



Annual Report and Accounts

2019

Registered Charity (England and Wales)
Registered Charity (Scotland)
Registered Company

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2019
Report





Message from the Chair

Message from the Chair



The year ending June 2019 marked another great year for BBC Children in Need, with a fantastic fundraising total of £58.3m million raised through the 2018 Appeal. This money is already being put to work and will make a real difference to the lives of disadvantaged children and young people across the UK.

We never cease to be amazed by the creativity, commitment and generosity of our supporters and

partners and are so grateful to them all. What unites us is the ambition to do as much as possible to support children and young people who face challenges in their lives. Their courageous and inspiring stories have prompted so much generosity from around the UK and beyond.

Our 'Do Your Thing' fundraising campaign encouraged people up and down the UK to come together and help in so many marvellous ways – our supporters put on cake sales, participated in fancy dress events, bought Pudsey merchandise and generously donated. We are continually impressed by the ingenuity of our dedicated fundraisers.

More unusual challenges this year included an epic 1,580-mile motorcycle ride around the UK by a rider dressed as Pudsey, and the fastest ever journey from Land's End to John O'Groats by penny farthing! Our Corporate Partners launched their own equally fantastic fundraising campaigns, encouraging customers and colleagues alike to join in the fun, something which many businesses have acclaimed as a truly bonding experience in the workplace.

As always, the BBC pushed the boat out in support of Pudsey, with teams across the Nations and Regions doing all they could. "Stacey Dooley, The Young and Homeless" was a moving and insightful documentary; BBC Children in Need Rocks wowed a packed Wembley Arena, and the Countryfile Calendar and Ramble were again stalwart supporters. Our super-dedicated Trustee Matt Baker did us proud yet again, leading a team of inspiring young riders in The One Show's Rickshaw Challenge. This time he guided the riders along a 423 mile-route from Calais, France to Salford, arriving in time for the big Friday night Appeal Show which once again was an appointment to watch, and donate, for the nation.

I would like to give a special mention to Chris Evans and his team at Radio 2, who raised a staggering £9.9m. This brings the fundraising total since Chris began hosting the Breakfast Show in 2010 to an astonishing £45.1m. What an achievement. We are delighted that our relationship will continue following Chris's departure from the BBC, with BBC Children in Need

remaining a beneficiary of his ever popular CarFest, in both its North and South iterations.

Thanks to you, we are currently funding over 3,100 local charities and projects right across the United Kingdom. In the past year, our grants have helped to change the lives of 606,000 children and young people up and down the UK.

I have had the privilege of meeting many of our wonderful partners and visiting several projects this year including City Gateway in east London. City Gateway works with mothers and very young children in communities which can become marginalised. The crèche helps support small children and builds their confidence through play activities. It also offers a meeting point, advice café and training classes for parents, so they can enhance their literacy and tech skills. Local projects like this have an enormously beneficial impact on children and families and I'm delighted that we are able to support them.

I also visited the Islington Law Centre, at which paralegal support is provided by BBC Children in Need for ostracised and vulnerable young people who need to access social aid. It is the sort of assistance which can be vital to a young person and I was very struck talking to the staff there how critical the need clearly is. I was proud that BBC Children in Need took such a key role.

In addition to our Main and Small Grants programmes, we continue to support children and families in crisis through our Emergency Essentials Programme with our partner, Family Fund Business Services.

This year, we also launched our new impact programme, A Million & Me, which is focused on children's mental health, and made progress with a number of major funding partnerships. Among these, we have been working with The Hunter Foundation to support children and young people on the edge of care, and with Wellcome, to provide disadvantaged children with access to inspiring science activities which will help build their confidence, develop life skills and expand their horizons.

We are operating in an extremely challenging fundraising landscape. However, the knowledge that there are so many children and young people across the UK who are desperately in need of our support drives us on.

The Board of Trustees and the Executive Team have carefully reflected on a response to these challenges, and refreshed strategies - including the aim to diversify our future income - are already being implemented.

On behalf of the charity, I would like to thank all of our supporters for their contributions to another remarkable year. It is touching and powerful to witness such an outpouring of generosity in these challenging times. We are so very grateful for the continued support which will enable us to change young lives across the UK.

Rosie Millard
Chair of Trustees







Report of the Trustees

Report of the Trustees

The Trustees of BBC Children in Need (who are also the Directors for the purposes of the Companies Act 2006) are pleased to present this, their report and accounts for the period ended 30 June 2019, and incorporating the Strategic Report and the Directors' Report required under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. The accounts have been prepared in accordance with the Statement of Recommended Practice – Charities SORP (FRS 102) issued by the Charities Commission in January 2015, applicable Accounting Standards in the United Kingdom, requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Brief History

Christmas Day 1927 saw the first BBC Appeal for children. Over time, the Appeal has evolved and 1980 saw the first Children in Need telethon hosted by Sir Terry Wogan, Sue Lawley and Esther Rantzen.

The telethon's 39th appeal was held during this year. Since inception the Appeal has cumulatively raised over £1,031m for disadvantaged children and young people right here in the UK.

Objectives & Activities

During the reporting year we have continued to focus our efforts in line with our core strategic pillars.

BBC Children in Need exists to make a positive difference to the lives of disadvantaged children and young people across the UK. Our objectives and activities focus on ensuring the impact we have on children's lives is front and centre of the work the charity undertakes, over and above the projects and services we fund. Our focus continues to be on finding and funding the inspiring ideas that change children's lives.

And whilst we know that every child deserves a childhood that is safe, happy and secure, we also know that a growing number of children are experiencing ever increasing and more complex levels of disadvantage. In order to find and fund the inspiring ideas, we are building on our commitment across the organisation to work collaboratively with all those who share our aspirations for children and young people.

Our objectives and activities provide a crucial focus to our efforts towards ensuring maximum positive impact on disadvantaged children and young people. To ensure the whole of the charity is focusing on what is needed to achieve our vision, we have five key organisational objectives.

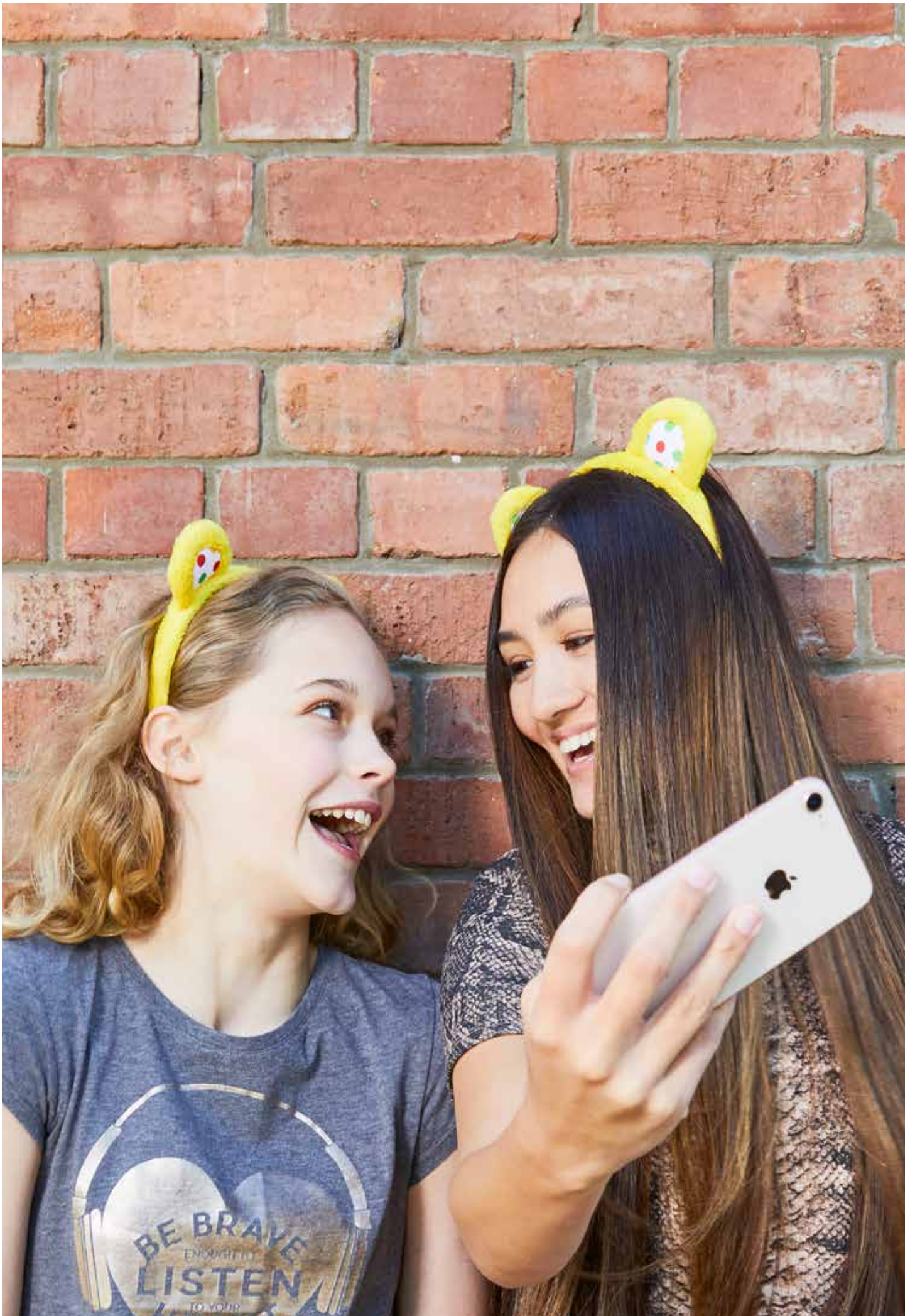
1. We focus on driving our commercial activity to optimise our income streams.
2. This is fundamental in enabling us to continue finding and funding inspiring ideas that change the lives of children.

3. We utilise BBC content and programming to help change lives, and create impact by sharing stories that will raise awareness of the disadvantages children and young people in the UK face.
4. We generate valuable insight and evidence about these disadvantages, and are developing the systems needed to enable this insight to create maximum impact, both for us and the wider sector.
5. The essential foundations and building blocks need to be in place to enable us to focus all of our efforts on delivering great outcomes for children and young people across the UK. To do this we need to continue our focus on being a strong charity.

By continuing to focus on finding and funding the inspiring ideas that change the lives of children and young people, during this reporting period we have spent £70m on 1,810 projects and services in communities up and down the UK. We take very seriously the huge responsibility entrusted to us by members of the public when they make a donation to BBC Children in Need – no matter how small or large. Grant making is a serious business. We need to match efficiency – making sure the funds reach projects and support children and young people quickly, with also retaining all-important governance and rigour with every decision to fund a project. We will ensure the standards we set for allocating grants and funding continue to be the highest possible.

Equally, we are acutely aware that impact and improved outcomes for children and young people can also be brought to life by the important stories of families, children and young people who have received much needed support from the projects and services we fund. Our connection and support from the BBC is a critical factor in this. Not only can we raise valuable funds but we can also work with our colleagues across the BBC to ensure content and programming on the BBC also contributes to changing young lives. We can articulate the challenges children and young people face but also celebrate and champion the enormous contribution children and young people can have on their peers and in their communities.

With all of this, bringing to life our strategy requires careful consideration of data, information and evidence. Whilst we want to act quickly to meet need and deliver important outcomes for children and young people, we know we can best do this when we generate valuable insight and knowledge. We want every decision in BBC Children in Need to be an informed decision.





Strategic Report

The Trustees have approved this Strategic Report which provides an analysis of the Charity's performance, its financial position and an insight into the Charity's objectives and the risks and uncertainties it faces. The report groups the headings of achievements and performance, financial review and future plans.

The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities and setting policies.

Achievements And Performance

Building our commercial proposition to raise as much money as possible

Supporting BBC Children in Need is the nation's chance to make a difference. A time for ordinary people to do extraordinary deeds, uniting individuals and communities in a common goal: transforming the lives of young people across the UK.

And this year was no different. We were once again overwhelmed by the thousands of people across the UK who got together in their own unique way to support us; in schools, in workplace canteens, office blocks, community centres and through the partnerships we treasure with our corporate partners. They did it through baking cakes, sponsored karaoke, quizzing, rambling, fancy dress and, of course, through donning pairs of furry Pudsey Bear ears.

We announced a fantastic total fundraising figure of £50.6m on the night of the televised Appeal Show in November 2018. This represents a reduction of £3.9m on the previous year like-for-like, (excluding public fundraising of £4.4m as not in the prior year Appeal Show total of £50.2m), due to a reduction in audience viewing figures and subsequent support combined with a drop in corporate partner income.

After the show, a further £2.6m was added to the total as people continued to send us their fundraising amounts and their donations. The direct support from the public totalled £27.1m across the year. We were delighted with the huge efforts made by the British public. The remainder of the £7.7m follow-on income came from both corporate and BBC partners.

We publicly announced a total of £58.0m in July 2019 and closed the year at £58.3m (£2.5m, 4% down on 2018).



