

# ANNUAL REPORT AND ACCOUNTS

YEAR TO  
30 JUNE 2020



**BBC**  
**Children  
in Need**

Registered Charity (England and Wales) 802052  
Registered Charity (Scotland) SC039557  
Registered Company 04723022





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# 2020 REPORT



# MESSAGE FROM THE CHAIR

The year ending June 2020 has been very different from usual. The COVID-19 pandemic has had a terrible impact on society, the lives of children and young people, and on the charity sector. However, as a national charity, funder and employer, BBC Children in Need has risen effectively and powerfully to the challenge.

Back in 2019 we were pleased to achieve a fundraising total of £47.9m from the Appeal Show, which subsequently climbed to £57.3m. There was a great response from across the UK to our 'Get Together' fundraising campaign. People took on challenges, hosted events, bought Pudsey merchandise and of course generously donated. Corporate Partners launched their own fundraising campaigns, with customers and colleagues helping to support children and young people. The BBC supported its charity with special programming and activities including The One Show's Rickshaw Challenge and the Countryfile Calendar and Ramble. Celebrities sang, hugged and cried on our documentary 'Got It Covered', while over at Radio 2, Rylan Clark-Neal achieved an amazing 24 hour karaoke challenge. Teams across the Nations and Regions delivered jaw-dropping fundraising ventures and adventures. The whole thing culminated in a vibrant, heart-warming Friday night Appeal Show, which at its heart featured the inspiring stories of the children and young people we are able to help. The British public responded with amazing generosity.

The UK went into lockdown in March 2020. Within days of the Prime Minister's announcement, we were liaising with Comic Relief and BBC TV about a joint Appeal, specifically aiming to raise funds for those hit hardest by the crisis. The result was The Big Night In Appeal on 23 April, which struck a chord with the viewing public and generated £74 million thanks to the generosity of viewers, partners and a match funding commitment from the Government, of which BBC Children in Need benefited by £25m. The Big Night In was conceived and delivered in the space of a few weeks, and achieved with all staff working from home. It was an exceptional programme.

I must pay tribute to everyone involved in making The Big Night In such a resounding success: the BBC, Comic Relief, the Department for Culture, Media and Sport, our corporate partners, celebrity supporters, and of course, everyone across the UK who so generously donated. I would like to draw special attention to our own staff, who not only rose to the challenge of bringing so much money in, in such a short amount of time, but who also developed special, new funding programmes to ensure that the money raised went to support children and families who needed it most.

The impact of the coronavirus crisis on children and young people has been severe, and multifaceted. Domestic abuse, food poverty, technological disadvantage and extreme anxiety are just a few of the challenges many many children and young people are having to cope with. In addition to dedicated COVID-19 response programmes, The Big Night In Appeal enabled further investment in our Emergency Essentials programme for families in crisis and our dedicated impact programme, A Million & Me, which supports children's mental health. We also made progress with a number of other initiatives, including the Inspiring Futures programme, with the Youth Futures Foundation, which will tackle youth unemployment.

Fundraising was already a challenge before Covid, but is now even tougher. We are putting imagination, time and energy into our next Appeal, to give it the greatest chance of success. We have the stalwart support of the BBC and we also have the knowledge that BBC Children in Need is one of the most effective charities to really help children and young people across the UK. What we do, and how we do it, works.

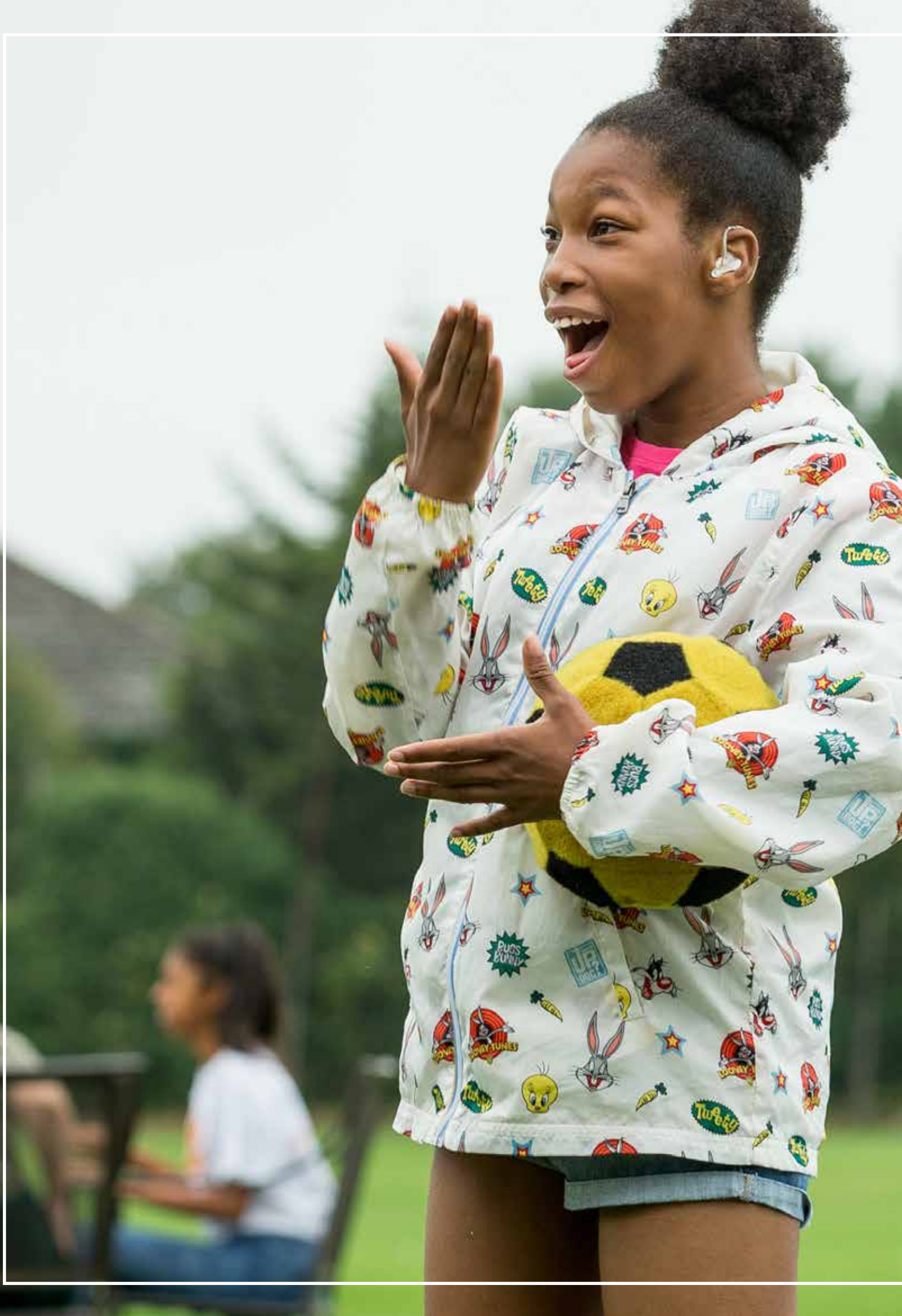
On behalf of the charity, I would like to thank all of our supporters and partners for their extremely generous and very welcome contributions, to both the 2019 Appeal, and The Big Night In. Thanks to you, millions of pounds have been raised. Thanks to you, we have helped change the lives of 550,000 children and young people across the UK. We are always so very grateful for the astonishing kindness and generosity of the British public, who demonstrably share our resolve to change young lives for the better, and bring happiness to children. Life is currently very tough for those already facing disadvantages, but with your continued support, we will help these children and young people through these challenging times. We are committed to it. It is our mission.



**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 2020, 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 second edition (FRS 102) issued by the Charities Commission in October 2019, 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 BBC Children in Need telethon hosted by Sir Terry Wogan, Sue Lawley and Esther Rantzen.

The telethon's 40th appeal was held during this year. Since inception the Appeal has cumulatively raised over £1,108m for disadvantaged children and young people right here in the UK.

## Objectives & Activities

Our focus continues to be on finding and funding the inspiring ideas that change children's lives right across the UK. We know that children and young people at risk of disadvantage are likely to experience ever more complex challenges and lives – our objectives and activities need to recognise and respond to this.

During the reporting year we have continued to focus our efforts in line with our core strategic pillars. Being clear about our objectives and activities enables us to deliver even better outcomes for children and young people at risk of disadvantage.

At BBC Children in Need we work to ensure that maximising the impact we have on children's lives underpins every aspect of our organisations plans and activities. Our grant making and funding objectives and activities are key to this, and we have continued to develop our funding partnerships and collaborations in order to broaden our impact. Equally, we know our focus on storytelling – through the projects we fund and through the voice of children and young people themselves – on the BBC and via our own channels can also deliver impact and change lives. Our commercial objectives and activities are also framed to deliver change and impact on young lives – inspiring so many to support the Appeal, including over three million children in around 17,000 schools across the UK. Our aim is to continue to drive improvements in our work. This builds a strong charity. Key to this is the insight we gather directly from children and young people expressing their challenges, hopes and aspirations and from the organisations and community groups we fund.

Our objectives and activities help us focus our key aspirations into a yearly plan that links back to our overall ambition to find and fund the inspiring ideas that change the lives of children within five strategic pillars.

1. Delivering outcomes for children and young people
2. Optimising our income streams
3. Utilising BBC content and programming to help change lives, and create impact through storytelling
4. Evaluating insight and evidence about how to create maximum impact
5. Challenging ourselves to be a strong charity

Our yearly plan sets out our specific objectives and activities, linked closely to our budget and spending. For the reporting period these organisational objectives were:

- Focus on future income growth
- Delivery of a fully integrated 2019 Appeal and Campaign
- Strengthen active collaboration with the BBC, external partners, influencers and talent
- Fully embrace the potential of Digital Channels
- Drive a people strategy focus on short term change management

These top line objectives were supported by a number of foundational initiatives enabling us to further strengthen the charity:

- Implementing the recommendations from the Main Grants Review, making sure that we are in the best place to find and fund the inspiring ideas that change the lives of children.
- Developing and embedding children and young people's engagement – sharing power with them to ensure their voice informs our decision making.
- Developing the tools & reporting systems required to enable data and insight to drive decision making across the charity.
- Maintaining the financial health of the organisation.
- Undertaking a governance review and implementing the findings.

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 £48.8m on over 2,500 projects and services in communities up and down the UK. Grant making and funding 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.







## 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.

Under Section 172 of the Companies Act 2006 Trustees have a duty to promote the success of the Charity and, in doing so, to have regard to various specific factors, including:

### **The likely consequence of any decision in the long term**

Our overarching strategic objectives were last refreshed in 2016, and as set out in this report we are now entering year four of our strategic planning horizon. Trustees have committed to formally reviewing its current strategy which is expected to be finalised in 2020/21.

The Charity has developed its income, impact and insight strategies to address the changing nature of our work, and routinely review external developments and horizon scan for future trends, and ensure that our plans can be adapted as needed to meet changing circumstances. The section on Principal risks and uncertainties (page 51) gives further key examples of considerations as to the likely consequence of any decision in the long term, including in relation to our response within the Coronavirus pandemic. Page 52 gives further examples about how we use Insight to inform our decisions.

## **The interests of the company's employees**

Our employees are vital to BBC Children in Need. The 'Building a Strong Charity' section of this report (page 44) describes significant activity during the year to engage with and support colleagues.

### **The need to foster the company's business relationships with suppliers, customers and others**

Engagement with the Charity's main stakeholder groups are key to changing children's lives right across the UK. This includes grantee organisations (set out on pages 16-23), donors and fundraisers (pages 26-32), and the BBC (pages 34-37).

### **The impact of the company's operations on the community and the environment**

We recognise our responsibility to care for the environment and aim to minimise our environmental impact in all our activities. The charity will be further developing its approach for 20/21, and is currently undertaking an audit in relation to its impact on the environment.

We fund work in, and benefit from the public generosity from, every community in the UK, and the report provides examples of our approach to this.



### **The desirability of the company maintaining a reputation for high standards of business conduct**

Our reputation and public trust in BBC Children in Need is fundamental to our future success.

The Charity has in place a range of policies and processes that promote corporate responsibility and ethical behaviour, and have further strengthened our approach during the course of the year. This includes the adoption of revised Donor Acceptance and Community Fundraising policies, Procurement and Purchasing Policies a revised Scheme of Delegation.

### **The need to act fairly as between members of the company**

We strive to be a fully inclusive organisation. We will not discriminate against anyone.

Trustees have committed to making tangible steps to Diversity, Equity and Inclusion as an objective for 20/21.

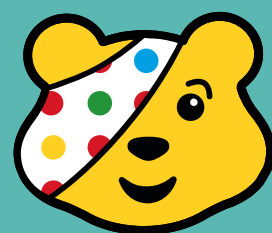
### **Achievements And Performance**

The Charity is proud of what has been achieved in the year. This report describes how we have been finding and funding the inspiring ideas that change the lives of children and young people, building our commercial proposition to raise as much money as possible and building on our strengths.





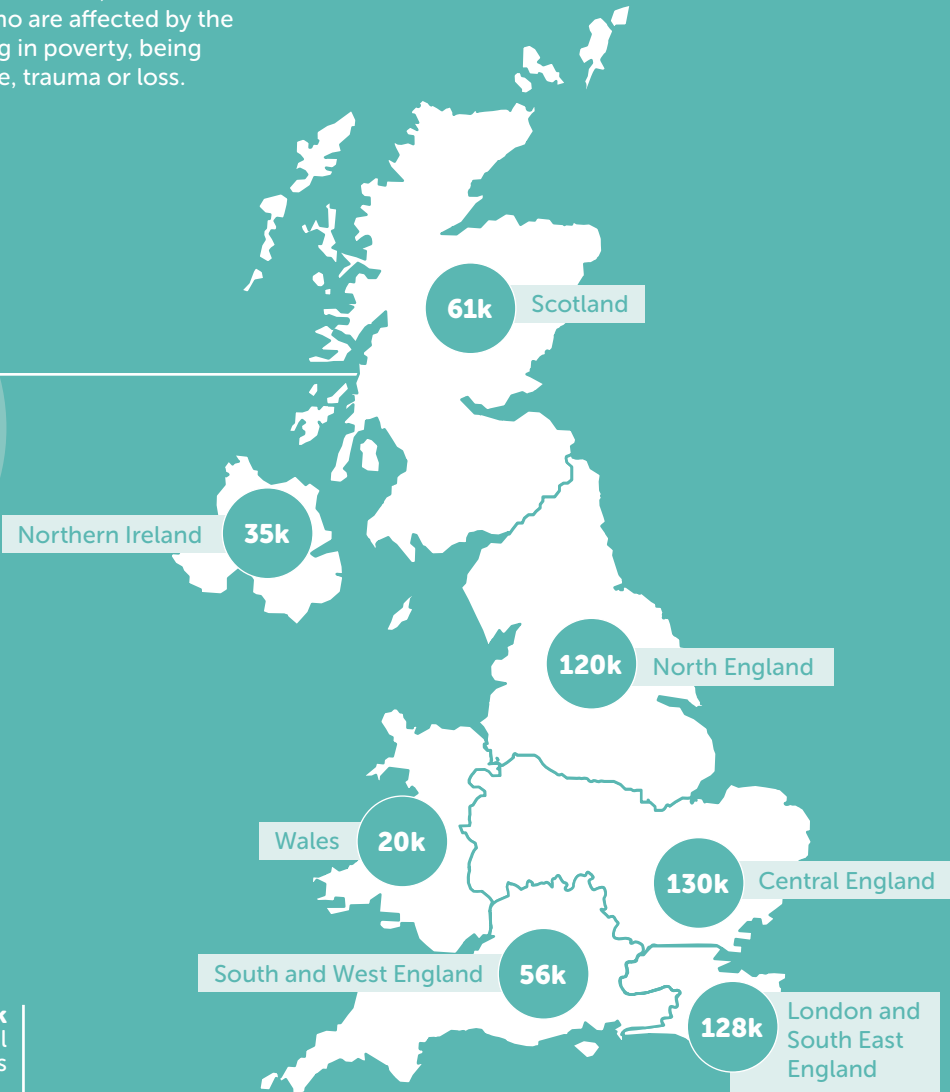
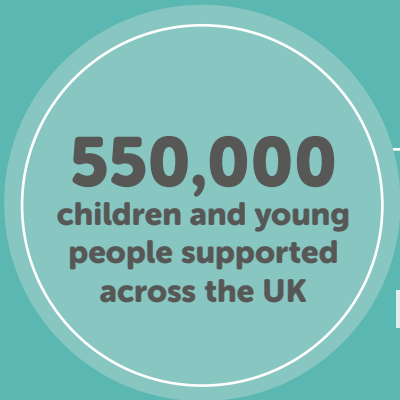




# FINDING AND FUNDING

# CHANGING THE LIVES OF CHILDREN

In 2019/20 BBC Children in Need supported over 550,000 children and young people across the UK who are affected by the disadvantages they experience, such as living in poverty, being disabled, marginalised or experiencing abuse, trauma or loss.



