|---------------------------------|--------------|
| <b>Cost</b>             |                           |                           |                                 |              |
| At 1 April 2022         | 2,019                     | 11                        | 21                              | 2,051        |
| Additions               | 9                         | 1                         | 8                               | 18           |
| Disposals               | (18)                      | (5)                       | –                               | (23)         |
| Change in contract      | 86                        | –                         | –                               | 86           |
| At 31 March 2023        | 2,096                     | 7                         | 29                              | 2,132        |
| Additions               | 16                        | 3                         | 7                               | 26           |
| Disposals               | (8)                       | (2)                       | –                               | (10)         |
| Change in contract      | 70                        | –                         | –                               | 70           |
| <b>At 31 March 2024</b> | <b>2,174</b>              | <b>8</b>                  | <b>36</b>                       | <b>2,218</b> |
| <b>Depreciation</b>     |                           |                           |                                 |              |
| At 1 April 2022         | 536                       | 8                         | –                               | 544          |
| Charge for the year     | 92                        | 2                         | –                               | 94           |
| Disposals               | (7)                       | (5)                       | –                               | (12)         |
| At 31 March 2023        | 621                       | 5                         | –                               | 626          |
| Charge for the year     | 97                        | 2                         | –                               | 99           |
| Disposals               | (6)                       | (2)                       | –                               | (8)          |
| <b>At 31 March 2024</b> | <b>712</b>                | <b>5</b>                  | <b>–</b>                        | <b>717</b>   |
| <b>Net book value</b>   |                           |                           |                                 |              |
| <b>At 31 March 2024</b> | <b>1,462</b>              | <b>3</b>                  | <b>36</b>                       | <b>1,501</b> |
| At 31 March 2023        | 1,475                     | 2                         | 29                              | 1,506        |

\* Land and buildings are not separable and are therefore reported collectively.

**F2 Obligations under leases**

The Group recognises a lease liability upon lease commencement. The lease liability is initially measured at the present value of unpaid lease payments at commencement, discounted using the Group's incremental borrowing rate (unless the interest rate implicit in the lease can be readily determined).

The incremental borrowing rate is the rate of interest that would hypothetically have to be paid to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. A small change in the rate could have a significant impact on the valuation of respective lease liabilities.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments;
- variable payments dependent on an index or rate, measured using the index or rate at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option or lease payments in an optional renewal period that the Group is reasonably certain to exercise and early termination penalties of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in index or rate, change in estimate of the amount expected to be payable under a residual value guarantee, a change in the lease term or a change in the assessment of an option being exercised.

|                                     | 2024<br>£m   | 2023<br>£m   |
|-------------------------------------|--------------|--------------|
| Leases due within one year          | 133          | 127          |
| Leases due after more than one year | 1,545        | 1,591        |
| <b>At 31 March 2024</b>             | <b>1,678</b> | <b>1,718</b> |

## Financial statements

### Notes to the accounts continued

#### F. Leasing activities at the BBC continued

##### F2 Obligations under lease continued

The ageing of obligations under leases is as follows:

|                            | 2024<br>£m   | 2023<br>£m   |
|----------------------------|--------------|--------------|
| Within one year            | 133          | 127          |
| Between one and five years | 520          | 489          |
| Over five years            | 1,025        | 1,102        |
|                            | <b>1,678</b> | <b>1,718</b> |

The age analysis of the contractual undiscounted cash flows is as follows:

|                                     | 2024<br>£m   | 2023<br>£m   |
|-------------------------------------|--------------|--------------|
| Within one year                     | 179          | 173          |
| Between one and five years          | 675          | 646          |
| Over five years                     | 1,219        | 1,324        |
| Total lease payments                | 2,073        | 2,143        |
| Less interest element               | (395)        | (425)        |
| <b>Present value of obligations</b> | <b>1,678</b> | <b>1,718</b> |

#### F3 Investment properties (right-of-use assets)

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of the properties (see depreciation on land and buildings above).

The residual values, useful lives and depreciation method of investment properties are reviewed and adjusted as appropriate, at each balance sheet date. The effects of any revision are included in the consolidated income statement when the changes arise.

|                                | Right-of-use assets |            |
|--------------------------------|---------------------|------------|
|                                | 2024<br>£m          | 2023<br>£m |
| <b>Cost</b>                    |                     |            |
| <b>At 1 April and 31 March</b> | <b>37</b>           | <b>37</b>  |
| <b>Depreciation</b>            |                     |            |
| At 1 April                     | 6                   | 5          |
| Charge for the year            | –                   | 1          |
| <b>At 31 March</b>             | <b>6</b>            | <b>6</b>   |
| <b>Net book value</b>          | <b>31</b>           | <b>31</b>  |

At 31 March 2024, the BBC held right-of-use investment properties valued at £6 million (2023: £4 million). The valuation of these investment properties was carried out by independent valuers Lambert Smith Hampton, in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation Professional Standards. In estimating the fair value of the properties, the highest and best use of the properties is their current use. The valuation is lower than the carrying amount due to the corresponding lease liabilities being presented separately. The BBC is confident that these properties will continue to be sublet for the duration of the main lease and consequently no impairments have been identified.

Included in the above is the Group's lease on Henry Wood House which was assigned to its tenant in May 2024.

The property rental income earned by the BBC from its investment properties, which are leased out under operating leases, amounted to £5 million (2023: £3 million). Direct operating expenses incurred on the investment properties, which generated rental income during the year, amounted to £6 million (2023: £3 million). There were no direct operating expenses incurred on the investment properties which did not generate rental income during the year (2023: nil).

See Note E5 for owned investment properties.

**F. Leasing activities at the BBC** continued**F4 Lease income received as a lessor**

The Group received finance lease income from finance lease contracts in which the Group acts as a lessor through the consolidated balance sheet against a lease receivable held. The following sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date:

|  | 2024<br>£m | 2023<br>£m |
|--|------------|------------|
| Within one year                                  | 23         | 21         |
| Between one and five years                       | 133        | 98         |
| Over five years                                  | 145        | 194        |
| <b>Total undiscounted finance lease payments</b> | <b>301</b> | <b>313</b> |
| Unearned finance income                          | (78)       | (88)       |
| <b>Net investment in the lease</b>               | <b>223</b> | <b>225</b> |

The Group received £19 million (2023: £25 million) of lease income (including service charges) from operating lease contracts in which the Group acts as a lessor. The following sets out a maturity analysis of lease payments to be received after the reporting date. This excludes service charges which are dependent on usage.

|                                       | 2024<br>£m | 2023<br>£m |
|---------------------------------------|------------|------------|
| Within one year                       | 7          | 7          |
| Between one and five years            | 23         | 26         |
| Over five years                       | 16         | 19         |
| <b>Total operating lease payments</b> | <b>46</b>  | <b>52</b>  |

**F5 Lease expenses recognised in the consolidated income statement**

|  | Note   | 2024<br>£m | 2023<br>£m |
|--|--------|------------|------------|
| Interest on obligations under leases   | C3     | 51         | 51         |
| Depreciation on leased assets  | F3, F1 | 99         | 95         |
| Expenses relating to short-term leases                                       |        | 10         | 10         |
| Expenses relating to leases of low-value assets, excluding short-term leases |        | 1          | 4          |
| <b>Total lease payments</b>  |        | <b>161</b> | <b>160</b> |

## Financial statements

### Notes to the accounts continued

#### G. Financing the BBC

This section contains the notes to the consolidated balance sheet that detail the funding of the BBC as well as information on the financial instruments held.

A financial instrument is a contract that results in one entity recording a financial asset (a contractual right to receive financial assets, e.g. cash) in their accounts and another entity recording a financial liability (a contractual obligation to deliver financial assets to another entity).

#### Risk – Valuation of derivatives and other financial instruments

The valuation of derivative financial instruments can be complex. Most notably the following:

- the BBC holds a series of cash flow swaps where the valuation requires judgement with reference to both forward Sterling Overnight Interbank Average (SONIA) and RPI data sets.
- the BBC's interest in Daunus Limited, although held at cost in the financial statements, a judgement is required in the calculation of its valuation for disclosure purposes within this section.

Where significant judgements are made, the risk of potential misstatement is also present.

#### Significant estimate – Valuation of cash flow swaps

The valuation of the BBC's interest in Daunus Limited and the cash flow swaps requires judgement and the use of various market data sets, most notably forward SONIA rates, RPI and discount factors.

#### Judgement – Impairment of financial assets

Financial assets are assessed at each balance sheet date to determine whether there is any objective evidence of impairment. Judgement is required when determining whether there is objective evidence of impairment, such as significant financial difficulty of the counterparty or breach of contract.

#### G1 Cash and cash equivalents

 Cash and cash equivalents comprise cash balances and call deposits with maturities of less than three months (short-term deposits).

The Group retains significant cash amounts and cash equivalent balances in instant access accounts in order to manage the variation in cash flows required for its operations.

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits earn interest at the respective short-term deposit rates.


|                                   | 2024<br>£m | 2023<br>£m |
|-----------------------------------|------------|------------|
| Cash at bank, available on-demand | 196        | 109        |
| Short-term deposits               | 363        | 391        |
| <b>Total</b>                      | <b>559</b> | <b>500</b> |

Of the total above, £361 million (2023: £338 million) cash and cash equivalents were held by the PSB Group. The remaining balance is held by the Commercial Group.

#### G2 Investments (cash on long-term deposit)

There were no current asset investments (representing cash held on deposit for greater than three months) in the current year (2023: £100 million).

#### G3 Borrowings

 Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (those necessarily taking a substantial period of time to get ready for their intended use) are added to the cost of those assets, until such time as the assets are ready for their intended use.

Originated programmes can be qualifying assets, but those necessarily taking a substantial period of time to get ready for broadcast are a small proportion of overall programme investment. Any borrowing costs that could be attributed to those programmes are not significant and, therefore, no borrowing costs are capitalised.

All finance income and other borrowing costs are recognised in income and expense in the period in which they are incurred.

