



ANNUAL REPORT AND ACCOUNTS

YEAR TO
30 JUNE 2021

BBC
**Children
in Need**

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



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2021

REPORT

MESSAGE FROM THE CHAIR

The year ending June 2021 has been a truly remarkable one. Over the past twelve months, the charity has continued to respond to the Covid-19 pandemic and support children and young people across the UK who have been hit hard by the crisis. Throughout it all, the British public, our BBC colleagues and our partners have been right beside us, united in our resolve to change young lives for the better.

Following the success of The Big Night In emergency appeal in April 2020, new funding programmes were rapidly developed to ensure the money raised would reach those in need as quickly as possible. I would like to recognise the efforts of our BBC colleagues, our staff and volunteers, many of whom faced their own challenges during the pandemic but were unwavering in their commitment to help young people at a time when they needed us most. I must also pay tribute to the many local charities we fund around the UK who adapted their services to ensure that children were still able to access support in lockdown. These projects have been a lifeline for so many families.

Preparations for the BBC Children in Need 2020 Appeal in November took place amidst great uncertainty. Inevitably, we had to make significant changes to our plans. And yet, despite the obstacles, people in every corner of the UK stepped up for children and young people facing ever more complex challenges. Beginning in October, our 'Together, We Can' Appeal campaign sought to unite the British public in a show of support for children and young people. We were delighted to have the backing of so many of our projects and high-profile supporters who lent their voices to the launch. Our colleagues at the BBC skilfully navigated Covid-19 restrictions to safely deliver an array of special programming and fundraising initiatives. These included: The One Show's Rickshaw Challenge in its 10th year, led by the inimitable Matt Baker; the ever popular Countryfile Calendar and Ramble; an uplifting DIY SOS: The Big Build special with Nick Knowles and the Purple Shirts; whilst over at Radio 2, Schools Ambassador and lockdown hero Joe Wicks conquered a 24 Hour PE Challenge. In addition, musical stars from around the world joined forces to record a very special version of the Oasis track 'Stop Crying Your Heart Out' to help raise funds. As always, the Friday night Appeal Show brought laughter, entertainment and above all, inspiration, moving viewers to donate with astounding generosity. We were thrilled to have raised £37m by the end of the night, with more donations rolling in over the subsequent days, weeks and months to reach an astonishing £57m.

We are already developing plans for the 2021 Appeal and will do everything in our power to help children and young people overcome the long-term consequences of the Covid-19 pandemic. Sadly, we know that the events of the past year will have repercussions for an entire generation. From the impact of sustained isolation on emotional wellbeing and mental health, to increased financial uncertainty, to inequality of opportunities and subsequent impact for those with disabilities, to the ongoing risk to children and young people facing harm and the impact of bereavement on those who have lost loved ones, children and young people need our support more than ever.

On behalf of everyone at BBC Children in Need, I would like to thank all of our supporters and partners for their support over the past year. Thanks to you, we have allocated millions of pounds in funding to help change the lives of 460,000 children and young people across the UK. We could not be more grateful to the British public, whose outpouring of generosity was a national act of kindness at such a challenging time. As we move forward, we will remember that every day, in communities across the UK, there are millions of children facing challenges too complex and difficult to overcome alone. Together, we can give them hope for a brighter future.



ROSIE MILLARD
Chair of Trustees





JUNIOR
GYM & FITNESS
With Youth On Solid Ground



Learn to use Cardio and Resistance Equipment, Free Weights, Learn About Sport, Health and Fitness, Nutrition, Develop Your Physical and Mental Wellbeing

8-12yrs
6 - 7pm

13-18yrs
7 - 8pm

FOR BOTH BOY'S & GIRL'S

ALL VOLUNTARY DONATIONS ARE WELCOME





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 2021, 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 41st appeal was held during this year. Since inception the Appeal has cumulatively raised over £1.168m for disadvantaged children and young people right here in the UK.

Objectives & Activities

Throughout the reporting period our focus has continued to explore how best to find and fund the inspiring ideas that change the lives of children and young people. This has been impacted considerably by the global pandemic and Covid-19. Our comprehensive insight gathering with young people, across the charitable sector and with our grantees has very clearly identified the significant impact Covid-19 has had on children and young people. It's clear that all the UK's children and young people have been challenged by the pandemic but for those already experiencing disadvantage this has been an even more challenging year. Equally, the charities and projects we fund across the UK have also been adversely affected by the crisis – in terms of an ability to raise much needed funds and also adapting to the restrictions in order to continue to deliver the much needed help and support. Similarly, we too at BBC Children in Need have had to think carefully about our plans and approach to meeting these needs as well as our own fundraising efforts.

Ahead of the reporting year we had begun the process of reviewing our long term strategy and the objectives and activities that follow. It was clear that, in order to continue to fund positive outcomes for children and young people, we too would need to adapt and change.

Partnership and collaboration, strengthening our equity based approach, focusing on the greatest areas of need and genuinely engaging and sharing power with children and young people have become key drivers influencing the review of our charitable ambition and our objectives and activities.

Increasingly our focus must turn to not only ensuring children and young people are safe, happy and secure – these are an important foundation but in addition, our focus must shift to ensuring all children and young people have the opportunity to thrive and best the best they can be.

As a result our objectives for the reporting period have reflected this:

1. Continuing to implement effective funding programmes which support and champion CYP to reach their potential
2. Continuing to reinvent how we develop and deliver modern, contemporary fundraising, content and storytelling, to inspire supporters to action
3. Taking tangible and measurable actions to improve diversity, equity and inclusion; as a leading charity, as an employer, a funder, a fundraiser and storyteller
4. Ensuring that the organisation is set up for future success by focusing on organisational resilience, health and wellbeing, and taking notice of and evolving our culture concentrating initially on making good decisions, collaboration, adaptability and results focus.
5. Increasing our focus on longer-term strategic planning and integrating the various change projects, engaging and giving clarity to all stakeholders on the future direction of travel

Our commitment to long term planning included:

- I. Redefining our charitable ambition
- II. Redefining our strategic partnership with the BBC and improving our relationship with other external stakeholders
- III. Evolving our income development model
- IV. Digital Transformation

As part of this the Board of Trustees agreed a revised charitable ambition – the statement that defines our direction of travel over the next five years.

Our charitable ambition (below) drives all activity across the organisation.

Every child and young person deserves the opportunity to thrive and be the best they can be.

At BBC Children in Need, we act where the need is greatest.

Our ambition is to create positive and lasting change across the UK for the children and young people who need us most.

Together with the BBC and our partners, we aim to inspire the nation and unite communities to support us in our work.

As we approach the new financial year, work is underway to create the structure to bring the charitable ambition to life.

This includes considering the following;

Our Impact – the difference we want to make

Our Principles – the way we work to bring about change for children and young people, including how we involve and engage children and young people as active participants in our work, acting on their input and amplifying their voices.

Our Pillars – the activities we should focus on, now and over the long term

Our Culture – creating the right and most productive environment for our staff to succeed





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 and also considers the following matters:

The likely consequence of any decision in the long term

The Trustees committed to a review of our overarching strategic objectives which was last refreshed in 2016. This review has been completed and a new long term charitable ambition has been agreed and included on page 10.

We made a commitment to complete this work using information and data collected through the leadership of our Insight Directorate. With the impact of Covid-19 it has become even more important that we truly understand the environment in which we work, the needs of children and young people and the charities we support as well as the motivation and engagement of our audience and supporters. And whilst the prevailing challenges of a global pandemic have focused our attention on the here and now, we have had to keep a firm grip on the long term future of the organisation and its role in delivering change for children and young people. Ongoing work in the reporting period will continue to be a significant factor going forward. This includes, our strategic work on insight and impact as well as income and making best use of digital and its transformational opportunities. The future

uncertainty does contain some risk and page 51 gives more information on our plans to mitigate risk.

The interests of the charity's employees

Our employees are vital to BBC Children in Need. A focus on building a strong charity has been a key element of our activities during the year. This has included: strengthening the culture across the organisation; further development and integration of our approach to diversity, equity and inclusion; business continuity; and employee wellbeing.

The need to foster the charity's business relationships with suppliers, grantees 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 18 to 25), donors and fundraisers (pages 30 to 33), and the BBC (pages 34 to 37).