Differences in the reported total relate to the Emergency Essentials programme

Of the children  
and young people  
supported by the  
projects we fund...



**261k**  
have stronger  
Self-Belief



**256k**  
enjoy better  
relationships



**182k**  
have increased  
essential skills



**174k**  
have stronger  
emotional wellbeing



**117k**  
are more  
empowered



**101k**  
have better  
physical wellbeing



**54k**  
are safer

Note: children and young people may experience more than one positive outcome.

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



### Clara's story

When Clara found out that her mum had depression, she struggled to understand what it meant, and how it made her feel. But thankfully she was able to get the support she needed from Oasis Youth Centre.

With the help of funding from BBC Children in Need, Oasis provide a year-round programme of trips and activities to connect and support young people in the local area. Through their inclusive wellbeing activities and volunteering opportunities Clara was able to learn more about mental health and talk openly about her feelings. This helped her to understand what both she and her mum were feeling, and how she could be there for her in this difficult time. Now aged 17, Clara is still supported by the incredibly important work at Oasis, and during lockdown this support has only been more crucial.

Through online cookery, meditation and wellbeing sessions Oasis have helped Clara through the uncertainty of the coronavirus pandemic. Regular one-to-one support has helped her to become aware of coping mechanisms and triggers so she knows how to deal with her mum's struggles and Clara herself has also been able to act as a positive role model for the younger members of the youth centre. As the situation evolves, Oasis will continue to be there to support young people through this incredibly uncertain time.



### Oliver's story

10-year-old Oliver loves spending time with his big sister Alicia. He reads to her, plays with her and teaches her new words to sign. Alicia is thirteen, and has a condition called hydrocephalus, which affects her brain. She also has cerebral palsy, epilepsy and is registered blind. Her conditions mean that she needs a lot of care, and along with his mum, Oliver is often there to support her, helping with her medicine or making sure she gets to bed safely. Oliver is very positive, but sometimes things can be tough and he worries about Alicia.

Oliver attends YSS Worcestershire Young Carers' monthly Participation Group, funded by BBC Children in Need. The group brings together around 20 young carers, including Oliver, and they work together to raise awareness of the issues young carers face. It's been hugely helpful for Oliver but things have changed since the outbreak of Covid-19. Alicia has had to go back into hospital and Oliver misses and worries about her a lot. The whole family has also had to shield to keep Alicia safe.

To support Oliver through this difficult time, YSS Worcestershire Young Carers have been keeping in touch, making sure that Oliver is up to date on all the latest news and staying connected with his friends in the Participation Group via monthly video calls. This has made an incredible difference for Oliver in a time when things have become much more worrying and uncertain than usual.



### Elsa's story

When Elsa was 13, sudden anxiety made it difficult for her to go to school. But there was one place which made a big difference. The Wave Project runs surfing programmes funded by BBC Children in Need to support children who are struggling with their mental health. Elsa was finding these sessions hugely valuable, but then lockdown happened. She couldn't go surfing anymore, and the switch to distance learning meant she no longer felt the same anxieties. But The Wave Project continued to be there for Elsa, with video calls and virtual fitness, and as the situation changes they will keep supporting her as she goes back to school.



# THE DIFFERENCE WE MAKE FOR CHILDREN AND YOUNG PEOPLE

## 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. We are now in the second year of our Impact Strategy which 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.

We began a piece of convening work in early 2020 focussed around bringing power to young people. We brought together contributors from the charity sector, young people's groups and beyond, which quickly evolved to form a joined up approach to address our response to Covid-19 in our responsive grant making. It created a platform for conversations with voluntary sector leads across the UK, local authority and government representatives, our voluntary Committee members and young people. They were able to discuss and reflect on the impact of the pandemic and how this could inform our approach, including moving to support organisational costs during this time.

Our funding continued to be distributed across 3 key and connected types of grant-making: responsive; proactive & partnership programmes and crisis funding. Responsive funding is open programmes like our Main and Small Grants. These are open to any eligible organisation to apply. Proactive and partnership programmes are where, using learning and strategic plans, we choose to invest or join together with another organisation to direct our funding to a specific theme or group.

This included the adaptation of our responsive programmes as a result of the emerging Coronavirus pandemic towards the end of the financial year. The greatest proportion of our grant-making continues to be responsive (main and small grants); however, we 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.

## Direct Funding, Reach and Connection in Local Communities

BBC Children in Need is, in the main, a responsive funder – some 84% of our grants totalling £40.7m 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.

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 2019-20 we implemented the recommendations from our review of the Main Grants Programme which has resulted in an application process that is simpler, provides quicker decisions to applicants and has created more opportunities for our teams to work with the wider sector to inform and develop our work. As we came to the end of the first round delivered in this new method we had to modify all our grants programmes in response to the Covid-19 pandemic. Our first round was completed, but immediately our focus shifted on to supporting our existing grantees with delivering or adapting in the face of adversity. This saw us pause main and small grants programmes and begin work redesigning process to serve our sector better. This included the rapid release of 948 Booster grants to existing grant holders between April and June. We were able to take learning and new working methods from the Main Grants Review to allow us to adapt quickly and with the needs of the sector at the centre of the changes. Our responsive offer has continued to adapt over the following months and will be evidenced in the new funding programmes offered in 2020-21.



## 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.

As we continue to develop our approach to reducing violence impacting young people (VIYP), and with the support of young people with lived experience who were involved in decision making, we made awards totalling £486,533 to grassroots organisations across the UK delivering work in this space. In addition, the third phase of our partnership with the Premier league and Premier League Charitable Fund (PLCF) is underway, with PLCF awarding 46 onward grants for 2019-2022. We also laid the ground work for a crucial partnership to support the development of our place based programme, with an award to Social Finance to be made in 2020/2021. This work will develop collaborative approaches in one or two specific places (eg, Local Authority area) which can tackle the underlying causes of violence affecting young people.

Our partnership with The Hunter Foundation saw continued work in the Lochee area of Dundee and the Cumnock and Auchinleck communities, focussed on systemic change for children on the edge of care. In addition, we awarded a 3 year grant to Street Soccer Scotland, to bring their learning and approach to work with children and young people in London.

Our partnership with Wellcome awarded 3 year grants totalling £1,789,372 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.

We have continued our support of The Children Society Co-ordinated Community Support Programme across 4 pilot areas. The aim of this work is to develop a more effective approach to emergency support provision which brings together the different stakeholders, statutory as well as voluntary, in effective collaboration and ensure that different agencies add value to (rather than duplicate or displace) the work of each other. The ultimate goal being to develop a scaleable model which will help ensure that children and families receive the emergency support provision they need at the time they need it, as well as being offered any ongoing support they need to help prevent the recurrence of emergency need in the future.

Following the pilot of the Missing People - Is This OK? Project we have now funded them to take forward the learning and extend the reach of the programme, which uses chatbot technology to connect young people at risk of Child Sexual Exploitation, Child Criminal Exploitation to information and support.

We continued our support for the Mayor's Fund for London's Kitchen Social initiative, which seeks to tackle food insecurity outside of term time. The project adapted the way that it worked in response to the impact of Covid-19 to ensure that children at risk of food insecurity continued to receive support through their network of hubs across the Borough.

We have also funded NSPCC's Childline service to enable them to reach more children and young people with a safe, supportive and confidential space where they can get information and advice, talk and be listened to, and start to get the help they need.

The end of 2019/2020 also saw the development and brokering of partnerships driving activity in 2020/2021 and beyond, including: our £6m joint funding partnership with the Youth

Futures Foundation, 'Inspiring Futures', a programme about supporting young people with skills for employment, and we continue to develop our joint investment with the #iwill Fund of £1,100,700.

Launched in April 2019, A Million & Me (AM&M) is a BBC Children in Need Impact Theme designed to support children aged 8-13 who are beginning to struggle with their mental health and wellbeing. Projects are funded as a result of a proactive, consultative process to determine their sustainability, scalability and potential for systemic change – in addition to an evidenced capacity to create positive outcomes for children.

Complementing the first year's portfolio, a further four projects are now operational which reflect the recommendations in the Year 1 evaluation report, compiled by the Centre for Mental Health (CMH), to prioritise:

- inclusion and equality
- children's voice
- the role of trusted adults
- system change

To support this work a pilot programme was created in Scotland led by participation experts from the Children's Rights Centre at Queen's University, where a diverse group of 9-11 year olds reviewed and made recommendations on how AM&M could best meet their needs. #amillion&mesquad was cut short by the Covid-19 restrictions, but a comprehensive evaluation and toolkit for future work was produced and the learning disseminated across the AM&M portfolio and more widely in BBC Children in Need.

CMH undertook a specific research brief to reflect on the impact of spatial isolation on children growing up in rural, coastal and island communities. The intersectionality of isolation was also highlighted in sector consultations and continues to inform funding priorities.

Covid-19 increased demands on project staff and volunteers working with fewer resources and an uncertain future. Online safeguarding knowledge had to be acquired quickly as support to children called for a speedy transition from direct to digital delivery. The role of trusted adults became even more critical in the absence of school and with connections lost among peers and wider family networks.

This impact scheme is being developed for the BBC Children in Need portfolio of projects to provide useful resources to those key individuals - to have confidence to recognise when a child is beginning to struggle, to open the conversation and to know what to say and when and where to get additional help. The design will be informed by those currently working in this area and the children they work with.

As we approach the Year 2 evaluation milestone, the core message emerging is the critical value of relationships and positive support to children who are feeling isolated, lonely or confused. These feelings could develop into more serious mental health conditions, but may instead be addressed through informed and creative relationships - when, where and how children choose.



In the year we have started to support, or continue to work with the following programmes:

Positive Youth Foundation – providing creative, fun opportunities and critical advice and support to newly arrived and host communities in the Midlands

Stormbreak – a programme of curated and creative movement to support the mental health of children, including direct delivery and a new digital library of resources, expanding the reach and impact of this approach.

One Space – a Covid-19 response by a collaboration among The Mix, YoungMinds and MHI Shout to offer a spectrum of support via an accessible, single portal, from crisis management to expert advice for families and parents to individual and group counselling.

Trusted Adults – a capacity building programme of support to those working across the wider CiN portfolio, to enable children to access expert advice and to give confidence to those individuals whom they trust.

Shout, Mental Health Innovations - 24/7 crisis text line support

YoungMinds - pilot extension of parent support to reach new vulnerable groups

Verbal - 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

### 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 2019-20, in addition to our annual investment of £3m we invested a further £1.135m to the programme to respond to increased demand on the programme due to the impact of Covid-19, as well as extending the items provided to include new essentials including digital devices and connectivity.

Emergency Essentials comprises small grants of (on average) £255, 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 \*27,961 children. These small grants could, for example, provide 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 2019-20, 34% 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.

\*this figure only relates to the £3m core figure as disbursement of the £1.35m funding has happened in the new financial year.



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



- 4 The organisations we fund will be not-for profit organisations with appropriate, accountable and proportionate governance



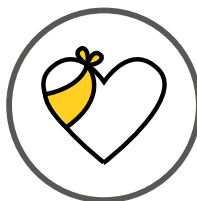
- 2 Every project and organisation we fund shall demonstrate comprehensive understanding and application of best practice in safeguarding children;



- 5 The projects we fund should not duplicate or substitute for statutory responsibilities;



- 3 We fund projects that are child focussed;



- 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 2019/20 we awarded grants totalling £48.7m.

Of this amount, direct responsive funding totalled £40.7m (84% of spend) and the geographical split is shown below. This was split as follows:

642 main and small grants valued at £28.9m to organisations that applied to us in this time period.

Years 2 and 3 of funding to 930 existing small grant holders, valued at £8.9m.

948 booster grants valued at £2.9m.

Of the remaining £8m, £3m was awarded to our Emergency Essentials programme, £1.2m was awarded in emergency response to assist those affected by Covid-19 and £3.8m across other partnership programmes.