**G. Financing the BBC** continued**G3.1 Borrowings due within one year**

|           | 2024<br>£m | 2023<br>£m |
|-----------|------------|------------|
| Bank loan | 6          | 8          |

**G3.2 Borrowings due after more than one year**

|           | 2024<br>£m | 2023<br>£m |
|-----------|------------|------------|
| Bank loan | 520        | 170        |

**G3.3 Borrowing facilities**

| Facility   | Interest rate   | At 31 March 2024      |                     | At 31 March 2023      |                     | Expiry or review date |
|--|---|-----------------------|---------------------|-----------------------|---------------------|-----------------------|
|  |   | Total available<br>£m | Drawn down at<br>£m | Total available<br>£m | Drawn down at<br>£m |                       |
| <b>PSB Group</b>                                       |   |                       |                     |                       |                     |                       |
| Sterling revolving credit facility agreement           | SONIA plus the agreed credit adjustment spread of 0.1193%, plus the relevant margin; 0.225% up to 1/3 utilisation, 0.375% between 1/3 and 2/3 and 0.525% over 2/3 | 200                   | –                   | 200                   | –                   | March 2025            |
| Uncommitted money market lines (short-term borrowings) | The interest rates on uncommitted money market lines are determined when traded with the bank   | 25                    | –                   | 25                    | –                   | Reviewed annually     |
| GBP overdraft  | Bank base rate plus 1.5%  | 5                     | –                   | 5                     | –                   | Reviewed annually     |
| Overdraft*   | Bank base rate plus 1%  | 1                     | –                   | 1                     | –                   | Reviewed annually     |
| <b>BBC Commercial Limited</b>                          |   |                       |                     |                       |                     |                       |
| Revolving credit facility agreement                    | SONIA plus agreed credit adjustment spread of 0.1193% plus the relevant margin; 0.45% up to 1/3 utilisation, 0.6% between 1/3 and 2/3 and 0.75% over 2/3          | 310                   | 200                 | 210                   | –                   | March 2026            |
| Private placement                                      | 5.72% fixed rate  | 150                   | 150                 | –                     | –                   | February 2039         |
| Overdraft or money market lines*                       | Bank base rate plus 1.5%  | 2                     | –                   | 2                     | –                   | Reviewed annually     |
| Uncommitted money market lines                         | Interest rate determined when traded with the bank  | 20                    | –                   | 20                    | –                   | Reviewed annually     |
| Fixed-term loan  | SONIA plus 1.25%  | 170                   | 170                 | 170                   | 170                 | June 2025**           |
| <b>BBC Studios Distribution Limited</b>                |   |                       |                     |                       |                     |                       |
| Overdraft*   | Bank base rate plus 1% if drawn down in sterling. Bank currency overdraft rate plus a 1% margin if drawn down in other currencies                                 | 3                     | –                   | 3                     | –                   | Reviewed annually     |
| Bank loan  | Three-month GBP SONIA plus 1.5%   | –                     | –                   | 6                     | 6                   | July 2023             |
| Bank loan  | Three-month GBP SONIA plus 1.5%   | –                     | –                   | 4                     | 1                   | June 2023             |
| Bank loan  | Three-month GBP SONIA plus 1.0%   | –                     | –                   | 1                     | –                   | July 2023             |
| Bank loan  | Three-month GBP SONIA plus 1.0%   | –                     | –                   | 2                     | 1                   | April 2023            |
| Bank loan  | Three-month GBP SONIA plus 1.5%   | 2                     | 1                   | 2                     | –                   | October 2024          |
| Bank loan  | Three-month GBP SONIA plus 1.5%   | 5                     | 5                   | –                     | –                   | November 2024         |

\* The base rate used varies according to the currency drawn. GBP drawings are linked to the Bank of England base rate.

\*\* The Group has exercised its final extension option in year, taking the maturity to June 2025. A series of interest rate swaps have been entered to fix the interest rate on this facility to 5.84% from June 2023 to maturity.

There have been no defaults or breaches of covenants on these facilities during the year (2023: none).

## Financial statements

### Notes to the accounts continued

#### G. Financing the BBC continued

##### G4 DCMS borrowing limits

The BBC forms part of the UK's National debt. The BBC is subject to two specific limits to its borrowings, as agreed with the DCMS:

- the PSB Group net borrowing limit of £2,200 million is set by the Secretary of State for Culture, Media and Sport in accordance with the Framework Agreement between the BBC and the DCMS. Of this limit, £2,000 million is specifically for leases; and
- under a direction granted by the Secretary of State for Culture, Media and Sport a net borrowing limit of £800 million has been set for the BBC Commercial Group. Of this limit, £200 million is specifically for leases.

The Commercial Group element of the BBC borrowing limit will increase to £850 million on 1 April 2025 and then £950 million on 1 April 2026. Of these limits, £200 million will continue to be specifically for leases.

##### G4.1 Analysis of net debt for the DCMS borrowing limits

|  | At 1 April 2023<br>£m | Cash flows<br>£m | Non-cash changes<br>£m | Exchange<br>£m | At 31 March 2024<br>£m |
|--|-----------------------|------------------|------------------------|----------------|------------------------|
| Total cash and cash equivalents        | 500                   | 61               | –                      | (2)            | 559                    |
| Cash investments                       | 100                   | (100)            | –                      | –              | –                      |
| Loans and loan notes                   | (178)                 | (348)            | –                      | –              | (526)                  |
| Derivatives associated with borrowings | 2                     | –                | (1)                    | –              | 1                      |
| Obligations under leases               | (1,718)               | 183              | (143)                  | –              | (1,678)                |
| <b>Net debt</b>                        | <b>(1,294)</b>        | <b>(204)</b>     | <b>(144)</b>           | <b>(2)</b>     | <b>(1,644)</b>         |
| Made up of:                            |                       |                  |                        |                |                        |
| PSB Group                              | (1,269)               |                  |                        |                | (1,203)                |
| Commercial Group*                      | (25)                  |                  |                        |                | (441)                  |
| <b>Net debt</b>                        | <b>(1,294)</b>        |                  |                        |                | <b>(1,644)</b>         |

\* Excludes £1 million ((2023: none) of lease liabilities held with the PSB Group.

##### G4.2 Reconciliation of net funds/(debt) to the DCMS borrowing limits

|                     | Public Service Group                       |                             |                | BBC Commercial Group*                      |                             |                |
|---------------------|--|-----------------------------|----------------|--|-----------------------------|----------------|
|                     | Net funds/(debt)<br>excluding leases<br>£m | Lease<br>borrowings**<br>£m | Net debt<br>£m | Net funds/(debt)<br>excluding leases<br>£m | Lease<br>borrowings**<br>£m | Net debt<br>£m |
| <b>2024</b>         |  |                             |                |  |                             |                |
| Net funds/(debt)    | 361  | (1,564)                     | (1,203)        | (327)                                      | (114)                       | (441)          |
| Net borrowing limit | (200)                                      | (2,000)                     | (2,200)        | (600)                                      | (200)                       | (800)          |
| <b>Headroom</b>     | <b>561</b>                                 | <b>436</b>                  | <b>997</b>     | <b>273</b>                                 | <b>86</b>                   | <b>359</b>     |
| <b>2023</b>         |  |                             |                |  |                             |                |
| Net funds/(debt)    | 338  | (1,607)                     | (1,269)        | 86   | (111)                       | (25)           |
| Net borrowing limit | (200)                                      | (2,000)                     | (2,200)        | (600)                                      | (200)                       | (800)          |
| Headroom            | 538  | 393                         | 931            | 686  | 89                          | 775            |

\* Under the terms of the DCMS agreement, the BBC Commercial Group must satisfy two financial covenants, which need to be satisfied throughout the respective period. During both the current and prior years, the BBC Commercial Group was in compliance with both these covenants.

\*\* Lease borrowings are net of intra-group lease borrowings as these eliminate on consolidation



**G. Financing the BBC** continued**⚠ G5 Financial instruments**

The BBC classifies its financial assets and liabilities into one of the following categories:

**■ Measured at amortised cost**

- Trade and other receivables/payables
- Contract assets/liabilities
- Cash and cash equivalents
- Investments (cash held on long-term deposit)
- Borrowings

They principally arise from the provision of goods and services, but also incorporate other types of financial assets/liabilities where the objective is to collect or receive contractual cash flows and the contractual cash flows are solely payments of principal and interest.

**■ Measured at fair value through surplus/deficit**

For the BBC, this category comprises derivatives. Those in-the-money derivatives are financial assets whilst those out-the-money are financial liabilities.

The BBC does not enter into speculative derivative contracts; however, some derivative financial instruments are used to manage the BBC's exposure to fluctuations in interest rates (interest rate swaps) and foreign currency exchange rates (foreign currency forward contracts).

Derivative financial instruments, excluding derivatives held as qualifying hedges, are initially recognised at fair value and are subsequently remeasured to fair value at the balance sheet date with movements recorded in the income statement.

- Interest rate swaps: The fair value is the estimated amount that the BBC would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates, the current creditworthiness of swap counterparties and the creditworthiness of the BBC.
- Foreign currency forward contract rates: The fair value of forward foreign exchange contracts is determined by using the difference between the contract exchange rate and the quoted forward exchange rate at the reporting date from third parties.
- Hybrid contracts: Contains both derivative and non-derivative elements with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

Derivatives embedded in hybrid contracts with a financial asset host within the scope of IFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate.

Derivatives embedded in hybrid contracts with hosts that are not financial assets within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through surplus/deficit.

If the hybrid contract is a quoted financial liability, instead of separating the embedded derivatives, the BBC generally designates the whole hybrid contract at fair value through surplus/deficit.

- Other investments: The BBC has strategic investments in listed and unlisted entities which are not accounted for as subsidiaries, associates or joint ventures. These investments were previously classed as available for sale under IAS 39, and are now held at fair value through surplus/deficit.

**■ Measured at fair value through other comprehensive income**

Certain derivatives designated as cash flow hedges are recognised at fair value through other comprehensive income.

Where hedge accounting is applied, the BBC has elected to adopt the hedge accounting requirements of IFRS 9 Financial Instruments. The BBC enters into hedge relationships where the critical terms of the hedging instruments and the hedged item match. Hedge effectiveness is determined at the origination of the hedging relationship. Quantitative effectiveness tests are performed at each period end to determine the continuing effectiveness of the relationship. In instances where changes occur to the hedged item which results in the critical terms no longer matching, the hypothetical derivative method is used to assess effectiveness.

The BBC designates certain derivatives as cash flow hedges by documenting the relationship between the hedging instrument and the hedged item, along with the risk management objectives and its strategy for undertaking various hedge transactions. Where the hedge is deemed to have been effective, the effective portion of any changes in the fair value of the derivatives that are designated in the hedge is recognised in other comprehensive income. The accumulated amount in the cash flow hedge reserve is reclassified to profit or loss in the same period as the hedged cash flows affect profit or loss. Any ineffective portion of the hedge is recognised immediately in the income statement.

**■ Impairment of financial assets**

Financial assets are assessed at each balance sheet date to determine whether there is any objective evidence of impairment. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. All impairment losses are recognised in the income statement.

## Financial statements

### Notes to the accounts continued

#### G. Financing the BBC continued G5 Financial instruments continued

Derivatives are complex financial instruments that are usually used to manage risk. Derivative contracts are entered into for a fixed period of time and their value changes during that period in relation to changes in a variable, such as an interest rate, commodity price, credit rating or foreign exchange rate.

The BBC uses the following derivative contracts:

- **Forward foreign currency** contracts are entered into to fix future currency payments/receipts to a set exchange rate. These could be to cover expected future payments, receipts or specific contracts.
- **Interest rate swaps** allow the BBC to fix variable interest rates on borrowings to a fixed rate.
- A **cash flow** swap was entered into for the financing arrangements of London Broadcasting House, exchanging the inflation-linked rent and headlease repurchase payments for a fixed payment schedule out to 2045.

