

Directors' Report

The directors present their report and the audited consolidated financial statements of BBC Worldwide Limited (BBC Worldwide) for the year ended 31 March 1999. Details of the principal activities and the development of the business during the year, and likely further developments, are given in the operational review on pages 7 to 17 of the Annual Report.

Results and dividend

The consolidated profit after taxation and minority interests for the year was £12.0m (1997/98: £3.2m). The directors do not recommend the payment of a dividend (1997/98: £nil).

Significant acquisitions and disposals

On 28 May 1998 the company sold its remaining 1,611,153 shares in Flextech plc for £8.4m net of expenses.

Directors

The directors who served during the year were:

A R Gavin	(Chief Executive appointed 1 July 1998)
C Fairbairn	
D J King	(appointed 26 March 1999)
J P Mayhew	
M J Phillips	
P S Phippen	
J E Taylor	
P R Teague	(Chief Executive (Acting) until 30 June 1998)
M C Young	
J S Younger	(resigned 30 November 1998)

G A Richards was appointed to the board on 20 April 1999.

Directors' interests

No director had any interest in the share capital of the company at 1 April 1998 or 31 March 1999. No rights to subscribe for shares in or debentures of the company or any other group company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

Payment to creditors

Operating companies are responsible for agreeing the terms and conditions under which business transactions with their suppliers are conducted. It is group policy that payments to suppliers are made in accordance with these terms, provided that the supplier is also complying with all relevant terms and conditions. Company trade creditors at 31 March 1999 were equivalent to 30 days (1997/98: 32 days) of purchases during the year ended on that date.

Residual creditors and the associated costs have been ignored for the purposes of this calculation. Payments to talent arising from the sale of programmes are made in accordance with contractual terms agreed with the contributors.

Employee participation

The BBC Forum, introduced in May 1998, promotes two way communication and debate between managers and staff. Under this initiative elected individuals put forward the views of BBC Worldwide staff to top management on a regular basis and receive direct feedback on issues which affect the future of both the employees and the company.

Within BBC Worldwide, the 'For a Better World' initiative aims to improve participation and communications involving all staff, and champions learning and growth.

Management hold regular meetings with the recognised trade unions, Broadcasting Entertainment Cinematograph and Theatre Union (BECTU), National Union of Journalists (NUJ) and Amalgamated Engineering and Electrical Union (AEEU).

Equal opportunities

BBC Worldwide is committed to equal opportunities for all, irrespective of race, colour, creed, ethnic or national origin, gender, marital status, sexuality, disability or age.

Ethnic and gender targets have been set with the aim of ensuring that the BBC Worldwide workforce reflects the UK's population and these are supported by a number of equal opportunity initiatives.

Training and development

BBC Worldwide organises comprehensive in-house and external training programmes covering job-specific skill enhancement, IT software tuition and management development courses.

Disabled people

Disabled people are fully and fairly considered for vacancies arising within BBC Worldwide and are given equal opportunities in relation to training, career development and promotion.

Existing employees who become disabled are retained in BBC Worldwide employment wherever possible.

Charitable and political donations

On 1 April 1999 the group paid, net of taxes under gift aid, £0.7m (1997/98: £2.2m) to the Diana, Princess of Wales Memorial Fund relating to sales of products in 1998/99.

BBC Worldwide does not make political donations.

The environment

BBC Worldwide does not operate in industries where there is potential for serious industrial pollution. The board recognises its responsibility to safeguard natural resources and takes steps to control and minimise any damage the business may cause to the environment. The board is working to ensure that all paper used in products is sourced from well-managed forests, along the guidelines laid down by the Forest Stewardship Council.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board
J A Holder
Company Secretary

Registered Office:
Woodlands
80, Wood Lane
London W12 0TT

25 May 1999