## New responsive grants awarded in the year

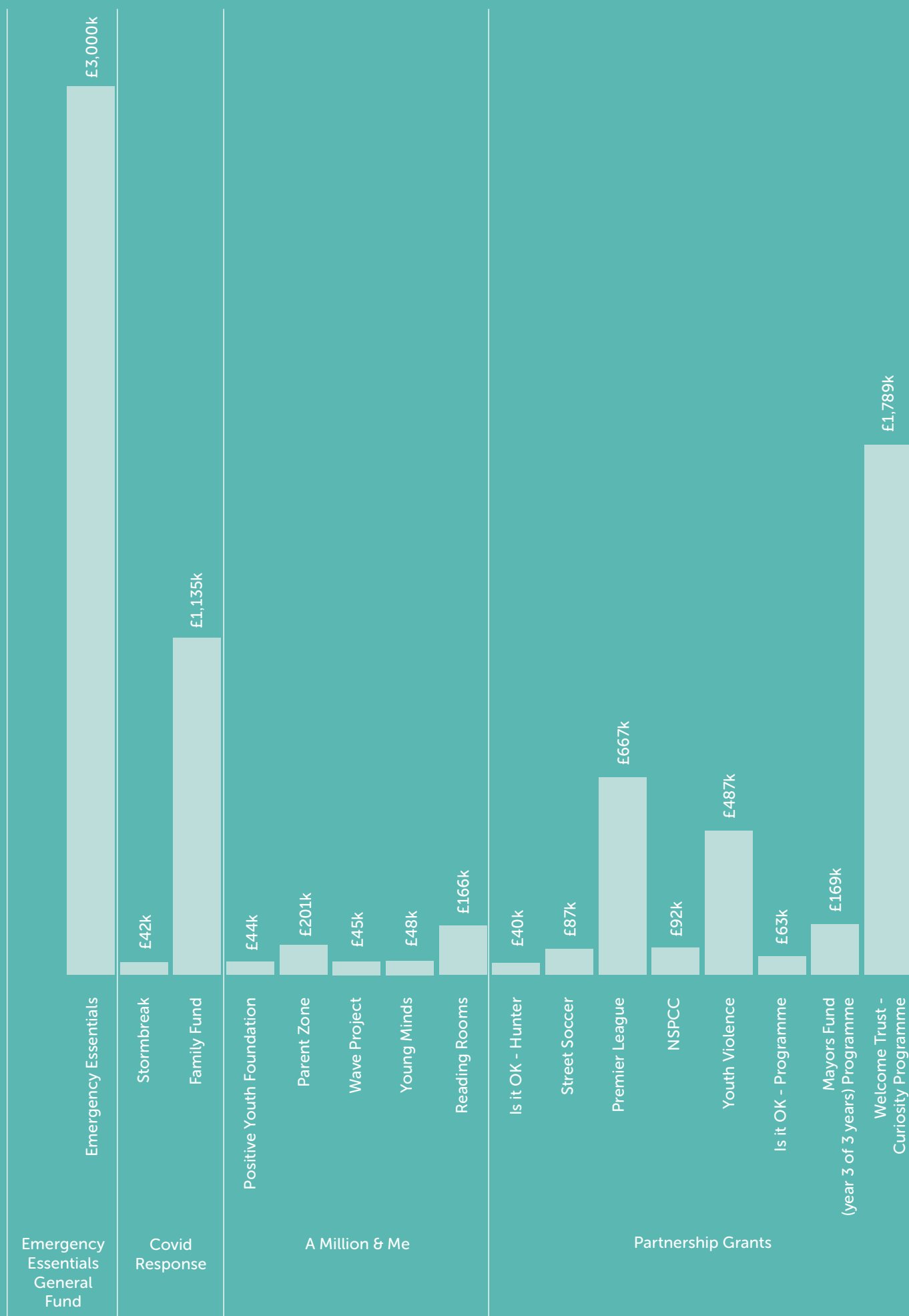


**Total:** Main Grants 339, £25.9m | Small Grants 1,233, £11.9m | Booster Grants 948, £2.9m | Total Grants 2,520, £40.7m



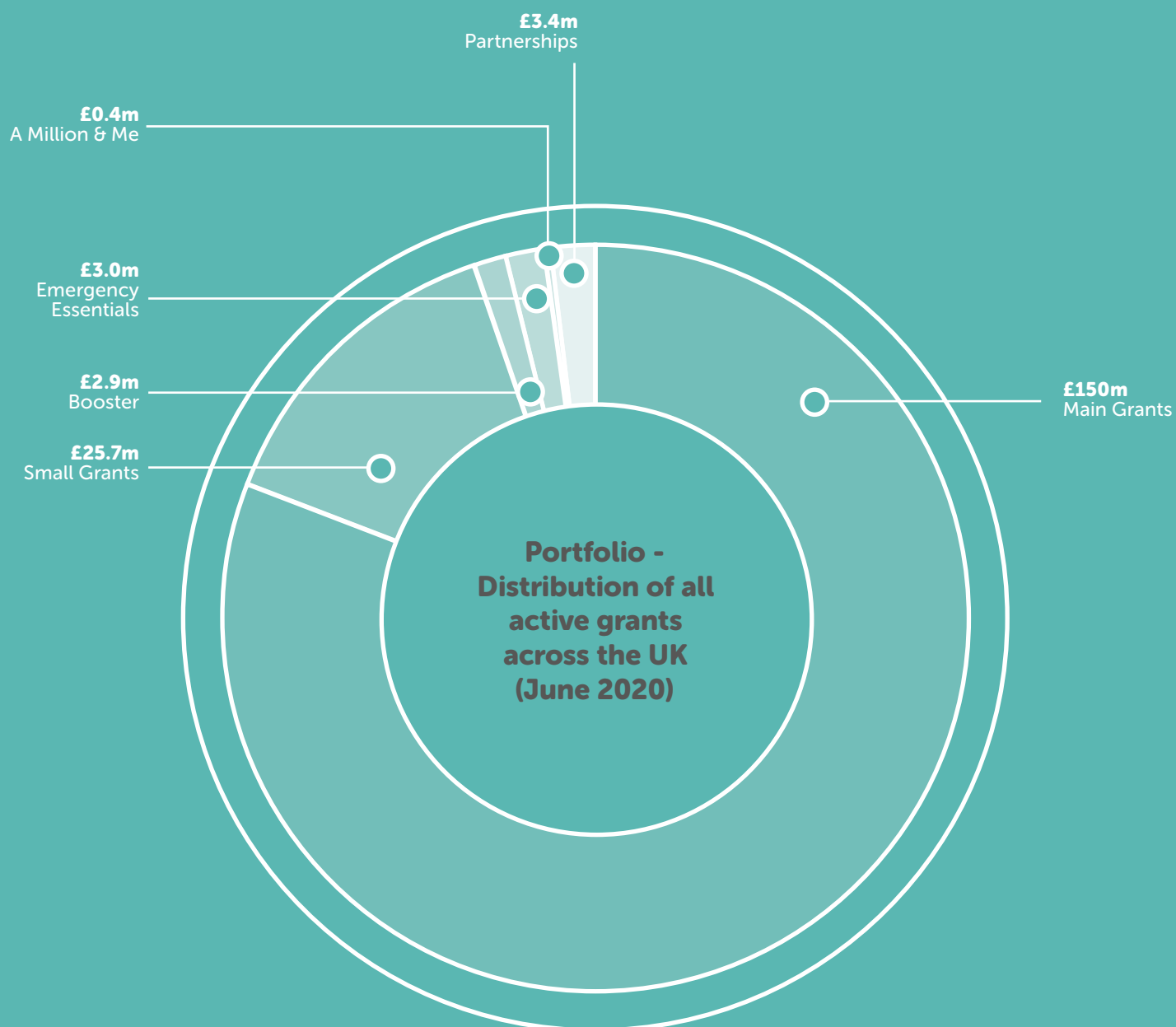


## Partnerships and proactive programmes (Active)



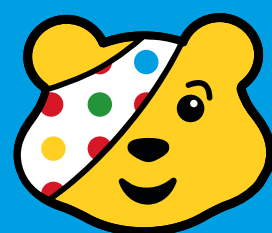


Following all of the above awards during the year, the distribution of all active grants across our portfolio is now as follows:

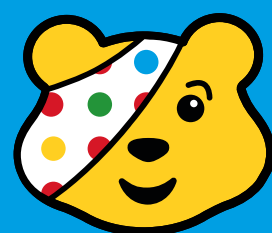








RAISING  
FUNDS TO  
TRANSFORM  
YOUNG  
LIVES



# BUILDING OUR COMMERCIAL PROPOSITION TO RAISE AS MUCH MONEY AS POSSIBLE

Helping children and young people be the best they can be would be impossible without the fundraising efforts of our amazing fundraisers, staff and children in schools across the UK and our corporate and philanthropic partners.

People across the nations have been giving their support to help us to be there for children and young people facing disadvantage in every community in the UK. This year we inspired people across the UK to play their part with the launch of a new fundraising proposition – Get Together. The campaign enabled us to celebrate and share the ‘togetherness’ we see and feel every November as colleagues in workplaces and family and friends in every community get together to raise money for BBC Children in Need.

To encourage our fundraisers to get together we teamed up with some of the BBC’s biggest brands, including Strictly, Holby, Match of the Day and The Apprentice to create The Big BBC Quiz, helping thousands across the UK to get quizzing. We challenged fundraisers to Be the Masterchef with a partnership with the BBC show with John and Gregg on board to provide a whole range of recipes and hints and tips to help get people baking and cooking to raise money; and our friends at BBC’s Countryfile helped people to take on a walking challenge by bringing back the BBC Children in Need Ramble. Our big sweepstake fundraiser the Duck Race was back for a second year with a whole raft of new characters to back, including Chewquacka, Beaky Blinders and Hugh Quackman; aired live on Facebook at 1pm on Appeal Day, this great event gives people a ‘last minute’ chance to get involved.

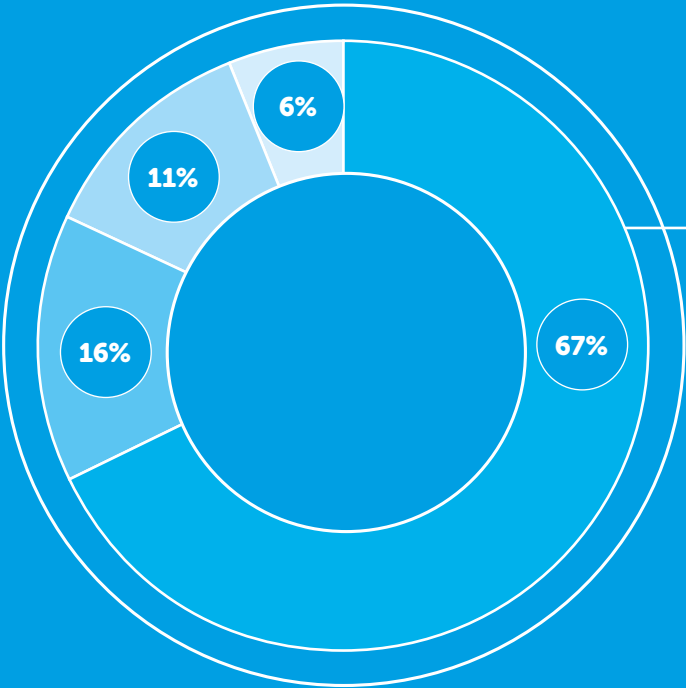
And of course our fantastic range of Pudsey products was on sale on our online shop and we turned the High Street yellow across the stores of our amazing Corporate Partners.







# DIRECT PUBLIC SUPPORT



## Direct Public Support

67%	£23.5m	Donations
16%	£5.3m	Schools
11%	£3.9m	Public Fundraising
6%	£2.1m	Legacies

## Our Fundraisers

Our fundraisers have also been exerting themselves in more strenuous and creative ways – running hard and far to raise money.



### Dance Like a Mother

A 115 person strong dance group thrilled onlookers on the Piazza at Media City when they arrived, all carrying their Pudsey-clad babies in papooses, and performed a flash mob dance routine to Suranne Jones’ Symphony. The group are all mums and dads who attend the Dance Like A Mother parent and baby dance classes across Manchester. They all came together for this one special event for BBC Children in Need on Appeal Day. Each parent raised sponsorship for the event, and their combined total resulted in a donation to CiN of over £6,000.



### Ollie Hart

8 year old Ollie decided he wanted to help other children who aren’t as fortunate as he is. Ollie came up with the idea himself to do a sponsored walk for BBC Children in Need. He took on a 13 mile hike up Winter Hill and raised £1,300 for us.

We’re also incredibly grateful for the continued support of our friends at the Rotary Club, Women’s Circle, Round Table and Big Learner Relay.



## Fundraising in Schools

Every year we are overwhelmed by the thousands of schools and nurseries who go the extra mile to raise money. We saw everything from Pudsey yoga to fancy dress to bake sales taking place. And this year we were delighted to welcome on board Joe Wicks as our first ever Schools Ambassador to lead the charge to inspire children and teachers in schools across the UK to get behind this year's campaign. 10 lucky schools won the opportunity for Joe to visit their school and do a live workout with them and on the Appeal Day itself, Joe hosted The Big Morning Move, a live streamed PE lesson for all schools, with around one million children taking part.



# HIGH VALUE DONORS AND PARTNERSHIPS

Our corporate and philanthropic partners have been hard at work again this year.



## ASDA

ASDA has continued to work to empower children & young people to develop vital life skills through the Power of Play. Designers at George also produced the official T-Shirt along with a fabulous range of clothing. Sales of this range, coupled with fantastic customer and colleague fundraising contributed over £2.6m to enable children to learn and develop through the Power of Play.



## Boots

In 2019, Boots continued to inspire the nation to 'Go Bright', raising an incredible sum of £1.1m. A focus of Boots support is 'A Million & Me', BBC Children in Need's £10m impact programme to help a difference to the emotional wellbeing of children aged 8-13.

With access to an eLearning module Boots has trained thousands of colleagues to encourage parents and carers to have positive proactive conversations with children about mental wellbeing and lay the foundations for strong mental health for future generations.



## 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. This year they became the official partner of the Duck Race, and aired the race live on appeal day as well as having sweepstake posters in every shop. This additional activity tipped their income over the £1million mark for the first time in 13 years!



## Enterprise

Now in the second year of our partnership, Enterprise raised an awesome £0.5m by engaging staff across the UK in fundraising activities and organising an amazing fundraising event at the Natural History Museum in London.



## Costco

2019 marked Costco's 22nd year supporting BBC Children in Need and they raised an incredible £0.4m. They tee'd off their fundraising in July with their Annual Golf Day which ended in a fabulous dinner with money-can't-buy prizes up for grabs. 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.



## Welcome Break

Welcome Break are an all year round fundraiser for BBC Children in Need and 2019 marked the 12th year of partnership. Their summer activities included a fabulous Harry Potter themed summer ball, complete with talent and live performances. As ever colleagues across the country threw themselves into a range of fundraising activities across their 28 sites, with a dedicated fundraising day in October. Customers were encouraged to donate on site through bucket collections, top up at till and by purchasing BBC Children in Need product. Their amazing efforts bought in £0.5m.









## DFS

In 2020, DFS announced BBC Children in Need as their main Charity Partner. With a refreshed and refocused plan to focus on mental health and wellbeing, we are working with them year round to raise vital funds. Through their fantastic in store fundraiser Give Me 5 and the brilliant support of staff, they managed to raise £0.5m and also donated £0.3m worth of stock direct to our Emergency Essentials programme.



## Cineworld

In their fourth year of partnership with BBC Children in Need, Cineworld raised £0.6m. They also hosted a screening of 'David Copperfield' in aid of BBC Children in Need, and their top up at the till scheme kept momentum bringing their customer donations to £0.2m.



## EG Groups (Euro Garages)

2019 was EG Groups (Euro Garages) first year of partnership with BBC Children in Need, and they raised £0.25m. Although starting late into the year, the staff fundraising totalled a fantastic £0.1m, with employees at both head office and at sites up and down the UK taking part in various activities, as well as selling core merchandise in stores.



## Cotswold Outdoors & Cycle Surgery

Cotswold Outdoors & Cycle Surgery raised valuable funds through the sale of Pudsey related merchandise to support the 'Ramble' and 'Rickshaw' fundraising opportunities



## CarFest

Our longstanding partnership with the brilliant CarFest event continues, with the two events taking place over the summer. Festival goers enjoyed amazing sets from Rick Astley, Tom Odell, Boy George and many, many more; great food and the chance to see an amazing array of high performance cars racing around the track. 25% of every ticket sale along with all profits, is donated to support the children's charities chosen to benefit, with BBC Children in Need receiving 50% of this revenue. Huge thanks to Chris Evans and Chris Hughes and the Brand Events team for their generosity their incredible support.