Split of Income Received

Income analysis	2018 Appeal Income on the night £'000	2018/19 Follow On £'000	2019 FINAL income £'000	2017 Appeal Income on the night £'000	2017/18 Follow On £'000	2018 FINAL income £'000
Other fundraising	*19,096	2,565	21,661	17,395	7,750	25,145
Schools fundraising	5,427	-	5,427	5,500	113	5,613
Direct public support	24,523	2,565	27,088	22,895	7,863	30,758
Corporate partnerships	8,700	2,093	10,793	10,241	1,307	11,548
BBC programmes and events	17,372	3,002	20,374	17,033	1,449	18,482
Total grant fund income	50,595	7,660	58,255	50,169	10,619	60,788

*£14,690 on a like for like basis (excluding public fundraising of £4.4m not in the prior year Appeal Show total)

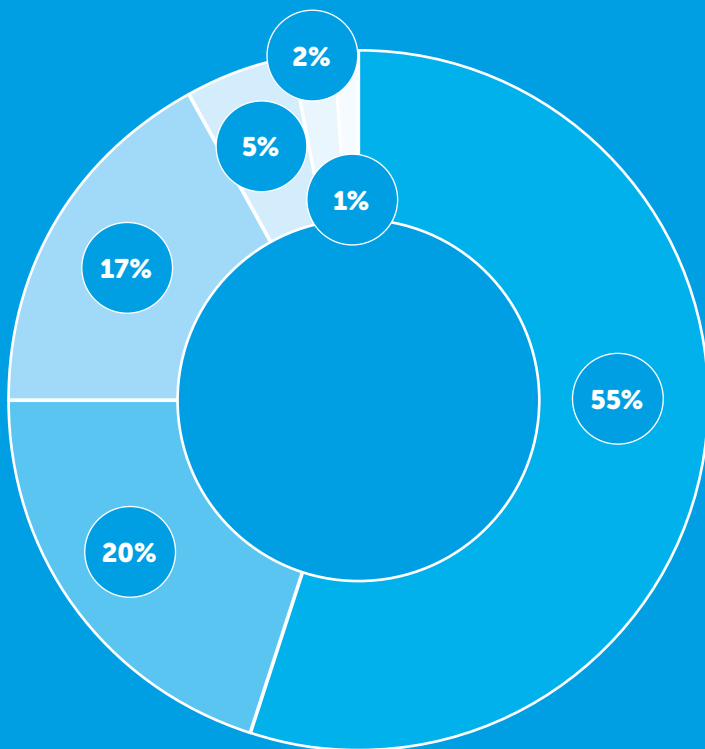
See note 2 on page 63 for a more detailed analysis of this income and reconciliation to the SOFA.





Raising Funds to Transform Young Lives

Direct Public Support



Direct Public Support

55%	£15.0m	Donations
20%	£5.4m	Schools
17%	£4.7m	Public Fundraising
5%	£1.2m	Legacies
2%	£0.6m	Other
1%	£0.2m	Trading Contribution
£27.1m		



Fundraising in Schools

In 2018, the Big Spotacular returned with over 18,000 schools across the UK rallying round to raise £5.4m for the charity. This year we were supported by our new Schools Partner Twinkl, to help us deliver fun-filled fundraisers to schools across the UK. Whether it was resurrecting Blue Peter's classic bring and buy sales, or coming to schools dressed head to toe in spots, schools did it all! Children at nursery got the chance to earn their own Pudsey badges, while secondary schools got into the competitive spirit – taking on one another and their teachers in bake-offs, football matches and tuck shop challenges.

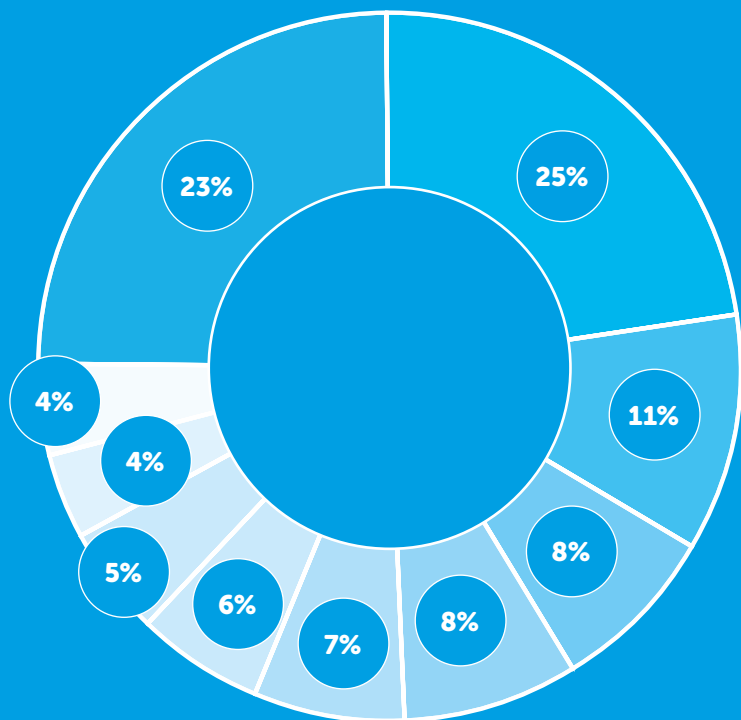


Our Fundraisers

Every year BBC Children in Need is delighted by the overwhelming support from people in communities across the UK. They get together at work, in their local communities and in their homes to raise money for children right up their street. They don fancy dress, get their bake on and take on all kinds of challenges to raise money. This year we enjoyed celebrating the efforts of thousands of people – here are just a few of them: a fundraising Samba Band from Swansea; Daniel who took on an ultra-marathon in Mongolia battling sub-zero temperatures and the potential to run into bears at any moment, raising £5,000; and the fantastic men and women at Huddersfield Fire Station who were busy all year collecting money from their local community. We're also incredibly grateful for the continued support of our friends at the Rotary Club, Ladie's Circle, Round Table and Big Learner Relay.



Corporate Partnerships



Corporate Partnerships

25%	£2.7m	Asda
11%	£1.2m	Boots
8%	£0.9m	Greggs
8%	£0.9m	Post Office
7%	£0.8m	DFS
6%	£0.6m	Cineworld
5%	£0.5m	Thomas Cook
4%	£0.5m	Costco
4%	£0.4m	Welcome Break
23%	£2.3m	Other
£10.8m		





ASDA

ASDA has been working to empower children & young people to develop vital life skills through the Power of Play. The 2018 campaign was spearheaded by celebrity Play Ambassador, Nadine Coyle, and raised awareness across multiple platforms including TV and press. In addition, the wonderful colleagues and customers at ASDA and George supported play opportunities by raising £2.7m through the sale of Pudsey merchandise and incredible fundraising activities.



Boots

In 2018 the brilliant team at Boots inspired the nation to 'Go Bright', raising a sum of £1.2m. As well as being able to buy a great range of Pudsey merchandise, Boots stores across the UK hosted pop-up 'Pudsey make-up spots' across 100 stores, giving customers a special Go Bright look for BBC Children in Need.



Greggs

Greggs colleagues celebrated a very successful year of partnering with BBC Children in Need and fundraised as enthusiastically as ever by selling their Pudsey & Blush ring buns and biscuits, selling our merchandise and through their brilliant staff fundraising, all helping to raise £0.9m.



DFS

Once again, DFS colleagues supported BBC Children in Need through their year round 'Give Me Five' fundraising competition, offering customers the opportunity to make a donation and the chance to win back the cost of their sofa raising £0.8m.



Cineworld

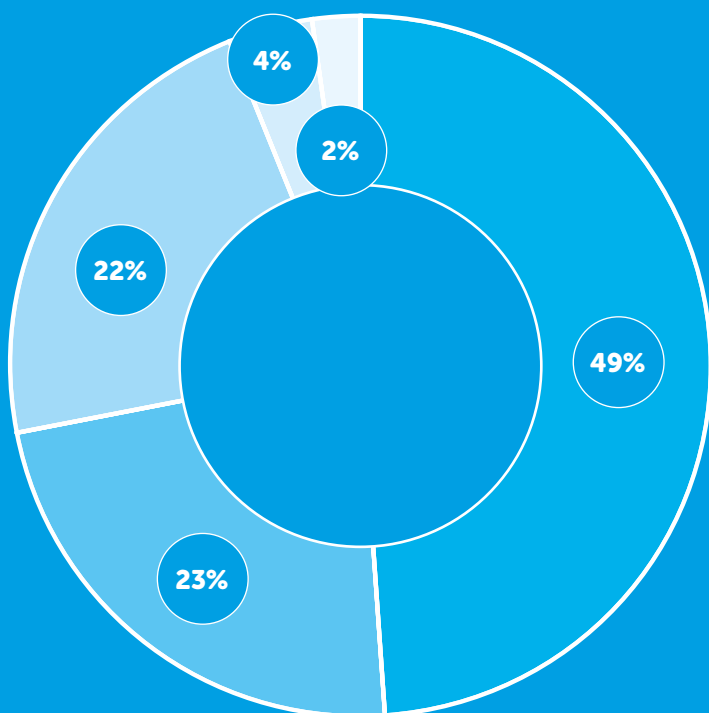
In their third year of partnership with BBC Children in Need, Cineworld raised £0.6m. Their core cinema initiative took place in the October half term week across the country, with every cinema donating 75% of ticket sales on their Movies for Juniors screenings, accounting for £200k. Cineworld also ramped up their round up at the till initiative by installing point of sale on tills resulting in customer donations of £250k.



Costco

2018 marked Costco's 21st year supporting BBC Children in Need and they raised an incredible £0.5m. They tee'd off their fundraising in June for their Annual Golf Day, with money-can't-buy prizes and celebrity guests in attendance. In November, Costco colleagues got behind the Appeal by selling pin badges and holding fundraising events across their warehouses to raise vital funds for the cause.

Support from the BBC



BBC Programmes & Events

49%	£9.9m	Radio 2
23%	£4.8m	The One Show: Rickshaw Challenge
22%	£4.4m	Countryfile
4%	£0.8m	CiN Rocks
2%	£0.5m	Other BBC
<hr/>		
£20.4m		

Radio 2

It was a record breaking year for Radio 2, led primarily by the Chris Evans Breakfast Show which along with CarFest and the 'money can't buy' radio auction packages contributed to the highest amount ever raised by the network at £9.9 million. The announcement of Chris Evans leaving the BBC culminated in The Ultimate Christmas Party Event at the O2 Arena in aid of BBC Children in Need. It was attended by around 10,000 people and provided a fitting farewell to Chris.

Across the network, the BBC Children in Need 'Takeover Day' once again showcased the voices of children and projects supported by the charity. Radio 2 broadcast a wide range of child-led story packages on Appeal Day and throughout the week. CarFest 2018 raised a healthy £3.1 million which represents all profits and the various onsite fundraising streams.

A Gala Lunch for BBC Children In Need hosted by Michael Ball at The Savoy Hotel following his Sunday morning live show brought an end to a highly successful 2018 appeal campaign by Radio 2.

The One Show Rickshaw Challenge

It was the eighth year of the popular One Show challenge, raising more than £4.8m for the charity. Once again a group of inspiring young people supported by BBC Children In Need headed out on an epic road journey with Matt Baker, sharing their stories along the way. A new route saw the challenge start in Calais, France before going through the Channel Tunnel, winding across towns and villages across Britain and ending with a show-stopping finish line at MediaCity in Salford. This year we included an even more varied range of stories to give the audience a broader view of our grant portfolio. The young participants were Kayla from Northern Ireland and Kieran from Wales who both overcame challenging backgrounds and family circumstances to take part; Phoebe who suffers from a stammer; Maisie, riding the specially redesigned Rickshaw to accommodate her dwarfism; Abby who had battled a rare type of blood cancer and was inspired to ride by friends she has lost to the illness; and Harry, overcoming his cerebral palsy with a beaming smile throughout to complete a tough but inspiring journey.

The Rickshaw Challenge this year saw a new partnership with McLaren who used their specialist skills to redesign the rickshaw and open up their iconic building in Woking to our team of riders.





Countryfile

It was also a record-breaking year for our Countryfile collaboration this year - with the total amount raised by both the calendar and rambles breaking through the £4m barrier for the first time (total £4.4m). The Ramble weekend itself was a huge success – with more participation than ever before across England, Scotland, Northern Ireland and Wales. Inspirational stories including Josh who climbed a mountain with a life-limiting condition really struck a chord with the viewing public. The Calendar in aid of BBC Children In Need also enjoyed a bumper year - selling more than half a million copies.

BBC Children in Need Rocks 2018

This musical extravaganza hosted by Fearne Cotton and Clara Amfo on BBC One featured a star-studded line up including Jess Glynne, George Ezra, and Rita Ora alongside legends Sir Rod Stewart, Nile Rodgers and Chic coming together to support BBC Children In Need at a sell-out concert at Wembley Arena. Alongside the star performances, a number of stories from children and young people supported by BBC Children in Need were featured - including the very moving story of Connie and her brother Joe. The event raised more than £0.8m.

Mastermind

This was a new collaboration with BBC Entertainment North featuring four young people taking part in the quiz, specialising in subjects including Harry Potter, EastEnders and Liverpool Football Club. The general knowledge round featured celebrity

contestants and the programme was broadcast on BBC Two on the night of appeal. It proved to be the most popular programme on the channel that day with more than two million viewers.

Radio 1 / 1Xtra / Asian Network

Working for the first time with an independent producer, a series of short stories was commissioned by Radio 1 that would feature on the three networks. The storytellers worked closely with the brief that focussed on younger children and a strong call to action.

Blue Peter

As Blue Peter celebrated its 60th anniversary, we partnered with the BBC's flagship children's TV programme to bring back the 'Bring and Buy' sales that were much loved by so many. The Bring and Buy sales became the central push for the schools fundraising packs and activity and raised more than £150k.

BBC Nations and Regions

In every corner of the UK, BBC colleagues answered the call to do their thing for BBC Children in Need - from Aled Hughes in Wales and his "High Fives" tour that collected more than 45,000 Pawen Lawen's (high fives) to a very special "Breaking the News" podcast in BBC Scotland. In Northern Ireland the Ulster Folk and Transport Museum also became a hive of Pudsey activity.

Across England, some 27 BBC Local Radio stations came together for Pudsey - from a 'Power to the Tower' bike ride



in Lancashire to Tony Blackburn's 'Soul Night' in London. Alongside the fundraising, there was storytelling from local communities highlighting the impact of our funding on people's doorsteps and the difference it has made. Efforts from our local BBC partners helped raise more than £0.3m.