The impact of the charity's operations on the community and the environment

We continue to recognise our responsibility to care for the environment and aim to minimise our environmental impact in all our activities. The Charity undertook an audit in relation to its impact on the environment in the year reported on, and intended to further develop its approach for 20/21 using this, but this work was delayed due to the impact of Covid-19. However, the charity made significant improvements in the year triggered by the pandemic eg through reduction of travel. This experience will allow us to learn and challenge the previously



unthinkable options for our future ways of operating. Our approach to sustainability now has an Executive level sponsor and will be progressed in 21/22.

We fund work in local communities right across the UK and the report provides examples of our approach to this.

The desirability of the charity to maintain 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 we have further strengthened our approach during the course of the year. This includes Donor Acceptance and Community Fundraising policies and Procurement and Purchasing Policies.

The need to act fairly

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

Trustees are committed to making tangible steps to improve Diversity, Equity and Inclusion (DEI) and, as described above, this was an organisational objective during 20/21 and remains so for 21/22. We have DEI objectives in every directorate business plan, are reviewing our grantmaking through an equity lens, established a DEI Action Group and created space with staff to discuss key DEI themes and topics.

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.





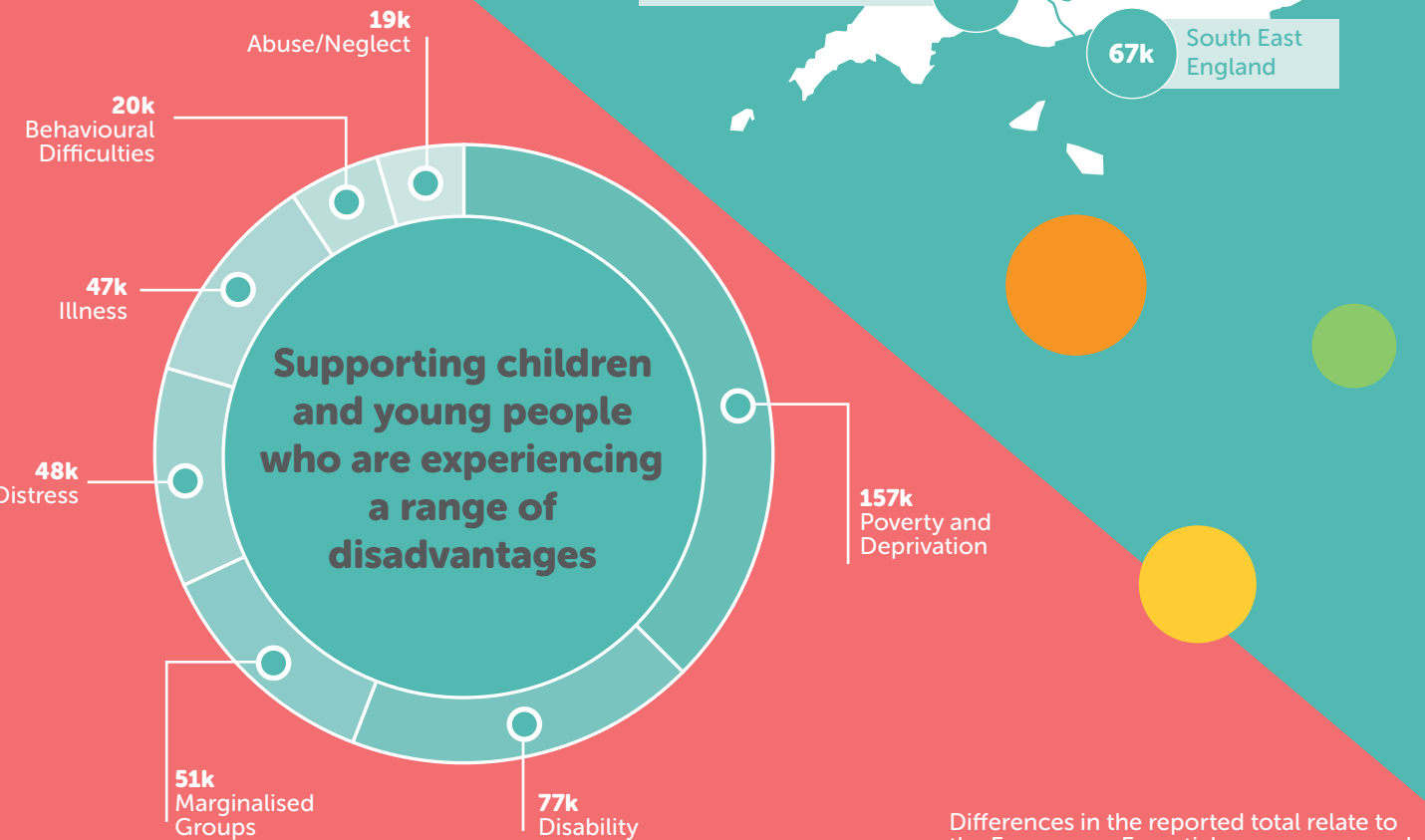
FINDING AND FUNDING



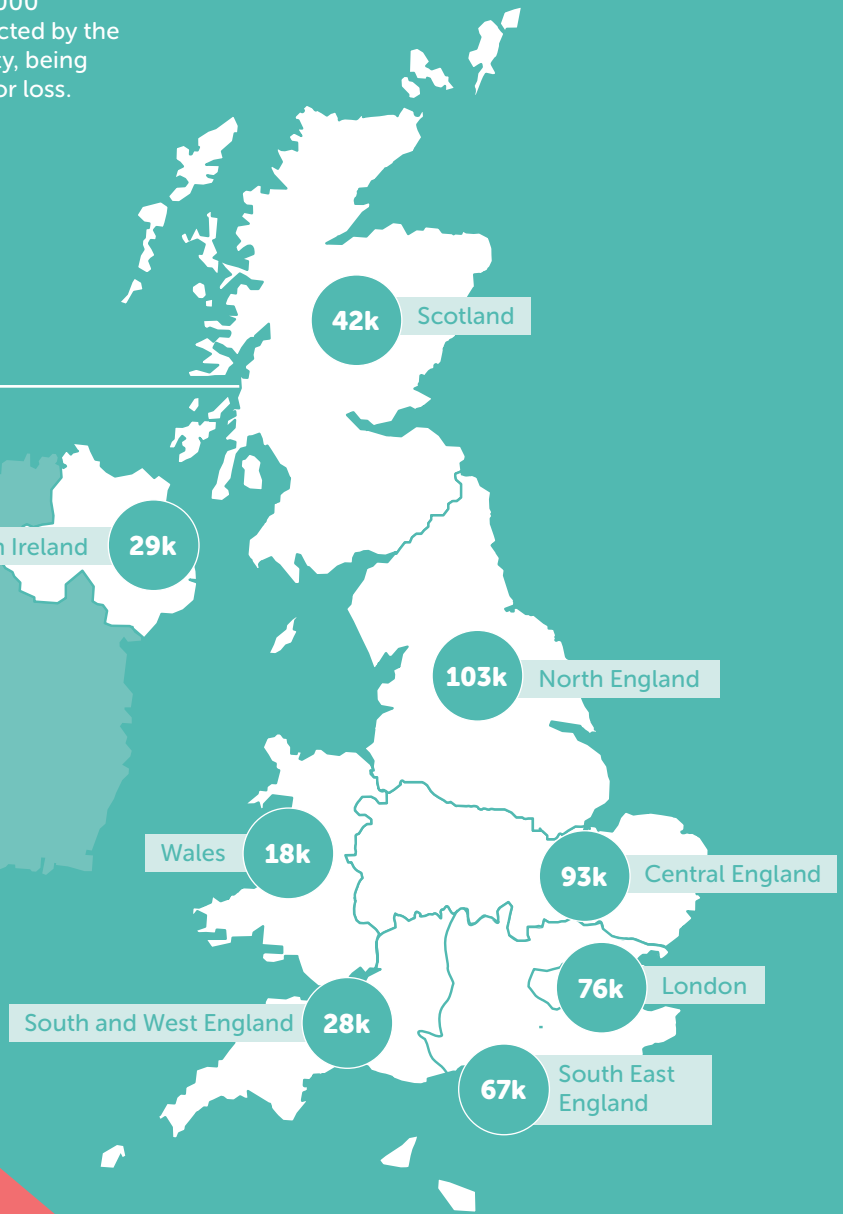
CHANGING THE LIVES OF CHILDREN

In 2020/21 BBC Children in Need supported over 460,000 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.