## The Hunter Foundation

With a first for BBC Children in Need, longstanding supporter, Sir Tom Hunter made a pledge to support the Rickshaw Challenge by topping up every donation made by 40%. So for every £1 donated, Sir Tom gave an extra 40p. This meant Sir Tom wrote a cheque for an amazing £3m! And not only that, Sir Tom got on a bike - for the first time in quite some time - and cycled the last day of the challenge with our amazing team of riders.







# BBC PROGRAMMES

The 2019 appeal campaign saw a range of pan BBC content across Network TV, Radio, BBC Children's and across all the Nations & Regions culminating in the big Night of TV on BBC One. The broadcast output brought into sharp focus the difference BBC Children In Need makes to the hundreds of thousands of Children & Young people we support.

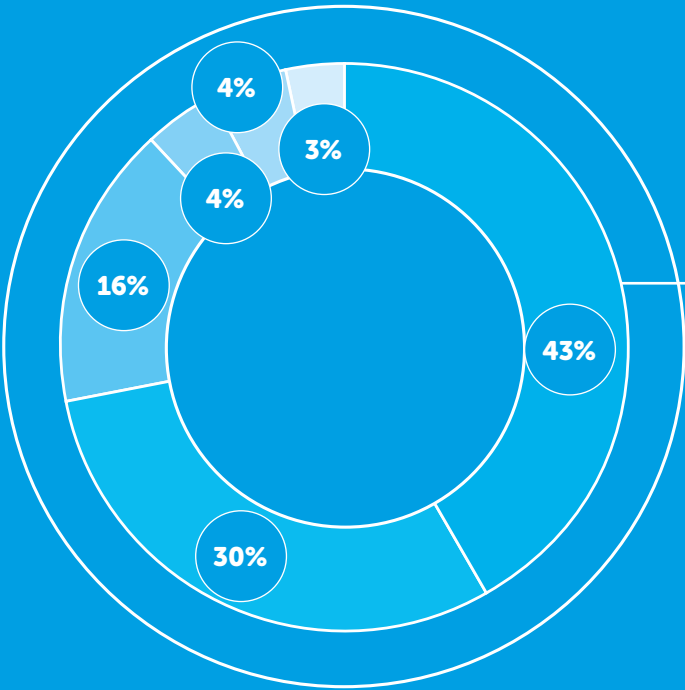
The Friday Night Appeal Show had a strong emphasis on the inclusion of young people's voices from opening with child presenter Braydon Bent through to multiple contributions featuring children including the Graham Norton's Red Chair, children from projects starring in the Gift Aid films, the BIG musical moment revisiting young people from previous years – and a delightful Doctor Who surprise, a favourite moment for viewers.

Strong Appeal films covered a range of subjects including 10 year old twins Jack & Molly from Tyne & Wear supported by

St Oswalds Hospice; Alfie from the Child Brain Injury Trust in Merseyside; and Shayan supported by The Butterfly Trust who support him while he deals with his serious form of Cystic Fibrosis by engaging him in fun physical activities like rock climbing. We also heard from a family in crisis supported by Emergency Essentials.

The show revisited children who have been supported by BBC Children In Need to illustrate to viewers how their donations have made a real difference.

£13.9m was raised through viewer donations during the show and a further £13.8m was raised through the range of BBC programmes – that's 51% of income for the 2019 appeal driven by our content partnerships with BBC programmes.



BBC Programmes & Events		
43%	£5.9m	The One Show: Rickshaw Challenge
30%	£4.2m	Countryfile
16%	£2.2m	Radio 2
4%	£0.6m	Got it Covered
4%	£0.5m	DIY SOS
3%	£0.4m	BBC Nations & Regions







### **The One Show : Rickshaw Challenge**

The 9th year of The One Show's Rickshaw Challenge surpassed all previous annual totals raising £5.9m from viewer donations alone. The total was added to by the Tom Hunter Foundation with their pledge to donate 40p for every pound donated by the public to support the riders on the challenge. On the night of television Sir Tom Hunter rounded this off to £3m making the total an incredible £8.8m.

Matt Baker once again led a team of 6 inspiring young people supported by BBC Children In Need as they undertook a 400 mile journey beginning from Holyhead in Wales and culminating at Elstree Studios. The rickshaw riders featured new stories including Uche a victim of knife crime and Kelsey our first blind rickshaw participant who was able to take part thanks to the especially adapted rickshaw by McLaren.

### **Got It Covered**

An exciting new venture for BBC Children in Need – with the creation of an album featuring 10 talented actors such as Jodie Whittaker, Adrian Lester, Himesh Patel and Olivia Colman. The talent visited projects around the UK to share the stories of children supported by Children in Need. The documentary broadcast on BBC One received widespread press coverage and together with album sales raised £0.6m.

### **Countryfile Ramble**

The hugely popular ramble events took place across the UK – with presenter-led public rambles alongside children and young people supported by BBC Children in Need taking on challenging and rewarding experiences in some of the most picturesque walks in the UK. Oh, and hundreds of members of the public – all in their bright yellow bobble hats. Viewers of the show raised £4.2m in total.

### **DIY:SOS The Big Build**

Nick Knowles and the purple shirts were in action as they transformed an old church hall into a six-roomed safe space and “home for now” for young people aged 16 – 18 who are homeless, with the Nightsafe project in Blackburn. Volunteers from the length and breadth of the country came to do all they could to transform the building in just ten days. The special programme on BBC One created real local impact in the town as well as a lasting legacy for young homeless teens and community relations – bringing people of different faiths together as well as raising over £0.5m.





## Blue Peter

The presenters hosted their own “Bring and Buy” sale in the studio, while also taking on a special art challenge ... and featuring the stories of three children supported by BBC Children in Need. They also put the spotlight on schools and children who had been fundraising for Pudsey Bear – and putting on their own Bring and Buy sales. Their BBC Children in Need Special was broadcast on CBBC on Appeal night ahead of the Appeal Show on BBC One.

## Radio Two

Across the network R2 once again supported BBC Children In Need with a mix of content built on fundraising and storytelling. Rylans 24 hour KaRYoke challenge featured our first red button challenge and featured a plethora of surprise celebrity guests joining him on the microphone to belt out a karaoke jukebox of chart hits non-stop over 24 hours. His gruelling vocal marathon raised over £1m in listener donations

R2 also ran a series of successful Text To Win competitions under the banner of “Rocking Around The USA”, whereby listeners were given the opportunity to donate and win the chance to win a trip to the USA to watch A list artists live in concert – these included Taylor Swift in LA, Lionel Ritchie in Las Vegas, Elton John in New York, Celine Dion in Houston and The Eagles in San Francisco. Due to Covid-19 restrictions imposed from March 2020 several of these trips are on hold but will be fulfilled as soon as possible.

Their BBC Children In Need Takeover Day once again showcased the voices of children and projects supported by the charity and a Gala Lunch hosted by Michael Ball at The

Savoy Hotel following his live Sunday morning show on the station brought an end to a successful 2019 appeal campaign raising £2.2m in total.

## BBC Nations and Regions

BBC colleagues from all corners of the UK shared local funding stories and shone a spotlight on some of the UK’s brightest fundraisers.

Despite the teams dealing with significant weather challenges, all BBC Nations and Regions TV and radio stations delivered powerful and engaging appeal activity. Over 50 local appeal films were made and broadcast and there was a huge range of fundraising out in the community. Listeners and viewers were treated to unique BBC talent-led on air campaigns with sponsored silences and 24 hour challenges in studio whilst a whole plethora of entertaining challenges, quizzes, pantos and giant games of hide and seek played out right in the heart of the community! Many teams also supported the Rickshaw and Ramble as activity moved through their areas. Local radio teams collaborated once again to produce some BBC Children in Need themed ‘The Listening Project’ conversations, covering impact themes such as illness, bereavement and mental health. These were broadcast across local radio and R4. Efforts from our local BBC partners helped raise more than £0.4m.

## The Big Night In

The Coronavirus pandemic in March 2020 saw a lockdown across the UK and brought the BBC, Comic Relief and BBC Children In Need together for the first time in a one off special broadcast to raise funds to help those children and young people particularly impacted by the challenging circumstances of the pandemic. An extravaganza of entertainment featuring A-list stars and royalty came together to showcase the impact of Covid-19 on the young people and charities on the frontline who rely on funding from both BBC charity partners. The whole of the BBC's Radio Station Network joined in with Radios 1,2,3,4,5Live, 6 Music, 1 Xtra and BBC Asian Network all promoting the night of television with stories of projects supported by the charities with their "Big Day In". The highlight being Radio 1's single "Times Like These" reaching No 1 in the charts with all proceeds going to The Big Night In Appeal.

Overall The Big Night In raised £74m including the funding from the UK Government, through the Department for Culture, Media and Sport (DCMS) to match every pound raised by the public's donations. The proceeds were split as pre agreed, £20m for the National Emergencies Trust, £4m NHS and then the balance split 50% (£25m) for Comic Relief and 50% (£25m) for BBC Children in Need increased to £26.6m with gift aid and other direct donations.

Of the £26.6m, viewer donations and gift aid generated £11.3m, matched funding £8.5m and corporate support £6.8m.

HSBC UK backed The Big Night In with a match fund to engage customers and staff and promoted the appeal through their marketing channels. We are delighted to be continuing this partnership into our 2020 main appeal.

We were delighted to have the support of Apple as they made a significant donation and also helped to promote the charity single 'Times Like These'.

O2 supported us through The Big Night In, with a donation of £1m. The organisation also galvanised their customers (and famous faces) through signposting website and social media visitors to a donation link towards The Big Night In.

Just Eat came on-board to support The Big Night In, pledging to donate £0.4m. In quick succession and a first of its kind for Just Eat, they managed to implement a top up at till function and delivered a fantastic omnichannel marketing campaign to their vast customer base.

Despite being closed due to lockdown, McDonald's and their franchisees made a sizeable donation to the Big Night In - we truly appreciate their support.

We would also like to thank Welcome Break, Boots, ASDA & McLaren for their support of this special appeal.





## The Numbers

Thanks to the amazing support of our fundraiser, donors and corporate partners, we were able to announce a total fundraising figure of £47.9m on the night of the televised Appeal Show in November 2019. This represents a reduction of £2.7m on the previous year like-for-like, due to lower viewing figures resulting in less donations, along with lower income across corporate partners and public fundraising.

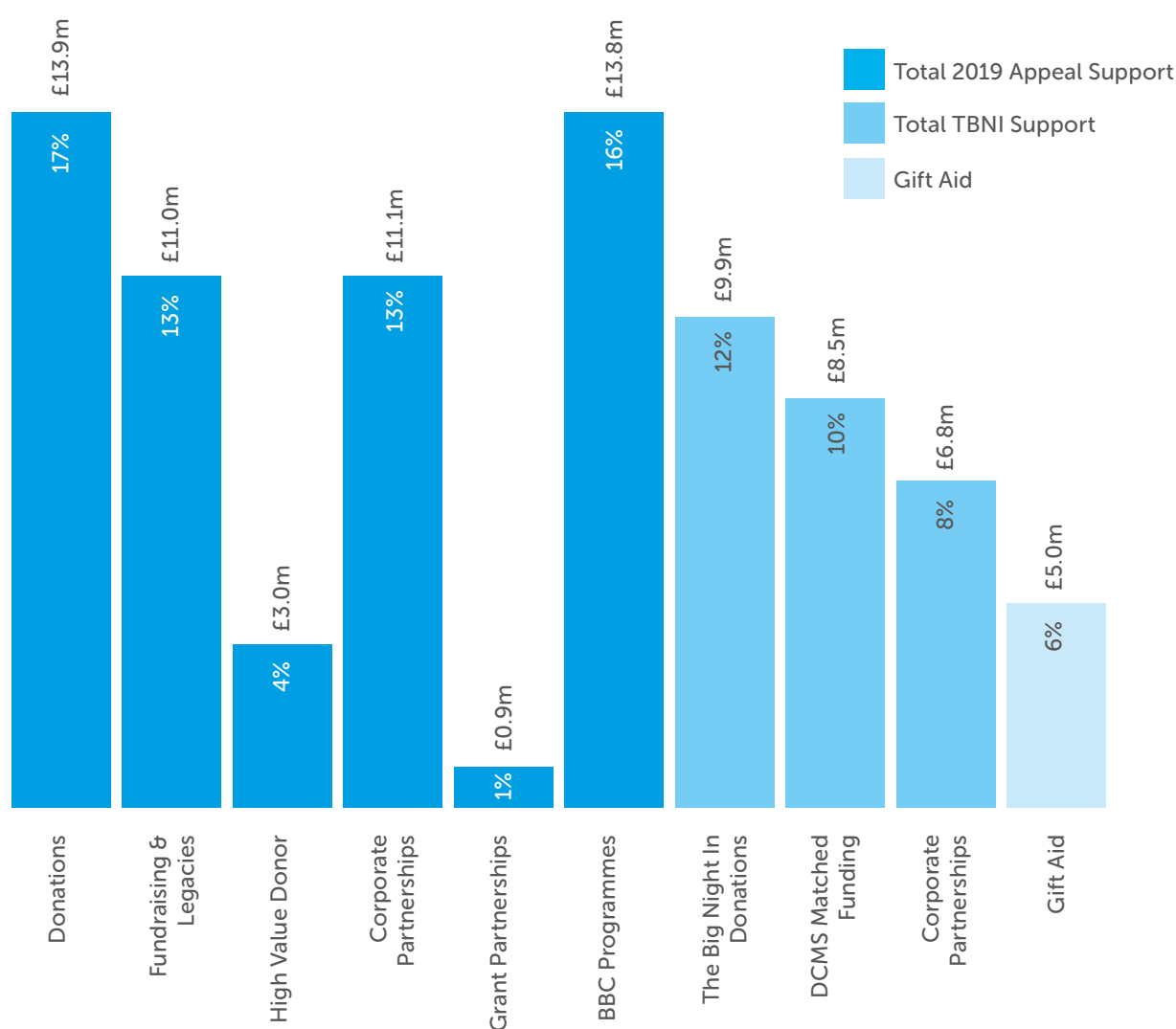
After the show, a further £9.5m was added to the total as people continued to send us their fundraising amounts and their donations together with follow-on income from both corporate and BBC partners.

The Charity then joined together with Comic Relief to put on The Big Night In which generated £26.6m for BBC Children in Need.

The Charity closed the year with a fundraising total of £83.9m (2019: £62.1m, 35% up).