These instruments allow the BBC to manage its liquidity requirements more effectively as the amounts to be paid/received become known.

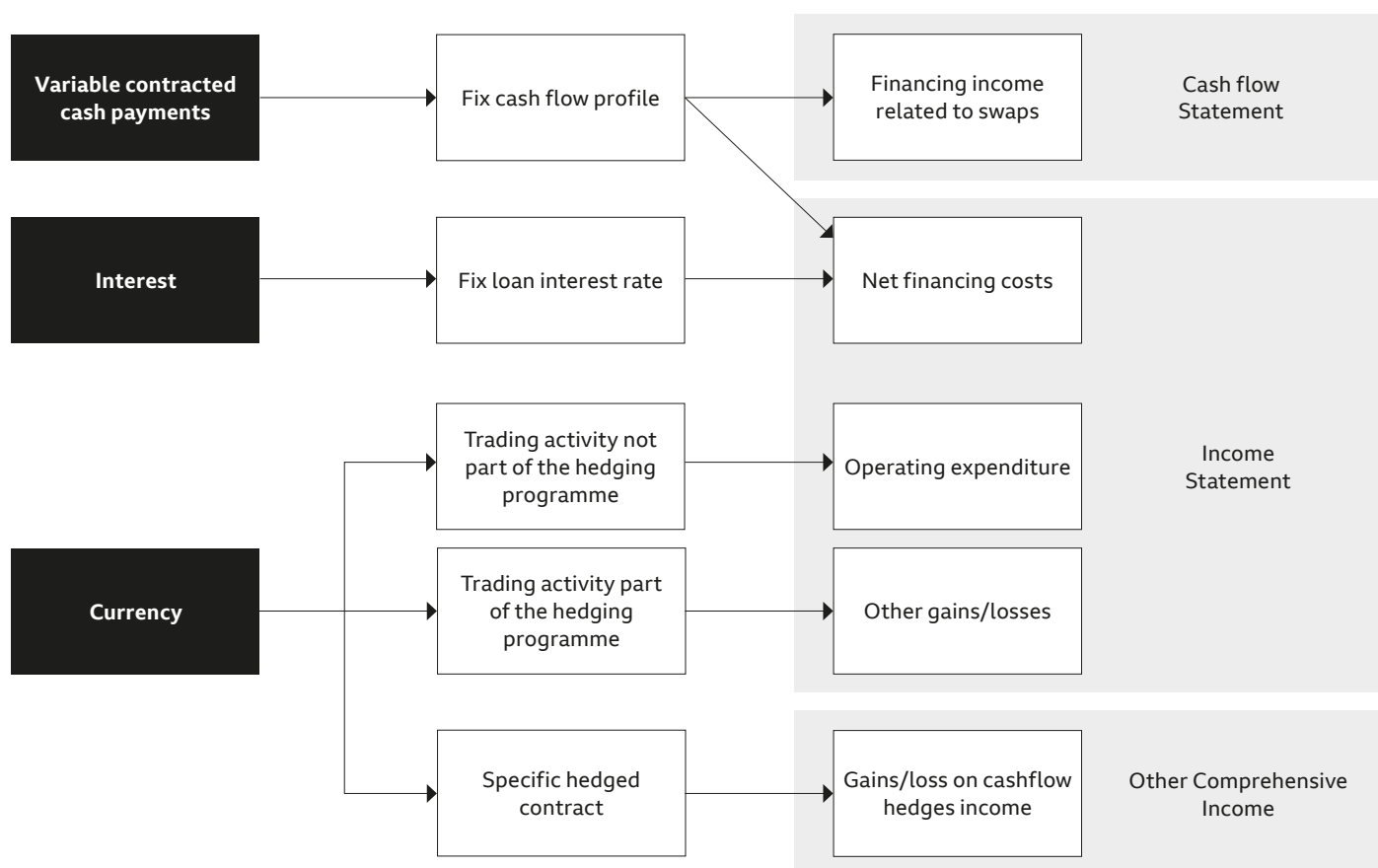
The following terminology is used throughout this section:

- **Credit risk:** the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation.
- **Fair value:** The fair value of an asset is the amount for which the asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.
- **Foreign currency transactions:** As these financial statements are prepared in sterling, the BBC's foreign currency transactions and balances must be translated at appropriate exchange rates, into sterling. This means that variations in exchange rates can cause the valuation of investments to fluctuate, even when there has been no change in the health of the underlying business.

**G. Financing the BBC** continued

**G5 Financial instruments** continued

Derivatives are all valued at fair value and movements thereof are recognised as follows:



**G5.1 Financial risk management**

The BBC’s financial risk management operations are carried out by a BBC Group Treasury function, within parameters defined formally within the policies and procedures manual agreed by the Treasury Committee, which has delegated authority from the BBC Board.

The BBC Group Treasury function uses financial instruments to raise finance and to manage financial risk arising from the BBC’s operations in accordance with its objectives, which are:

- to ensure the business of the BBC, both PSB Group and Commercial Group, is funded in the most efficient manner and remains compliant with borrowing ceilings;
- to protect the value of the BBC’s assets, liabilities and cash flows from the effects of adverse interest rates and foreign exchange fluctuations; and
- to maximise the return on surplus funds, whilst ensuring sufficient cash is retained to meet foreseeable liquidity requirements.

The BBC takes a risk averse approach to the management of interest rate fluctuations and foreign currency trading and has implemented a clear economic hedging policy to minimise volatility in the financial results. A small number of the forward foreign currency contracts entered into by the BBC were designated as hedging instruments in effective cash flow hedges. Hedge accounting is only applied where there is appropriate designation and documentation.

The BBC is exposed to the following areas of risk arising from financial instruments:

| Risk                        | Exposure arising from                                       | Measurement                        | Management  |
|-----------------------------|---|------------------------------------|---|
| Market risk – currency risk | Transactions and balances denominated in foreign currencies | Cash flow forecasting              | Forward foreign currency contracts  |
| Market risk – interest risk | Long-term borrowings at variable rates                      | Projected borrowing requirements   | Interest rate swaps   |
| Liquidity risk              | Borrowings and other financial liabilities                  | Rolling cash flow forecasts        | Monitoring cash flow forecasts and covenant compliance                        |
| Credit risk                 | Counterparty default on contractual obligations             | Credit ratings and ageing analysis | Assessment of financial reliability, collateral and other credit enhancements |

## Financial statements

### Notes to the accounts continued

#### G. Financing the BBC continued

##### G5 Financial instruments continued

##### G5.1 Financial risk management continued

##### Currency risk

Although the BBC is principally a UK-based organisation, some transactions are undertaken in currencies other than sterling.

The BBC's commercial operations are undertaken in a range of global markets and a significant proportion of Studios Groups' income is generated outside the UK, with resulting foreign exchange risk – principally to the US dollar, the euro and the Australian dollar. Due to movements in exchange rates, the amount the BBC expects to receive or pay when it enters into a transaction may differ from the amount that it actually receives or pays when it settles the transaction.

The BBC takes a risk averse approach to the management of currency risk and has implemented clear policy parameters for the use of forward foreign currency contracts to minimise volatility in the financial results. A substantial proportion of the BBC's material net foreign currency exposures are economically hedged.

The BBC's main exposure is to US dollars; however, due to the relative size of this exposure in comparison to the BBC's sterling-denominated business, the BBC does not consider this to be significant. The BBC generally enters into forward currency contracts to manage, or hedge, this currency risk. This allows the BBC to reduce risk by settling transactions at known exchange rates.

The overall income or expenditure to be recognised in relation to contracts denominated in foreign currencies (and the related hedges) is therefore largely fixed for the next financial year; however, where these contracts span financial years, the recognition of the fair value of the forward currency contracts results in timing gains or losses in each financial year. These timing gains or losses are as a result of market conditions and not variances in underlying contract value.

As the BBC has mitigated its underlying exposure to currency fluctuations there is no requirement to present sensitivity analysis as any potential variation is insignificant.

At 31 March 2024, the BBC had entered into a net commitment to sell foreign currencies amounting to £450 million (2023: £581 million) that mature in the period through to 2027 in order to fix the sterling cost of revenues through this period (mainly euros and US dollars).

The BBC applies hedge accounting for trades taken out by one of its commercial subsidiaries in respect of their forecast foreign currency transactions. Net gains (before tax and non-controlling interests) recognised in the hedging reserve on forward foreign exchange contracts in hedge relationships at 31 March 2024 were £11 million (2023: £13 million net gains). These amounts are recognised in the consolidated income statement in the period when the hedged forecast transaction impacts the income statement.

The ineffective portion recognised in operating costs arising from such hedges was immaterial in both the current and prior year.

Depending on how exchange rates and interest rates move between the time the BBC enters into the transaction and at the year end reporting date, derivatives can either be profitable ('in the money') or loss-making in their own right. However, the rationale in entering into these derivatives is not to profit from currency markets or interest rate fluctuations, but to provide stability to the BBC's cash flows. Other than where hedge accounting is applied, the movements relating to these derivatives (i.e. where they are either in profit or loss-making) are taken to the BBC's consolidated income statement for the year.

##### Interest rate risk

BBC Commercial Group has borrowed using its revolving credit and fixed-term loan facilities at floating rates of interest and then used interest rate swaps to manage the BBC's exposure to interest rate fluctuations and provide greater certainty of cash flows. Interest rate swaps are entered into based on projected borrowing requirements, therefore differences will occur between the notional amount of the swaps and the actual borrowing requirements. By taking out the interest rate swaps the BBC has mitigated underlying exposure to interest rate fluctuations and hence no sensitivity analysis has been presented as any potential variation is insignificant.

Sterling fixed rate borrowings are achieved through fixed rate debt or through interest rate swap transactions on floating rate debt. At the balance sheet date Group borrowings comprised £150 million fixed rate debt (Private Placement maturing February 2039), £170 million Term Loan (maturing June 2025 and fixed through interest rate swaps) and £200 million drawdown from the Revolving Credit Facility at floating rates. Half of this drawdown is short term in nature and therefore not considered a significant interest rate risk exposure. The remaining exposure is also managed & offset through floating yield on the Group cash liquidity buffer. In total, £170 million (2023: £170 million) of swaps were entered into. The coverage reflects 57% (2023: matches) of the current level of variable rate bank loans of £370 million (2023: £170 million). See Note G3.2 for further details.

##### Other price risk of financial assets

The BBC invests surplus cash in money market funds and money market deposits, therefore it is not subject to other price risks, such as market price risk.

##### Liquidity risk

Liquidity risk is the risk that the BBC will not be able to meet its financial obligations as they fall due. The BBC is subject to limits on its borrowings set by the Secretary of State for Culture, Media and Sport in accordance with the Agreement between the BBC and the DCMS (see Note G3). In order to comply with these limits, together with the terms of any individual debt instruments, the BBC Group Treasury function manages the BBC's borrowings by regularly monitoring cash flow forecasts. The BBC holds its surplus liquidity in term deposit accounts and money market funds with highly rated financial institutions.