460,000
children and young people supported across the UK



Supporting children and young people who are experiencing a range of disadvantages



Differences in the reported total relate to the Emergency Essentials programme and roundings

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



179k
have stronger
Self-Belief



179k
enjoy better
relationships



150k
have increased
essential skills



151k
have stronger
emotional wellbeing



83k
are more
empowered



83k
have better
physical wellbeing



32k
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.



Preston's Story

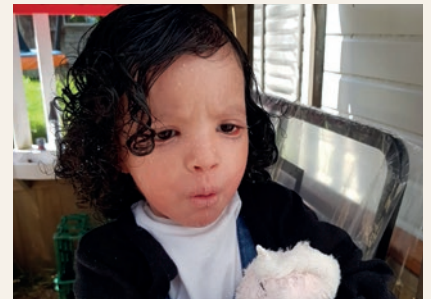
Ten-year-old Preston is a happy, friendly boy whose life-threatening heart condition doesn't stop him from running around and playing with his sister, Febbie. His mum and dad, Julia and Isaac, have been told that as Preston only has the use of one lung, he cannot have further surgery.

Rainbows Hospice for Children and Young People provides much needed emotional and practical support to families with children like Preston. It has been invaluable, particularly during lockdown, with Julia describing it like a holiday for the whole family. The children both love it, and thanks to your donations, Preston is safe and happy doing things that he normally can't, like swimming in the hydrotherapy pool.



Julia's Story

Last year, 14-year-old Julia needed emergency surgery on a brain tumour that was diagnosed when she was seven. With this, her mum battling recurring cancer, plus the pandemic, it's been a difficult time. Julia and her family have spent time at Daisy Lodge, Cancer Fund for Children, Northern Ireland. This is a purpose built therapeutic centre where families impacted by cancer can come for some quality time together on a therapeutic short break, in a safe and supportive environment. Julia and her brother Daniel have both been able to access group support remotely during the pandemic via online group work programmes. This enabled them to connect with other young people their age who were also facing similar challenges with a cancer diagnosis in the family. Julia has been able to access face-to-face and virtual therapeutic support, on a one-to-one basis as she needs it. This one-to-one time, along with her group work experience, provides Julia a safe space to process and learn to cope with the emotional, mental and physical challenges that cancer and its treatment has brought to her life.



Sakinah's story

Three-year-old Sakinah was born with Epidermolytic Ichthyosis, a rare skin condition meaning her skin cracks and becomes infected. She requires frequent hospital visits and home care. With other children to look after, and the loss of her own mother, Sakinah's mum found herself struggling during lockdown.

Thanks to funding from BBC Children in Need, Home-Start are there to help any family that needs it, supporting children with their play and development and providing advice and resources. Sakinah's condition means she can't play in direct sunlight, so Home-Start provided a gazebo so she can play safely outdoors, plus resources for her siblings to continue their home-schooling.

THE DIFFERENCE WE MAKE FOR CHILDREN AND YOUNG PEOPLE

We exist to find and fund the inspiring ideas which change children's lives, aiming to achieve positive impact with and for children and young people, who experience disadvantage. Our Impact Strategy states clearly our focus on addressing the breadth of issues facing children and young people, whilst ensuring that our projects are able to target locally identified need.

This year posed some of the most significant challenges to face children and young people for a generation. During a time when formal schooling, socialisation and traditional milestones for children and young people disappeared, new and immediate issues arose which included digital exclusion, food poverty and a deterioration in mental health. In order to address the crisis facing children and young people, we responded immediately with additional funding:

- Emergency Essentials funding of £3.7m to the Family Fund to provide grants for families living in severe financial, health and social difficulties to provide items which meet children's most basic needs.
- £0.5m to the Good Things Foundation to provide devices, connectivity and support to young people to enable them to continue their education.
- Over £17m to our existing grantees working on the frontline to provide immediate support and services to children and young people, based in local communities all across the UK.
- Partnering with the Youth Futures Foundation to provide £6.4m of grant funding to charities addressing the youth employment crisis.

We are particularly proud of the way in which we were able to respond at speed by streamlining our traditional grantmaking processes and setting up more agile and flexible systems. This required new ways of working to be able to distribute large volumes of funding effectively, whilst ensuring that we built our relationships with the organisations we fund, to provide them with the support and advice they needed.

We also recognise that changing times require us to ensure that we are effective in listening to the voices of children and young people and embodying processes which are equitable. This year we have made a commitment to 'Sharing Power' with children and young people and ensuring that the principles of Diversity, Equity and Inclusion are embedded in our work. Although at the formative stages of these developments, we envision that these principles will become central in the way in which we ensure our funding is distributed both fairly and with children and young people at the heart of our grantmaking.

More importantly, in order to be able to adapt to the changing needs of children and young people, we have also embarked on the ambitious and ground breaking development of a new Grantmaking Strategy. This acknowledges the need for a strategic framework to specifically guide our grantmaking in order to ensure that we are able to address the most important needs of children and young people.

This Grantmaking Strategy is a significant milestone in our history as it will for the first time, clearly articulate our identity and role as a funder, our principles for funding distribution and our funding model. The aim is for this not only to provide a framework for our grantmaking internally, but to support our applicants and the sector externally, in understanding and applying for our funding.

Critical to the development of this strategy has been the co-design and consultation element of the process with the active involvement of young people, grantees and sector practitioners as well as our team and trustees. This extensive consultation has enabled us to hear first-hand, how children and young people feel we can do better, what is important to them about our grantmaking and what they envision our future funding should look like. We are aiming to complete the Grantmaking Strategy by the end of the 2021 calendar year in order to set an ambitious and clear direction and framework for our grantmaking to ensure we remain the leading independent funder of children and young people in the UK.

The year ahead for many children and young people still remains uncertain after the volatility and challenges they have faced and we anticipate the consequences of the pandemic to be felt by this generation for many years to come. We have developed remarkable insight from those we work with, gathering statistics, data and evidence to demonstrate the profound impact of the pandemic. What we also recognise is the sense of loss, trauma and disconnection being suffered by children and young people, which is less quantifiable and tangible. However, this has emphasised the importance of our role in re-building the joy, trust and hope of this generation and through the impact of our funding we will ensure this remains central to our mission.



DELIVERY IMPACT THROUGH FUNDING PARTNERSHIPS

This year we have continued to invest in the **Emergency Essentials** small grants programme delivered in partnership with Family Fund Business Services. These grants provide basic essential items to families affected by severe poverty, who lack the basic facilities which most of us take for granted and experience additional pressures such as domestic violence, disability or poor health in the family. This programme has never been more critical than during the pandemic and we invested an additional £0.4m to enable the programme to provide **digital devices and connectivity** to support children and young people to engage in education, connect to vital support services as well as keep in touch with friends and family.

A grant of £0.5m to the Good Things Foundation provided further support for children to access digital devices and connectivity. As well as providing digital equipment, Good Things Foundation supported families with the essential skills needed to use it through their network of local community-based organisations.

We made a grant to **Newlife** the Charity for Disabled Children to provide essential quality of life equipment that makes a significant difference to ensuring a child's physical and emotional wellbeing and continued to support **The Children's Society's** Co-ordinated Community Support Programme, working across four pilot areas. The aim of the pilots is to develop a scalable model which will help children and families receive the emergency support provision they need at the time they need it, as well as being offered any ongoing support that might help prevent the recurrence of emergency need.

Our £6.4m **Inspiring Futures Programme**, funded in partnership with the **Youth Futures Foundation**, provided 107 grants to not for profit organisations across the UK working to improve employment outcomes for children and young people.

We continued to develop our approach to reducing violence impacting young people (VIYP) through our partnership with **Social Finance**, which has explored the role for BBC Children in Need in supporting young person led, collaborative efforts for change within communities. One of those communities has been Manchester, where the Young Manchester Foundation will act as our grant making partner for the delivery of the violence focussed element of our **#iwill** partnership. Alongside this, the third phase of our partnership with the **Premier League and Premier League Charitable Fund (PLCF)** continued to support 46 projects to adapt and continue through the disruption of Covid-19.