As well as fundraising through our content, we are proud to have worked with programmes shining the spotlight on a range of projects and people supported by the charity. In 2018, BBC Children in Need forged a new and unique partnership with BBC Writer's Room Wales. Fourteen BBC Children in Need-funded projects from all over Wales met and spent time with five brilliant Welsh writers who were then inspired to develop new content propositions around some of our harder to tell stories.

Stacey Dooley: The Young and Homeless

This one off documentary with Stacey Dooley for BBC Children in Need focussed on the growing plight of young homeless people in the UK, with the powerful programme featuring a number of projects supported by the charity. One of the young people featured - Josh - received a number of employment offers following transmission, with each approach carefully vetted before being introduced to Josh and his project worker. A CEO of a tech company in London was so moved by his story that he has offered Josh a 12 month paid internship with free accommodation.

The programme had an audience of more than 1.5 million and has continued to be popular on the iPlayer.

Radio 4

Radio 4 continued to illuminate the work of BBC Children in Need through creative and thought provoking storytelling. The five part Woman's Hour drama D for Dexter returned throughout Appeal Week and From Our Home Correspondent broadcast a special episode featuring HIV support project CHIVA, funded by BBC Children in Need.

Our impact partnership with Radio 4's unique local and network programme, The Listening Project, returned this year with a very healthy representation of some of the harder to tell child-led stories from our grant portfolio across the UK. BBC Radio stations in Solent, Stoke, Lancashire, Wales and Scotland all contributed, and building on previous years, new to this year we had three conversations from Northern Ireland.





Finding and Funding

Finding and funding the inspiring ideas that change the lives of children

Impact Strategy

We exist to find and fund the inspiring ideas that change children's lives, aiming to achieve positive impact with and for children and young people who experience disadvantage. This year we launched our Impact Strategy. The strategy sets out how we will focus our funding, work alongside children and young people and build on our partnerships with the Children & Young People's sector to achieve a positive difference for the lives of children and young people. It includes a focus on how we use our convening power and storytelling expertise as key organisational assets to contribute to positive impact.

Our funding will continue to be distributed across 3 key and connected types of grant-making: responsive; proactive & partnership programmes and crisis funding. Whilst the greatest proportion of our grant-making will continue to be responsive (main and small grants), we will continue to invest in proactive grants that target a particular issue that affects children and young people. In this way we are delivering wider impact beyond the individual and the organisation, effecting change on a bigger scale. This is particularly important in the current broader funding context, where reductions or changes in funding can have wider systemic consequences. Of particular note this year, is the launch of our Million & Me proactive programme.

Direct Funding, Reach and Connection in Local Communities

BBC Children in Need is in the main a responsive funder – some 91% of our grants totalling £64.3m go to support organisations who apply to us for funding. These are projects designed to work directly with children and young people who are dealing with particular disadvantages, or indeed multiple issues. These can range from abuse, neglect, poverty to illness, bereavement, mental health problems, disability – and our grants range from a few thousand pounds to over a hundred thousand pounds.

Our funding allows projects to create and sustain positive outcomes for these children and young people in response to an identified need. We work with these organisations, providing training and support to monitor and report on their progress. We actively encourage the involvement of children and young people in the design and monitoring of projects and are focusing on developing our involvement and participation framework over the next year.

We really value our developing relationships with our portfolio of grantees. Our approach includes convening events to focus on particular areas of need, common interest or geographical location. This approach helps us to share knowledge, experience and learning. Individual project visits also highlight excellence and support us to learn about an issue or geographic area, alongside forming part of our approach to monitor progress and offer additional support. Our capacity to re-invest in projects through continuation funding is a highly valued characteristic of BBC Children in Need that allows mutually beneficial relationships to grow over time.

During 2018-19, we have reviewed our approach to Main Grants. We will be implementing the recommendations from this review during 2019-20, a process which should result in an application process that is simpler, provides quicker decisions to applicants and creates more opportunities for our teams to work with the wider sector to inform and develop our work. For example, we have identified areas where there is unnecessary repetition or duplication and will be addressing these. This supports a process that will be no less robust, but will be more transparent and straight forward for applicants.



Delivering Impact through Funding Partnerships

With the support of our Trustees, this year we have continued to work collaboratively with others to find and fund work that not only delivers direct support to children and young people, but also develops our ability to use insight to create wider impacts for children and young people.

We have built on the ongoing learning from the second phase of our partnership with the Premier league to cement our youth violence partnership for 2019-22. Curiosity, our partnership with Wellcome, was opened for its second and final round of grant funding, receiving 145 applications, with grants to be awarded in the early part of 2019-20 and we have continued our collaboration with the Legal Education Foundation which seeks to expand the use of the law as a tool for securing good outcomes for children.

In Scotland, our partnership with The Hunter Foundation, to support children and families on the edge of care, has been active in the Lochee area of Dundee and the Cumnock and Auchinleck communities. In London, the work we funded as part of a consortium of funders continued to support children and young people affected by the Grenfell Tower fire.

We continued our support for the Mayor's Fund for London's Kitchen Social initiative, which seeks to tackle holiday hunger by providing healthy meals and a range of social development activities during the school holidays. We have also funded Missing people to deliver Is This OK?, a new digital gateway that will pilot using chatbot technology to connect young people at risk of Child Sexual Exploitation, Child Criminal Exploitation to information and support.

On 30th April 2019, we launched a Million & Me, our first in a series of impact programmes being developed to address some of the most pressing issues affecting the UK's children and young people today. A Million & Me is an early action mental health programme which aims to support children aged 8-13 across the UK. Projects funded focus on emotional wellbeing among children who are beginning to struggle, before mental health problems are established. The programme recognises that early conversations are an important part of supporting children and young people with their emotional wellbeing and by bringing together a number of committed partners, who will deliver a range of innovative and evidence-based projects supporting children's wellbeing right across the UK. Projects funded to date include:

- **Shout, Mental Health Innovations** - 24/7 crisis text line support
- **YoungMinds** - pilot extension of parent support to reach new vulnerable groups
- **Verbal** - pilot expansion of the Reading Rooms project in Northern Ireland, offering an accredited, curated, shared reading, affective bibliotherapy model of support
- **Parent Zone** - a digital project offering expert advice and encouraging communication between parents and children about their mental health
- **Wave, Prescription Surf** - a model of social prescribing for children with the support of commissioners and GP practices in Cornwall



The launch event for A Million & Me was hosted by Trustee Matt Baker, with a panel comprising Jacqui Dyer MBE, Chair of Black Thrive; Dr Radha, GP, broadcaster and author, and YoungMinds activists.

Crisis Funding: Emergency Essentials







Our responsive funding supports work with groups of children and young people in local and national organisations. However we also recognise that individual families are often managing crises at home that can severely affect children's life chances.

In 2018-19, we invested over £3.5m in Emergency programmes working for the first year with Family Fund Business Services.

Emergency Essentials comprises small grants of (on average) £112, made available relatively quickly at a local level that can arrest the negative impact of severe poverty, a lack of the basic facilities which most of us take for granted and additional pressures such as domestic violence, disability or poor health in the family. Through this programme we were able to support 31,927 children. This could, for example, be providing a new washing machine – enabling children to have clean uniforms or clothes to attend school; or a cooker or fridge to allow healthy and affordable meals; or a bed or new bedding so children can get a good night's sleep. In 2018-19, 27% of these grants were provided to children and young people affected by domestic violence. Many of these have fled their home, often taking few belongings with them.

Our grants are awarded in line with the following policy principles:

Grant-making Policy

- 
1. BBC Children in Need funds projects in order to produce positive outcomes for children and young people who are experiencing disadvantage
- 
2. Every project and organisation we fund shall demonstrate comprehensive understanding and application of best practice in safeguarding children;
- 
3. We fund projects that are child focussed;
- 
4. The organisations we fund will be not-for-profit organisations with appropriate, accountable and proportionate governance
- 
5. The projects we fund should not duplicate or substitute for statutory responsibilities;
- 
6. Every project and organisation we fund should encourage and enable participation by children and young people in an appropriate and empowering manner.

We award grants to voluntary projects, community groups and registered charities that are working with children and young people, 18 and under, who are affected by a number of issues including homelessness, neglect, abuse, disability, poverty, serious illness and bereavement. We award two types of responsive grants. Our Small Grants Programme includes grants up to and including £10,000, which supports projects for up to three years, while the Main Grants Programme is for grants over £10,000 per year to support projects for up to three years.

New grants awarded in the year

In 2018/19 we awarded 1,062 main and small grant (valuing £57.0m) to organisations that applied to us in this time period. We also released further funding to 737 small grant-holders to a (valuing £7.2m) to activate year two and year three funding of their grants. The geographical split of these grants totalling £64.2m is shown in the graph below.



Total: Small Grants 523, £4.8m | Small Grants Year 2 & 3 Release 737, £7.2m | Main Grants 539, £52.2m | Total Grants 1,799, £64.2m

As part of our work delivering impact through funding partnerships we awarded £5.7m to the programmes shown below.

	Value of Grants
Children's Society	£133,333
Is It Ok Programme	£40,000
Mayors Fund (Year 2 of 3 years) Programme	£98,120
Roots	£30,000
I Will	£1,050,350
Cripplegate	£30,000
Proactive Programme (MM)	
Mental Health Innovations	£500,000
Wave Project	£91,280
Parent Zone	£197,500
Other	£14,938
Total Funding Partnerships	£2,185,521
Emergency Essentials	£3,548,776
UK Total	£5,734,297

Included in the partnership funding above is £3.5m awarded to the Emergency Essentials Partner programme in the year, which went on to benefit 10,873 families and 31,927 children and young people during the year.

Area	Families Receiving Grants	Children and Young People benefiting from Grants	Value of Grants
Central England	2,298	7,521	£800,538
London & South East England	2,120	5,880	£666,176
North England	4,001	11,617	£1,313,320
South & West England	946	2,837	£328,414
Northern Ireland	431	1,187	£128,243
Scotland	653	1,928	£207,951
Wales	424	957	£116,762
UK Total	10,873	31,927	£3,561,408

Our Active Grants Portfolio

Table 1: Portfolio - Distribution of all active grants across the UK (June 2019)

Area	Number	% of total number
Main and Small Grants		
Central	614	20%
London & South East	799	25%
North	691	22%
South & West	321	10%
England	2,425	77%
Northern Ireland	184	6%
Scotland	338	11%
Wales	181	6%
Main and Small Grants Total	3,128	100%
Proactive Programmes (active)		
Children's Society	1	0%
Is It OK Programme	1	0%
Mayors Fund (Year 2 of 3 years) Programme	1	0%
Roots	1	0%
I Will	1	0%
Cripplegate	1	0%
Hunter Lochee	1	0%
Mental Health Innovations	1	0%
Young Minds	1	0%
Wave Project	1	0%
Parent Zone	1	0%
Other	1	0%
Emergency Essentials	1	0%
Grand Total	3,141	100%

Table 2: Portfolio - Distribution of active main and small grants by disadvantage (June 2019)

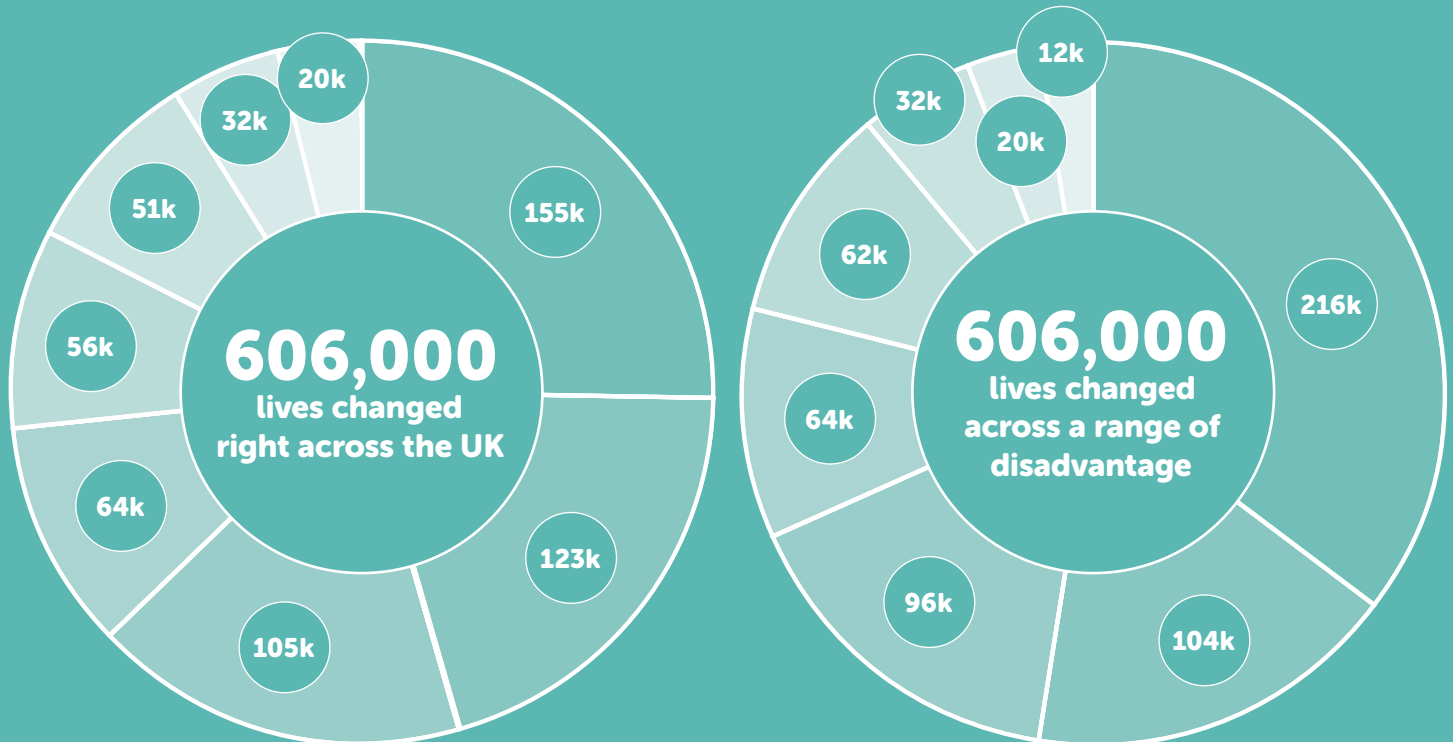
Disadvantage	Number	% of total number
Abuse/neglect	196	6%
Behavioural difficulties	101	3%
Disability	687	22%
Distress	302	10%
Illness	283	9%
Marginalised groups	471	15%
Poverty and deprivation	1,088	35%
Total	3,128	100%

Table 3: Portfolio - Distribution of active main and small grants by project type (June 2019)

Project Type	Number	% of total number
Advocacy	44	1%
Arts/creativity	384	12%
Befriending/mentoring	167	5%
Capital	9	1%
Counselling	334	11%
Cultural projects	3	0%
Early years services	153	5%
Family support	168	5%
Holidays	107	3%
Inclusion projects	9	1%
Information and advice	31	1%
Medical	70	2%
Playscheme	133	4%
Refuge	55	2%
School and extended services	216	7%
Sports and health	252	8%
Training and employment opportunities	183	6%
Youth services	810	26%
Total	3,128	100%

Changing the Lives of Children

In 2018/19 BBC Children in Need helped change the lives of over 600,000 children and young people across the UK who are affected by the disadvantages they experience, such as living in poverty, being disabled or experiencing abuse, trauma or loss.