Income from donations and charitable activities	Nov 2019 Appeal Income £'000	2019/20 Follow On £'000	2020 TBNI Income £'000	2019/20 FINAL Income £'000	Nov 2018 Appeal Income £'000	2018/19 Follow On £'000	2018/19 FINAL Income £'000
Other Fundraising	17,612	2,027	9,869	29,508	19,096	2,565	21,082
Schools Fundraising	5,250	-	-	5,250	5,427	-	5,427
Direct Public Support	22,862	2,027	9,869	34,758	24,523	1,986	26,509
High Value Donors & Partnerships	13,076	1,926	15,298	30,300	8,700	2,672	11,372
BBC Programmes and Events	11,948	1,856	-	13,804	17,372	3,002	20,374
Gift Aid	-	3,651	1,391	5,042	-	3,817	3,817
<b>Total Fundraising Income</b>	<b>47,886</b>	<b>9,460</b>	<b>26,558</b>	<b>83,904</b>	<b>50,595</b>	<b>11,477</b>	<b>62,072</b>

The income of £83.9m includes gift aid of £5m earned on the above donations to reflect the total income generated from our supporters. The income figures were previously reported without gift aid however reporting on total income from donations and charitable activities enables the reconciliation to the Charities Statement of Financial Activity. £77.3m of the reported income will be used to fund projects which create positive impact and associated costs. Total income per the Consolidated Statement of Financial Activities is £84,205k (2019: £62,452k). See note 2 on page 69 for a more detailed analysis of income.









**BUILDING  
ON OUR  
STRENGTHS**

# USING INSIGHT TO INFORM OUR DECISIONS

We are committed as a charity to using insight and evidence to inform our decision-making, and have continued on our journey in establishing a dedicated function to lead this work.

Critical to our work is to understand the Difference we make to the lives of children and young people, through the projects and programmes we support. We are constantly learning from the projects we support across the full range of disadvantage, in order to understand the outcomes that are achieved and how, and learn from our experience to inform future funding decisions. This year we have also strengthened our efforts to learn directly through the voice of children and young people.

We continue to evaluate and learn from the in-depth programmes we fund. This enables us to build on our experience and thus maximise future impact. Current learning and evaluation initiatives include:

- Expanded work with the Premier League around reducing youth violence in local communities. Our latest evaluation report was used to inform a wider targeted programme across over 40 football clubs.
- Our second year of integrated learning and evaluation across 'A Million and Me' - our mental health and wellbeing programme.
- Continued evaluation of our 'Curiosity' programme with Wellcome Trust – evaluating how informal science learning is creating positive change for children and young people.
- Evaluation of 'What Matters to You' – two place based initiatives in Dundee & East Ayrshire looking to create new systems for supporting vulnerable families and helping them thrive.

Our Insight work also helps to inform our national and regional grant-making plans. Tools and processes have been developed to enable teams to draw on local intelligence and centralised data and knowledge about the needs of children and young people and where they are located. The teams can now use a 'need mapping tool' and access our growing repository of insight about challenges and interventions in children's lives.

As the pandemic took hold in March 2020, we needed to understand the implications for children and young people and the projects that support them. We sent a special report form to all BBC CiN grantees (over 3000) to hear about the implications of Covid-19 and how projects were responding, in their own words. We analysed a sample of these and drew

on conversations with grantees and networks and a range of external reports and research. We now have rich insight into the impact of Covid-19, which has been central to our strategic and funding responses. We will continue to monitor the evolving implications of the pandemic over the next 12 months, at least.

Alongside our Impact work, Insight is also a critical input to our fundraising activity. We were strongly focussed on audience and supporter response through our 2019 Appeal, and also through The Big Night In. In both cases, we spoke (online) directly to audiences on the night, we analysed minute-by-minute donation patterns on the night and we surveyed the public in the week after each appeal show. All of this has enabled us to inform future appeal and fundraising efforts. Since March 2020 we have also been closely monitoring external developments in public attitudes and behaviour, mindful of the new challenges we may face in developing our 2020 appeal.

Finally, CRM (Customer Relationship Management system) has been a key focus for us this year, as we have begun the move towards the launch of a new system which will enable us to develop and manage relationships with the full range of our valued supporters more effectively. This will also further improve our insight into the success of our fundraising activity.





# BUILDING A STRONG CHARITY

Our strong charity strategic theme 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. It has been an extraordinary year in this respect – the widespread impact of Covid-19 has created significant operational and strategic challenges for the charity to navigate through. The circumstances in the UK since March 2020 have significantly tested the foundations of the charity in many far-reaching ways. Overall it has been a challenging period but we have been able to weather the storm due to a number of key measures and building blocks that were already in place.

Our People Strategy 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. Following the review of our operating model which took place in the previous reporting period, in the closing months of 2019 we went into full implementation of the changes in structure, terms and conditions and pay principles, working through the implications for individual employees. We are in the process of making some final changes to the operating model in mid-2020, which will largely complete the exercise.

In early 2020, we were faced with the dilemma that every UK individual and organisation has had to navigate – how to continue to operate in the face of a national lockdown. As the BBC's charity based in BBC offices, we were fortunate to be able to rely on the rapid response and planning that the BBC implemented. As a charity, we transitioned in March 2020 from all staff being primarily office-based to temporarily working at home. We were able to implement this change within days. We set up a Covid-19 Incident Management Team which remains in place and continues to help us deal with the operational issues that the pandemic has created for the charity – from IT access, to home office set-up, internal communications and, crucially, supporting staff health and wellbeing.

We have been extremely fortunate that, to date, charity employees have not experienced significant direct health implications of the Covid-19 virus, however, the impact on individual and team wellbeing has been significant. These challenges reflect the implications for many UK employees... how to continue to work at home whilst also juggling carer responsibilities plus other challenges and anxieties that the pandemic has created for many. The work we had already done as a charity to focus on wellbeing and the importance of looking after ourselves as individuals and teams was significantly tested – and we redoubled our efforts to ensure our colleagues were supported through the lockdown period. We have benefited from two employee pulse surveys which enabled us to understand and respond to the key challenges for our staff. We continue to monitor and adapt our approach today as we plan for the future; currently we continue to work at home and we are considering our options going forwards.

One of the key implications of the pandemic has been a worsening of the UK and global economy. This has impacted the charity's financial stability in a variety of ways, including, but not limited to, a short-term drop in the value of some of our investments. In turn, this had a knock-on impact on our investment return, cashflow and availability of liquid funds. We have therefore focused on mitigating against this tightening of liquidity and have drawn on the expertise and support of our Investment Committee, investment advisers and fund managers. As a result, we have improved our liquidity position and are now back in a comfortable position for the short to medium term.

As we reported on previously, we made some structural changes to our internal funding model in 2019 to protect the long-term financial stability of the charity. This change was initially triggered by a number of long-term changes for the charity and in the sector and wider economy – a drop in interest rates, the increased operational costs of charity governance and fundraising, the changing needs of children and young people and changes in our supporter behaviours such as viewing habits. The implications of this change were that a maximum of 5p from every pound donated now goes to fund costs not attributable to grant making, enabling us to continue to make a difference to young lives across the UK.

The financial challenges for the charity have been exacerbated by the pandemic and related financial crisis across the UK and globally. The structural change to our internal funding has therefore proved vital to the financial stability of the charity during recent months and has afforded a level of financial flexibility to enable our ongoing work supporting children and young people at the very time when they need it most. An average of 96.9% went into grant-making activity and 3.1p from every pound donated to fund costs not attributable to grant-making. This is because, for The Big Night In, 100% of donations went into grant-making activity; for the autumn appeal this was set at 95% as 5p from every pound was used to fund other costs.

This financial flexibility has been critical in helping the charity navigate the pandemic to date. It has meant that we have confidence that we can continue to operate for the foreseeable future and continue to provide invaluable support to small local charities right across the UK and help them adapt in very challenging circumstances so that UK children and young people that really need it right now continue to benefit from our collective help.



Sustainability and carbon reporting

We recognise that climate change is one of the most important issues facing every one of us today, and that this is especially true for children and young people. We know that tackling the climate crisis is extremely important to children and young people across the UK and so we will continue to build on work that we have started in this area. This year we took steps to reduce our impact on the environment by improving our products, packaging and processes for our 2020 campaign. We conducted an audit across the whole organisation to establish the status of our operations from a sustainability perspective and the next year will be spent making changes to the way we operate, including furthering our work on creating new merchandise which is made from recycled materials and is itself recyclable; further reducing travel and seeking greener alternatives where it is necessary; and looking at how we use our position as a charity to influence positive change across the sector and the partners and projects with which we work. We have been working closely with colleagues in the BBC to ensure that we are aligning with the BBC’s Greener Broadcasting strategy and we are particularly proud that all our broadcasting partners are Albert certified. There is a huge passion within staff and Trustees alike to ensure that sustainability becomes an intrinsic part of the fabric of how we operate, influence and shape BBC Children in Need and we aim for it to run through and help inform all our business planning from next year.

We have followed the Government guidance on how to measure and report greenhouse gas emissions. The BBC, who report on emissions across all their sites, provide the space which BBC Children in Need occupies and the energy that it uses without charge. We have therefore calculated our emissions by pro-rating the BBC data from the period April 2019 to March 2020. Electricity consumption is measured at 370,151kwh and gas at 117,748kwh which equates to the following emissions:

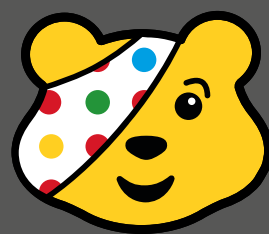
Greenhouse gas emissions 2019/20	Gross emissions
Greenhouse gas emissions (tonnes/CO2e emissions)	116.3
Emissions per FTE	0.91

The BBC purchases REGO backed renewable electricity which impacts the carbon emissions from a ‘location’ perspective when reporting on emissions. Factoring this in would mean a reduction in our greenhouse gas emissions. If using a ‘location’ based conversion factor our greenhouse gas emissions = 30.6 and therefore 0.2 tonnes/CO2e emissions per FTE.









# 2020 FINANCIAL REVIEW



# FINANCIAL REVIEW

The accounts for the year ended 30 June 2020 covers:

- income from the BBC Children in Need Appeal 2019, televised in November 2019;
- income from The Big Night In, the joint BBC Children in Need and Comic Relief Appeal, televised in April 2020;
- follow-on income received in the period to 30 June 2020; and
- grants awarded to projects and funding programmes in the period 1 July 2019 to 30 June 2020.



# 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 from donations and charitable activities as shown in the Charity Statement of Financial Activity for the year totalled £83.9m including donation income £75.2m, gift aid of £5.0m, legacy income £2.1m, partnership funding £0.9m and net income transferred from Children in Need Limited of £0.7m. This represents an increase of £21.8m on the prior year (2019: £62.1m). The Charity's normal activity generated £57.3m (2019: 62.1m) and 'The Big Night In' (TBNI) generated £26.6m (2019: £-). See note 2 (pg69) to the accounts.

A planned reduction in reserves meant in previous years grants were made at a level which intentionally exceeded income. Grant awards are now capped by income generated so total grants awarded reduced during the year by 30%. The grant awards of £48.8m (2019: £70.0m) after returns net to £47.9m (2019: £68.5m) and relate mainly to the spending of income generated from the November Appeal (£43.8m) but also include awards made in quick response to the Covid pandemic (£4.1m).

Additional income of £0.5m (excluding gift in kind\* of £0.6m) (2019: £2.1m) was earned from investment returns net of losses on valuation.

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 £10.3m (£10.9m reported as £5.2m on raising funds, £4.9m on grant making, policy and impact, £0.2m on governance and gift in kind\* of £0.6m) Total costs represent 12% of our total income (2019: 17.9%) (21% of our total grant making (2019: 16.9%)). Grant making costs are 11% (2019: 8%) of grants awarded, other costs are 7% (2019: 11%) of income generated.

\* 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 accounts.

## 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 accounts. During the year ended 30 June 2020, Children in Need Limited made a profit of £0.4m (2019: £2.7m). The reduction is due to the change in policy regarding licensed income. Our corporate partners that raise funds for the charity by selling branded product now pay a fee for use of the brand rather than accounting for all income as commercial. The Children in Need Limited profit was paid in full to the Charity under Gift Aid provisions.

## Investments

Funds committed for grant making but not required for expenditure in the short term are invested. Investment income for the year (including revaluation losses) was £0.5m (2019: £2.1m), representing a return of 0.6% (2019: 1.9%) on the average investment balance. This return is below the 1.5% - 2.5% target due to the impact of the Covid-19 pandemic on the economic outlook. 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.

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 2020 the Group had total closing funds of £42.8m (2019: £16.3m) representing an increase of £26.5m on the prior year position. The primary reason for this was the receipt from The Big Night In which took place in April 2020 and will be used to support spend on Covid-19 related issues. The Charity is developing programmes to deliver impact for children and young people where most needed and the funds and will be awarded in the coming months.

Funds £'000	Opening fund 1 Jul 19	Donations	Funding	Legacies	Gift Aid	Product	Investments	Total Income	Grants awarded in year (net of adjustments)	Costs of grant making, policy, impact & grantee training	Cost of raising funds and governance	Closing fund 30 June 20
Public Covid	-	16,660	-	-	1,391	-	-	18,051	(42)	-	(86)	17,923
DCMS	-	8,507	-	-	-	-	-	8,507	(4,076)	(285)	-	4,146
THF	-	3,000	-	-	-	-	-	3,000	-	-	-	3,000
Other partnerships	-	3,247	904	-	-	-	-	4,151	(3,773)	(291)	-	87
<b>Restricted Impact Fund</b>	<b>-</b>	<b>31,414</b>	<b>904</b>	<b>-</b>	<b>1,391</b>	<b>-</b>	<b>-</b>	<b>33,709</b>	<b>(7,891)</b>	<b>(576)</b>	<b>(86)</b>	<b>25,156</b>
<b>Unrestricted Impact continuity Fund</b>	<b>10,980</b>	<b>41,428</b>	<b>-</b>	<b>1,964</b>	<b>-</b>	<b>189</b>	<b>-</b>	<b>43,581</b>	<b>(40,025)</b>	<b>(4,328)</b>	<b>-</b>	<b>10,208</b>
General continuity fund	899	2,351	-	103	3,651	509	780	7,394	-	-	(4,998)	3,295
Investment continuity fund	4,335	-	-	-	-	-	(269)	(269)	-	-	-	4,066
Development fund	100	-	-	-	-	-	-	-	-	-	-	100
<b>Total unrestricted funds</b>	<b>16,314</b>	<b>43,779</b>	<b>0</b>	<b>2,067</b>	<b>3,651</b>	<b>698</b>	<b>511</b>	<b>50,706</b>	<b>(40,025)</b>	<b>(4,328)</b>	<b>(4,998)</b>	<b>17,669</b>
<b>Total funds</b>	<b>16,314</b>	<b>75,193</b>	<b>904</b>	<b>2,067</b>	<b>5,042</b>	<b>698</b>	<b>511</b>	<b>84,415</b>	<b>(47,916)</b>	<b>(4,904)</b>	<b>(5,084)</b>	<b>42,825</b>

Of the £84.4m of total income received in the year (income from donations and other charitable activities of £83.9m plus net investment income of £0.5m) £77.3m (£33.7m restricted, £43.6m unrestricted) was publicly announced in October 2020 and used to fund projects that make a positive impact and the associated costs.

Income in relation to the joint activity with Comic Relief presented on the Statement of Financial Activities and in note 16 comprises of £16.7m of public covid donations, £1.4m of gift aid in on donations and £8.5m of matched funding received from DCMS.

In the year £52.8m has been spent on grant making activity and a further £35.4m is held in reserve and available for grant making in advance of generating new income this appeal (restricted £25.2m, unrestricted £10.2m).