In early 2021, the arrangements for **Curiosity**, our joint programme with the **Wellcome Trust** changed. Wellcome took a step back from direct involvement and provided BBC CiN with additional funding to support us to successfully deliver the remainder of the programme.

Our partnership with **The Hunter Foundation** saw our shared commitment to continue working with families and local stakeholders through the **What Matters to You (WM2U)** approach in Dundee and East Ayrshire until June 2024. The aim of WM2U is to empower parents and carers to challenge and change their support systems in ways that help their families stay together and thrive. It will continue to integrate learning approaches that will help measure the effectiveness of WM2U and define its blueprint for future replication.

Through this funding partnership with The Hunter Foundation

we also continued our support of **Streetsoccer London**, which entered its second year, and provided additional funding to The Legal Education Foundation's Justice First Fellowship programme as well a strategic development grant for the UK Child Law Network which is focused on developing and improving the practice of child centred lawyering.

We continued our support of the **NSPCC's** Childline service, enabling 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. **Missing People's Is This Ok?** Ok digital advice service, delivered in partnership with NSPCC, moved into the next stage of its launch, with young people having been involved in developing the look and feel of the service to maximise engagement and a targeted marketing campaign which will run on key social media platforms.

A Million & Me

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.

Throughout Year 2 of the programme the portfolio of funded partners has worked to a clear common aim of increasing the number of children who are enjoying good mental health, through diverse approaches and across diverse target groups. During this year new partners joined, expanding the reach, to include **WOWsers: A Creative Explosion** working with girls from Children in Need projects across the UK; **Black Thrive** addresses wellbeing and mental health through a racial lens; **Proud Trust** provides expert advice and support to children and young people who identify as LGBTQ+ and their families and carers; **Voices from Care Cymru** focuses on the emotional needs of young people coming into the care system.

The Year 2 evaluation report of **A Million & Me** produced by the Centre for Mental Health highlighted some key learning. The core finding is the assertion that it is positive, trusted relationships around a child that are critical to good mental health. Across the portfolio this has been demonstrated and captured in both quantitative data and qualitative narratives of individual situations. Anna Freud Centre was commissioned to design and deliver a capacity building programme to build on the trusted relationships that are so important between children and the staff and volunteers in the thousands of projects funded by Children in Need. This online training programme, **Trust Me**, is currently being delivered to at least 1,000 organisations across the UK.

The final report of the programme, together with the individual findings from across the funded partners, will be shared widely across the sector, among other funders and with relevant policy makers across the four jurisdictions. In partnership with the BBC we will continue to promote expert resources, advice and models of good practice that can help more children to feel better. We are very grateful to the **A Million & Me Advisory Group** of experts who regularly give their time to offer support and direction to the programme.



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

Grantmaking 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 2020/21 we awarded grants totalling £49.8m.

Of this amount, direct responsive funding totalled £42.6m (85% of spend) and the geographical split is shown below. This was split as follows:

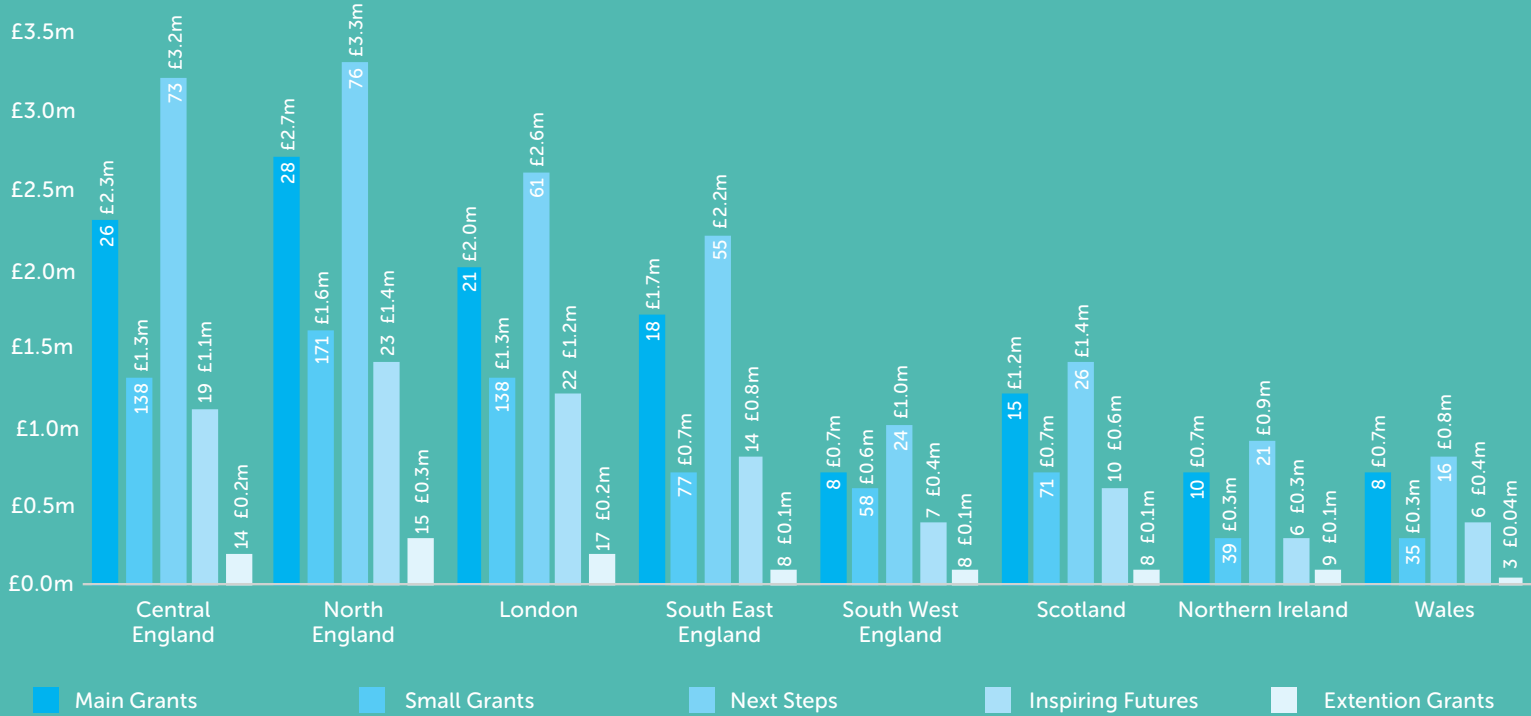
362 main and small grants valued at £14.8m to organisations that applied to us in this time period.

Years 2 and 3 of funding to 583 existing small grant holders, valued at £5.7m.