The bank loans of the BBC's Commercial Group are subject to debt covenants based on the BBC's earnings before interest and taxation. The covenants are in respect of net borrowings and net interest coverage. The BBC is active in the monitoring of its debt covenants, which have been met at 31 March 2024.

**G. Financing the BBC** continued**G5 Financial instruments** continued**G5.1 Financial risk management** continued

The following table sets out the contractual undiscounted cash flows (including interest) of financial liabilities:

| 2024  | Carrying value<br>£m | Total contractual<br>cash flows<br>£m | Less than<br>one year<br>£m | Between one<br>and five years<br>£m | Over<br>five years<br>£m |
|---|----------------------|---------------------------------------|-----------------------------|-------------------------------------|--------------------------|
| <b>Non-derivative financial liabilities</b>   |                      |                                       |                             |                                     |                          |
| Trade and other payables  | (895)                | (895)                                 | (828)                       | (67)                                | –                        |
| Bank loans and overdrafts   | (526)                | (692)                                 | (38)                        | (419)                               | (235)                    |
| Obligations under leases  | (1,678)              | (2,073)                               | (179)                       | (675)                               | (1,219)                  |
| <b>Derivative financial liabilities</b>   |                      |                                       |                             |                                     |                          |
| Forward foreign currency contracts – fair value through surplus/deficit                   | (5)                  | (5)                                   | (5)                         | –                                   | –                        |
| Forward foreign currency contracts – fair value through other comprehensive income/(loss) | (6)                  | (6)                                   | (4)                         | (2)                                 | –                        |
| Cash flow swaps   | (482)                | (482)                                 | –                           | –                                   | (482)                    |
| <b>2023</b>   |                      |                                       |                             |                                     |                          |
| <b>Non-derivative financial liabilities</b>   |                      |                                       |                             |                                     |                          |
| Trade and other payables  | (800)                | (800)                                 | (733)                       | (67)                                | –                        |
| Bank loans and overdrafts   | (178)                | (200)                                 | (18)                        | (182)                               | –                        |
| Obligations under finance leases  | (1,718)              | (2,143)                               | (173)                       | (646)                               | (1,324)                  |
| <b>Derivative financial liabilities</b>   |                      |                                       |                             |                                     |                          |
| Forward foreign currency contracts – fair value through surplus/deficit                   | (9)                  | (9)                                   | (9)                         | –                                   | –                        |
| Forward foreign currency contracts – fair value through other comprehensive income        | (15)                 | (15)                                  | (15)                        | –                                   | –                        |
| Cash flow swaps   | (481)                | (481)                                 | –                           | –                                   | (481)                    |

**Credit risk**

Credit loss is the risk of financial loss to the BBC if a counterparty defaults on its contractual obligation. Default arises when it is determined that a counterparty is unlikely to pay following the evaluation of objective evidence.

Cash and cash equivalents and derivative financial instruments are held only with banks of A+ to A rating. The Group limits its exposure to credit risk by only investing in liquid securities with counterparties that have a minimum credit rating of A, with a higher minimum rating up to AA- required depending upon duration and amount. Given these high credit ratings, the Group considers it has appropriately mitigated the risk of any counterparty failing to meet its obligations.

The BBC's credit risk management policy in relation to other trade receivables involves regularly assessing the credit quality of customers, taking into account several factors such as their financial position and historical performance. The carrying amount of financial assets included in the financial statements represents the BBC's maximum exposure to credit risk in relation to these assets.

**G5.2 Fair value of financial instruments**

When calculating the fair value of the BBC's financial instruments (subsequent to the initial recognition), the technique used is determined with reference to the classification in the three-level hierarchy set out below. This disclosure helps to show the level of judgement that the BBC has used in calculating fair values, subsequent to the initial recognition.

Fair value hierarchy levels 1 to 3 are based upon the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted market prices (unadjusted) in active markets;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

No transfers between these categories have occurred during the period.

## Financial statements

## Notes to the accounts continued

## G. Financing the BBC continued

## G5 Financial instruments continued

## G5.2 Fair value of financial instruments continued

| 2024                                    | Carrying value       |   |  | Fair value hierarchy for those carried at fair value or at amortised cost where fair value differs |               |               |               |             |
|---|----------------------|---|--|--|---------------|---------------|---------------|-------------|
|   | Amortised cost<br>£m | Fair value through surplus/ (deficit)<br>£m | Fair value through other comprehensive income/(loss)<br>£m | Total<br>£m  | Level 1<br>£m | Level 2<br>£m | Level 3<br>£m | Total<br>£m |
| Cash and cash equivalents               | 559                  | –   | –  | 559  |               |               |               |             |
| Investments (cash on long-term deposit) | –                    | –   | –  | –  |               |               |               |             |
| Trade and other receivables             | 941                  | 1   | –  | 942  | –             | –             | 1             | 1           |
| Derivative financial assets:            |                      |   |  |  |               |               |               |             |
| • Forward foreign currency contracts    | –                    | 1   | 22   | 23   | 23            | –             | –             | 23          |
| • Cash flow swaps                       | –                    | 343   | –  | 343  | –             | 343           | –             | 343         |
| • Interest rate swaps                   | –                    | 1   | –  | 1  | –             | 1             | –             | 1           |
| Other investments                       | 21                   | –   | –  | 21   | –             | –             | 201           | 201         |
| Investment properties                   | 31                   | –   | –  | 31   | –             | –             | 5             | 5           |
| <b>Total financial assets</b>           | <b>1,552</b>         | <b>346</b>                                  | <b>22</b>  | <b>1,920</b>   | <b>23</b>     | <b>344</b>    | <b>207</b>    | <b>574</b>  |

|                                      |                |              |            |                |             |              |                |                |
|--------------------------------------|----------------|--------------|------------|----------------|-------------|--------------|----------------|----------------|
| Trade and other payables             | (895)          | –            | –          | (895)          |             |              |                |                |
| Bank loans and overdrafts            | (526)          | –            | –          | (526)          |             |              |                |                |
| Derivative financial liabilities:    |                |              |            |                |             |              |                |                |
| • Forward foreign currency contracts | –              | (5)          | (6)        | (11)           | (11)        | –            | –              | (11)           |
| • Cash flow swaps                    | –              | (482)        | –          | (482)          | –           | (482)        | –              | (482)          |
| Obligations under leases             | (1,678)        | –            | –          | (1,678)        | –           | –            | (1,678)        | (1,678)        |
| <b>Total financial liabilities</b>   | <b>(3,099)</b> | <b>(487)</b> | <b>(6)</b> | <b>(3,592)</b> | <b>(11)</b> | <b>(482)</b> | <b>(1,678)</b> | <b>(2,171)</b> |

| 2023                                    | Carrying value       |   |  | Fair value hierarchy for those carried at fair value or at amortised cost where fair value differs |               |               |               |             |
|---|----------------------|---|--|--|---------------|---------------|---------------|-------------|
|   | Amortised cost<br>£m | Fair value through surplus/ (deficit)<br>£m | Fair value through other comprehensive income/(loss)<br>£m | Total<br>£m  | Level 1<br>£m | Level 2<br>£m | Level 3<br>£m | Total<br>£m |
| Cash and cash equivalents               | 500                  | –   | –  | 500  |               |               |               |             |
| Investments (cash on long-term deposit) | 100                  | –   | –  | 100  |               |               |               |             |
| Trade and other receivables             | 973                  | –   | –  | 973  |               |               |               |             |
| Derivative financial assets:            |                      |   |  |  |               |               |               |             |
| • Forward foreign currency contracts    | –                    | 3   | 20   | 23   | 23            | –             | –             | 23          |
| • Cash flow swaps                       | –                    | 376   | –  | 376  | –             | 376           | –             | 376         |
| • Interest rate swaps                   | –                    | 2   | –  | 2  | –             | 2             | –             | 2           |
| Other investments                       | 19                   | –   | –  | 19   | –             | –             | 191           | 191         |
| Investment properties                   | 31                   | –   | –  | 31   | –             | –             | 7             | 7           |
| <b>Total financial assets</b>           | <b>1,623</b>         | <b>381</b>                                  | <b>20</b>  | <b>2,024</b>   | <b>23</b>     | <b>378</b>    | <b>198</b>    | <b>599</b>  |

|                                      |                |              |             |                |             |              |                |                |
|--------------------------------------|----------------|--------------|-------------|----------------|-------------|--------------|----------------|----------------|
| Trade and other payables             | (800)          | –            | –           | (800)          |             |              |                |                |
| Bank loans and overdrafts            | (178)          | –            | –           | (178)          |             |              |                |                |
| Derivative financial liabilities:    |                |              |             |                |             |              |                |                |
| • Forward foreign currency contracts | –              | (9)          | (15)        | (24)           | (24)        | –            | –              | (24)           |
| • Cash flow swaps                    | –              | (481)        | –           | (481)          | –           | (481)        | –              | (481)          |
| Obligations under finance leases     | (1,718)        | –            | –           | (1,718)        | –           | –            | (1,718)        | (1,718)        |
| <b>Total financial liabilities</b>   | <b>(2,696)</b> | <b>(490)</b> | <b>(15)</b> | <b>(3,201)</b> | <b>(24)</b> | <b>(481)</b> | <b>(1,718)</b> | <b>(2,223)</b> |

Due to their short-term nature, the carrying value of cash and cash equivalents, cash on long-term deposit, short-term bank loans, trade and other receivables and trade and other payables, is approximately equal to their fair value.

Other investments reflect the Group's £14 million (2023: £14 million) investment in Daunus Limited (joint venture) and other equity investments held. The valuation of this investment is based upon future expected returns to the BBC which also formed part of the arrangement made for the cash flow swap. See page 236 for further detail on this arrangement.

**G. Financing the BBC** continued**G5 Financial instruments** continued**G5.2 Fair value of financial instruments** continued

Derivative financial assets/(liabilities) are presented in the consolidated balance sheet as follows:

| 2024   | Non-current assets<br>£m | Current assets<br>£m | Current liabilities<br>£m | Non-current liabilities<br>£m | Total<br>£m  |
|--|--------------------------|----------------------|---------------------------|-------------------------------|--------------|
| Forward foreign currency contracts                     | 5                        | 18                   | (10)                      | (1)                           | 12           |
| Cash flow swaps  | 343                      | –                    | –                         | (482)                         | (139)        |
| Interest rate swaps                                    | 1                        | –                    | –                         | –                             | 1            |
| <b>Total derivative financial assets/(liabilities)</b> | <b>349</b>               | <b>18</b>            | <b>(10)</b>               | <b>(483)</b>                  | <b>(126)</b> |

| 2023   | Non-current assets<br>£m | Current assets<br>£m | Current liabilities<br>£m | Non-current liabilities<br>£m | Total<br>£m  |
|--|--------------------------|----------------------|---------------------------|-------------------------------|--------------|
| Forward foreign currency contracts                     | 12                       | 11                   | (14)                      | (10)                          | (1)          |
| Cash flow swaps  | 376                      | –                    | –                         | (481)                         | (105)        |
| Interest rate swaps                                    | 2                        | –                    | –                         | –                             | 2            |
| <b>Total derivative financial assets/(liabilities)</b> | <b>390</b>               | <b>11</b>            | <b>(14)</b>               | <b>(491)</b>                  | <b>(104)</b> |

**▲ Level 2 – cash flow swap derivatives**

Cash flow swaps represent derivative financial assets of £343 million (2023: £376 million) and derivative financial liabilities of £482 million (2023: £481 million) relating to the financing arrangement of London Broadcasting House. These swaps, which expire between 2033 and 2045, are valued with reference to relevant SONIA yield curves, subject to appropriate credit risk adjustments where necessary.