### Restricted Fund - £25.2m

The fund represents donation income received for restricted grant use and £22.2m of funds donated in support of The Big Night In and the matching of these funds by the Government to cover Covid-19 related issues. Also included is £3m of funds donated by the Hunter Foundation which is intended to create positive impact and in support for children deemed to be on the edge of the care system.

Income of £4.2m (from Asda to support the theme of play, Boots in support of mental health issues and Wellcome Trust to support our Curiosity programme) has also been received in the year but fully spent.

### Unrestricted Fund - £17.7m

At 30 June 2020 the Charity held designated grant funds representing donation income received and to be awarded to projects in future grant-making activity of £10.2m (2019: £11.0m). These funds will be awarded over the coming months but it is the intention of the Charity to maintain a level of funds to cover uncertainty of income or exceptional requirement for funding.

The Charity also holds funds to cover general operating costs in periods of uncertainty of income, to manage volatility of investment returns (capital value or income) and to allow for future investment and respond to growth opportunities. This represents unspent gift aid, investment income, license fees and a small proportion of donations (limited to 5p/£ donated). In this financial year 5p/£ of unrestricted donation income of £2,351k and legacy income of £103k, together with £3,651k of unrestricted gift aid, license fee £509k and investment returns £511k has been used to cover costs and uncertainty of future income.

See the Charity's principal accounting policies on page 67 which explains the structure of reserves and also note 16 on page 78 which provides more detail of the restricted funds.



# PRINCIPAL RISKS AND UNCERTAINTIES

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

One of the key risks for the charity continues to be maintaining levels of 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 enhance learning from the external environment, collaborate with the sector 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 is 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. As an example, we received over 1,000 responses from the charities and projects we fund about the impact of Covid-19 on children and young people, and how these organisations have been affected. In response, we developed new and targeted programmes such as Next Steps and Inspiring Futures.

Avoiding any harm to children and young people is our priority and as such we have maintained robust safeguarding governance across the organisation and with those charities and projects we fund. This has included ensuring strong safeguarding practice is maintained during Covid-19, as large numbers of the charities and projects we fund have been delivering services remotely. We maintained our programme of training for those involved with the charity, and our Finance, Audit and Risk Committee reviewed activity and took considerable assurance of the measures we have in place to ensure 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 during the year we strengthened our policies and controls to ensure we continue to protect our funds and assets from misuse.

BBC Children in Need is signed up to the Fundraising Regulator's Code of Fundraising Practice as well as to the Fundraising Promise. We are committed to legal, open, honest and respectful fundraising and do not cause undue pressure or intrusion on donors. We have strengthened our fundraising policies in the year, which promote the adoption and improvement of responsible fundraising practices within the UK. Our policy specifically provides guidance on the protection of vulnerable people and our practices reflect our safeguarding role. We expect our fundraising partners, commercial participators and professional fundraisers to observe our fundraising policies and to demonstrate a similar commitment to responsible fundraising. The Charity monitored activities in the year by performing compliance spot checks on our fundraising partners at events and working closely with commercial participators to understand and promote best practice. There were no complaints received by the Charity in the year which were referred to the Fundraising Regulator.

The Charity has a responsibility when dealing with personal information and our data protection principles to ensure we do not risk the trust placed in the Charity, protecting our supporters from possible misuse whether it be accidental or deliberate. The consequences can include reputational damage, complaints or claims and severe financial penalties and so despite increased complexity compliance is still a key risk for the Charity. 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 adequately train our employees.

There are also risks attached to the levels of funds which are used to finance the costs of governance and generating income 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 and throughout the period of economic uncertainty caused by Covid-19 the funds held have been more than sufficient to cover unrealised revaluation losses. 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 the step to reduce the risk by changing its internal funding model in the year by using a maximum of 5p from every pound donated to fund costs not attributable to grant making.

The Reserves Policy for the Charity sets out a long-term target for the Charity's continuity as shown in the table below. The General continuity fund is above target as at 30 June 2020, reflecting the significant uncertainty that is impacting the charity and the sector in this exceptional year. It is envisaged that this will drop back to more usual levels in the future. We intend to grow the Investment Continuity Fund to manage any future impact on investment returns.

Continuity funds £'000	Closing 30 Jun 20	Long-term target
Impact continuity fund	10,208	5,000
General continuity fund	3,295	1,000
Investment continuity fund	4,066	5,000
Development fund	100	250
<b>Total</b>	<b>17,669</b>	<b>11,250</b>

Clearly there are key risks that the Trustees, Executive and Leadership team 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 2020 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.

The Trustees have considered the impact of the current pandemic on the charity. Our primary concern continues to be about how to address the needs of children and young people across the UK who were already disadvantaged prior to the crisis and who have now been further negatively impacted by the ongoing situation. This includes families, children and young people facing rising vulnerabilities including poverty, isolation and safeguarding risk. Some of these children and young people may already have been supported by our work; others will be new to us and whom we seek to support.

We were delighted to raise £26.6m through The Big Night In collaboration with the BBC and Comic Relief. This significant sum enabled us to immediately jump to the task of delivering much needed support to small charities and communities supporting children and young people through these extraordinary times. By June we had already committed £4m of this funding, with plans advancing towards commitment of the full £26.6m by October 2020.

We have also continued to monitor the impact on the charity itself and its future financial position. Like so many other organisations, the charity has been affected by the current crisis and continues to have some financial challenges and uncertainties to navigate through over the next 12 months. By continuing to manage the liquidity of the portfolio and matching this with the phasing of grant commitments over 1 to 3 years, the Trustees are satisfied that the risk of market value changes in the charity's investments can be managed appropriately. The Trustees remain satisfied that at the date of signing the accounts the assets are in excess of liabilities and are confident that we can manage this period effectively with minimal impact on the operations of the charity and the ongoing ability to continue to support our beneficiaries. There are no material uncertainties about the Charity's ability to continue and the accounts have been prepared on a going concern basis.



# FUTURE PLANS

BBC Children in Need has reached year four of our current three year strategic plan.

We have made progress in all key areas and have embarked on a review of the strategy to ensure we are set up for continued success over the next three year strategic period.

This has included a review of the overall CiN ambition and the five supporting strategic pillars referred to in our section on objectives and activities on page 10.

As part of this review we have conducted meetings across the organisations with staff and colleagues, held two Board strategy away days and three Executive Strategy Away days.

It's clear that supporting children and young people has never been more important – the changing environment for children and young people and the economic outlook have been key drivers as well as the views and aspirations of children and young people themselves. We have also considered the changing nature of TV and the implications for the BBC, how to adapt and develop our funding model, wider charity reputation generally and the implications of austerity/Brexit – now alongside Covid-19. Many voluntary sector organisations are significantly impacted by the current crisis and whilst we can look forward with a degree of optimism we cannot be complacent. It's inevitable that our future plans for will be impacted by the current crisis.

It's important that all plans including Individual Plans flow from the organisational objectives.

And our future plans (below) flow from the above.

- Exploring and implementing new and effective routes to support Children and Young People and existing grantees impacted by the current circumstances in the UK directly, and through potential collaboration with others.
- Taking tangible and measurable actions to improve diversity, equity and inclusion; as a leading charity, as an employer, a funder, a fundraiser and storyteller.
- Maintaining income streams and reinventing how we can engage supporters appropriately within the current restrictions and implications on UK society, again in collaboration with the BBC.
- Ensuring key systems and processes are operational in order to maintain business as usual and ensure a smooth return to normal operations in the future.

As mentioned, this will require our future plans to focus on developing our plans for future income growth, an integrated Appeal and campaign, active collaboration with the BBC, embracing the potential of digital technology and continuing to drive a people strategy that builds our talent base.

Our future plans also recognise that the charity is also celebrating its 40th anniversary in 2020 and we will be working on exciting plans to recognise this key 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 children and young people across the UK.

# 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 previous year to reflect updated charitable objects. The original, legacy charity (80052-1), which has effectively been dormant since 2003, was wound up and amalgamated into the active charity during this financial year.

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. The operating agreement between the Charity and its Children in Need Limited was reviewed and updated during this financial year. 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, Charities SORP second edition (FRS 102), issued by the Charities Commission in October 2019. 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 accounts.

## Trustee Appointment and Chair

The Trustees are appointed by the Members of the Charity in general meeting and all Trustees are Members of the Charity and Company. Except for the Trustee who formally represents the BBC (as Founder Member), Trustees are appointed for a term of three years and may 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 role and activities 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 aware of their obligations.

## Management

The Board of Trustees holds formal meetings at least four times a year. In this financial year, the board has met formally 9 times. In between these meetings, matters are progressed through the delegation of actions to sub-committees of the board, and Officers of the Charity in line with the agreed Scheme of Delegation..

## Key Responsibilities 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;
- execute all legal responsibilities in connection with the Charity;
- be aware of 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, scrutiny of key risks and mitigations and oversight of internal and external audit activity;
- Impact– to provide oversight and advice on matters such as the Impact Strategy, grant programmes and partnership funding. To scrutinise and approve specific grant proposals, including main grants, as delegated by the board of Trustees;
- 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.
- The Investment and Impact Committee both have co-opted (non-Trustee) members to bring additional advice, subject matter expertise and experience.



## Business Planning & Performance Management

We have continued to embed our approach to business planning. This ensures we have a clear and concise plan of objectives, at organisational, directorate, team and individual level across the organisation. 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 continue to evolve 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

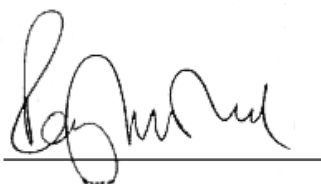
The Trustees are responsible for the Charity's management of risk. During the year the Trustees actively monitored and discussed risk. This process included:

- 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.

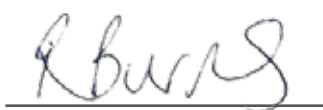
A statement of Trustees' responsibilities in respect of the Trustees' Annual Report and Accounts is given on page 59.

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 13 October 2020 by:



**Rosie Millard**  
Chair



**Rhona Burns**  
Treasurer

# REFERENCE AND ADMINISTRATIVE DETAILS

## Trustees and Advisors

### Chair

Rosie Millard

### Vice Chair

Robert Shennan<sup>3</sup>                      BBC Representative

### Other Trustees

Matthew Baker

Joanna Berry<sup>2 3</sup>

Luke Mayhew

Gillian Sheldon<sup>1 4</sup>

Alice Webb                              (resigned 1 April 2020)

Robert Glyn Isherwood<sup>1 4</sup>              (resigned 1 April 2020)

Kenny Imafidon<sup>2</sup>

Trevor Bradley<sup>1 4</sup>

Kieran Clifton<sup>2</sup>                              (joined 17 September 2019)

Alison Kirkham                              (joined 17 September 2019,  
resigned 30 July 2020)

Rhona Burns<sup>1 4</sup>                              (joined 17 April 2020)

Jonathan Munro                              (joined 17 April 2020)

Ade Adepitan                              (joined 17 September 2020)

### 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  
(resigned 26 June 2020)

### 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

- 1    Members of Finance, Audit & Risk Committee
- 2    Members of Impact Committee
- 3    Members of Nominations and Remuneration Committee
- 4    Members of Investment Committee

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 ACCOUNTS

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

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

Under company law the Trustees must not approve the accounts 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 and charitable company's excess of income over expenditure for that period. In preparing each of the group and charitable company accounts, 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 accounts; and
- prepare the accounts 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 group and charitable company and enable them to ensure that its accounts 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 accounts may differ from legislation in other jurisdictions.



# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BBC CHILDREN IN NEED

We have audited the accounts of BBC Children in Need ("the parent company") and its subsidiaries (the 'Group') for the year ended 30 June 2020 which comprise the 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" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the accounts:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 30 June 2020 and of the Group and parent charitable company's incoming resources and application of resources, including their 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 accounts section of our report below. We are independent of the Group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the Group's and parent 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 accounts are authorised for issue.

## Other information

The other information comprises the information included in the annual report set out on pages 6 to 59, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information.

Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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 matters 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 accounts are prepared is consistent with the accounts; 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 Group and parent 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 parent charitable company accounts 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 59, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the Group's and parent 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 Group or the parent charitable company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the accounts

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 accounts 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)

### Notes:

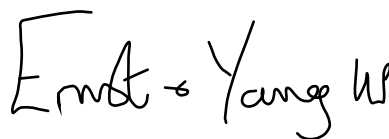
1. The maintenance and integrity of the BBC Children in Need web site is the responsibility of the trustees; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the accounts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

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 accounts.

A further description of our responsibilities for the audit of the accounts 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

19 October 2020

# CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 JUNE 2020

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

		Year to 30 June 2020			Year to 30 June 2019		
	Notes	Unrestricted fund £'000	Restricted fund £'000	Total funds £'000	Unrestricted fund £'000	Restricted fund £'000	Total funds £'000
<b>INCOME AND ENDOWMENTS FROM:</b>							
<b>Donations and legacies</b>							
Donations	2	43,779	6,247	50,026	52,481	963	53,444
Income from joint operation	16	-	26,558	26,558	-	-	-
Gift aid on donations		3,651	-	3,651	3,817	-	3,817
Legacies	2	2,067	-	2,067	1,183	-	1,183
<b>Charitable activities</b>							
Product income	9	1,069	-	1,069	3,429	-	3,429
Partnership funding	2	-	904	904	-	579	579
<b>Total Income from donations and charitable activities</b>		<b>50,566</b>	<b>33,709</b>	<b>84,275</b>	<b>60,909</b>	<b>1,543</b>	<b>62,452</b>
<b>Investments</b>	11	895	-	895	1,314	-	1,314
<b>Other</b>		-	-	-	254	-	254
<b>Gifts in kind</b>	3	615	-	615	886	-	886
<b>TOTAL INCOME &amp; ENDOWMENTS</b>		<b>52,076</b>	<b>33,709</b>	<b>85,785</b>	<b>63,363</b>	<b>1,543</b>	<b>64,906</b>
<b>EXPENDITURE ON:</b>							
<b>Raising Funds</b>							
Cost of generating voluntary income	7	4,619	-	4,619	6,062	-	6,062
Cost of joint operation		-	86	86	-	-	-
Investment management fees	7	155	-	155	167	-	167
Trading operating costs	9	611	-	611	703	-	703
		<b>5,385</b>	<b>86</b>	<b>5,471</b>	<b>6,932</b>	<b>0</b>	<b>6,932</b>
<b>Charitable Activities</b>							
England		26,923	4,816	31,739	47,879	1,941	49,820
Scotland		2,930	1,226	4,156	6,124	548	6,672
Wales		2,138	428	2,566	3,662	329	3,991
Northern Ireland		2,044	244	2,288	3,645	118	3,763
UK wide grants		6,898	1,177	8,075	4,656	1,078	5,734
<b>Grants awarded in the year</b>	4	<b>40,933</b>	<b>7,891</b>	<b>48,824</b>	<b>65,966</b>	<b>4,014</b>	<b>69,980</b>
Adjustments to grants given	6	(908)	-	(908)	(1,523)	-	(1,523)
Training and support for grantees	5	32	-	32	106	-	106
Grant making, policy and impact	7	4,653	576	5,229	5,257	-	5,257
Governance	7	242	-	242	265	-	265
		<b>44,952</b>	<b>8,467</b>	<b>53,419</b>	<b>70,071</b>	<b>4,014</b>	<b>74,085</b>
<b>TOTAL EXPENDITURE</b>		<b>50,337</b>	<b>8,553</b>	<b>58,890</b>	<b>77,003</b>	<b>4,014</b>	<b>81,017</b>
<b>Net (losses) / gains on investments</b>	11	<b>(384)</b>	<b>-</b>	<b>(384)</b>	759	-	759
<b>Net income / (expenditure) for the year</b>		<b>1,355</b>	<b>25,156</b>	<b>26,511</b>	<b>(12,880)</b>	<b>(2,472)</b>	<b>(15,352)</b>
Transfers between Funds	2	-	-	-	(2,472)	2,472	-
<b>Net Movement in Funds</b>		<b>1,355</b>	<b>25,156</b>	<b>26,511</b>	<b>(15,352)</b>	<b>-</b>	<b>(15,352)</b>
<b>RECONCILIATION OF FUNDS</b>							
Total funds brought forward 1 July 2019		16,314	-	16,314	31,666	-	31,666
<b>Total funds carried forward 30 June 2020</b>		<b>17,669</b>	<b>25,156</b>	<b>42,825</b>	<b>16,314</b>	<b>-</b>	<b>16,314</b>