352 Next Steps grants valued at £15.7m and 107 Inspiring Futures grants at £6.4m.

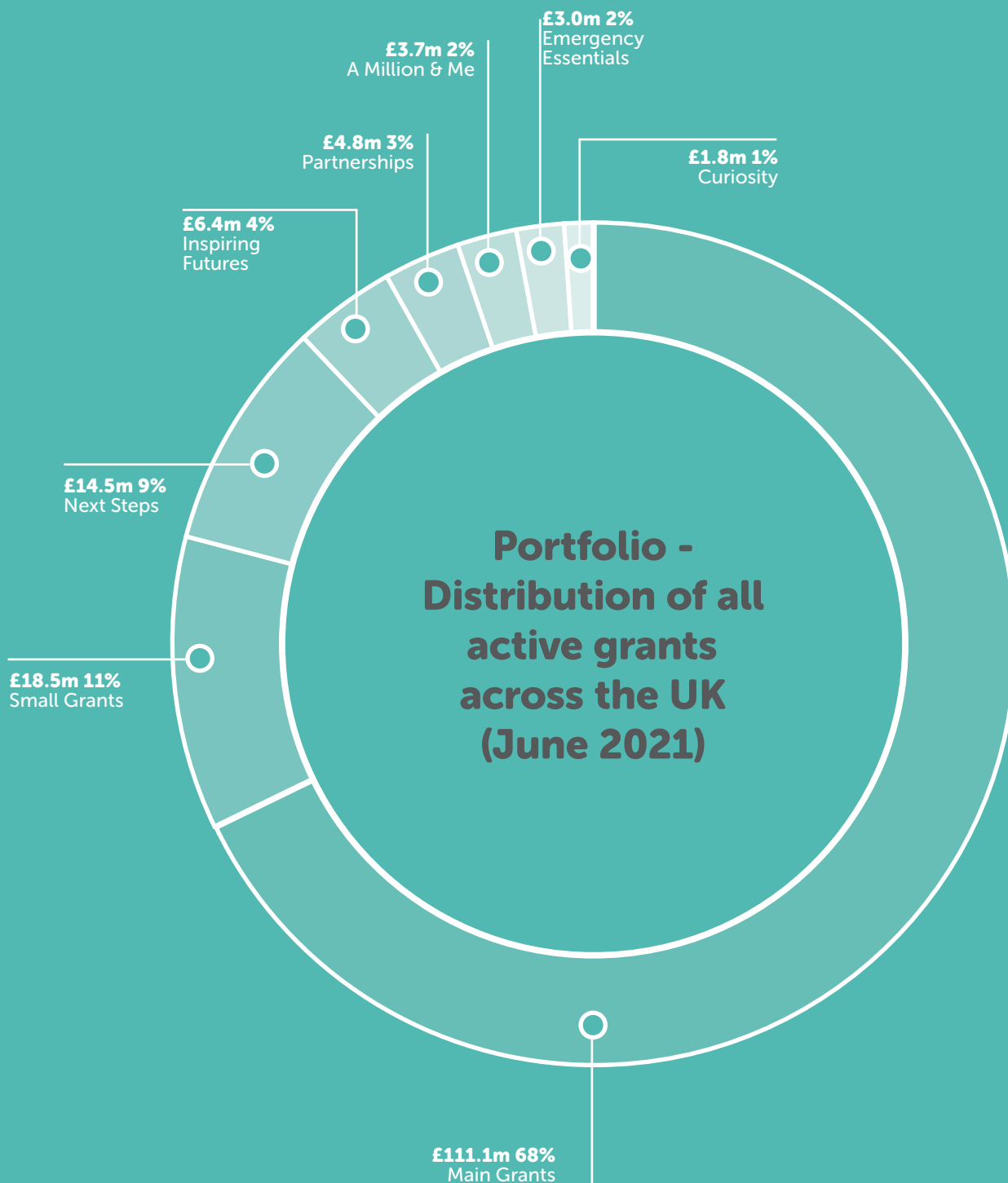
Of the remaining £7.2m, £3m was awarded to our Emergency Essentials programme, £1.1m was awarded in emergency response to assist those affected by Covid-19, £0.4m to support the digital divide and £2.7m across other partnership programmes.

New responsive grants awarded in the year





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

Across the UK, supporters and partners went to extraordinary lengths to fundraise for us while keeping themselves and their communities safe, raising £63.4m, helping us to provide support for the children and young people who needed it more than ever before.

A big part of our fundraising relies on people getting together every November in communities, work places and within our corporate partners to put on fundraising events, and Covid-19 restrictions meant that many people were unable to do this, and this hit our fundraised income significantly. Like other charities, we experienced a drop in Public and Schools Fundraising income of around £1.8m (18%) less than in 2019. Yet despite everything, our dedicated supporters continued to support us; if they couldn't get together and raise money, many donated or bought merchandise instead. Teachers and children in schools rallied and really got behind the campaign.

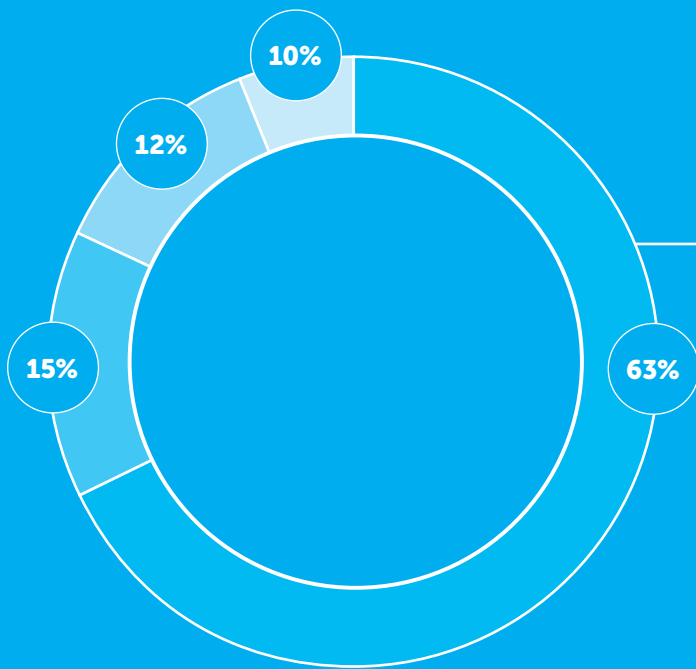
Our corporate partners were there for us every step of the way, despite experiencing their own challenges with Covid-19 and many being closed for periods of the year; they pivoted their activity and innovated to ensure they were able to continue to support us and delivered an amazing £6.5m.

And of course because the UK went into a second lockdown in November, our donations through the BBC programmes and our Night of TV benefited from increased viewing figures due to people being at home. We were also delighted that the Nation's favourite PE Teacher, Joe Wicks was able to take on an extraordinary challenge for Children in Need by working out for 24 hours, raising over £2.6m! All of this helped to offset the drop in fundraised income, raising a total of £63.4m.





DIRECT PUBLIC SUPPORT



Direct Public Support

63%	£17.4m	Donations
15%	£4.1m	Schools
12%	£3.3m	Public Fundraising
10%	£2.7m	Legacies

Supporting Our Amazing Fundraisers

Following on from the success of The Big Night In Appeal during April 2020, we knew that we must innovate to help our fundraisers up and down the UK to fundraise safely within the Covid-19 restrictions. Working closely with the BBC, we developed a new fundraising proposition – Act Your Age – which enabled fundraisers to raise money easily, be it on their own virtually or as part of a group. The simple ask of ‘take your age and do something good with it’ saw thousands of fundraisers walk, cycle, do press ups and much more for the Charity. This activity was supported by the BBC Breakfast team who encouraged their presenters to ‘act their age’ for BBC Children in Need, and saw Dan Walker and Louise Minchin combine their ages to see who could do 95 skips first, while Mike Bushell took on a space hopper challenge over 54 fences in his back garden.

We also teamed up for the first time with the fantastic Girlguiding UK who took on the ‘Act your Age’ challenge too – raising £157k! Thousands of girls across the UK got involved, with challenges ranging from online danceathons to learning the spellings of hundreds of new words. There was also support from famous ex-girl guides, including BBC presenter Kate Silverton, Girlguiding Ambassador and adventurer, Anna McNuff England lionesses Rachel Daly and Millie Bright, and HRH the Countess of Wessex. To celebrate the partnership, a special Pudsey badge was also created and sold – representing both organisations mission and commitment to children and young people.





Teachers and Children went the Extra Mile

In spite of Covid-19 restrictions, teachers and children were excited to be back in schools in November and relished the opportunity to have some fun raising money for BBC Children in Need. We recognised the tough few months they had been faced with the pandemic and being at home, so provided lots of helpful wellness and mindfulness activities that could take place in the classroom. This, coupled with the chance for schools to join in live with Joe Wicks' 24 hour PE Challenge on the morning of BBC Children in Need Day, inspired over 3 million children to get involved, raising an incredible £4.1m.

Sales of Fantastic Pudsey Products

We continue to expand our range of Pudsey merchandise to support the fundraising efforts of all of our supporters. When we approach our range planning and new product development we have the needs of our supporters at the heart of everything we do. We endeavour to create products that delight and have broad appeal for all ages, tastes and budgets from £1 upwards. We had a bumper year for Pudsey product sales in 2020, with many supporters choosing to purchase products instead of doing fundraising activity due to Covid-19 restrictions.

HIGH VALUE DONORS AND PARTNERSHIPS

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



ASDA

ASDA supported our Emergency Essentials campaign by raising £2.0m to support children and young people across the UK who are in need of essential items such as a washing machine, cooker to make hot meals or a bed to sleep in. Asda sold a huge range of products from Pudsey onesies, PJ's and the official tee. The official tee was co-created with the Norwich project, The Garage, where young people worked with ASDA designers to create the final design.