An adjustment of 214 basis points is applied to a specific leg of the swaps to reflect credit risk as the arrangement with the counterparty is not collateralised. These assumptions and inputs are reviewed on an annual basis, along with the completion of sensitivity analysis. If another adjustment of 228 basis points (an alternative index) had been used to reflect a reasonably possible change based on market movements during the year, then this would result in a decrease in the net liability of £6 million.

During 2022/23 an adjustment of 244 basis points was applied to reflect credit risk as the arrangement with the counterparty is not collateralised. If another adjustment of 258 basis points (an alternative index) had been used to reflect a reasonably possible change based on market movements during that year, this would have resulted in a decrease in the net liability of £6 million.

**Level 3 financial instruments**

The change in fair value of level 3 financial instruments is reconciled as follows:

|   | 2024                   |                             | 2023                   |                             |
|---|------------------------|-----------------------------|------------------------|-----------------------------|
|   | Financial assets<br>£m | Financial Liabilities<br>£m | Financial assets<br>£m | Financial Liabilities<br>£m |
| At 1 April  | 198                    | (1,718)                     | 227                    | (1,756)                     |
| Payments and settlements                              | –                      | 183                         | –                      | 192                         |
| Unwinding of discount recorded within finance expense | –                      | (50)                        | –                      | (51)                        |
| Additions   | 3                      | (18)                        | 2                      | (5)                         |
| Disposals   | –                      | –                           | –                      | 2                           |
| Change in fair value                                  | 6                      | (75)                        | (31)                   | (100)                       |
| <b>At 31 March</b>                                    | <b>207</b>             | <b>(1,678)</b>              | <b>198</b>             | <b>(1,718)</b>              |

## Financial statements

### Notes to the accounts continued

#### **G. Financing the BBC** continued

#### **G5 Financial instruments** continued

#### **G5.2 Fair value of financial instruments** continued

##### **Financial assets**

Financial assets includes £7 million (2023: £6 million) unquoted equity investments, the fair value amount of the Group's investment in Daunus Limited of £194 million (2023: £185 million) and the fair value amount of investment property of £5 million (2023: £7 million).

In order to facilitate the redevelopment and subsequent financing arrangement relating to London Broadcasting House, the BBC holds an investment in Daunus Limited, which is disclosed within level 3 financial instruments with a fair value of £194 million (2023: £185 million). The BBC holds a 20% (2023: 20%) share of the issued share capital (preferential in nature), due to mature in 2033, at which point the BBC receives certain rights in respect of London Broadcasting House. The BBC's share in Daunus Limited entitles it to the first £90 million (plus RPI from the start of the lease) of any proceeds on termination of the lease. The fair value has therefore been derived from £90 million, inflated by RPI and subsequently discounted to 31 March 2024. The estimated interest rate used was 3.1% (2023: 8.9%) and the rate used to discount the future cash flows was 3.9% (2023: 3.5%). These assumptions and inputs are reviewed on an annual basis, along with the completion of a sensitivity analysis. A change in the adjustment applied to the respective interest rate of +1.0% would result in an increase in the net assets by £20 million (2023: £2 million) whilst a reduction in the respective interest rate of -1.0% would result in a decrease in the net assets of £18 million (2023: £2 million).

The fair value of the investment in Daunus Limited is not included on the consolidated balance sheet as it is equity accounted for through the income statement (see Note E7). This is due to the BBC sharing joint control with other investors, including voting power and right to veto over relevant activities, along with significant shared exposure to variable returns. The original investment made to acquire this entity (£14 million) is still held on the consolidated balance sheet at 31 March 2024 and the Group does not consider this investment impaired given the structure in place. The assumptions relating to Daunus Limited are reviewed on an annual basis, along with the completion of a sensitivity analysis. Whilst the reported profit or loss of Daunus Limited is not a significant input, the decision that Daunus Limited is a joint venture is a significant judgement.

##### **Financial liabilities**

Level 3 financial liabilities reflect less than £1 million (2023: less than £1 million) put options held with some of the Group's associates and joint ventures and finance lease liabilities which primarily relates to the lease of three properties. The vast majority of leases undergo rent reviews on a frequent basis and consequently book value is deemed to also reflect fair value.



## H. Receivables and payables

This section contains the receivable and payable-related Notes to the consolidated balance sheet, such as contract balances, trade and other receivables and payables, any expected credit losses associated with these balances and any provision or contingent liabilities that the BBC may owe in the future. Also included are details on balances/transactions with related parties and any commitments the BBC is expecting to settle in future years.

### Judgement – Expected credit losses

Judgement is required when determining the recoverability (likelihood of receiving payment) of a contract asset or trade and other receivables. Changes in the credit quality of the receivable together with future considerations around the current state of the UK and overseas economies and any industry-specific issues are all subjective.

### Judgement – Provision

Judgements are employed in determining if a past event has given rise to a present obligation that will result in probable payment by the BBC that can be measured reliably.

### Estimate – Provisions

Estimation techniques used to calculate the expected amount required to settle a provision can be very complex, especially when there is a wide range of possible outcomes.

### Estimate – Rights creditors

Rights creditors arise from obligations to pay rights holders for the exploitation of content. These rights holders include; third party profit participants; contributors; talent unions and collecting societies. There is an element of the rights creditors which is subject to judgement where the information is not yet available to calculate the rate payable. In these cases, the rate is estimated based on the best information available.

### Estimate – Work in progress accruals

Work in progress accruals arise where a performance obligation has been satisfied but all associated expenditure has yet to be incurred. Judgement is required in estimating the outstanding expenditure required to fulfil the contract.

## Financial statements

### Notes to the accounts continued

#### H1 Trade and other receivables and contract assets

Trade and other receivables and contract assets are recognised initially at transaction price and subsequently at amounts considered recoverable (amortised cost). Estimates are used in determining the level of receivables that will not be collected. These estimates include factors such as historical experience, the current state of the UK and overseas economies and industry specifics. A provision for impairment of trade and other receivables and contract assets is recognised based on the simplified approach using the lifetime expected credit losses. During this process the probability of non-payment is assessed.

This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade and other receivables and contract assets. The most significant trade and other receivable is the licence fee receivable, which represents amounts due from the DCMS for licence fee payments not yet collected but due. The calculation of this balance carries a degree of estimation, however we do not believe that the estimation uncertainty/difference would be material to the accounts. Changes in the carrying amount of the allowance are recognised in the consolidated income statement within total operating costs.

##### H1.1 Contract assets

|  | 2024<br>£m | 2023<br>£m |
|--|------------|------------|
| At 1 April   | 31         | 3          |
| Balance transferred to trade receivables                   | (21)       | (3)        |
| New contract assets  | 8          | 31         |
| Increase as a result of changes in the measure of progress | 1          | –          |
| <b>At 31 March</b>   | <b>19</b>  | <b>31</b>  |
| <b>Presented within:</b>                                   |            |            |
| Current assets   | 19         | 31         |
|  | 19         | 31         |

**Contract assets** (accrued income) primarily relate to the BBC's right to consideration for work completed but not billed at the reporting date.

##### H1.2 Trade and other receivables due after more than one year

|                   | 2024<br>£m | 2023<br>£m |
|-------------------|------------|------------|
| Lease receivables | 220        | 222        |
| Trade receivables | –          | 1          |
|                   | <b>220</b> | <b>223</b> |

**Lease receivables** relate to a lease of land and buildings, expiring in 2035. The contract was entered into in 2015 with the BBC receiving fixed quarterly receipts, subject to inflation.

##### H1.3 Trade and other receivables due within one year

|   | 2024<br>£m   | 2023<br>£m   |
|---|--------------|--------------|
| Licence fee receivables                       | 449          | 466          |
| Accrued income                                | 297          | 279          |
| Trade receivables                             | 196          | 180          |
| Prepayments                                   | 53           | 60           |
| VAT recoverable                               | 40           | 72           |
| Amounts owed by associates and joint ventures | 4            | 46           |
| Other receivables                             | 73           | 56           |
|   | <b>1,112</b> | <b>1,159</b> |

Licence fee payers can pay the annual licence fee in several different ways. This can therefore result in a **licence fee receivable** where individual payments run behind usage as well as a licence fee payable where individual payments are running ahead of usage at a given point in time.

**H. Receivables and payables** continued**H1 Trade and other receivables and contract assets****H1.4 Expected credit losses**

■ In determining the recoverability of a contract asset or trade and other receivable the BBC considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting date, as well as future considerations around the current state of the UK and overseas economies and any industry-specific issues. Receivables are provided for based on the probability of expected credit losses for each receivable.

The Group uses an allowance matrix to measure the expected credit losses of trade receivables from individual customers. Loss rates are based on actual credit loss experience which are adjusted to reflect differences between customer base during the period over which the historical data has been collected, as well as any forward-looking information regarding the company's view of economic and industry-wide conditions over the expected lives of the receivables.

The Group has further reviewed the amounts provided against receivables for expected credit losses, taking into account the potential for increased losses due to uncertainty surrounding the economic recovery. In addition to revisiting historic loss rates, this review assessed if heightened sectoral exposure and uncertainty impacted certain segments of the receivables balances, resulting in a qualitative adjustment being required.

The licence fee grant income paid by DCMS is based on the recoverable value of TV licences issued in the year. The year end licence fee receivables expected credit loss is estimated based on the value of licence cancellations in the current year, as adjusted to reflect the current and future economic environment.

Included in the BBC's contract assets (see Note H1.1) and trade and other receivables at 31 March 2024 are balances of £50 million (2023: £33 million) which are past due at the reporting date, before impairment. The aged analysis is as shown below:

|                     | 2024<br>£m | 2023<br>£m |
|---------------------|------------|------------|
| Up to three months  | 34         | 23         |
| Three to six months | 5          | 5          |
| Over six months     | 11         | 5          |
|                     | <b>50</b>  | <b>33</b>  |

Movements in the BBC's provision for impairment of licence fee receivable, trade receivables and contract assets can be shown as follows:

|                                      | 2024<br>£m | 2023<br>£m |
|--------------------------------------|------------|------------|
| At 1 April                           | 36         | 35         |
| Charge for the year                  | 5          | 2          |
| Amounts written off as unrecoverable | –          | (1)        |
| <b>At 31 March</b>                   | <b>41</b>  | <b>36</b>  |

Amounts charged to the impairment provision are written off when there is no expectation of recovery. Subsequent recoveries of amounts previously written off are credited to the consolidated income statement.