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 2020

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

		Year to 30 June 2020			Year to 30 June 2019		
	Notes	Unrestricted fund £'000	Restricted fund £'000	Total funds £'000	Unrestricted fund £'000	Restricted fund £'000	Total funds £'000
<b>INCOME AND ENDOWMENTS FROM:</b>							
<b>Donations and legacies</b>							
Donations	2	43,779	6,247	50,026	52,481	963	53,444
Income from joint operation	16	-	26,558	26,558	-	-	-
Gift aid on donations		3,651	-	3,651	3,817	-	3,817
Legacies	2	2,067	-	2,067	1,183	-	1,183
<b>Charitable activities</b>							
Gift aid payment from Children in Need Limited	9	698	-	698	3,049	-	3,049
Partnership funding	2	-	904	904	-	579	579
<b>Total income from donations and charitable activities</b>		<b>50,195</b>	<b>33,709</b>	<b>83,904</b>	<b>60,530</b>	<b>1,542</b>	<b>62,072</b>
<b>Investments</b>	11	895	-	895	1,314	-	1,314
<b>Other</b>		-	-	-	254	-	254
<b>Gifts in kind</b>	3	615	-	615	886	-	886
<b>TOTAL INCOME &amp; ENDOWMENTS</b>		<b>51,705</b>	<b>33,709</b>	<b>85,414</b>	<b>62,984</b>	<b>1,542</b>	<b>64,526</b>
<b>EXPENDITURE ON:</b>							
<b>Raising Funds</b>							
Cost of generating voluntary income	7	4,619	-	4,619	6,062	-	6,062
Cost of joint operation		-	86	86	-	-	-
Investment management fees	7	155	-	155	167	-	167
Children in Need Limited Cost Recovery	9	239	-	239	323	-	323
		<b>5,013</b>	<b>86</b>	<b>5,099</b>	<b>6,552</b>	<b>-</b>	<b>6,552</b>
<b>Charitable Activities</b>							
England		26,923	4,816	31,739	47,879	1,941	49,820
Scotland		2,930	1,226	4,156	6,124	548	6,672
Wales		2,138	428	2,566	3,662	329	3,991
Northern Ireland		2,044	244	2,288	3,645	118	3,763
UK wide grants		6,898	1,177	8,075	4,656	1,078	5,734
<b>Grants awarded in the year</b>	4	<b>40,933</b>	<b>7,891</b>	<b>48,824</b>	<b>65,966</b>	<b>4,014</b>	<b>69,980</b>
Adjustments to grants given	6	(908)	-	(908)	(1,523)	-	(1,523)
Training and support for grantees	5	32	-	32	106	-	106
Grant making, policy and impact	7	4,653	576	5,229	5,257	-	5,257
Governance	7	242	-	242	265	-	265
		<b>44,952</b>	<b>8,467</b>	<b>53,419</b>	<b>70,071</b>	<b>4,014</b>	<b>74,085</b>
<b>TOTAL EXPENDITURE</b>		<b>49,965</b>	<b>8,553</b>	<b>58,518</b>	<b>76,623</b>	<b>4,014</b>	<b>80,637</b>
<b>Net (losses)/gains on investments</b>	11	<b>(384)</b>	<b>-</b>	<b>(384)</b>	<b>759</b>	<b>-</b>	<b>759</b>
<b>Net income/(expenditure) for the year</b>		<b>1,356</b>	<b>25,156</b>	<b>26,512</b>	<b>(12,880)</b>	<b>(2,472)</b>	<b>(15,352)</b>
Transfers between Funds	2			-	(2,472)	2,472	-
<b>Net Movement in Funds</b>		<b>1,356</b>	<b>25,156</b>	<b>26,512</b>	<b>(15,352)</b>	<b>-</b>	<b>(15,352)</b>
<b>RECONCILIATION OF FUNDS</b>							
Total funds brought forward 1 July 2019		16,299	-	16,299	31,651	-	31,651
<b>Total funds carried forward 30 June 2020</b>		<b>17,655</b>	<b>25,156</b>	<b>42,811</b>	<b>16,299</b>	<b>-</b>	<b>16,299</b>

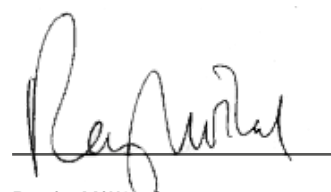
The Charity has no recognised gains or losses for the above two financial periods other than the net movement in funds shown above, all of which are derived from continuing operations.

# CONSOLIDATED AND CHARITY BALANCE SHEETS

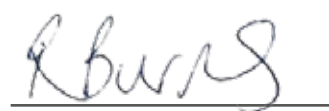
## AS AT 30 JUNE 2020

	Notes	Group 30 June 2020 £'000	Group 30 June 2019 £'000	Charity 30 June 2020 £'000	Charity 30 June 2019 £'000
<b>FIXED ASSETS</b>					
Tangible assets	10	123	92	122	79
Investment in subsidiary	9	-	-	-	-
Investments	11	24,240	43,729	24,240	43,729
		<b>24,363</b>	<b>43,821</b>	<b>24,362</b>	<b>43,808</b>
<b>CURRENT ASSETS</b>					
Investments	11	65,462	69,043	65,462	69,043
Stock		107	101	-	-
Debtors	12	26,421	8,388	26,658	8,361
Cash and cash equivalents		12,372	1,447	12,201	1,046
		<b>104,362</b>	<b>78,979</b>	<b>104,321</b>	<b>78,450</b>
Creditors: amounts falling due within one year	13	(58,745)	(62,804)	(58,717)	(62,277)
<b>NET CURRENT ASSETS</b>		<b>45,617</b>	<b>16,175</b>	<b>45,604</b>	<b>16,173</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>69,780</b>	<b>59,996</b>	<b>69,966</b>	<b>59,981</b>
Creditors: amounts falling due after more than one year	13	(27,155)	(43,682)	(27,155)	(43,682)
<b>NET ASSETS</b>		<b>42,825</b>	<b>16,314</b>	<b>42,811</b>	<b>16,299</b>
<b>RESERVES</b>					
Unrestricted funds	16	17,669	10,980	17,655	10,980
Restricted Grant Funds	16	25,156	5,334	25,156	5,319
<b>Total Designated Funds</b>		<b>42,825</b>	<b>16,314</b>	<b>42,811</b>	<b>16,299</b>
<b>TOTAL RESERVES</b>		<b>42,825</b>	<b>16,314</b>	<b>42,811</b>	<b>16,299</b>

The accounts on pages 62 to 80 were approved by the Trustees on 13 October 2020 and signed on their behalf by:



**Rosie Millard**  
Chair



**Rhona Burns**  
Treasurer

# CONSOLIDATED CASH FLOW STATEMENT

## FOR YEAR ENDED 30 JUNE 2020

	Schedule	Year to 30 June 2020 £'000	Year to 30 June 2019 £'000
<b>Cash flow from operating activities:</b>			
Net cash provided by operating activities	A	(12,501)	(19,078)
<b>Cash flow from investing activities:</b>			
Interest from investments		895	1,314
Purchase of equipment		(154)	(79)
Purchase of investments		(49,680)	(73,722)
Proceeds from sale of investments		72,364	87,456
<b>Net cash used in investing activities</b>		<b>23,425</b>	<b>14,969</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>10,924</b>	<b>(4,109)</b>
<b>Cash and cash equivalents at the start of the reporting period</b>		<b>1,447</b>	<b>5,556</b>
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>12,371</b>	<b>1,447</b>

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

	Year to 30 June 2020 £'000	Year to 30 June 2019 £'000
Net (expenditure) / income for the year	26,511	(15,352)
Depreciation charges	124	24
Investment income	(895)	(1,314)
Loss / (gain) on investments	384	(759)
(Increase) / decrease in stock	(6)	29
(Increase) / decrease in debtors	(18,033)	(4,752)
Increase in creditors	(20,586)	3,046
<b>Net cash inflow provided by operating activities</b>	<b>(12,501)</b>	<b>(19,078)</b>

### B. Analysis of cash and cash equivalents

	At 30 June 2019 £'000	Cash Flows £'000	At 30 June 2020
Cash at bank	767	11,604	12,371
Money market deposits	680	(680)	-
<b>Total cash and cash equivalents</b>	<b>1,447</b>	<b>10,924</b>	<b>12,371</b>



# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 30 JUNE 2020

### 1 Principal accounting policies

#### Basis of preparation

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.

These accounts have been prepared in accordance with UK Generally Accepted Accounting Practice, comprising Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ('FRS 102') and the Charities SORP second edition (FRS 102) issued by the Charities Commission in October 2019, together with the reporting requirements of the Companies Act 2006, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, and the Charities Accounts (Scotland) Regulations 2006. The Charity has adapted the Companies Act formats to reflect the SORP and the special nature of the Charity's activities. The Charity is a public benefit entity.

The accounts have been prepared on the going concern basis and under the historical cost convention with the exception of listed and unlisted investments which are included at market value.

As per page 54 the Trustees have a reasonable expectation that the Group will continue in existence for the next 12 months and, therefore, have adopted the going concern basis in preparing these accounts.

The accounts were authorised for issue on 13 October 2020 by the Board of Trustees.

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

In the year there was a structural change to the Charity's internal funding model. The Charity funds the costs of generating income and governance from Gift Aid, interest earned on Investments and now, in the 19/20 financial year and going forward, up to 5p in the £ from unrestricted donations. This change was necessary due to reducing returns on investments and reduced income from Gift Aid, and now provides the Charity with a level of financial stability.

#### 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).

#### Joint activities

Joint activities were undertaken in the year with Comic Relief for The Big Night In campaign. We have recognised our share of income, expenditure, assets and liabilities in line with the agreement and have presented this separately on the Statement of Financial Activities as required by the SORP. At the year end we have recorded accrued income of £18.6m which is presented in note 12 and reflects amounts to be received from Comic Relief and DCMS.

#### 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 and Group 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 fixed 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 mid-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.

### **Basic financial instruments**

#### **(a) Financial assets**

Basic financial assets represents stocks, trade debtors including amounts due by group undertakings; and cash and bank balances are initially recognised at transaction price. At 30 June 2020, the group and charity had only financial assets classified as basic financial instruments. Debtors receivable in less than one year are recorded at transaction price.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled.

#### **(b) Financial liabilities**

Basic financial liabilities represents creditors including amounts owed to group undertakings are initially recognised at transaction price. At 30 June 2020, the group and charity had financial liabilities classified as basic financial liabilities.

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price.

Amount owed to group undertakings which are basic financial instruments are initially recorded at the present value of future payments.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

### Structure of Reserves

#### Unrestricted Funds

The Charity holds the majority of donation income in the Impact Continuity 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 income is always monitored separately.

The Charity holds Gift Aid from unrestricted donations, interest earned on Investments and up to 5p in the £ from unrestricted donations in the general continuity 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 for accordingly and presented separately on the face of the Statement of Financial Activities. This may also include associated Gift Aid which is also deemed to be restricted in use. This spend includes making awards to projects and the cost of allocating, monitoring and evaluating grants.

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 relevant donations as part of its unrestricted funds.

#### Consolidation

These consolidated accounts incorporate the results of BBC Children in Need and its wholly owned subsidiary undertaking, Children in Need Limited, for the year ended 30 June 2020, 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 accounts 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 accounts. 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 in 2019, and The Big Night In Appeal in 2020 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

Income from donations totalling £75,193k (2019: £53,444k) is generated from direct public support, our Corporate Partners and BBC Programmes. Together with partnership funding, legacies, licensed and trading income and Gift Aid the total reported is £83,904k (2019: £62,072k). Total income per the Consolidated Statement of Financial Activities is £84,205k (2019: £62,452k).

	Unrestricted funds				Restricted funds			
	Direct public support £000	High value donors & partnerships £000	BBC programmes £000	Other £000	Direct public support £000	High value donors & partnerships £000	Total 2020 £000	Total 2019 £000
Schools	5,061	-	-	-			5,061	5,427
Public fundraising	3,936	-	-	-			3,936	4,667
Donations	13,636	7,342	13,804	-	9,869	21,545	66,196	43,350
<b>TOTAL DONATIONS</b>	<b>22,633</b>	<b>7,342</b>	<b>13,804</b>	<b>-</b>	<b>9,869</b>	<b>21,545</b>	<b>75,193</b>	<b>53,444</b>
Partnership funding	-	-	-	-	-	904	904	579
Legacies	2,067	-	-	-	-	-	2,067	1,183
Gift aid on donations	3,651	-	-	-	1,391	-	5,042	3,817
Product income	189	509	-	-	-	-	698	3,049
<b>TOTAL INCOME FROM CHARITABLE ACTIVITIES</b>	<b>28,540</b>	<b>7,851</b>	<b>13,804</b>	<b>-</b>	<b>11,260</b>	<b>22,449</b>	<b>83,904</b>	<b>62,072</b>
Return on investments				895			895	1,314
Other income				-			-	254
Gift in Kind				615			615	886
<b>RECONCILIATION TO CHARITY SOFA</b>							<b>85,414</b>	<b>64,526</b>
Less Gift in Kind				(615)			(615)	(886)
Less (losses) / plus gains on investments				(384)			(384)	759
<b>REPORTED TOTAL INCOME</b>				<b>50,706</b>		<b>33,709</b>	<b>84,415</b>	<b>64,399</b>

How the above income has been utilised in the year is shown below.

USED TO COVER					
Grant Awards	(40,025)	(7,891)	(47,916)	(68,457)	
Costs of grant Making	(4,328)	(576)	(4,904)	(4,848)	
Costs of Generating Income and Governance	(4,998)	(86)	(5,084)	(6,446)	
Movement in reserves	(1,355)	(25,156)	(26,511)	15,352	
	<b>(50,706)</b>	<b>(33,709)</b>	<b>(84,415)</b>	<b>(64,399)</b>	

# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 30 JUNE 2020 (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;
- 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; and
- the preparation and broadcast of The Big Night In, the joint BBC Children in Need and Comic Relief Appeal, televised in April 2020.