155k North England	56k South and West England	216k Poverty and Deprivation	62k Distress
123k London and South East England	51k Northern Ireland	104k Illness	32k Emergency Essentials
105k Central England	32k Emergency Essentials	96k Disability	20k Abuse/Neglect
64k Scotland	20k Wales	64k Marginalised Groups	12k Behavioural Difficulties

The following stories show how children and young people have been helped by some of the projects, community groups and charities that we support.



Nansa

Jessica and Rachel

Once a week, Jessica and Rachel go with their parents to Nansa, a BBC Children in Need funded project with a dedicated area called a sensory room.

Jessica has developmental needs and Rachel has Down's Syndrome, which means that additional stimulation can really help both sisters to relax and gain confidence and social skills. In the sensory room there are water bubble machines, bright LED lights and lots of other children to play with, all of which help Jessica and Rachel to learn and develop in a fun and imaginative way.



Deaf-SELF

Sometimes it can be difficult for children who are deaf or hard of hearing to interact with hearing children due to the barriers they face. This can make them feel isolated, and has an adverse impact on their confidence and social skills.

Deaf-SELF runs a holiday playscheme, funded by BBC Children in Need, for profoundly or severely deaf children to spend time together. Here they can take part in fun activities such as badminton or football, and go on trips to theme parks and adventure playgrounds. It's a really important opportunity to build friendships, gain confidence and have fun in a supportive and inclusive environment.



Kids Cancer Charity

Sara

When Sara was just four years old, she underwent major surgery to remove a brain tumour. After many weeks of recovery time she finally went back to school, but things were different now. Due to poor balance and tiredness she needed to use a wheelchair, and her short term memory was also affected.

But thankfully, Sara has access to a Play Therapist from Kids Cancer Charity, funded by BBC Children in Need. Through regular visits, they spend time talking and playing together, helping Sara to adjust to these changes so she is better able to cope.



WE UNITE TOGETHER
SUPPORT INNOVATION
HAPPY FUTURE
AMBITION TRUST
THRIVE KINDNESS HAPPY
BELIEF CONFIDENCE VISION
RESILIENCE COURAGE
COMMITMENT

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**Building on
our Strengths**

Using Insight to Inform our Decisions

We have continued on our journey towards embedding insight-driven decision making across the organisation. With a dedicated team now partnering with colleagues across the organisation, we have strong foundations in place in terms of research and data to enable us to shape and evaluate our impact and income generating activity.

One critical element of our insight work is the evaluation of the projects and initiatives we support, and the reporting of our impact on children and young people. Key achievements to that effect include:

- Assessing the impact of the first phase of our Curiosity programme with the Wellcome Trust (learning through science) and learning from our experience as we move into the next phase.
- Assessing the impact of our violence prevention programme with the Premier League and using our learning to shape the next phase of our partnership.
- Developing an evaluation framework for our broad-ranging A Million & Me programme supporting the mental wellbeing of children. This will enable us to monitor and report impact across each individual element of the programme as well as holistically overall.

In the year ahead we will also be focussing on impact reporting across our main grant portfolio, as we look to provide greater support and guidance to our grantees with regard to monitoring and evaluation, and look to enrich the impact story that we are subsequently able to communicate as BBC Children in Need.

A key focus of the Insight team is to keep us abreast of the changing landscape for children and young people in the UK – how their lives are changing, the key challenges and opportunities they face and level and nature of need that is experienced by those who are disadvantaged. Key achievements against this backdrop include:

- The development of an analysis tool that enables us to profile our grant portfolio against End Child Poverty data for the UK. This enables us to identify the location of the highest proportions of children in poverty relative to the location of the projects we support. Given our focus on supporting local projects right across the UK, this tool will provide vital insight to inform our grant-making decisions.

- An increased focus on developing our ‘thematic’ insight with regard to specific areas of need. With a richer understanding of issues such as youth violence, mental health and poverty, we will continue this work to build a rich knowledge bank that will inform activity across our Impact, Commercial and Content pillars.

Our grant-making data system is critical to the smooth running of our impact activity across the organisation. Following the migration to GIFTS Online in March 2018, we have spent most of this year embedding the database into our processes and making the most of the functionality improvements it brings – for example through customised screens to improve the user experience, and a grant management dashboard to drive portfolio management. In addition to these grant-making improvements, we have focussed on improving the GIFTS Online user experience for non-grant makers in the organisation in order to maximise the value derived from the system.

With our work increasingly focussed on supporting Marketing and Fundraising activity, we conducted a significant piece of audience research immediately after our November Appeal night. This enabled us to achieve two key goals - firstly, to evaluate the impact of our 2018 Appeal from an audience perspective and secondly, to segment and profile our supporter base. As a result, we have identified key issues and opportunities to frame our Appeal planning for 2019 and beyond – in the light of key trends in audience behaviour and media consumption - and we now also have structured insight into the profile of our supporter base and the key ways to engage with them in the future.



Building a Strong Charity

Our **strong charity** objective relates to the essential foundation and building blocks that need to be in place to enable us to focus our efforts on delivering positive impact for children and young people across the UK. There have been a number of areas of progress during the past 12 months supporting this objective.

Our People Strategy has continued on its journey to develop, support and retain talent, to enable us to focus on doing the great things we do to change the lives of children. How we are set up and operate as an organisation is key to enabling us to achieve our strategic goals, so during this year we have reviewed our structure and operating model to maximise our impact. This review has been done in conjunction with aligning the charity with the BBC's updated Terms & Conditions aiming to modernise the BBC, making it fairer, simpler and more consistent. We have also reviewed our pay principles against benchmarks within the charity sector.

There has been a big focus on making the experience of working in the charity the best it can be, ensuring our colleagues are supported, motivated and recognised for the valuable contribution they make to the lives of children and young people across the UK. Further understanding how our employees feel about working here and how we can improve employee engagement has been a key enabler to this piece of work. The organisation's focus on Wellbeing has been front and centre of our People Strategy and has enabled an open and supportive culture providing a platform for people to share their thoughts, along with practical, comprehensive tools. This year we have developed our own Wellbeing Charter, outlining what our colleagues should expect from themselves and each other to optimise their wellbeing.

This year has also seen a review of our governance, policies and practices to ensure we are managing all activity effectively and fulfilling all of our obligations. We've been able to take a step back and think about how we govern ourselves as a charity, utilising the Charity Governance Code as a benchmarking tool. As a result, we have developed a programme of activity around this to further drive effectiveness of how we govern and manage all aspects of the organisation.

Managing our risks tightly remains on our agenda, as does our safeguarding practices for which we have implemented an even more comprehensive safeguarding policy incorporating both children and vulnerable adults.

The organisation requires the right systems and tools to be in place to enable us to achieve our strategic ambitions, and

requirements in this space are constantly evolving. This year has seen a new website developed ready to launch for Appeal 2019, and that will provide a more accessible and intuitive platform for our supporters, fundraisers, our grantees and the general public. Another key systems change this year has been implementing new donation platforms following the withdrawal of our long-standing platforms hosted through BT MyDonate.

The General Data Protection Regulation (GDPR) introduced in May 2018 triggered a comprehensive review of our practices and policies to ensure compliance across the organisation. All key policies have been updated, and we have clear processes in place for mitigating against data protection issues. Alongside this, we have raised awareness across the charity, trained our colleagues and put in place a Data Protection Officer to support ongoing compliance and best practice.

The Trustees and Executive team have spent considerable time reviewing the internal funding model of the Charity during the year. To date the Charity has been able to fund the costs of generating income and governance from investment income and gift aid, but this model is no longer sustainable due to a number of factors including:

- the effect of historically low interest rates on investment income;
- the increased costs of raising funds and appropriate governance;
- the need to evolve our grant making approach to ensure that the charity is better able to respond to the challenges facing children and young people today; and
- reduced income from Gift Aid reflecting reduced direct donations due to changes in viewing habits.

The Trustees have decided to update the internal funding model in order to support the Charity's long-term financial stability. Going forward, a maximum of 5p from every pound donated will fund costs not attributable to grant making, enabling us to continue to make a difference to young lives across the UK. The intent will be to minimise this and in the next financial year (19/20) every effort is being made to keep this to under 2p.

The Trustees have also reviewed and updated the Reserves Policy for the Charity during the year, with the same objective of promoting long-term financial stability.



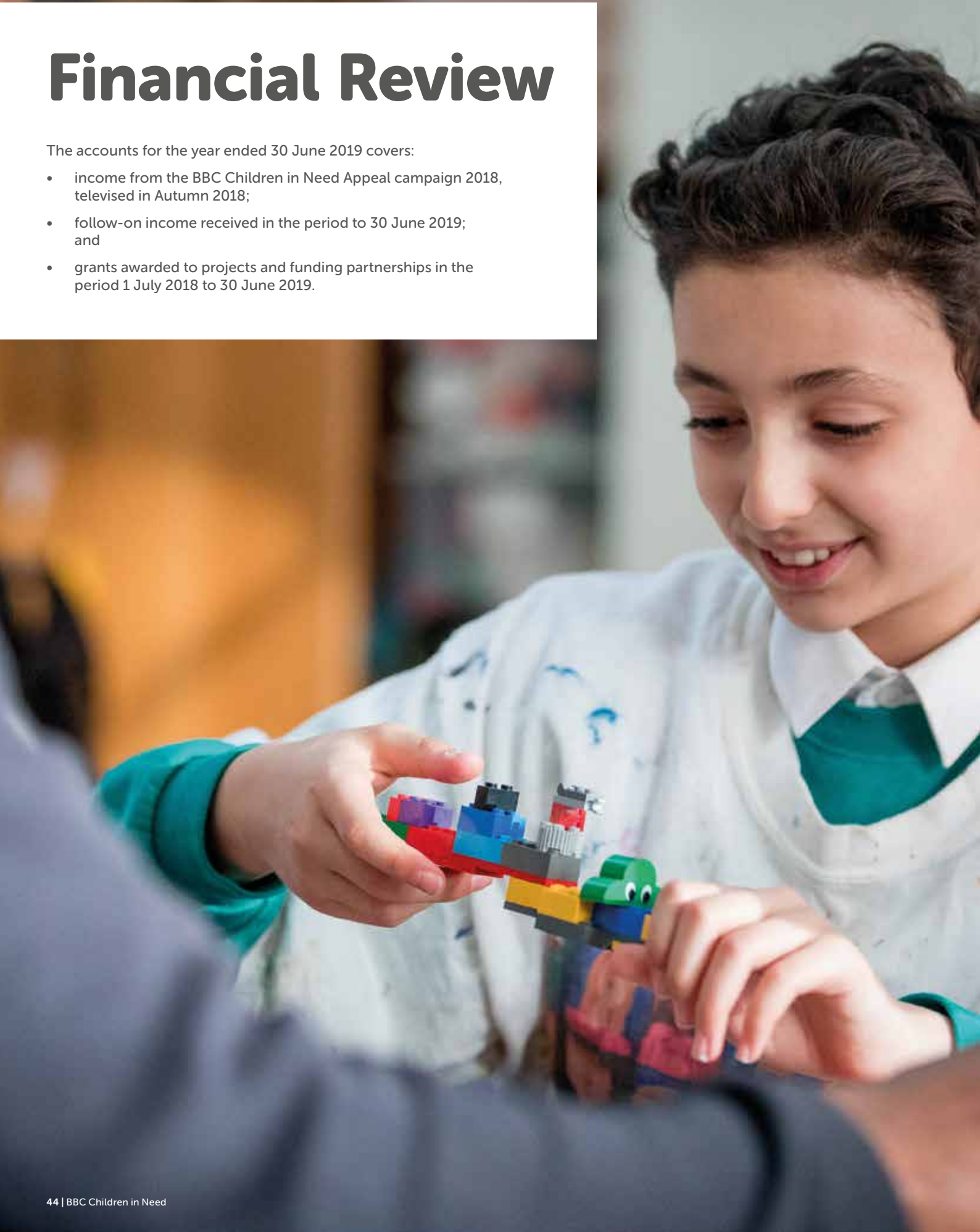


2019
Accounts

Financial Review

The accounts for the year ended 30 June 2019 covers:

- income from the BBC Children in Need Appeal campaign 2018, televised in Autumn 2018;
- follow-on income received in the period to 30 June 2019; and
- grants awarded to projects and funding partnerships in the period 1 July 2018 to 30 June 2019.