## Financial statements

### Notes to the accounts continued

#### H. Receivables and payables continued

##### H2 Trade and other payables and contract liabilities

- Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.
- A contract liability is recognised when payment is received prior to the associated performance obligation being fulfilled. It is released to income when the performance obligation is satisfied.
- Accruals include work-in-progress accruals, which arise in instances where a performance obligation has been satisfied but all associated expenditure has not yet been incurred. The basis of the calculation of such accruals is based upon forecast expenditure required to fulfil the contract.

##### H2.1 Contract liabilities

|   | 2024<br>£m   | 2023<br>£m   |
|---|--------------|--------------|
| At 1 April  | (266)        | (333)        |
| Income recognised in the period                                       | 156          | 304          |
| Cash received in advance and not recognised as income during the year | (134)        | (237)        |
| <b>At 31 March</b>  | <b>(244)</b> | <b>(266)</b> |
| <b>Presented within:</b>  |              |              |
| Current liabilities   | (223)        | (183)        |
| Non-current liabilities   | (21)         | (83)         |
|   | <b>(244)</b> | <b>(266)</b> |

**Contract liabilities** (deferred income) primarily relate to the consideration received from customers in advance of transferring a good or service.

##### H2.2 Trade and other payables due after more than one year

|                | 2024<br>£m | 2023<br>£m |
|----------------|------------|------------|
| Other payables | 69         | 70         |
|                | <b>69</b>  | <b>70</b>  |

**H. Receivables and payables** continued**H2 Trade and other payables and contract liabilities****H2.3 Trade and other payables due within one year**

|  | 2024<br>£m   | 2023<br>£m   |
|--|--------------|--------------|
| Licence fee payable                              | 255          | 257          |
| Accruals   | 263          | 262          |
| Trade payables                                   | 310          | 218          |
| Rights creditors                                 | 139          | 127          |
| Salaries and wages payables                      | 113          | 110          |
| Licence savings stamp deposits and savings cards | 39           | 40           |
| Other taxation and social security               | 41           | 32           |
| Deferred income                                  | 15           | 15           |
| Amounts owed to associates and joint ventures    | 15           | 10           |
| Other payables                                   | 70           | 82           |
|  | <b>1,260</b> | <b>1,153</b> |

Licence fee payers can pay the annual licence fee in several different ways. This can therefore result in a licence fee receivable where individual payments run behind usage as well as a **licence fee payable** where individual payments are running ahead of usage at a given point in time.

**Rights creditors** refers to liabilities relating to the rights to broadcast programmes and are expensed in line with the expected transmission profile.

**Licence savings stamp deposits and savings cards** are made up of TV Licencing stamps which are slowly being refunded.

**H3 Related party transactions**

The following table represents transactions with related parties excluding key management personnel.

|                       | Associates, joint ventures and other investments |            | BBC Pension Scheme |            |
|-----------------------|--|------------|--------------------|------------|
|                       | 2024<br>£m                                       | 2023<br>£m | 2024<br>£m         | 2023<br>£m |
| Rendering of services | 31   | 84         | –                  | –          |
| Receiving of services | (96)   | (90)       | –                  | –          |
| Pension contributions | –  | –          | 170                | 239        |
| Dividends received    | 49   | 31         | –                  | –          |
|                       | <b>(16)</b>                                      | <b>25</b>  | <b>170</b>         | <b>239</b> |

|  | Amounts owed by related parties |            | Amounts owed to related parties |             |
|--|---------------------------------|------------|---------------------------------|-------------|
|  | 2024<br>£m                      | 2023<br>£m | 2024<br>£m                      | 2023<br>£m  |
| BBC Pension Scheme                               | –                               | –          | –                               | (1)         |
| Associates, joint ventures and other investments | 4                               | 46         | (15)                            | (10)        |
|  | <b>4</b>                        | <b>46</b>  | <b>(15)</b>                     | <b>(11)</b> |

In all transactions, terms were negotiated on an arm's length basis.

The BBC also enters into various transactions with government and local authorities on an arm's length basis. These transactions include business rates and corporation tax payments.

At 31 March 2024, the BBC had a £0.7 million (2023: £1.2 million) receivable with BBC Media Action UK.

At 31 March 2024, the BBC was owed £0.3 million (2023: £0.3 million) and due to pay £0.4 million (2023: £0.5 million) to the BBC Pension Scheme.

The BBC also received £0.4 million of income from BBC Children In Need (2023: £0.1 million) during the year. As part of a long standing arrangement, BBC Children In Need use the payroll services of the BBC, at the 31 March 2024 £2.1 million is within trade and other receivables (2023: £1.3 million)

## Financial statements

### Notes to the accounts continued

#### H. Receivables and payables continued

##### H4 Provisions and contingent liabilities

■ The BBC recognises a provision if a past event has given rise to a present obligation that will result in a probable payment that can be measured reliably. Where a provision is determined to be required and there are a range of possible outcomes, estimation techniques are used to calculate the best estimate of the amount required to settle the obligation.

The BBC recognises decommissioning liabilities as part of the initial cost of the asset, discounted to present value. The BBC reassesses whether there has been a change in this liability based on the facts and circumstances at each balance sheet date.

|                                     | At 1 April 2023<br>£m | Charge for the year<br>£m | Utilised during<br>the year<br>£m | Released during<br>the year<br>£m | At 31 March 2024<br>£m |
|-------------------------------------|-----------------------|---------------------------|-----------------------------------|-----------------------------------|------------------------|
| Property                            | 80                    | 11                        | (1)                               | (4)                               | 86                     |
| Taxation, litigation and insurance  | 43                    | 9                         | (11)                              | (6)                               | 35                     |
| Restructuring                       | 61                    | 51                        | (60)                              | (15)                              | 37                     |
| Other                               | 26                    | 4                         | (16)                              | (5)                               | 9                      |
|                                     | 210                   | 75                        | (88)                              | (30)                              | 167                    |
| Included in current liabilities     | 110                   |                           |                                   |                                   | 54                     |
| Included in non-current liabilities | 100                   |                           |                                   |                                   | 113                    |
|                                     | 210                   |                           |                                   |                                   | 167                    |

#### *Property*

The BBC has obligations to restore leased properties to their original condition at the end of the lease term. Property provisions are made for the cost of such restoration works as determined by the properties' discounted net present value or the market value of the gross square footage.

#### *Taxation, litigation and insurance*

Taxation, litigation and insurance provisions relate to ongoing legal, insurance and compensation claims against the BBC. The BBC makes specific provision for its best estimate of any damages and costs which may be awarded. A provision is only made to the extent that the BBC considers it probable that there will be an outflow of economic benefits and the amount can be reliably estimated. There are a number of provisions within this balance, including balances connected to payments to Personal Service Companies that may be required. The timing and value of cash flows associated with these provisions can sometimes be uncertain where we are awaiting the outcome of HMRC reviews.

#### *Restructuring*

Restructuring provisions are determined by the probable costs relating to reorganisations, relocations and redundancies in the BBC. The restructuring balance predominantly relates to the redundancies required by ongoing savings strategies.

#### *Other*

Other provisions include amounts relating to employment matters and other issues arising across the BBC in the normal course of business, none of which are individually material.

#### *Contingent liabilities*

##### *Indian tax survey*

The Indian Income Tax Department conducted tax surveys at the offices of BBC Global News India Private Limited, BBC Global News Limited, BBC World Service India Private Limited and BBC Studios India Private Limited in February 2023. The BBC has co-operated in full, and will continue to do so, with all requests made to it, including document and information requests, supported by its external legal and tax advisers.

Matters arising from the surveys are ongoing. In respect of matters yet to conclude it is not possible at this stage to identify if a liability exists and/or to quantify any such liability with reasonable certainty.

##### *UK Competition and Markets Authority (CMA)*

On 12 July 2022, the CMA launched an investigation into suspected breaches of competition law in relation to the purchase of freelance services supporting the production and broadcasting of sports content in the UK. In April 2023, the investigation was widened to include the BBC and one other party. In March 2024, the investigation was narrowed to exclude suspected breaches of competition law in relation to the employment of staff supporting the production and broadcasting of sports content in the UK. The investigation has not yet reached a conclusion.

On 11 October 2023, the CMA launched a second investigation into a number of named undertakings, including the BBC, in relation to the purchase of services from freelance providers, and the employment of staff, who support the production, creation and/or broadcasting of television content in the UK, excluding sport content. The investigation remains at an early stage.

It is not currently possible to reliably quantify any liability that might result from the investigations. The BBC is cooperating with the CMA's enquiries on both investigations.

**H. Receivables and payables** continued**H4 Provisions and contingent liabilities** continued**Contingent liabilities** continued**Media Action**

BBC Media Action is the BBC's International charity (a private company limited by guarantee and a registered charity) that operates independently of the BBC, with a management team that is answerable to a Board of Directors (more commonly referred to as Trustees). The BBC provides services to the charity, as it does to BBC Children in Need, including the use of property space. UK-based Media Action staff are employed by the BBC and recharged to Media Action. Given the continued challenging external context (including limited UK aid budgets) and the environments in which Media Action operates, their income projections to return to pre-Covid-19 levels are slower than anticipated. Media Action's Trustees have developed an operational plan to allow the charity to return to a sustainable position. The BBC has provided written assurance of support (due for review in October 2024) whilst the operational plan is delivered. It is not currently possible to calculate any financial outflow with any reasonable accuracy while the short-term implications of the operational plan are further developed and costed.

**Contingent liabilities** are liabilities that may occur depending on the outcome of an uncertain future event such as the outcome of a pending lawsuit. Contingent liabilities are not accounted for in the financial statements because, unlike provisions, they are not sufficiently certain or cannot be estimated reliably.

**H5 Long-term commitments not reflected in the balance sheet – contracts placed for future expenditure**

This Note shows amounts to which the BBC is contractually committed, but which do not meet the criteria for inclusion in the balance sheet as the goods/services are yet to be received. It includes fixed (but not variable) payments due under outsourcing contracts for the life of those contracts.