The costs of support through the provision of office space and other services for the last financial year have been calculated as £615k (2019 - £642k) based on actual office space utilised by BBC Children in Need during the year. This amount has

	Group 2020 £'000	Group 2019 £'000
Provision of office space	615	642
Corporate partner fundraising support	-	244
	<b>615</b>	<b>886</b>

Please refer to note 1 on page 66 for disclosure of key judgements in relation to Gifts in Kind.

### 4 GRANT EXPENDITURE

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

	Qty	2020 £'000	Qty	2019 £'000
£1 - £1,000	6	6	-	-
£1,001 - £5,000	976	3,062	51	181
£5,001 - £10,000	1,162	10,971	1,162	10,972
£10,001 - £25,000	60	1,160	51	954
£25,001 - £100,000	221	14,005	299	23,762
Over £100,000	111	19,620	247	34,111
	<b>2,536</b>	<b>48,824</b>	<b>1,810</b>	<b>69,980</b>

In the year ended June 2020 £48,824k (2019: £69,980k) was awarded to over 2,500 projects and programmes.

Of this amount direct responsive funding totalled £40,749k (2019: £64,246k), £4,135k (2019: £3,549k) was awarded to our Emergency Essentials programme and £3,940k (2019: £2,185k) across other partnership programmes.

For further details on the purpose and policy grant making refer to the Trustee Report (page 22).

### 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 2020 amounted to a value of £32k (2019: £106k).

### 6 ADJUSTMENTS TO GRANTS GIVEN

An amount of £908k (2019: £1,523k) 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 award.

## 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.

	Staff costs £'000	Support costs £'000	Other direct costs £'000	2020 total £'000	2019 total £'000
<b>Costs of generating funds</b>					
Cost of generating voluntary income	1,943	1,328	1,434	4,705	6,062
Investment management fees	-	-	155	155	167
Trading operating costs	104	-	507	611	702
<b>Charitable activities</b>					
Grant making, policy & Impact	2,913	1,326	990	5,229	5,257
Governance	61	179	2	242	265
	<b>5,021</b>	<b>2,833</b>	<b>3,088</b>	<b>10,942</b>	<b>12,453</b>
Gifts in kind				(615)	(886)
<b>Operating costs</b>				<b>10,327</b>	<b>11,567</b>

Specific expenditure items included in the figures above are:

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Depreciation	124	24	112	12
Operating leases	22	31	22	31
Reimbursement of trustees expenses	6	6	6	6
<b>Auditors' remuneration:</b>				
Audit of these accounts	46	23	46	23
Audit of the charity's subsidiary pursuant to the legislation	2	2	-	-
Taxation compliance services	2	2	1	1
Legal fees	36	71	36	71



# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

Support costs are broken down as:

	Staff costs £'000	Office and IT costs £'000	Depreciation £'000	Professional fees £'000	Gifts in kind £'000	2020 total £'000	2019 total £'000
<b>Costs of generating funds</b>							
Cost of generating voluntary income	819	158	54	46	251	1,328	1,483
<b>Charitable activities</b>							
Grant giving costs	736	142	49	42	357	1,326	1,308
Governance	131	25	9	7	7	179	207
	<b>1,686</b>	<b>325</b>	<b>112</b>	<b>95</b>	<b>615</b>	<b>2,833</b>	<b>2,998</b>

### 8 EMPLOYEE AND PENSION INFORMATION

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

	Group 2020	Group 2019	Charity 2020	Charity 2019
Generating funds	55	56	53	53
Grant giving	77	78	77	78
Governance	3	3	3	3
	<b>135</b>	<b>137</b>	<b>133</b>	<b>134</b>

The equivalent number of full time staff is 128 (2019: 127).

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

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Wages and salaries	5,284	5,499	5,196	5,385
Social Security costs	542	563	533	552
Pension costs	472	444	468	441
Other staff costs	144	7	140	7
	<b>6,442</b>	<b>6,513</b>	<b>6,337</b>	<b>6,385</b>

#### 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 funds and this amounted to £472k in the year (2019: £444k).

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 £5,989 to 5 trustees (2019: £5,955 to 5 trustees).

The emoluments of employees who are higher paid fell into the following bands of £10,000:

	Group 2020	Group 2019
£60,000 - £69,999	5	4
£70,000 - £79,999	2	2
£80,000 - £89,999	1	1
£90,000 - £99,999	2	2
£100,000 - £109,999	2	2
£110,000 - £119,999	-	-
£120,000 - £129,999	-	-
£130,000 - £140,000	1	1
	<b>13</b>	<b>12</b>

The emoluments paid to the Chief Executive in the year were £137,917 (2019: £134,425).

Retirement benefits are accruing under defined benefit schemes for one (2019: one) of the above higher paid members of staff.

# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 30 JUNE 2020 (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 £561k is derived from the sale of merchandise to the public through our online store and fundraising events (2019: £692k). In addition, Corporate Partners purchase BBC Children in Need product to support their fundraising activities as well as sell their own products licensed by Children in Need Limited, for this a license fee is charged £509k. In the previous year all proceeds from partners relating to branded product was included as licensed income (2019: £2,737k), this is now treated as fundraising and receipted directly in the Charity due to changes in contractual terms with Corporate Partners.

	Year to 30 Jun 20 £'000	Year to 30 Jun 19 £'000
Turnover	1,070	3,429
Product cost of sales	(371)	(380)
<b>Contribution</b>	<b>699</b>	<b>3,049</b>
Other cost of sales	(75)	(71)
<b>Gross profit</b>	<b>624</b>	<b>2,978</b>
Operating expenses	(166)	(252)
<b>Net profit</b>	<b>458</b>	<b>2,726</b>
Gift aid payment to BBC Children in Need Appeal	(458)	(2,726)
<b>Retained in Children in Need Limited</b>	<b>-</b>	<b>-</b>
	<b>30 Jun 20 £'000</b>	<b>30 Jun 19 £'000</b>
<b>Fixed assets</b>		
Tangible assets	1	13
<b>Current assets</b>		
Stock	107	101
Debtors	61	2,973
Cash at bank and in hand	172	401
<b>TOTAL CURRENT ASSETS</b>	<b>340</b>	<b>3,475</b>
Creditors: amounts falling due within one year	(326)	(3,473)
<b>Net current assets / (liabilities)</b>	<b>14</b>	<b>2</b>
Total assets less current liabilities	15	15
Creditors: amounts falling due after more than one year		
<b>Net assets</b>	<b>15</b>	<b>15</b>
Share capital	-	-
Profit and loss account	15	15
<b>Total funds</b>	<b>15</b>	<b>15</b>



## 10 TANGIBLE ASSETS

Group	IT equipment & software £'000	Furniture, fixtures & fittings £'000	Total £'000
<b>Cost</b>			
As at 01 July 2019	577	1	578
Additions	154	-	154
Disposals	-	-	-
<b>As at 30 June 2020</b>	<b>731</b>	<b>1</b>	<b>732</b>
<b>Accumulated depreciation</b>			
As at 01 July 2019	485	1	486
Charge for the year	124	-	124
Disposals	-	-	-
<b>As at 30 June 2020</b>	<b>609</b>	<b>1</b>	<b>610</b>
<b>Net Book Value</b>			
As at 30 June 2019	92	-	92
<b>As at 30 June 2020</b>	<b>122</b>	<b>-</b>	<b>122</b>

Charity	IT equipment & software £'000	Furniture, fixtures & fittings £'000	Total £'000
<b>Cost</b>			
As at 01 July 2019	502	1	503
Additions	154	-	154
Disposals	-	-	-
<b>As at 30 June 2020</b>	<b>656</b>	<b>1</b>	<b>657</b>
<b>Accumulated depreciation</b>			
As at 01 July 2019	423	1	424
Charge for the year	112	-	112
Disposals	-	-	-
<b>As at 30 June 2020</b>	<b>535</b>	<b>1</b>	<b>536</b>
<b>Net Book Value</b>			
As at 30 June 2019	79	-	79
<b>As at 30 June 2020</b>	<b>121</b>	<b>-</b>	<b>121</b>

# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

### 11 FIXED AND CURRENT INVESTMENTS

The portion of the Group and Charity's investment portfolio that is classified as fixed investments relate to grant creditors committed, or grants to be awarded and payable in more than one year. Current investments relate to grant creditors committed, 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, Corporate Bonds – Bank Deposits and Alternatives – income generating assets such as property funds. Investments are valued at current market value as at 30 June 2020 however, it is noted that although the investment in property held by the Charity, which represents 9% of the total investments held, reflects an independent valuers view on fair value as at 30 June 2020, it does contain a caveat around material uncertainty given the challenges around reflecting the current environment in market pricing, this material uncertainty was removed by the 30 September 2020. The Charity has made no adjustment to reflect this uncertainty.

Income in the year of £511k relates to interest earned on investments held in the year £895k net of revaluation losses -£384k (2019: £2,073k (£1,314k interest and £759k gains)).

	2020 £'000	2019 £'000
<b>Market Value at 1 July 2019</b>	<b>112,772</b>	<b>125,747</b>
Add: acquisitions at cost	47,735	79,283
Less: disposals at market value	(72,364)	(87,456)
Add: net gains / (losses) on revaluation	(384)	759
<b>Market Value at 30 June 2020</b>	<b>87,759</b>	<b>118,333</b>
Add: deposits held at financial institutions	3,251	1,308
Less: deposits held at financial institutions at 30 June 2020	(1,308)	(6,869)
<b>Total Investments at 30 June 2020</b>	<b>89,702</b>	<b>112,772</b>

The investments can be analysed as follows:

	2020		2019	
	Valuation £'000	Cost £'000	Valuation £'000	Cost £'000
<b>Fixed income</b>				
-maturing in more than 1 year	28,818	28,422	30,615	30,386
-maturing in less than 1 year	6,628	6,362	9,710	9,513
<b>Corporate Bonds</b>				
-maturing in more than 1 year	-	-	-	-
-maturing in less than 1 year	11,800	11,794	28,291	28,255
<b>Alternatives</b>				
-maturing in more than 1 year	39,205	39,187	42,848	40,943
-maturing in less than 1 year	-	-	-	-
Deposits held with financial institutions	3,251	3,251	1,308	1,308
	<b>89,702</b>	<b>89,016</b>	<b>112,772</b>	<b>110,405</b>
Included as:				
Fixed asset investments	24,240	24,240	43,729	43,729
Current investments	65,462	64,776	69,043	66,676
	<b>89,702</b>	<b>89,016</b>	<b>112,772</b>	<b>110,405</b>

Included within the above totals are cash and cash equivalents of £3,251k (2019: £1,308k) and listed investments of £46,400k (2019: £66,694k).

## 12 DEBTORS

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
Trade debtors	500	3,473	439	500
Amounts owed by subsidiary undertaking	-	-	298	2,946
Other debtors	4,785	2,753	4,785	2,753
Taxation	2	6	2	6
Prepayments and accrued Income	21,134	2,156	21,134	2,156
	<b>26,421</b>	<b>8,388</b>	<b>26,658</b>	<b>8,361</b>

Included in the £298k amount owed by subsidiary undertaking is a receivable from Children In Need Limited for gift aid of £458k and £150k intercompany loan which is repayable on demand, these amounts are net of income owed to the subsidiary.

The increase in accrued income relates mainly to The Big Night In income still to be received.

## 13 CREDITORS

	Group 2020 £'000	Group 2019 £'000	Charity 2020 £'000	Charity 2019 £'000
<b>Amounts falling due within one year</b>				
Trade creditors	1,278	159	1,276	155
Grants payable	56,318	59,899	56,318	59,899
Accruals and deferred income	1,123	2,223	1,123	2,223
Taxation	26	523	-	-
	<b>58,745</b>	<b>62,804</b>	<b>58,717</b>	<b>62,277</b>
<b>Amounts falling due after more than one year</b>				
Grants payable	27,155	43,682	27,155	43,682
	<b>27,155</b>	<b>43,682</b>	<b>27,155</b>	<b>43,682</b>

Within grants payable, £56,318k (2019: £59,899k) is due to be paid within one year and £27,155k (2019: £43,682k) paid within the next two to three years.

Included in accruals and deferred income is an amount of £25k (2019: £-k) related to deferred income.



# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

### 14 FINANCIAL INSTRUMENTS

The group has the following financial instruments:

	Notes	Group 2020 £'000	Group 2019 £'000
Financial assets measured at amortised cost are: trade debtors, accrued income, cash and other debtors excluding prepayments	11, 12	41,923	11,110
Financial assets measured at fair value through income and expenditure	11	86,451	111,464
Financial liabilities at amortised cost are: trade creditors, grants payable, other creditors, accruals excluding deferred income	13	85,900	106,486

### 15 OPERATING LEASES

	Group		Group	
	Land & buildings 2020 £'000	Other 2020 £'000	Land & buildings 2019 £'000	Other 2019 £'000
<b>Operating leases which expire:</b>				
- within one year	-	2	-	16
- later than one year and not later than five years	-	1	-	5
	0	3	0	21

### 16 FUNDS

The fund balances and movements are shown in the table on page 52, the targeted funds are shown on page 54.

**Unrestricted Funds** are held for the following purposes:

- The 'Impact Continuity Fund' of £10.2m is held to cover uncertainty of income available to fund impact activity and/or exceptional requirement for funding
- The 'General Continuity Fund' of £3.3m is held to cover uncertainty of income available to fund general operating costs.
- The 'Development Fund' of £0.1m is to allow for future investment and respond to growth opportunities.
- The 'Investment Continuity Fund' of £4.1m is to manage volatility or total return (capital value or income) from income generating assets.

## Restricted Funds - £25.2 million (2019: £-m)

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

	Impact	Public Covid £'000	DCMS Covid £'000	Hunter £'000	Partnership Funding £'000	Total £'000
Asda	Play				2,212	2,212
Boots	AM&M				1,035	1,035
THF	Edge of Care			3,000		3,000
Wellcome Trust	Curiosity				904	904
TBNI	Covid Issues	18,051	8,507			26,558
<b>Income</b>		<b>18,051</b>	<b>8,507</b>	<b>3,000</b>	<b>4,151</b>	<b>33,709</b>
England			2,284		2,532	4,816
Scotland			295		931	1,226
Wales			179		249	428
Northern Ireland			183		61	244
UK wide grants		42	1,135			1,177
<b>Grant Spend</b>		<b>42</b>	<b>4,076</b>	<b>0</b>	<b>3,773</b>	<b>7,891</b>
<b>Costs</b>		<b>86</b>	<b>285</b>		<b>291</b>	<b>662</b>
<b>Closing Balance</b>		<b>17,923</b>	<b>4,146</b>	<b>3,000</b>	<b>87</b>	<b>25,156</b>

## 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 potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

# NOTES TO THE ACCOUNTS

## FOR THE YEAR ENDED 30 JUNE 2020 (CONTINUED)

### 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:

	2020 £'000	2019 £'000
Subsidiary Undertaking	278	2,946

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 £1.1m (2019: £1.7m) 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 £765k (2019: £749k).