Financial Performance

We measure financial performance based on:

- optimising income;
- optimising the amount of grants awarded;
- managing costs in line with available funds and at an appropriate level relative to income;
- managing funds in line with the Charity's policy.

Income allocated to the grant fund for the year totalled £58.3m including donation income £53.4m, legacy income £1.2m, partnership funding £0.6m and net income transferred from Children in Need Limited of £3.0m (excluding gift in kind* of £0.4m). This represents a reduction compared to £60.8m reported in the prior year. This reflects an increase in support of BBC programmes like Countryfile and Radio 2 which has mitigated the reduction in Public support and Corporate Partner Income. See note 2 (page 63) to the financial statements.

Total grants awarded reduced slightly during the year by 1.5% £70.0m (2018: £71.1m) and after returns netted to £68.5m (2018: £69.8m). Grants were made at a level which intentionally exceeded income by £11.7m (£10.3m after training costs and returns). This was covered by a planned reduction in reserves.

Non-grant fund income of £6.5m (excluding gift in kind* of £0.5m) (2018: £6.5m) was mainly earned from investments and Gift Aid. All licensed income and the contribution from trading (£3.0m) was transferred to the Grant fund.

To ensure BBC Children in Need is a strong charity, administered appropriately, able to raise income creatively, manage the funds raised professionally and operate as an effective grant maker we incur direct costs. Total direct costs incurred in the year were £11.6m (£12.5m reported as £6.3m on raising funds, £4.9m on grant making, policy and impact, £0.3m on governance (excluding gift in kind* of £0.9m). Total costs represent 18.1% of our total income (2018: 16.2%) 16.9% of our total grant making (2018 15.4%).

** Gifts in kind includes provision of office space and Corporate Partner fundraising support. These have been excluded from the above analysis because income is offset by an equal amount of cost and nets to zero. Further details are given in note 3 to the financial statements.*

Results for Children in Need Limited

Children in Need Limited is a wholly owned subsidiary and holds the Charity's trading activities. The results of the company are consolidated into the Charity's financial statements. During the year ended 30 June 2019, Children in Need Limited made a profit of £2.7m (2018: £2.8m). This was paid in full to the Charity under Gift Aid provisions.

Investments

Funds committed for grant making but not required in the short term are invested. Investment income for the year (including revaluation gains) was £2.1m (2018: £1.8m), representing a return of 1.9% (2018: 1.5%) on the average investment balance. This return is mid-range of the 1.5% - 2.5% target which is in line with the investment choices made. The investment policy stipulates the type and terms of investments that may be purchased and investment objectives of:

- retain sufficient liquidity for day-to-day needs;
- maintain a measured appetite to risk; and
- maximise investment returns within the constraints of the above.

The Charity retains a conservative approach to investing and holds funds not needed for short term use in two types of investments:

- a) Core fixed income liquid assets – to provide a return of capital growth and income primarily through investment in a portfolio of short term cash and money market instruments, investment grade bonds and other fixed and floating rate securities. This portfolio is managed on the Charity's behalf by Schroder Investment Management (UK) Limited.
- b) Appropriate income/return generating assets - income generating assets such as property funds and high quality securitised credit (low risk loans).

The balance held within each type of investment is determined by the amount of liquid funds required to meet our grant commitments when they fall due. We do not hold shares directly or through fund managers and social, environmental and ethical considerations are taken into account when making investment decisions.

Funds

At 30 June 2019 the Group had total closing funds of £16.3m representing a reduction of £15.4m on the prior year position. The primary reason for this was our increased funding of projects supporting children and young people in the year, reflecting the charities commitment to ensuring funds donated get to beneficiaries as quickly as possible.

Designated funds £'000	Opening 1 Jul 18	Increase / (decrease) in funds	Funds utilised on grant making	Costs incurred (net of gift in kind)	Closing 30 Jun 19
Opening 1 Jul 17	26,172	(10,308)	-	(4,884)	10,980
Responsive grants	-	59,892	(59,892)	-	-
Emergency grants	-	3,549	(3,549)	-	-
Proactive grants	-	1,108	(1,108)	-	-
Impact continuity fund	26,172	54,241	(64,549)	(4,884)	10,980
Restricted fund	-	4,014	(4,014)	-	-
Total grant fund	26,172	58,255	(68,563)	(4,884)	10,980
General continuity fund	494	7,089	-	(6,684)	899
Investment continuity fund	4,000	335	-	-	4,335
Development fund	1,000	(900)	-	-	100
Total non-grant fund	5,494	6,524	-	(6,684)	5,334
Total funds	31,666	64,779	(68,563)	(11,568)	16,314
Income and endowments		64,906			
Less gifts in kind		(886)			
Plus gains on investments		759			
Grants awarded in the year			69,980		
Training and support for grantees			106		
Adjustments to grants given			(1,523)		
Expenditure on grant making, policy & impact				5,257	
Expenditure on governance				265	
Expenditure on raising funds				6,932	
Less gifts in kind				(886)	
Reconciliation to consolidated SOFA		64,779	68,563	11,568	

Designated Grant Fund - £11.0m

At 30 June 2019 the Charity held designated grant funds representing donation income received and to be used to fund our work creating positive impact for children and young people across the UK.

Designated Non Grant Fund - £5.3m

The fund reflects Non Grant income earned such as investment income and Gift Aid and is used to cover the costs of raising funds and governance.

Restricted Fund - £0m

The fund represents donation income received for restricted impact. The income was fully distributed in the year, funding projects to make a positive difference to children and young people. More detail is available on page 76.

Principal Risks and Uncertainties

The charity monitors and manages what it considers to be its principal risks and uncertainties.

One of the key risks for the charity continues to be maintaining and growing levels of future income. The Charity has developed its income and insight strategy to address the changing nature of the way people watch television and donate or fundraise. We have developed plans to inject more diversity in both our income sources and programme content removing reliance on a few principal corporate and programming partners.

The Charity's brand and reputation continue to be strong, with further potential to grow our supporter base. Whilst we focus on future income streams the reliance on a small number of core funding streams in the short term remains and this transition will require careful management. So we intend to focus our efforts and resources on activities that are uniquely BBC Children in Need, protect and develop our existing partners, diversify to bring in new sources of income and new ways to engage with us and we will put our supporters, children and young people at the heart of everything we do to ensure we build sustainable income sources.

The Charity exists to create a positive impact on children and young people. There is a risk that we do not keep up with the ever evolving areas of need for children and young people across the UK or understand the disadvantages we should be addressing. To ensure we reach the most appropriate recipients we will enhance learning from the external environment and increase sector collaboration and continue to analyse data, trends and outcomes across our portfolio and apply this insight informed learning to our decision making. A major foundation of this work will be the increased engagement and involvement of children and young people in the development of our grant making programmes and the subsequent funding decisions we take.

Avoiding any harm to children and young people is our priority and as such we have further strengthened the safeguarding governance across the organisation and with those charities and projects we fund. Training was delivered to all staff, Trustees, advisory committees and assessors, a revised approach to DBS and vetting checks and a more systematic approach to project visits was implemented ensuring no harm comes to children and young people as the result of our activities.

There is a risk that fundraisers operating in the Charity's name are fraudulent and fail to pass on donations intended for the Charity reducing the amount of income received but also damaging our reputation with the public. Sound financial controls and financial management are an essential defence for charities against fraud and financial crime and continuous review of governance ensures we protect our funds and assets from misuse.

The Charity has a responsibility when dealing with personal information to protect our supporters' data from possible misuse whether it be accidental or deliberate. Specifically, the risk of cyber-crime is increasing both in volume and severity. To mitigate this risk the BBC has extensive policies and procedures in place to prevent/detect cyber threats, recovery plans are in place and we continually train our employees.

There are also risks attached to the levels of non-grant funds which are used to finance the costs of generating income and governance for the Charity. These income streams are driven primarily by factors outside of the Charity's control such as Gift Aid conversion and investment income so we manage the risk of an unexpected drop by retaining sufficient funds in reserve. The Charity assumes a prudent view of the anticipated investment return to finance its operational plan however we also hold an Investment Continuity Fund to manage any volatility. Similarly the General Continuity Fund was set up to manage the risk of an unexpected drop in Gift Aid.

Previously the Charity was able to fund the costs of generating income from investment income and gift aid but this model is no longer sustainable. The charity has taken a step to reduce this risk by changing its internal funding model in the year.

The Reserves Policy for the Charity has been updated in the year and sets out a long-term target for the Unrestricted Non Grant Fund of £6.3m as shown in the table overleaf. We intend to grow the Investment Continuity Fund to manage any impact on returns of Brexit or a recession. Our long term plan is to close this gap within the next three years.

Non-grant fund £'000	Closing 30 Jun 19	Long-term target
General continuity fund	899	1,000
Investment continuity fund	4,335	5,000
Development fund	100	250
Total	5,334	6,250

Clearly there are key risks that the Trustees, Executive and the charity will continue to face. Our organisational risk assessment reporting, review and management process will enable us to remove or mitigate these risks.

We will continue to report, monitor and manage these through our risk register, regular reporting and review at Executive and Leadership meetings, through the Finance, Audit and Risk Committee and the Board of Trustees.

Adequacy of Assets to Fulfil Obligations

Investments are held to meet liabilities as they fall due and the Trustees confirm that as at 30 June 2019 the Charity's assets are available and adequate to fulfil obligations.

The Trustees have taken into account all available information about the future for at least but not limited to 12 months from the date the accounts are approved. There are no material uncertainties about the Charity's ability to continue.

Future Plans

BBC Children in Need refreshed its overarching strategy in 2016 and is now entering year three of the strategic planning horizon. The Charity is working towards an overall strategic objective and five supporting strategic pillars. We then connect our in-year organisational plan and priorities to the strategy and pillars.

Our overall strategy is to find and fund the inspiring ideas that change the lives of children and young people.

Our strategic pillars focus on:

- Building our commercial proposition enabling us to raise as much money as possible
- Developing engaging content
- Finding and funding inspiring ideas that change the lives of children
- Generating valuable insight
- Building a strong charity

Our organisational priorities and objectives flow from the above.

For BBC Children in Need there are five priorities for the year 2019/20:

- Developing our plans for future income growth,
- Delivering an integrated appeal,
- Strengthening active collaboration with the BBC,
- Fully embracing the potential of digital technology,
- Continuing to drive a people strategy that builds our talent base.

In addition, BBC Children in Need will

- continue to strengthen the organisation by developing and embedding engagement with children and young people;
- embed systems and process improvements to improve efficiency and drive insight;
- develop and embed the tools and reports required to drive decision making across the Charity;
- continue to deliver high quality, high impact grants and programmes;
- maintain the financial health of the organisation by continuing to meet all financial standards and regulations; and
- ensure the Charity's governance is appropriate and policies are fit for purpose.

During the reporting year the Charity has reviewed its process of delivering main grants to projects and we are now moving into the implementation stage. This piece of work is key to the delivery of our impact strategy, enabling our locally based teams to work more closely with the wider Children and Young People's sector, to support the active participation and engagement of children and young people and to continue to deliver a robust and effective grant making and management process.

The charity is also approaching its 40th anniversary in 2020 and we will be working on exciting plans to celebrate this milestone. We will use the occasion to thank our supporters for their generosity over four decades, which has helped us raise over £1 billion to help disadvantaged children and young people.

Structure, Governance and Management

Formal Structure

BBC Children in Need was formed on 25 August 1988, became a registered charity with effect from 1 September 1989 and until 30 September 2003 was an unincorporated body governed by a deed of trust and administered by a board of Trustees.

With effect from the 1 October 2003 the Charity's assets and activities were transferred to a Company Limited by Guarantee ('The BBC Children in Need Appeal') with the existing Trustees being appointed as the Board of Directors and the BBC as the Founder Member of the Company. As part of the process of incorporation, The BBC Children in Need Appeal was effectively re-registered as a Charity on 7 August 2003 but retained the Charity number 802052. The Charity is governed in accordance with its Articles of Association. These were updated in the year to reflect updated charitable objects.

In 2012 the name of the Charity was changed from The BBC Children in Need Appeal to BBC Children in Need, to reflect our year round presence and the changing nature of our fundraising. BBC Children in Need is also a registered Charity in Scotland, number SC039557.

BBC Children in Need has one trading subsidiary, Children in Need Limited. Children in Need Limited is a wholly owned subsidiary which primarily exists to license products using the 'Pudsey Bear' trade mark and to sell Pudsey merchandise. Children in Need Limited makes a Gift Aid payment of all its taxable profits to BBC Children in Need each year.

Governance Arrangements

As a registered charity and company limited by guarantee BBC Children in Need is governed by company and charity law and by The Statement of Recommended Practice, The Charities SORP (FRS 102), issued by the Charity Commission in January 2015. The SORP sets out the accounting practices and disclosure required by charities in their annual accounts. The Trustees have followed its recommendations and applicable accounting standards in presenting these financial statements.

Trustee Appointment and Chair

The Trustees are appointed by the Members of the Charity in general meeting and all Trustees are Members of the Company except for the Trustee who formally represents the BBC (as Founder Member). Trustees are appointed for a term of three years. The revised articles of association allow for Trustees to then be appointed for a further two terms of three years each. In addition to the Trustee representing the Founder Member, the Trustees of BBC Children in Need are drawn from the BBC and non-BBC in equivalent numbers.

On appointment all Trustees go through an induction process and are provided with training specific to the tasks that they will be required to undertake (e.g. grant making). In addition Trustees are kept up to date with any changes in governance requirements to ensure they are informed of best practice.