Boots

Boots went digital with their fundraising with a Pudsey selfie filter on Instagram. They also sold merchandise including face masks and colleagues took up virtual fundraising challenges, including joining Joe Wicks on his 24 hour PE challenge. In total the partnership raised £0.7m. Through all their fundraising, their focus was on improving the mental wellbeing of children and young people. We are extremely proud of our 17 year partnership with Boots UK and would like to thank staff past and present for their dedication to supporting children and young people facing disadvantage across the UK. Boots UK colleagues have worked tirelessly to positively impact the lives of children and young people, raising an incredible £14.5m along the way, a truly remarkable amount of money which has changed countless young lives.



Greggs

Greggs sold the amazing Pudsey and Blush buns and biscuits in store as well as selling BBC Children in Need merchandise. Alongside this, they supported our Duck Race by sharing across their channels and their brilliant colleagues raised further funds for us totalling £0.4m.



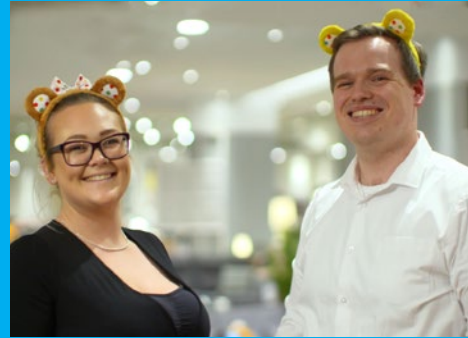
Costco

Our longest standing partner Costco – raised £0.1m through the sale of BBC Children in Need merchandise.



HSBC UK

New partner HSBC UK raised £1.1m through extensive customer and colleague engagement channels including digital fundraising, paid social activity and advertising. In addition their amazing colleagues across the branch network joined forces and took on personal challenges including – 9 marathons in 9 days and 100 mile cycle rides. Not only this but together HSBC UK and BBC Children in Need created educational online content with HSBC UK colleagues delivering workshops to young people supported by a BBC Children in Need funded project.



DFS

Despite DFS having to close for several months of the year, they still managed to raise an astonishing £0.6m. This was through their year round 'Give Me Five' customer fundraising competition and their incredible colleague fundraising activities. A highlight was their first ever virtual 'Big Night In' comedy night to raise funds with celebrity guests and challenges throughout the evening.



Welcome Break

On the back of a challenging year – long standing partners Welcome Break still heroically raised £0.1m through top up at till when their sites re-opened.



BBC PROGRAMMES

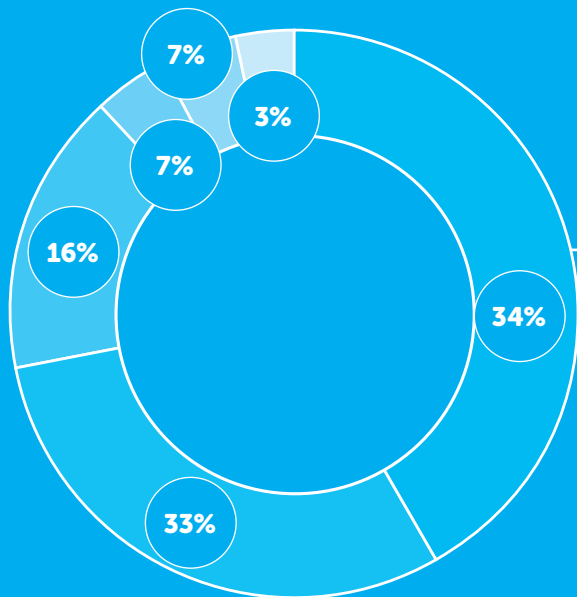
The 2020 appeal campaign across TV, Radio and online was severely impacted by the pandemic and resulted in adapting production, changing direction, and in some cases cancelling plans altogether. Despite this, a range of pan BBC content was delivered across Network TV, Radio, BBC Children's and across all the Nations & Regions culminating in the big Night of TV on BBC One to mark the 40th anniversary of BBC Children In Need.

This year's Appeal Show was shorter in length and 3 hours in duration, filmed with a virtual audience and introduced new presenters Chris Ramsay and Alex Scott alongside Stephen Mangan and Mel Giedroyc. The appeal films had a strong emphasis on the impact of Covid-19 and the difference BBC Children in Need makes to the hundreds of thousands of children and young people we support. These included the story

of Skylar whose mental health had been exacerbated by feelings of isolation and anxiety during lockdown; food poverty in Glasgow introduced by Marcus Rashford; and the poignant story of Eva, a young girl with a rare condition who tragically lost her fight for life over Christmas.

Children and Young People's voices were at the heart of the content with an increased emphasis on the local impact far and wide across the UK alongside entertainment, music performances and sketches.

Many of our broadcast partnerships exceeded all our income projections - contributing to approx. 51% of the overall total raised. £12.0m was raised through viewer donations during the show and £17.3m was raised through the range of BBC Programmes.



BBC Programmes & Events

34%	£5.9m	The One Show: Rickshaw Challenge
33%	£5.7m	Countryfile
16%	£2.8m	Radio 2
7%	£1.3m	DIY SOS
7%	£1.1m	BBC Other
3%	£0.4m	BBC Breakfast & Morning Live



BBC
RADIO

2

**THE
JOE
WICKS**

**24 HOUR PE
CHALLENGE**



BBC
Children
in Need



The One Show: Rickshaw Challenge

In its tenth year on The One Show, The Rickshaw Challenge proved to be the most challenging of productions given the pandemic risks and nature of the event. The entire event was meticulously planned to incorporate the changing scenario and ensure the young people selected were safe, secure and protected throughout. With strict Covid-19 protocols in place the event was initially moved to The Goodwood racetrack to minimise risk. However the entire challenge had to swiftly transition into a virtual one with all of the riders relocating to their homes to complete the challenge on exercise bikes. Despite the drastic change of plan and editorial challenges this posed, support for the Rickshaw Challenge remained as strong as ever with £5.9m raised – a record year for donations.

Radio Two

Radio Two built on the 2019 Rylan Karaokeathon with the hugely successful Joe Wicks 24 hour PE Challenge. Our Schools ambassador cemented his reputation as the nation's PE teacher during lockdown and underwent a gruelling 24 hours of fitness. This was all produced virtually from the enclosed BBC radio theatre with powerful story packages and guests joining him remotely from home to raise a phenomenal £2.6m.

Streamed on both the iPlayer and Red Button, the challenge proved to be a huge hit with audiences across all ages enhanced by partnering with YouTube for key segments. It brought new audiences to Radio 2 and iPlayer along the way.

In addition Radio 2 held 3 Superstar Text To Win packages, their annual BBC Children in Need Takeover Day showcasing projects as well as hosting Michael Ball's Ultimate VIP Party over Zoom to replace the traditional gala event at The Savoy – raising a grand total overall of £2.8m from the station.

Radio 2 also released the official single for Children In Need, 'Stop Crying Your Heart Out' featuring a diverse range of stellar artists in their cover of the Oasis classic. Artists included Cher, Lenny Kravitz, Kylie Minogue, Robbie Williams, Mel C, Bryan Adams, Anoushka Shankar and James Morrison, reaching the UK Top 10 with the video being premiered on the Appeal Show.

2020 was also a record breaking year for many of our regular shows. Countryfile has broken through the £5 million barrier with both the Rambles and sales of the calendar. DIYSOS achieved their highest ever total, doubling previous years by raising almost £1.3m for their BBC Children in Need Big Build which due to the pandemic was relocated from Nottingham to Wales with a powerful programme featuring the build of a state of the art eco-friendly surfing shack for the charity "Surfability". Bargain Hunt produced a special edition to mark our anniversary year looking back at previous editions and the story of Pudsey – bringing a tenfold increase in donations raising over £0.1m.



Documentaries on BBC 1 added to the spread of content across the broadcast campaign on TV. Life In Lockdown was a fast turnaround documentary telling impactful stories of the effect of the pandemic on young lives. A diverse range of voices told the stories of children living with disability, underlying health conditions, dealing with bereavement alongside the realities of poverty and facing an uncertain future.

40 Years of BBC Children in Need celebrated the last 40 years of the BBC Children in Need telethon, fronted by our Trustee Ade Adepitan and featuring an entertaining look back over the years and the difference made by the Charity. Continuing the entertainment theme, University Challenge fronted by Emily Maitlis saw celebrity teams from ITV take on the BBC in this one off broadcast on BBC Two. And BBC One also supported our efforts through Strictly It Takes Two with endboards and viewers dance challenges.