Functions covered by these long-term outsourcing contracts include IT support, content distribution and transmission, facilities management and elements of finance support.

|  | 2024<br>£m   | 2023<br>£m   |
|--|--------------|--------------|
| Fixed asset additions                                      | 11           | 19           |
| Programme acquisitions and sports rights                   | 1,481        | 1,265        |
| Independent programmes                                     | 408          | 376          |
| Other fixed payments on long-term outsourcing arrangements | 1,779        | 1,973        |
|  | <b>3,679</b> | <b>3,633</b> |

Long-term commitments not reflected in the balance sheet are payable as follows:

|                            | 2024<br>£m   | 2023<br>£m   |
|----------------------------|--------------|--------------|
| Within one year            | 1,282        | 1,142        |
| Between one and five years | 2,088        | 2,055        |
| Over five years            | 309          | 436          |
|                            | <b>3,679</b> | <b>3,633</b> |

## Financial statements

### Notes to the accounts continued

#### I. BBC structure and other disclosures

This section details the BBC's interests held in associates, joint ventures and subsidiaries, along with the BBC's reserves and details on post-balance sheet events.

#### 11 Interests in associates, joint ventures and subsidiaries

The BBC Group holds (directly and indirectly) interests in the associates, joint ventures and subsidiaries listed below which, except where otherwise stated, are incorporated in Great Britain and registered in England and Wales.

The following companies are exempt from the requirements of the Companies Act 2006 relating to the audit of the accounts under section 479A as a result of the guarantee issued by the BBC Board:

|                                       |                                    |
|---------------------------------------|------------------------------------|
| Free to View Limited                  | Centre House Production Limited    |
| Free to View Satellite Limited        | BBC World Service Trading Limited  |
| Media Applications Technology Limited | BBC World Service Holdings Limited |
| Creative Industries New Entrants      | BBC Taobh Na h-Aibhne Limited      |

#### 11.1 Significant associates and their activities

| Name of entity                 | Place of incorporation and principal place of business | Holding of issued ordinary shares % | Activity                   |
|--------------------------------|--|-------------------------------------|----------------------------|
| YouView TV Limited             | England and Wales                                      | 16.7%                               | Multiplatform broadcasting |
| New Video Channel America LLC* | United States  | 50.1%                               | TV channel operator        |
| 3sixtymedia Limited**          | England and Wales                                      | 10.0%                               | Production                 |

\* Whilst BBC Studios Distribution Limited retains a significant influence over New Video Channel America LLC and has the rights to variable returns, it is not deemed to have control and is therefore recognised as an associate undertaking.

\*\* The BBC holds 10% of the total share capital of 3sixtymedia Limited but 20% of the Class A ordinary shares, which gives it significant influence.

#### 11.2 Significant joint ventures and their activities

| Name of entity | Place of incorporation and principal place of business | Holding of issued ordinary shares % | Activity |
|----------------|--|-------------------------------------|----------|
| Danus Limited* | England and Wales                                      | 20%                                 | Property |

\* The BBC holds 20% of the total share capital of Danus Limited but 66% of the voting rights. Other shareholders retain certain veto rights and therefore this entity is recognised as a joint venture.

#### 11.3 Subsidiary undertakings

| Name of entity  | Registered address   |
|---|--|
| <b>Directly owned commercial subsidiaries:<br/>(all 100% owned unless stated)</b> |  |
| BBC Commercial Limited  | 1 Television Centre, 101 Wood Lane, London W12 7FA   |
| BBC Property Limited  | Broadcasting House, Portland Place, London, England, W1A 1AA   |
| BBC Property Investment Limited   |  |
| BBC Property Development Limited  |  |
| BBC Taobh Na H-Aibhne Limited   |  |
| Centre House Productions Limited  |  |
| BBC News Limited  |  |
| BBC Free to View (Satellite) Limited  |  |
| BBC Free to View Limited  |  |
| BBC Media Applications Technologies Limited                                       |  |
| BBC Subscription Television Limited   |  |
| BBC Investments Limited   |  |
| DSHS Limited  |  |
| BBC Digital Programme Services Limited  |  |
| BBC World Service Trading Limited   |  |
| BBC World Service Holdings Limited  |  |
| BBC Brasil do Comunicado  | Rua Libero Badaro 488, 80 ander City of Sao Paulo Brazil   |
| Creative Industries New Entrants  | Broadcasting House, 2 Ormeau Avenue, Belfast, United Kingdom, BT2 8HQ  |
| BBC East Asia Relay Company Limited (99% owned)                                   | 30th Floor Jardine House One Connaught Place Hong Kong   |
| BBC World Service Hong Kong Limited   | 31st Floor, Citicorp Centre, 18 Whitefield Road, Hong Kong   |
| BBC Pakistan (Pvt) Limited  | House 28, Street 8, Sector F-7/3, Islamabad  |
| BBC Morocco SA  | Angle avenue Mohamed V et rue El Khalil, 3ème étage, appartement 9 Rabat, Morocco  |
| BBC Tanzania Limited (99% owned)  | Plot no. 265/266 Mikocheni Dar Es Salaam   |
| BBC Ukraine LLC (99.9% owned)   | 42/44, Shovkovychna str., 01004, Kyiv, Ukraine   |
| BBC Kyiv LLC  |  |
| BBC World Service India Private Limited (99.9% owned)                             | 5&6th Floor Hindustan Times House Kasturba Gandhi Marg New Delhi   |
| BBC News (Asia Bureau) Pte Limited  | 8 Wilkie Road #03-01, Wilkie Edge, Singapore 228095  |
| British Broadcasting Corporation Nigeria Ltd                                      | Heritage Place 21, Lugard Avenue, Ikoyi Lagos, Nigeria   |
| BBC Korea Ltd   | Seoul Square (8th Floor), 416 Hangang-daero, Jung-gu, Seoul, Korea   |
| BBC DRC SARL  | 95 C, Avenue de la Justice, Quariter Lemera, Commune de la Gombe   |
| BBC Bangladesh Ltd (99% owned)  | Noor Tower (14th Floor), 110, BUCR. Dutta Road, Dhaka – 1205, Bangladesh   |
| BBC Africa Burundi SPRL   | Building Maison de la Biblique au Burundi, 2 Etage, en face de Par, Avenue de la Mission, Rue St Michel, Bujumbura – Burundi |



**I. BBC structure and other disclosures** continued**I1 Interests in associates, joint ventures and subsidiaries** continued

| Name of entity   | Registered address   |
|--|--|
| <b>Indirectly owned commercial subsidiaries:</b>         |  |
| <b>(all 100% owned unless stated)</b>                    |  |
| BBC Studios Limited                                      | 1 Television Centre, 101 Wood Lane, London W12 7FA   |
| BBC Studios Distribution Limited                         |  |
| 2 entertain Limited                                      |  |
| 2 entertain Management Limited                           |  |
| 2 entertain Video Limited                                |  |
| BBC Video Limited  |  |
| MCI Music Publishing Limited                             |  |
| Demon Music Group Limited                                |  |
| Crimson Productions Limited                              |  |
| F-Beat Records Limited                                   |  |
| Demon Records Limited                                    |  |
| Devil's Peak Distribution Limited (92% owned)            |  |
| BBC Earth MD (WWD) Limited                               |  |
| BBC Earth Productions (Life) Limited                     |  |
| BBC Earth Productions Limited                            |  |
| BBC Earth Productions (Africa) Limited                   |  |
| BBC Earth Productions (Giant Films) Limited              |  |
| Earth Film Productions Limited                           |  |
| BBC Magazine Holdings Limited                            |  |
| BBC Studios Corporate Services Limited                   |  |
| BBC Studios Investments Limited                          |  |
| BBC Studios Drama Productions Limited                    |  |
| Tonto Films and Television Limited                       |  |
| BBC Studios Channel Investments Limited                  |  |
| Mortimer Productions Limited                             |  |
| UK Programme Distribution Limited                        |  |
| BEEB Rights Limited (88% owned)*                         |  |
| BBC Global News Limited                                  |  |
| BBC World Distribution Limited                           |  |
| BBC.com Limited  |  |
| BBC Studios Productions Limited                          |  |
| BBC Grafton House Productions Limited                    |  |
| BBC Comedy Productions Limited                           |  |
| BBC Natural History & Factual Productions Limited        |  |
| BBC Natural History Giant Screen Limited                 |  |
| Nice & Accurate Productions Limited                      |  |
| BBC Studios Productions (Clifton) Limited                |  |
| BBC Children's Productions Limited                       |  |
| BBC Studios Productions (Kidnapped) Limited              |  |
| BBC Studios Productions (Time2) Limited                  |  |
| BBC Global News Holdings Limited                         |  |
| UKTV Media Holdings Limited                              | 10 Hammersmith Grove, London W6 7AP  |
| UKTV Media Limited                                       |  |
| BBC Studioworks Limited                                  | Room N101, Neptune House, BBC Elstree Centre, Clarendon Road, Borehamwood, Hertfordshire WD6 1JF |
| Baby Cow Productions Limited (75% owned)                 | 1 Television Centre, 101 Wood Lane, London W12 7FA   |
| Baby Cow Productions (Changing Ends) Limited (75% owned) |  |
| Baby Cow Manchester Limited (75% owned)                  |  |
| Baby Cow Productions (Chivalry) Limited (75% owned)      |  |
| Baby Cow Productions (Partridge) Limited (75% owned)     |  |
| Baby Cow Productions (Red Dwarf) Limited (75% owned)     |  |
| Baby Cow Films Limited (75% owned)                       |  |
| Alan Partridge Limited (75% owned)                       |  |
| Baby Cow Productions (Witchfinder) Limited (75% owned)   |  |
| Baby Cow Films (OFTM) Limited                            |  |
| Baby Cow Animation Limited (75% owned)                   |  |

\* BBC Studios Distribution Limited holds 88.4% of issued share capital but the non-controlling shareholders have no right to distributions.