Management

The Board of Trustees holds formal meetings up to six times a year (with a minimum of four meetings a year). In between these meetings, matters are progressed through the delegation of actions to Trustees and Officers of the Charity.

Key decisions that Trustees take include principal officer appointments and final decisions on all main grant awards.

The Trustees delegate daily management of the Charity to the Chief Executive and the Executive Team. Trustees meet regularly for feedback on the Charity's performance, to approve the awarding of grants and to make recommendations for the direction and expectations of the Charity in the future.

Key Responsibilities of Trustees

The following points outline the key responsibilities of Trustees.

- agree the strategic direction and policy of the Charity;
- agree the annual operating and investment budgets;
- adopt responsibility for specific initiatives within the Charity;
- execute all legal responsibilities in connection with the Charity;
- observe the content of the Charity's Articles of Association in order to comply with the Charity Commission regulations;
- support the Chair in ensuring that the Charity is following best practice in terms of its business rigour;
- provide expertise and insight into key areas of activity for the Charity; and
- represent the Charity when required.

Trustee Sub-Committees

To support effective governance the Charity has operated with four Trustee Board sub-committees throughout the year:

- Finance, Audit & Risk - to provide oversight and support on all financial matters and to include oversight of risk and internal and external audit activity;
- Impact (formerly known as Grant Making and Policy) – to provide oversight and advice on matters such as the Impact Strategy and partnership funding;
- Nominations and Remuneration – to provide oversight and support in the recruitment and development of senior staff and the Board of Trustees. Reward and remuneration of senior staff is overseen by benchmarking to the market and ensuring costs are managed in line with budget; and
- Investment – to provide oversight and advice on investment decisions.

Business Planning & Performance Management

We have continued to implement our new approach to business planning. This ensures we have a clear and concise plan of objectives across the organisation, which is supported by team level Business Plans and Performance Objectives within all Individual Plans. Every individual has a clear line of sight of how the work they are doing supports the organisation's strategy and plan.

These plans are reviewed on a quarterly basis and progress tracked and monitored throughout the year. We have also refreshed our approach to performance management to ensure performance, behaviour and development are well understood, discussed and supported at all levels of the organisation.

Risk Management

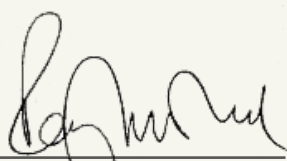
The Trustees are responsible for the Charity's management of risk. During the year the Trustees actively monitored and discussed risk. This process included:

- identifying the major risks facing the Charity;
- assessing the likelihood and severity of the risks;
- reviewing the existing controls that the Charity had in place to mitigate the risks; and
- identifying and implementing any further actions required to limit risk.

A statement of Trustees' responsibilities in respect of the Trustees' Annual Report and Financial Statements is given on page 53.

The Trustees who held office at the date of approval of this Trustees' report confirm that, so far as they are aware, there is no relevant audit information of which the Charitable Company's auditors are unaware; and the Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Report of the Trustees, which incorporates the requirements of the Strategic Report and the Directors' Report as set out in the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, was approved by the Board, in their capacity as Trustees and company directors, and signed on its behalf on 15 October 2019 by:



Rosie Millard
Chair



Glyn Isherwood
Treasurer

Reference and Administrative Details

Trustees and Advisors

Chair

Rosie Millard

Vice Chair

Robert Shennan³ BBC Representative

Other Trustees

Matthew Baker

Joanna Berry^{2,3}

Luke Mayhew

Gillian Sheldon^{1,4}

Alice Webb

Robert Glyn Isherwood^{1,4} (joined 30 April 2019)

Kenny Imafidon² (joined 30 April 2019)

Trevor Bradley^{1,4} (joined 26 June 2019)

Philip Hodgkinson^{1,4} (resigned 30 August 2018)

Anne Bulford^{1,4} (resigned 5 April 2019)

Donalda Mackinnon (resigned 18 September 2018)

Peter McBride² (resigned 26 June 2019)

Principal Officers

Simon Antrobus Chief Executive

Karen Bass Chief Operating Officer

Claire Hoyle Commercial Director

Tommy Nagra Director of Content

Joanne Ruddock Director of Insight

Anna Whitton Director of Impact

1 Members of Finance, Audit & Risk Committee

2 Members of Impact Committee

3 Members of Nominations and Remuneration

4 Members of Investment Committee

Auditors

Ernst & Young LLP
2 St Peter's Square
Manchester M2 3EY

Investment Managers

Schroder Investment Management Limited
31 Gresham Street
London EC2V 7QA

Investment Advisors

Willis Towers Watson
51 Lime Street
London EC3M 7DQ

Registered Office

Bridge House
Salford M50 2BH

Bankers

HSBC Bank Plc
Fenchurch Street Branch
60 Fenchurch Street
London EC3M 4BA

Solicitors

Fieldfisher LLP
35 Vine Street
London EC3N 2AA

Womble Bond Dickinson (UK) LLP
4 More London Riverside
London SE1 2AU

Mills & Reeve LLP
Fountain House,
130 Fenchurch Street
London EC3M 5DJ

Registered charity England and Wales no. 802052
and Scotland no. SC039557.

Registered Company 04723022

Statement of Responsibilities of the Trustees of BBC Children in Need in respect of the Trustees' Annual Report and the Financial Statements

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

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

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

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

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

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

Independent Auditor's Report to the members of BBC Children In Need

Opinion

We have audited the financial statements of BBC Children in Need for the year ended 30 June 2019 which comprise Consolidated Statement of Financial Activities, Charity Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes 1 to 18, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report set out on pages 8 to 53, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have identified no material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) regulations 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 53, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 management either intends to liquidate the charitable company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

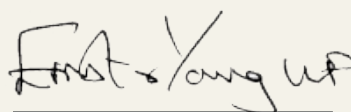
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Julian Yates
(Senior statutory auditor)

for and on behalf of
Ernst & Young LLP, Statutory Auditor, Manchester

17 October 2019

Notes:

1. The maintenance and integrity of the BBC Children in Need web site is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Consolidated Statement of Financial Activities

For the year ended 30 June 2019

(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Notes	Year to 30 June 2019			2018	
		Unrestricted	Restricted		Total funds	Total funds
		Designated grant funds £'000	Designated Non-grant funds £'000	Grant fund £'000	£'000	£'000
Income and endowments from:						
Donations and legacies						
Donations	2	52,481	-	963	53,444	56,062
Gift aid on donations	2	-	3,817	-	3,817	4,177
Legacies	2	1,183	-	-	1,183	1,517
Charitable activities						
Product income	9	-	3,429	-	3,429	3,377
Partnership funding	2	-	-	579	579	117
Investments	11	-	1,314	-	1,314	1,145
Other	2	-	254	-	254	235
Gifts in kind	3	373	513	-	886	1,059
TOTAL INCOME & ENDOWMENTS		54,037	9,327	1,542	64,906	67,689
Expenditure on:						
Raising Funds						
Cost of generating voluntary income	7	-	6,062	-	6,062	6,094
Investment management fees	7	-	167	-	167	179
Trading operating costs	9	-	703	-	703	606
		-	6,932	-	6,932	6,879
Charitable Activities						
England		47,879	-	1,941	49,820	49,046
Scotland		6,124	-	548	6,672	6,482
Wales		3,662	-	329	3,991	3,984
Northern Ireland		3,645	-	118	3,763	3,751
UK wide grants		4,656	-	1,078	5,734	7,813
Grants awarded in the year	4	65,966	-	4,014	69,980	71,076
Training and support for grantees	5	106	-	-	106	208
Adjustments to grants given	6	(1,523)	-	-	(1,523)	(1,321)
Grant making, policy and impact	7	5,257	-	-	5,257	4,743
Governance	7	-	265	-	265	239
		69,806	265	4,014	74,085	74,945
Total expenditure		69,806	7,197	4,014	81,017	81,824
Net gains on investments	11	-	759	-	759	674
Net (expenditure) / income for the year		(15,769)	2,889	(2,472)	(15,352)	(13,461)
Transfers between Funds	2	577	(3,049)	2,472	-	-
Net Movement in Funds		(15,192)	(160)	-	(15,352)	(13,461)
Reconciliation of funds						
Total funds brought forward 1 July 2018		26,172	5,494	-	31,666	45,127
Total funds carried forward 30 June 2019		10,980	5,334	-	16,314	31,666

The Group has no recognised gains or losses for the above two financial periods other than the net movement in funds shown above, all of which are derived from continuing operations.

Charity Statement of Financial Activities

For the year ended 30 June 2019

(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Notes	Year to 30 June 2019			2018	
		Unrestricted	Restricted		Total funds	Total funds
		Designated grant funds £'000	Designated Non-grant funds £'000	Grant fund £'000	£'000	£'000
Income and endowments from:						
Donations and legacies						
Donations	2	52,481	-	963	53,444	56,062
Gift aid on donations	2	-	3,817	-	3,817	4,177
Legacies	2	1,183	-	-	1,183	1,517
Charitable activities						
Gift aid payment from Children in Need Ltd	9	-	3,049	-	3,049	3,092
Partnership funding	2	-	-	579	579	117
Investments	11	-	1,314	-	1,314	1,145
Other	2	-	254	-	254	235
Gifts in kind	3	373	513	-	886	1,059
TOTAL INCOME & ENDOWMENTS		54,037	8,947	1,542	64,526	67,404
Expenditure on:						
Raising Funds						
Cost of generating voluntary income	7	-	6,062	-	6,062	6,094
Investment management fees	7	-	167	-	167	179
Children in Need Limited Cost Recovery	9	-	323	-	323	321
		-	6,552	-	6,552	6,594
Charitable Activities						
England		47,879	-	1,941	49,820	49,046
Scotland		6,124	-	548	6,672	6,482
Wales		3,662	-	329	3,991	3,984
Northern Ireland		4,656	-	118	3,763	3,751
UK wide grants		4,656	-	1,078	5,734	7,813
Grants awarded in the year	4	65,966	-	4,014	69,980	71,076
Training and support for grantees	5	106	-	-	106	208
Adjustments to grants given	6	(1,523)	-	-	(1,523)	(1,321)
Grant making, policy and impact	7	5,257	-	-	5,257	4,743
Governance	7	-	265	-	265	239
		69,806	265	4,014	74,085	74,945
Total expenditure		69,806	6,817	4,014	80,637	81,539
Net gains on investments	11	-	759	-	759	674
Net (expenditure) / income for the year		(15,769)	2,889	(2,472)	(15,352)	(13,461)
Transfers between Funds	2	577	(3,049)	2,472	-	-
Net Movement in Funds		(15,192)	(160)	-	(15,352)	(13,461)
Reconciliation of funds						
Total funds brought forward 1 July 2018		26,172	5,479	-	31,651	45,112
Total funds carried forward 30 June 2019		10,980	5,319	-	16,299	31,651

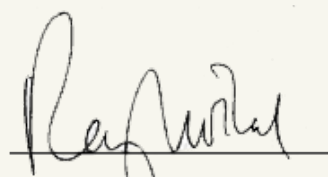
The Charity has no recognised gains or losses for the above two financial periods other than the net movement in funds shown above, all of which are derived from continuing operations.

Consolidated and Charity Balance Sheets

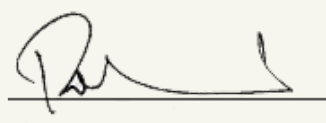
As at 30 June 2019

	Notes	Group 30 Jun 19 £'000	Group 30 Jun 18 £'000	Charity 30 Jun 19 £'000	Charity 30 Jun 18 £'000
Fixed assets					
Tangible assets	10	92	37	79	12
Investment in subsidiary	9	-	-	-	-
Investments	11	43,729	52,275	43,729	52,275
		43,821	52,312	43,808	52,287
Current assets					
Investments	11	69,043	73,472	69,043	73,472
Stock	9	101	130	-	-
Debtors	12	8,388	3,636	8,361	6,876
Cash and cash equivalents		1,447	5,556	1,046	1,948
		78,979	82,794	78,450	82,296
Creditors: amounts falling due within one year	13	(62,804)	(60,569)	(62,277)	(60,061)
Net current assets		16,175	22,225	16,173	22,235
Total assets less current liabilities		59,996	74,537	59,981	74,522
Creditors: amounts falling due after more than one year	13	(43,682)	(42,871)	(43,682)	(42,871)
Net assets		16,314	31,666	16,299	31,651
Reserves					
Grant funds	16	10,980	26,172	10,980	26,172
Other funds	16	5,334	5,494	5,319	5,479
Total Designated Funds		16,314	31,666	16,299	31,651
Total reserves		16,314	31,666	16,299	31,651

The financial statements on pages 56 to 78 were approved by the Trustees on 15 October 2019 and signed on their behalf by:



Rosie Millard
Chair



Glyn Isherwood
Treasurer

Consolidated Cash Flow Statement

For the year ended 30 June 2019

	Schedule	Year to 30 Jun 19 £'000	Year to 30 Jun 18 £'000
Cash flows from operating activities			
<i>Net cash provided by operating activities</i>	A	(19,078)	3,273
Cash flows from investing activities:			
Interest from investments		1,314	1,145
Purchase of equipment		(79)	(29)
Purchase of investments		(73,722)	(196,153)
Proceeds from sale of investments		87,456	194,180
<i>Net cash used in investing activities</i>		14,969	(857)
Change in cash and cash equivalents in the reporting period		(4,109)	2,416
Cash and cash equivalents at the start of the reporting period	B	5,556	3,140
Cash and cash equivalents at the end of the reporting period	B	1,447	5,556

A. Reconciliation of net income to net cash flow from operating activities

	Year to 30 Jun 19 £'000	Year to 30 Jun 18 £'000
Net (expenditure)/income for the year	(15,352)	(13,461)
Depreciation charges	24	46
Investment income	(1,314)	(1,145)
Gain in investment	(759)	(674)
Decrease/(Increase) in stock	29	(41)
(Increase)/decrease in debtors	(4,752)	6,572
Increase in creditors	3,046	11,976
Net cash inflow provided by operating activities	(19,078)	3,273

B. Analysis of cash and cash equivalents

	At 30 Jun 18 £'000	Cash Flows £'000	At 30 Jun 19 £'000
Cash at bank	3,977	(3,210)	767
Money market deposits	1,579	(899)	680
Total cash and cash equivalents	5,556	(4,109)	1,447

Notes to the Financial Statements

For the year ended 30 June 2019

1 Principle accounting policies

Statement of compliance

BBC Children in Need is a registered charity and a company limited by guarantee incorporated in England. The Registered Office is Bridge House, Media City UK, Salford, M50 2BH.