BBC Children's and Education once again supported BBC Children in Need with Blue Peter celebrating young fundraisers with their special on Appeal Day and presenting Joe Wicks with the ultimate accolade of a Gold Blue Peter badge on the appeal show. BBC Education also launched a co-production with BBC Children in Need and A Million & Me through their Super Mood Movers campaign, promoting emotional wellbeing for primary school children through song and dance with Pudsey.

New broadcast partners supported the 2020 campaign. BBC Breakfast, AutumnWatch and the new daytime series Morning Live all featured stories of BBC Children in Need-funded projects throughout Appeal Week, as well as Text To Donate packages bringing in additional income. Both Radio 1Xtra and BBC Asian Network produced special shows throughout Appeal Week showcasing the diversity of our funding, whilst Radio 1 produced Life Hacks, a 90 min CiN special and podcast.

BBC English Regions had to change plans for a public facing event due to lockdown restrictions. This was adapted into the Big Bubble Singalong launched by McFly and supported by the 39 local stations from across the country. 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 and Covid-19 challenges, all BBC Nations and Regions TV and radio stations delivered powerful and engaging appeal activity. Whilst much of the local fundraising needed to be scaled back, production teams across the UK supported the overall 'Together, We Can' messaging, across all broadcast outlets. Local radio teams collaborated once again to produce 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 Radio 4. Efforts from our local BBC partners helped raise more than £0.1m.

The Numbers

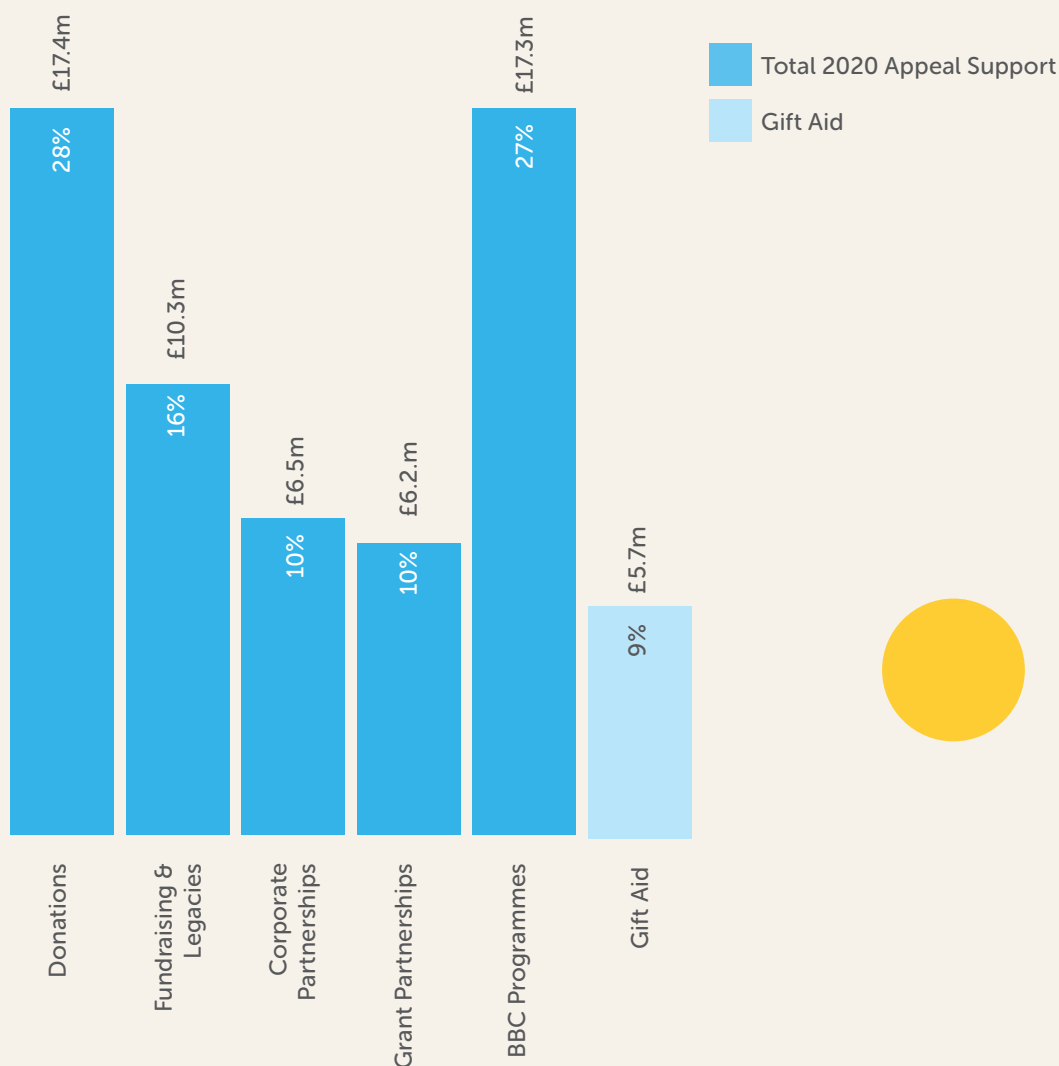
Thanks to the amazing support of our fundraisers, donors and corporate partners, we were able to announce a total fundraising figure of £37m on the night of the televised Appeal Show in November 2020. This represents a reduction of £10.8m on the previous year like-for-like, due mainly to the limitations imposed by Covid-19 on our Corporate Partners and the uncertainty around fundraising activities.

However there was considerable support that followed after the show and a further £26.4m 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 closed the year with a fundraising total of £63.4m (2020: £83.9m but excluding income from The Big Night In Appeal £57.3m, 7% up). This is higher than our headline figure of £57m as it includes other sources of income, as explained below.

Income from donations and charitable activities	Nov 2020 Appeal Income £'000	2020/21 Follow On £'000	2020/21 FINAL Income £'000	Nov 2019 Appeal Income £'000	2019/20 Follow On £'000	2020 TBNI Income £'000	2019/20 FINAL Income £'000
Other Fundraising	13,068	10,481	23,549	17,612	2,027	9,869	29,508
Schools Fundraising	2,000	2,122	4,122	5,250	-	-	5,250
Direct Public Support	15,068	12,603	27,671	22,862	2,027	9,869	34,758
High Value Donors & Partnerships	8,198	4,553	12,751	13,076	1,926	15,298	30,300
BBC Programmes and Events	13,767	3,499	17,226	11,948	1,856	-	13,804
Gift Aid	-	5,756	5,756	-	3,651	1,391	5,042
Total Fundraising Income	37,033	26,411	63,444	47,886	9,460	26,558	83,904

The income of £63.4m as shown on the Charity's Statement of Financial Activities includes gift aid of £5.8m earned on the above donations to reflect the total income generated from our supporters. £56.7m of the reported income will be used to fund projects which create positive impact and associated costs. Total income from donations and charitable activities as per the Consolidated Statement of Financial Activities is £63,917k (2020: £84,275k). This is higher than the Charity's fundraising income shown as only profits not all income is gifted to the Charity from the sale of products. See note 2 on page 68 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.

We are constantly learning from our grantees across a broad range of projects, supporting children and young people with a broad range of needs. We seek to understand the outcomes they are achieving and the way in which they're achieving them, so that over time we can maximise the impact on children and young people of the work that we fund. This year we have updated our reporting framework, to ensure that we are accurately reflecting the work that we are funding.

We use our insight to inform future funding decisions via our national and regional grantmaking 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. Local teams are able to use a 'need mapping tool' and access our repository of insight into challenges and interventions in children's lives to inform areas of interest with their geographic regions.

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:

- Our third and final year of integrated learning and evaluation across 'A Million and Me' - our mental health and wellbeing programme. There is greater emphasis on understanding the interconnections of support to improve emotional wellbeing for 8 to 13 year olds and evaluating our impact.
- Continuing to evaluate the expanded work with the Premier League across over 40 football clubs around reducing youth violence in local communities.
- Continued evaluation of our 'Curiosity' programme – evaluating how informal science learning can create 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.

This year has also seen the completion of a thematic review into the needs of young people and the role of community-based youth workers in supporting them. The youth review

involved young people and youth workers from our projects steering the research questions and final recommendations. We have learned a lot about the ways we can better fund and support the youth sector and will be implementing many of the recommendations and sharing our learning with our partners and other funders.