## Financial statements

### Notes to the accounts continued

#### I. BBC structure and other disclosures continued

##### 11 Interests in associates, joint ventures and subsidiaries continued

| Name of entity                                     | Registered address   |
|--|--|
| Clerkenwell Films Limited                          | 1 Television Centre, 101 Wood Lane, London W12 7FA                   |
| Bunny Munro Limited (formerly Uncle Steve Limited) |  |
| Studios Development Productions LLC                |  |
| House Productions Limited                          |  |
| House Conclave Limited                             |  |
| House LAL Limited                                  |  |
| House Pictures Limited                             |  |
| House Ref Limited                                  |  |
| House Sherwood Limited                             |  |
| House Six Four Limited                             |  |
| Belladonna Productions Limited                     |  |
| BritBox International Trading Limited              |  |
| BritBox International Limited                      |  |
| Devil's Peak Distribution Limited (92% owned)      |  |
| Philomena Lee Limited (75% owned)                  |  |
| Quite Funny Films Limited                          |  |
| Quite Persuasive Films Limited                     |  |
| Quite Scary Films Limited                          |  |
| Recall TV Limited                                  |  |
| TFW Productions Limited                            |  |
| Two+Two=5 Limited                                  |  |
| Lost Child Limited (75% owned)                     |  |
| The Last Holiday Limited (75% owned)               |  |
| Sid Gentle Films Limited                           |  |
| Sid Gentle Films (Corfu) Limited                   |  |
| Sid Gentle Films (Costello Jones) Limited          |  |
| Sid Gentle Films (Extraordinary) Limited           |  |
| Sid Gentle Films (Extraordinary 2) Limited         |  |
| Sid Gentle Films (Gaiman) Limited                  |  |
| Sid Gentle Films (KE2) Limited                     |  |
| Sid Gentle Films (KE3) Limited                     |  |
| Sid Gentle Films (KE4) Limited                     |  |
| Sid Gentle Films (Killing Eve) Limited             |  |
| Sid Gentle Films (Ragdoll) Limited                 |  |
| Sid Gentle Films (Grace) Limited                   |  |
| Sid Gentle Films (SS-GB) Limited                   |  |
| Sid Gentle Films (TD4) Limited                     |  |
| Sid Wild Films Limited                             |  |
| Sid Gentle Films (The Durrells) Limited            |  |
| As Yet Unnamed Limited                             |  |
| Consent Productions Limited                        |  |
| Firebird Pictures Limited                          |  |
| Mitragious Limited                                 |  |
| Small Pier Productions Limited                     |  |
| House Starve Acre Limited                          |  |
| EHV Films Limited                                  |  |
| Denipurna Limited                                  |  |
| Voltage TV Productions Limited                     |  |
| Wilder (UK) Productions Limited                    |  |
| Lookout Point Limited (92% owned)                  | Hammer House, 113-117 Wardour Street, London, United Kingdom W1F 0UN |
| A Suitable Company Limited (92% owned)             |  |
| AMP 1 Limited (92% owned)                          |  |
| Evergreen Television Limited (92% owned)           |  |
| Off Stone Productions Limited (92% owned)          |  |
| Lookout Point (DP) Production Limited (92% owned)  |  |
| Lookout Point (FUMP) Limited (92% owned)           |  |
| Lookout Point Management Limited (92% owned)       |  |
| Lookout Point (T&T) Limited (92% owned)            |  |
| LOOKOUT POINT (LES MISERABLES) Limited (92% owned) |  |
| LOOKOUT POINT (SHIBDEN) Limited (92% owned)        |  |

**I. BBC structure and other disclosures** continued**I1 Interests in associates, joint ventures and subsidiaries** continued

| Name of entity  | Registered address   |
|---|--|
| Lookout Point (LT5) Limited (92% owned)                           | Hammer House, 113-117 Wardour Street, London, United Kingdom W1F 0UN   |
| Lookout Point Acquisition Limited (92% owned)                     |  |
| Lookout Point (The Collection) Limited (92% owned)                |  |
| Lookout Point (HV3) Limited (92% owned)                           |  |
| White Hart Lane Productions Limited (92% owned)                   |  |
| BBC Studios Canada Limited  | 145 King Street West, Suite 740, Toronto ON M5H 1JH, Canada  |
| BBC Studios Productions (Clifton) Canada Inc                      | 40 King Street West, Suite 2100, Toronto ON M5H 3C2, Canada  |
| BBC Studios Singapore Private Limited                             | 12-08/08 Shal Tower, 100 Beach Road, Singapore 189702, Singapore   |
| BBC Studios Productions Nordics ApS                               | Mosedalvej 14, 2500 Valby, Denmark   |
| BBC Studios France  | 18-20 Quai du Point du Jour, Bat. A, 92100 Boulogne-Billancourt, France                                      |
| BBC Studios Benelux B.V.  | Worldwide Channels Europe B.V., Weesperplein 4b, 1018 XA Amsterdam, Netherlands                              |
| BBC Studios Channel Investments (Ontario) Limited                 | Toronto Dominion Bank Tower, Toronto Dominion Center, Toronto, ON M5K 1E6, Canada                            |
| BBC Studios Americas Incorporated                                 | 1120 Avenue of the Americas, 5th Floor, New York, NY 10036-6700, United States                               |
| BBC Studios Americas (401) k Plan – Trustees                      |  |
| BritBox LLC   |  |
| Adjacent Productions, LLC   | 10351 Santa Monica Boulevard, Los Angeles, CA 90025, United States   |
| Bad Wolf Productions LLC  |  |
| BBC Studios Reality Productions LLC                               |  |
| Global Hybrid Productions LLC                                     |  |
| Lime Grove Productions LLC  |  |
| Sun Never Sets Productions LLC                                    |  |
| Frankie and Jude Productions LLC                                  |  |
| Sixth Ave Productions LLC   |  |
| Picea Productions LLC   |  |
| Sticky Toffee Productions LLC                                     |  |
| Wood Lane Productions LLC   |  |
| A&P Productions LLC   |  |
| WNT Productions LLC   |  |
| Studios Competition Productions LLC                               |  |
| BBC Studios Singapore PTE Limited                                 | 18 Robinson Road, #13-01 18 Robinson, Singapore 048547   |
| BBC Studios Nordic ApS  | Klosterstraede 9, 1157, Copenhagen, Denmark  |
| BBC Studios Nordic Productions A/S                                | Strandidsvej 44.4, 2300 Kobenhavn S, Denmark   |
| BBC Studios Nordic Productions AB                                 | Norra Bulltoftavagen, 65F 212 43 MALMO, Sweden   |
| BBC Studios Nordic Productions AS                                 | Marcus Thranes gate 2, 0473, Oslo  |
| BBC Studios Americas Investments Incorporated                     | The Corporation Trust Company, Corporation Trust Centre, 1209 Orange Street, Wilmington 19801, United States |
| BB Rights LLC   |  |
| BBC Studios Australia Holdings Pty Limited                        | Level 1, 35-51 Mitchell Street, McMahon's Point NSW 2060, Australia  |
| BBC Studios Australia Pty Limited                                 |  |
| BBC Studios Australia BB Pty Limited                              |  |
| BBC Studios Productions Australia Pty Limited                     |  |
| BritBox Australia Partnership                                     |  |
| BritBox Australia Management (PTY) Limited                        |  |
| BritBox SVOD Australia PTY Limited                                |  |
| BBC Studios Germany GmbH  | Kaiser-Wilhelm-Ring 17-21, 50672 Köln, Germany   |
| Erste Weltweit Medien GmbH  |  |
| BBC Worldwide Holdings B.V.                                       | Prins Bernhardplein 200, 1097 JB Amsterdam, Netherlands  |
| BBC Studios India Private Limited                                 | Construction House A Wing, 401 – 4th Floor, Off Linking Road, 24th Road, Khar (W), Mumbai 400 052, India     |
| BBC Studios Africa (Pty) Limited                                  | Office 003H3 Ground Floor, 10 Melrose Boulevard, Melrose Arch, Melrose North 2196, South Africa              |
| BBC Studios Intermediadora de Programadora Estrangeira Limited    | Rua Ferreira de Araujo, 741, Andar 1, Pinheiros, São Paulo SP 05.428-002, Brazil                             |
| BBC Studios Polska Sp. z o.o.                                     | Pl. Bankowy 1, 00-139 Warszawa, Poland   |
| Worldwide Knowledge (Beijing) Business Consulting Company Limited | Unit 7, Floor 9, West Tower, Genesis Building, 8 Xinyuan South Road, Chaoyang District, Beijing 100027       |
| BBC Studios Productions Africa (Pty) Limited                      | 24 18th Street, Menlo Park 0081, Maxars House, 5 St Davids Place, Parktown 2193, South Africa                |
| Rapid Blue Pty Limited  | 263 Oak Avenue, Ferndale, Randburg, Johannesburg, 2194, South Africa   |
| Rapid Blue Production Nigeria Limited (99% owned)                 | 1 Hotspots Drive, Via Kudirat Abiola Road, Oregun, Lagos, Nigeria  |
| Rapid Blue Africa Limited   | 7 Sowemimo Street, GRA Ikeja, Lagos, Nigeria   |
| Rapid Blue Formats Limited (38% owned)                            | 25 Akintan Street, Dideolu Court, Ogba, Lagos, Lagos 23401, NG   |

## Financial statements

### Notes to the accounts continued

#### I. BBC structure and other disclosures continued

##### I1 Interests in associates, joint ventures and subsidiaries continued

| Name of entity                          | Registered address  |
|---|---|
| BBC Global News Japan Limited           | Tokyo Club Bldg., 3-2-6, Kasumigaseki, Chiyoda-ku, Tokyo, 100-0013, Japan                     |
| BBC Global News (India) Private Limited | Unit No. 301, 3rd Floor, D-2, Southern Park, District Centre, Saket, New Delhi, 110017, India |
| BBC Global News US.LLC                  | Corporation Service Company, 80 State Street, Albany, New York, 12207-2543, United States     |
| The Office Production Pty Limited       | Level 1, 35-51 Mitchell Street, McMahons Point 2060, Sydney, Australia                        |
| LLC BBC Holding                         | Bakhrushina Street 32, bldg. 1, Moscow, 115054, Russian Federation                            |
| LLC BBC R News                          |   |
| BBC Lebanon LLC                         | Aref Law. Snoubra, Itani St., Chahine Bldg, First Floor, PO Box 135207                        |

#### I2 Reserves

##### Operating reserve

The operating reserve reflects accumulated profits to date.

##### Hedging reserve

The hedging reserve is used to record the effective portion of cumulative net changes in the fair value of cash flow hedging instruments, related to hedged transactions that have not yet occurred (net of tax). During the current year, gains of £2 million were removed from the hedging reserve and debited to income in the income statement (2023: £17 million losses).

##### Translation reserve

The translation reserve is used to record exchange differences arising from the retranslation of the net assets and results of overseas subsidiaries. This includes all foreign exchange differences arising since the transition to IFRS, from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the BBC's net investment in foreign subsidiaries.

##### Other reserves

Other reserves include the fair value of put option liabilities arising on acquisition of subsidiaries and the difference between the cost of investment and net assets of entities acquired which are held under common control.

#### I3 Post balance sheet events

On 20 June 2024 the BBC Commercial Group agreed a £150 million private placement funding facility for 17 years at 5.74%.

On 10 July 2024 the PSB segment of the Group agreed a £150 million revolving credit facility agreement from 28 February 2025.

In May 2024, unauthorised access was gained to a platform used by the BBC in which a number of files were exfiltrated including files containing personal information of some BBC Pension Scheme members. This has been reported to the Information Commissioner's Office.

There have been no other significant events affecting the Group since the year end.

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Uzair Qadeer – BBC/Ray Burmiston

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*Ghosts US* – BBC/CBS Broadcasting Inc./Bertrand Calmeau

*The 1% Club* – ITV

*Doctor Who* – BBC Studios/Bad Wolf/James Pardon

## Contact information and feedback

If you have a comment, appreciation or complaint about BBC programmes and services:

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### **Write to**

BBC Audience Services, PO Box 1922, Darlington, DL3 0UR

### **Telephone**

The comment line: 03700 100 222

Other queries: 03700 100 123

Textphone: 03700 100 212

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