The Company's financial statements have been prepared in compliance with the Charities SORP (FRS 102) issued in January 2015 as it applies to the financial statements for the year ended 30 June 2019.

Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The statements have been prepared in accordance with the Statement of Recommended Practice - Charities SORP (FRS 102), issued by the Charity Commission in January 2015, applicable Accounting Standards in the United Kingdom, Companies Act 2006, and the requirements of the Charities Act 2011. The Charity is a public benefit entity. The financial statements were authorised for issue on 15 October 2019 by the Board of Trustees.

The financial statements are prepared in Sterling which is the functional currency of the Charity and rounded to the nearest £'000. The Charity's presentational currency is the same as its functional currency.

Income

All income with the exception of legacy income and gifts in kind is recognised once the Charity has entitlement to it, it is probable that the income will be received and the monetary value of the income can be measured with sufficient reliability.

Legacy income is recognised when the criteria of probability, measurement and entitlement are met. For pecuniary legacies this is considered to be on the granting of probate. For residuary legacies this is considered to be on the earlier of the date cash is received or the date final estate accounts are approved.

Donated services and facilities are treated as gifts in kind and are included as income (with an equivalent amount in resources expended) at the estimated value to the charity. This income has been recognised as the benefit to the charity is reasonably quantifiable, measurable and material, the Charity is entitled to the donation in that control over the expected economic benefit has passed and it will more than likely flow to the charity (further details are given in Note 3).

Grant expenditure

Grant expenditure is recognised when grants are approved by Directors or Trustees and notified to the organisations concerned, payment is probable, it can be measured reliably and all conditions have been met. Grant expenditure not yet paid is recognised as a liability on the balance sheet. If grants are payable in less than one year they are classified as short term and if payable in more than one year then they are classified as long term. For grants payable in more than one year discounts for present value have not been applied on the basis of materiality.

Other expenditure

Expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation committing the Charity to the expenditure, payment is probable and it can be measured reliably. Costs have been directly attributed to a particular heading in the Statement of Financial Activities on a headcount basis or on a time basis consistent with the use of the resource.

Cost of generating funds consists of costs incurred by the Charity in encouraging organisations and individuals to make voluntary contributions or to organise a fundraising event. This includes all costs of production and distribution of publicity materials, the costs of staff and other expenditure incurred in communicating with fundraisers and donors and the cost of Charity organised events and challenges.

Grant giving costs represent the cost of monitoring and evaluating projects to ensure the money is being used to maximum effect and ensuring that grant making is supported, processed and governed responsibly. This includes costs of staff who support the grant making process, external assessors, regional and national committee meetings and expenditure incurred in this process.

Governance costs include all costs involving the public accountability of the Charity and its compliance with regulation and good practice. These include costs of staff, external audit and legal fees along with Trustee expenses and meeting costs.

Further details of other expenditure are shown in Note 7.

Tangible assets

Tangible assets costing more than £1,000 are capitalised, included at cost and written off over their useful lives on a straight line basis. Depreciation is provided on all tangible assets at rates calculated to write off the costs of each asset on a straight line basis over its expected useful life as follows:

IT equipment and software	3 years
Furniture, fixtures and fittings	3 years

Further details of assets are shown in Note 10.

Investments

Grants are released in instalments across the life of the project (typically 3 years) therefore we will always have some funds that we hold in investments.

Investments are included in the Balance Sheet at market value. All gains and losses are shown in the Statement of Financial Activities. They are classified as fixed investments if they represent grants awarded and payable in more than one year (presented as a long term creditor) and grant funds due to be awarded where the payment will be made in more than one year (presented as the grant fund). They are classified as current investments if they represent grants payable in less than one year.

Further details of fixed and current investments are given in Note 11.

Stock

Stock is held by Children in Need Limited. Further details of the accounts of Children in Need Limited are given in Note 9. Stock is stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Financial Activity in the cost of generating voluntary income.

Operating leases

Operating lease rentals are charged to the Statement of Financial Activity on a straight line basis over the period of the lease.

Further details of operating leases are given in Note 15.

Retirement benefit plans

Employees of the Charity participate in defined benefit and defined contribution schemes operated by the British Broadcasting Corporation. The defined benefit schemes provide benefits based on pensionable pay. The assets of the BBC's main pension scheme, the BBC Pension Scheme, to which the majority of employees belong, are held separately from those of the BBC Group.

The BBC Pension Scheme is a group-wide scheme and there is no contractual agreement or stated policy for charging the net defined benefit cost to scheme participants. The contribution rates are set by the pension scheme trustees based on valuations which take a longer-term view of the assets required to fund the scheme's liabilities. Valuations of the scheme are performed by Willis Towers Watson, consulting actuaries, with formal valuations undertaken at least every three years. Accordingly, the Company accounts for contributions payable to the scheme as if the schemes were defined contribution schemes, as is required by IAS 19 Employee Benefits.

Notes to the Financial Statements

For the year ended 30 June 2019 CONTINUED

Structure of Reserves

Designated Funds

The Charity holds donation income in the Grant Fund which is designated to ensuring maximum positive impact on disadvantaged children and young people. The money is therefore spent on BBC Children in Need's grant making activity, grant making policy and making an impact - charitable initiatives designed to make a positive difference to the lives of children and young people. This includes making awards to projects and the cost of allocating, monitoring and evaluating grants to ensure that donations are being used to maximum effect. It is not always possible to accurately match the amount of grant making activity with the amount of income in any one year therefore any unspent donation income is always monitored separately in this designated fund. Trading contribution and licensed income has also been fully transferred into this fund in the year.

The Charity holds other income, interest earned on Investments and Gift Aid in the Non-Grant Fund. This fund is used to cover the costs of generating income and other activities which support the governance, growth and development of the Charity. A proportion is also held in reserve to cover any potential investment losses generated through short term volatility and to fund a potential short term funding deficit should future income levels fall unexpectedly.

Other Non-Grant funds also include the net assets of Children in Need Limited.

Gifts in kind is allocated across the two funds based on direct staff allocation.

Restricted Funds

This is restricted income held to further a specific purpose of the Charity as stipulated by the donor and is accounted accordingly and presented separately on the face of the Statement of Financial Activities. Where the donor expresses a form of non-binding preference as to the use of the funds, this falls short of imposing a formal restriction and the charity will include the funds as part of its unrestricted funds.

Consolidation

These consolidated financial statements incorporate the results of BBC Children in Need and its wholly owned subsidiary undertaking, Children in Need Limited, for the year ended 30 June 2019, on a line by line basis. Children in Need Limited is a company registered in England and Wales and exists primarily to sell Children in Need merchandise and license products using the Pudsey Bear trademark.

No separate Cash Flow Statement has been prepared for the Charity as permitted by Section 408 of the Companies Act 2006 and FRS102 respectively.

Loan to Children in Need Limited

The interest bearing loan is a basic financial instrument and is recorded at fair value on both initial recognition and subsequent recognition. As the loan is repayable on demand fair value is equal to face value.

Judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for income and expenditure during the year.

Judgement has been applied in the consideration of what gifts in kind are included in the Charities financial statements. The gift in kind has been accounted for where the actual expenditure incurred by the BBC or corporate partner can be measured reliably and the Charity has received the benefit. Many of the other elements of BBC support are very difficult to quantify as they are not discrete activities but embedded, partly as newsworthy and entertainment content, within the operations and business of the BBC. The Appeal show provides valuable content, which attracts a large audience, and without it the BBC would have to produce alternative content. As such the full value of support provided by the BBC has not been included in the Charity's Statement of Financial Activities.

2 Income

Grant Income

Income from donations totalling £53,444 (2018: £56,062k) is generated from direct public support, our Corporate Partners and BBC Programmes. Together with legacies, licensed and trading income the total reported is £58,255k (2018: £60,788k). In 2019 all trading and licensed income £3,049k (£2,472k restricted, £577k unrestricted (2018: £3,092k)) has been transferred into the Grant Fund to increase our positive impact on children and young people.

Income Analysis	Direct public support £000	Corporate partnerships £000	BBC programmes and events £000	Total 2019 £000	Total 2018 £000
Schools	5,427	-	-	5,427	5,613
Public Fundraising	4,667	-	-	4,667	6,076
Donations	14,993	8,056	20,301	43,350	44,373
Total Donations	25,087	8,056	20,301	53,444	56,062
Legacies	1,183	-	-	1,183	1,517
Partnership Funding	579	-	-	579	117
Total grant income	26,849	8,056	20,301	55,206	57,696
Trading & licensed income transferred to grant fund	239	2,737	73	3,049	3,092
Total Income	27,088	10,793	20,374	58,255	60,788
Gift aid on donations				3,817	4,177
Return on investments				1,314	1,145
Gains on investments				759	674
Product income less trading & licensed income transferred to grant fund				380	285
Other income				254	235
Total non-grant fund income				6,524	6,516
Gift in Kind				886	1,059
Less gains on investments				(759)	(674)
Reconciliation to consolidated SOFA				64,906	67,689

Non-Grant Income

Total non-grant income of £6,524k (2018: £6,516k) is generated from gift aid of £3,817k (2018: £4,177k), returns and gains on investments of £2,073k (2018: £1,819k), £380k from product income (£3,429k less £3,049k transferred to grant fund (2018: £285k (£3,377k less £3,092k transferred to the grant fund))) and £254k other income (2018: £235k). This income of £6,524k can be seen on the face of the SOFA as total income £9,327k plus gains on investments £759k, less transfer to grant fund £3,049k less gift in kind £513k.

Notes to the Financial Statements

For the year ended 30 June 2019 CONTINUED

3 Gifts In Kind

BBC Children in Need is the UK corporate Charity of the BBC and as such is supported by the BBC in a number of ways including but not limited to:

- the provision of office space and other services at no charge;
- the preparation and broadcast of the annual television BBC One Appeal Show including national and regional programming content;
- the extensive support of programmes across all platforms both on the day of the Appeal and the campaign build up; and
- significant promotional support and coverage of the Appeal across the BBC local television and radio network in the days before the Appeal and on Appeal night.

The costs of support through the provision of office space and other services for the last financial year have been calculated as £642k (2018 - £646k) based on actual office space utilised by BBC Children in Need during the year. This amount has been recorded as income, with an equal amount included in expenditure, in the statement of financial activities as it meets the recognition criteria set out in the Charities SORP 2015.

In addition, McLaren built the Rickshaw at a cost for materials and labour of £151k and Twinkl, our schools partner supported the cost of School fundraising of £93k. This related to the design and creation of fundraising tools, outreach to key education influencers, telemarketing campaign and evaluation, insights and data analytics in the support of the schools fundraising initiative.

	Group 2019 £'000	Group 2018 £'000
Provision of office space	642	646
Corporate partner fundraising support	244	413
	886	1,059

The total gift in kind of £886k has been allocated £513k to the non-grant fund and £373k to the grant fund (see note 7 - support cost breakdown) based on the split of direct staff costs.

4 Grant Expenditure

The grants given to charities and organisations fall into the bands detailed below:

	Qty	2019 £'000	Qty	2018 £'000
£1 - £1,000	0	0	1	1
£1,001 - £5,000	51	181	46	162
£5,001 - £10,000	1,162	10,972	881	8,375
£10,001 - £25,000	51	954	7	150
£25,001 - £100,000	299	23,762	324	24,727
Over £100,000	247	34,111	266	37,661
	1,810	69,980	1,525	71,076

In the year ended June 2019 £69,980k was awarded to 1,810 projects.

Included in the above figures is a grant to Family Fund for the BBC Children in Need Emergency Essentials programme. A total of 10,873 grants to a value of £3,561k (2018: £2,934k) were awarded to individual children and young people by this programme during the year. As part of our partnership funding activities we awarded 11 programmatic initiatives during the year.

For further details on the purpose and policy grant making refer to the Trustee Report (page 31).

5 Support, Evaluation and Training

Some organisations, particularly those where the Charity is funding a staff post, are given training and support in how to measure and report the difference their project is making to the children and young people they work with. The cost in 2019 amounted to a value of £106k (2018: £208k).

6 Adjustments to Grants given

An amount of £1,523k (2018: £1,321k) has been written back to the Statement of Financial Activities. This represents adjustments to grants and the full and partial return of grants that have been awarded in the current and the prior year which would arise when the project cannot fulfil the agreed outcomes. This amount is added back to the total available for future distribution.

Notes to the Financial Statements

For the year ended 30 June 2019 CONTINUED

7 Operating Costs Excluding Gifts In Kind

In order to administer the Charity efficiently, fundraise creatively, manage the funds raised professionally and operate as an effective grant maker, BBC Children in Need incurs costs.

Where staff work across more than one area, costs are allocated based on the proportion of time spent on the areas of generating voluntary income, governance and making an impact which includes the cost of grant making. Office & IT costs and Professional fees are allocated based on usage. The BBC Gift in Kind to support the provision of office space together with depreciation is allocated on staff numbers and the gift in kind from corporate partner fundraising support is specific to the area of 'generating voluntary income'.

	Staff costs £'000	Support costs £'000	Other direct costs £'000	2019 total £'000	2018 total £'000
Costs of generating funds					
Cost of generating voluntary income	1,956	1,483	2,623	6,062	6,094
Investment management fees	-	-	167	167	179
Trading operating costs	128	-	574	702	606
Charitable activities					
Grant making, policy & Impact	2,973	1,308	976	5,257	4,743
Governance	57	207	1	265	239
	5,114	2,998	4,341	12,453	11,861
Gifts in kind				(886)	(1,059)
Operating costs				11,567	10,802

Specific expenditure items included in the figures above are:

	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
Depreciation	24	43	12	33
Operating leases	31	34	31	34
Reimbursement of trustees expenses	6	9	6	9
Auditors' remuneration:				
Audit of these financial statements	23	23	23	23
Audit of the charity's subsidiary pursuant to the legislation	2	2	-	-
Taxation compliance services	2	2	1	1
Legal fees	71	64	71	64

Support costs are broken down as:

	Staff costs £'000	Office and IT costs £'000	Depreciation £'000	Professional fees £'000	Gifts in kind £'000	2019 total £'000	2018 total £'000
Costs of generating funds							
Cost of generating voluntary income	707	197	6	67	506	1,483	1,675
Charitable activities			-	-			
Grant giving costs	677	188	5	65	373	1,308	1,288
Governance	145	40	1	14	7	207	170
	1,529	425	12	146	886	2,998	3,133

Notes to the Financial Statements

For the year ended 30 June 2019 CONTINUED

8 Employee and Pension Information

The average number of persons employed during the period split by function is as follows:

	Group 2019	Group 2018	Charity 2019	Charity 2018
Generating funds	56	69	53	66
Grant giving	78	66	78	66
Governance	3	4	3	4
	137	139	134	136

The equivalent number of full time staff is 127.

The breakdown of the group's salary costs is as follows:

	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
Wages and salaries	5,499	4,881	5,385	4,777
Social Security costs	563	496	552	484
Pension costs	444	311	441	309
Other staff costs	7	74	7	73
	6,513	5,762	6,385	5,643

Pension Costs

Defined benefit schemes:

The Company accounts for the BBC Pension Scheme as if it were a defined contribution scheme. This is because it is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis.

The pension costs for both schemes represent contributions payable by the Charity to the scheme and this amounted to £444k in the year (2018: £311k).

Information about the scheme deficit that may affect the amount of future contributions, including the basis used to determine that deficit and the implications, can be found within notes C6 and C7 of the BBC Annual Report and Accounts.

Remuneration

Trustees do not receive any remuneration or receive any other benefits for their roles as Trustees. Trustee expenditure includes the reimbursement of expenses incurred by Trustees while carrying out their duties for the Charity, primarily for travel expenses of Trustees not based in London to attend meetings. Expenses were paid in the period to a value of £5,955 to 5 trustees (2018: £9,495 to 5 trustees).

Employees' emoluments fell into the following bands of £10,000:

	Group 2019	Group 2018
£60,000 - £69,999	4	4
£70,000 - £79,999	2	-
£80,000 - £89,999	1	-
£90,000 - £99,999	2	-
£100,000 - £109,999	2	1
£110,000 - £119,999	-	-
£120,000 - £129,999	-	-
£130,000 - £140,000	1	1
	12	6

The emoluments paid to the Chief Executive in the year were £134,425 (2018: £131,358).

Retirement benefits are accruing under defined benefit schemes for one (2018: one) of the above higher paid members of staff.

Notes to the Financial Statements

For the year ended 30 June 2019 CONTINUED

9 Investment In Subsidiary

BBC Children in Need owns 100% of the issued ordinary share capital of £2 of Children in Need Limited (registered company 2461031), a company registered in England and Wales, which licenses products using the Pudsey Bear trademark.

A summary of the trading results and balance sheet of Children in Need Limited is set out below.

Turnover of £692k is derived from the sale of merchandise to the public through our online store and fundraising events (2018: £632k). In addition, Corporate Partners purchase Children in Need product to support their fundraising activities as well as sell their own products licensed by Children in Need Limited, £2,737k (2018: £2,745k).

	Year to 30 Jun 19 £'000	Year to 30 Jun 18 £'000
Turnover	3,429	3,377
Product cost of sales	(380)	(285)
Contribution	3,049	3,092
Other cost of sales	(71)	(117)
Gross profit	2,978	2,975
Operating expenses	(252)	(202)
Net profit	2,726	2,773
Gift aid payment to BBC Children in Need Appeal	(2,726)	(2,773)
Retained in Children in Need Limited	-	-
	30 Jun 19 £'000	30 Jun 18 £'000
Fixed asset		
Tangible assets	13	25
Current assets		
Stock	101	130
Debtors	2,973	1
Cash at bank and in hand	401	3,608
Total current assets	3,475	3,739
Creditors: amounts falling due within one year	(3,473)	(3,749)
Net current (liabilities)/assets	2	(10)
Total assets less current liabilities	15	15
Creditors: amounts falling due after more than one year	-	-
Net assets	15	15
Share capital	-	-
Profit and loss account	15	15
Total funds	15	15

10 Tangible Assets

Group	IT equipment & software £'000	Furniture, fixtures & fittings £'000	Total £'000
Cost			
As at 01 July 2018	498	1	499
Additions	79	-	79
Disposals	-	-	-
As at 30 June 2019	577	1	578
Accumulated depreciation			
As at 01 July 2018	461	1	462
Charge for the year	24	-	24
Disposals	-	-	-
As at 30 June 2019	485	1	486
Net Book Value			
As at 30 June 2018	37	-	37
As at 30 June 2019	92	-	92
Charity			
	IT equipment & software £'000	Furniture, fixtures & fittings £'000	Total £'000
Cost			
As at 01 July 2018	423	1	424
Additions	79	-	79
Disposals	-	-	-
As at 30 June 2019	502	1	503
Accumulated depreciation			
As at 01 July 2018	411	1	412
Charge for the year	12	-	12
Disposals	-	-	-
As at 30 June 2019	423	1	424
Net Book Value			
As at 30 June 2018	12	-	12
As at 30 June 2019	79	-	79

Notes to the Financial Statements

For the year ended 30 June 2019 CONTINUED

11 Fixed and Current Investments

The portion of the Charity's investment portfolio that is classified as fixed investments relate to grants payable, or grants to be awarded and payable in more than one year. Current investments relate to grants payable, or grants to be awarded and due for payment within one year plus any other short term liabilities.

Investments are analysed below, between Fixed Income - Certificates of Deposit, Floating Rate Notes, Gilts or high quality securitised credit (low risk loans), Corporate Bonds – Bank Deposits and Alternatives – income generating assets such as property funds. Investments are valued at current market value as at 30 June 2019.

Income in the year of £2,073k relates to interest earned on investments held in the year plus revaluation gains (2018: £1,819k).

	2019 £'000	2018 £'000
Market Value at 1 July 2018	125,747	123,100
Add: acquisitions at cost	79,283	192,283
Less: disposals at market value	(87,456)	(194,180)
Add: net gains / (losses) on revaluation	759	674
Market Value at 30 June 2019	118,333	121,877
Add: deposits held at financial institutions	1,308	6,869
Less: deposits held at financial institutions at 30 June 2018	(6,869)	(2,999)
Total Investments at 30 June 2019	112,772	125,747

The investments can be analysed as follows:

	2019		2018	
	Valuation £'000	Cost £'000	Valuation £'000	Cost £'000
Fixed income				
-maturing in more than 1 year	30,615	30,386	28,568	28,775
-maturing in less than 1 year	9,710	9,513	11,683	11,581
Corporate Bonds				
-maturing in more than 1 year	-	-	-	-
-maturing in less than 1 year	28,291	28,255	36,860	36,845
Alternatives				
-maturing in more than 1 year	42,848	40,943	41,767	40,431
-maturing in less than 1 year	-	-	-	-
Deposits held with financial institutions	1,308	1,308	6,869	6,869
	112,772	110,405	125,747	124,501
Included as:				
Fixed asset investments	43,729	43,729	52,275	52,275
Current investments	69,043	66,676	73,472	72,226
	112,772	110,405	125,747	124,501

Included within the above totals are cash and cash equivalents of £1,308k (2018: £6,869k) and listed investments of £66,694k (2018: £66,694k).

Notes to the Financial Statements

For the year ended 30 June 2019 CONTINUED

12 Debtors

	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
Trade debtors	3,473	791	500	790
Amounts owed by subsidiary undertaking	-	-	2,946	3,241
Other debtors	2,753	2,027	2,753	2,027
Taxation	6	-	6	-
Prepayments and accrued Income	2,156	818	2,156	818
	8,388	3,636	8,361	6,876

Included in the £2,946k amount owed by subsidiary undertaking is a receivable from Children In Need Limited for gift aid of £2,727k and £350k intercompany loan which is repayable on demand, these amounts are net of income owed to the subsidiary.

13 Creditors

	Group 2019 £'000	Group 2018 £'000	Charity 2019 £'000	Charity 2018 £'000
Amounts falling due within one year				
Trade creditors	159	145	155	139
Grants payable	59,899	57,898	59,899	57,898
Accruals and deferred income	2,223	2,028	2,223	2,024
VAT	523	498	-	-
	62,804	60,569	62,277	60,061
Amounts falling due after more than one year				
Grants payable	43,682	42,871	43,682	42,871
	43,682	42,871	43,682	42,871

Within grants payable, £59,899k is due to be paid within one year and £43,682k paid within the next two to three years.

Included in accruals and deferred income is an amount of £Nil (2018: £46k) related to deferred income.

14 Financial Instruments

The group has the following financial instruments:

	Notes	Group 2019 £'000	Group 2018 £'000
Financial assets measured at amortised cost are: trade debtors, accrued income, cash and other debtors excluding prepayments	11, 12	11,110	15,942
Financial assets measured at fair value through income and expenditure	11	111,464	118,878
Financial liabilities at amortised cost are: trade creditors, grants payable, other creditors, accruals excluding deferred income	13	106,486	103,393

15 Operating Leases

	Group		Group	
	Land & buildings 2019 £'000	Other 2019 £'000	Land & buildings 2018 £'000	Other 2018 £'000
Operating leases which expire:				
- within one year	-	16	-	34
- later than one year and not later than five years	-	5	-	20
	-	21	-	54

Notes to the Financial Statements

For the year ended 30 June 2019 CONTINUED

16 Designated Funds

The fund balance, movements and targeted funds is shown in the table on pages 46 & 48.

Funds are held for the following purposes:

- The 'Impact Continuity Fund' is held to cover uncertainty of income available to fund impact activity and/or exceptional requirement for funding.
- The 'General Continuity Fund' is held to cover uncertainty of income available to fund general operating costs.
- The 'Development Fund' is to allow for future investment and respond to growth opportunities.
- The 'Investment Continuity Fund' is to manage volatility or total return (capital value or income) from income generating assets.

Designated Grant Funds - £11.0 million (2018: £26.2m)

At 30 June 2019 the Charity held designated grant funds of £10,980k representing donation income reserved by the Trustees to be used over the coming months to fund work with children and young people.

Designated Non Grant Funds - £5.3 million (2018: £5.5m)

Other designated funds reflect Non Grant income earned such as investment income and Gift Aid and are used to cover the costs of raising funds and governance. These funds do not include any donation income from the public. They also include the net assets of Children in Need Limited of £15k.

Restricted Funds - £0 million (2018: £0m)

All funds donated in the year have been awarded as per agreed restrictions.

Income	Impact	Donations £'000	Partnership Funding £'000	Ltd product £'000	Total £'000
Asda	Play	241	-	2,472	2,713
Nominet	Digital	223	-	-	223
Wellcome Trust	Curiosity	-	28	-	28
TNL	iWill	499	551	-	1,050
		963	579	2,472	4,014

Grant Spend	Donations £'000	Partnership Funding £'000	Ltd product £'000	Total £'000
England	219	-	1,722	1,941
Scotland	158	-	390	548
Wales	29	-	300	329
Northern Ireland	58	-	60	118
UK wide grants	499	579	-	1,078
	963	579	2,472	4,014

Donation income provided by Asda of £2.7m (£2.5m product income transferred from Limited, £0.2m donated income (2018: £2.4m)) is restricted to being spent on 'play-based projects' which means a project funded by the Charity that delivers services:

(a) within the UK;

(b) that focuses on one or more of the following three outcomes:

- developing emotional well-being;
- strengthening positive relationships;
- nurturing strong self-belief;

(c) to a core age-range of under 10 years old; and

(d) that are classified by the Charity either as primary or secondary deliverables with any of the following terms: play schemes, playgrounds, leisure, sports and/or therapeutic play.

Donation income provided by Nominet of £0.2m has been awarded to digital projects and income from Wellcome Trust has supported the Curiosity Programme.

Partnership funding from The National Lottery (TNL) of £0.6m along with £0.5m of public donations was restricted to being spent on the iWill Programme which was awarded in the year.

Notes to the Financial Statements

For the year ended 30 June 2019 CONTINUED

17 Taxation

BBC Children in Need, a company limited by guarantee, was registered as a Charity on 7 August 2003. The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

18 Related Parties

Subsidiary Undertaking

During the year the Charity entered into transactions with a related party, in the ordinary course of the charities activity. Trading balances outstanding at 30 June are as follows:

	2019 £'000	2018 £'000
Subsidiary Undertaking	2,946	3,241

The Company has taken advantage of the exemption under paragraph 33.1a of FRS 102 not to disclose transactions with the parent company as it is wholly owned.

At the year-end BBC Children in Need had a creditor balance with the BBC Group of £1.7m (2018: £1.1m) predominantly relating to the recharge of employee costs.

Key Management Personnel

All principal officers who have authority and responsibility for planning, directing and controlling the activities of the Charity are considered to be key management personnel. Total remuneration in respect of these individuals is £749k (2018: £467k) reflecting the build up of the Executive team.