Last year we issued a report into the implications of the pandemic for children and young people and the projects that support them. Since that time we have continued to monitor the need landscape to ensure that we fully understand and reflect the emerging challenges in our work, from a funding as well as a storytelling perspective.

Alongside our Impact work, Insight is a critical input to our fundraising activity.

The pandemic has also impacted our supporters and the way they engaged with us through lockdown, and so we have been equally mindful of the need to understand how public attitudes and behaviours have changed. We were strongly focussed on audience and supporter response through our 2020 Appeal, learning directly from audiences on the night, as well as via online surveys in the week following the appeal show. All of this has enabled us to understand the impact of the pandemic on supporter behaviour and inform our future appeal and fundraising efforts.

Future planning has also been enhanced through developments in our Customer Relationship Management (CRM) capability, via the launch of a new system which is enabling us to develop and manage relationships with the full range of our valued supporters more effectively. This has further improved our ability to track income and analyse the performance of our fundraising activity.

Understanding the evolving landscape, and bringing the voices of children and young people and of our supporters into our approach will continue to be a key focus of our Insight efforts as we shape our 2021 Appeal alongside the development of our long-term charitable ambition and supporting strategies.





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 another extraordinary year in this respect – the continued impact of Covid-19 has meant further operational and strategic challenges for the charity. The circumstances in the UK for the year to June 2021 have continued to test the foundations and adaptability of the charity. It has been another difficult period but one in which the charity has been able to adapt, learn and continue to make progress for the benefit of children and young people across the UK who have needed our support more than ever.

Our People Strategy has continued on its journey to develop, support and retain talent, to enable us to focus on doing the great things we do to change the lives of children. However, it has become increasingly apparent over the last year that the pandemic has taken its toll on our staff team.

Alongside most organisations in the UK, a number of our staff team have experienced direct health implications of the Covid-19 virus. On top of this, the wider 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. There is another theme emerging for the team, reflecting working within a charity that is striving to help children and young people really need our help right now, due to the significant generational implications of the pandemic. This exposure to the issues facing the UK's children and young people is what drives us on, but can take a toll on staff wellbeing.

Therefore, the work we had already done as a charity to focus on wellbeing and the importance of looking after ourselves as individuals and teams continues to be tested, and we remain focused on ensuring our colleagues are supported. We have benefited from feedback from employee engagement surveys, which has 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. We have tried to focus on priorities and have also put in temporary measures to mitigate short-term gaps in capacity due to sickness or burn-out.

We have spent the majority of the last twelve months continuing to work from home. We have been granted access to BBC offices where required but on an exceptions basis. As measures are now easing, we are in the process of planning for future “hybrid working” where the team will spend some of their working week in the office and some time at home. We continue to focus on Business Continuity in relation to the pandemic, especially when planning for significant events such as CarFest and the mass fundraising events during the autumn appeal period.

One of the key implications of the pandemic that continued to impact the majority of this financial year was a worsening of the UK and global economy due to ongoing lockdowns. This had the potential to impact the charity's financial stability in a variety of ways, including volatility in the value of, and return from, our investments. At the same time we had to remain mindful of cashflow and availability of liquid funds. We continued to draw on the expertise and support of our

Investment Committee, investment advisers and fund managers through this period to reduce such risks to the charity. We continue to monitor the situation closely and are in the process of further updating our investment principles.

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.

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 the last eighteen 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. During the year to June 2021, an average of 98% of donations went into grantmaking activity with 2p in every pound donated funding costs not attributable to grantmaking.

We have reflected on further learning from the financial shocks of the pandemic and have implemented extra measures to protect the charity's future and therefore the future of our beneficiaries. The Charity holds reserves to ensure we have sufficient funds to flex with seasonal income generation, respond to unexpected factors affecting children and young people across the UK and continue operations in periods of uncertainty when external and internal factors influence the range of income outcomes. A key development in the year is an update to this reserves policy, which Trustees agreed in April 2021. Our intention in this update was

- to take on board learning from the pandemic and increase the minimum level of reserves to be held as a contingency by £1.5m;
- to adapt to the long-term reduction in retained grant reserves;
- to illustrate the pattern of reserves throughout the CiN cycle and to reflect this appropriately in our reserves policy.

In making this change we have considered the risk of any uncertainty over future income or the risk of unexpected calls on the charity's funds balanced against the onus to use donors' money to help CYP who need support today. The new reserves policy is explained in more detail on page 52.

These measures have strengthened our financial adaptability which has continued to be 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

Amidst the disruption caused by the Covid-19 pandemic over the year, the Charity has been able to re-examine the way in which we operate as an organisation, and by extension, our environmental impact. With almost all staff working exclusively at home from March 2020, far more was achieved than might have been thought possible. Whilst working from home, colleagues have delivered not just one but two Appeals to support children and young people (one of which took place towards the beginning of the pandemic in the previous financial year) with a range of activities, meetings and relationships all managed remotely. During this financial year, the Charity therefore significantly reduced travel and consequent environmental impact (also saving £0.2m) and we will be applying what we've learned from the past year to our plans for future ways of working.

Whilst Covid-19 has brought about some inadvertent but significant travel and cost savings, the Charity has been actively striving to make other changes in addition to this. As part of the BBC we're committed to the BBC's Net Zero 2030 target – this will form a core component of our business planning from 2021. Each directorate has been asked to include objectives relating to sustainability in Business Plans for 2021-2022. Our Legal team have joined 'Lawyers for Net Zero', and the Impact directorate is exploring our ability to sign up to the Funder's Commitment on Climate Change. We have taken steps to improve on the recyclability and sourcing of our merchandising range. We've also started to look into our Investment strategy to ensure fit for a post-carbon future.

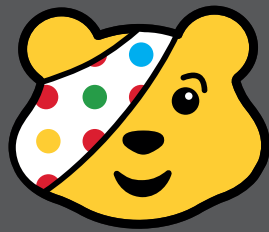
With regard to our range of merchandise in 2020/21, whilst trying to minimise single use plastics we have tried wherever possible to use plastics that have a high post-consumer recycled content and are widely recycled from the curb side making them part of the circular economy. Additionally, our plush, wristbands and lanyards are produced from recycled fabrics. We understand that like us, our supporters care for the planet, and want to be able to pledge their support for the Charity in a positive, sustainable way, so we restrict the use of virgin materials in the development of our Pudsey products. We recognise that, in our desire to help improve the lives of children and young people across the UK, securing a future for the planet is a key part of this. We take responsibility for our actions and what we produce, doing our best to ensure our products are not wasteful and do not harm the environment. We are committed to improving this even further over the months and years to come, continuing to buy locally within the UK to support local businesses, and choosing options for transporting goods from overseas that have the lowest carbon footprint.

We have followed the Government guidance on how to measure and report greenhouse gas emissions. The BBC, which reports 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 2020 to March 2021. Electricity consumption is measured at 252,967kwh (2020: 370,151 kwh) and gas at 123,678kwh (2020: 117,748) which equates to the following emissions:

Greenhouse gas emissions 2020/21	Gross emissions
----------------------------------	-----------------

Greenhouse gas emissions (tonnes/CO2e emissions)	76.4 reduced by 34% in year
Emissions per FTE	0.57

Gas consumption increased in the year because in order to ensure our key workers safe BBC buildings continued to be heated to improve air circulation during the Covid-19 pandemic. 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 = 28.8 and therefore 0.2 tonnes/CO2e emissions per FTE.



2021

FINANCIAL
REVIEW



FINANCIAL REVIEW

The accounts for the year ended 30 June 2021 cover:

- income from the BBC Children in Need Appeal 2020, which was live across Autumn 2020;
- other income received year-round from 1 July 2020 to 30 June 2021; including income from funding partners and follow-on income post the appeal; and
- grants awarded to projects and funding programmes in the period 1 July 2020 to 30 June 2021.

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 £63.4m (2020: £57.3m) including donation income £48.2m (2020: £48.6m), gift aid of £5.8m (2020: £5.0m), legacy income £2.7m (2020: £2.1m), partnership funding £6.3m (2020: £0.9m) and gross income from Children in Need Limited of £0.4m (2020: £0.7m). This represents an increase in the Charity's normal activity of £6.1m on the prior year excluding £26.6m raised from the one off event 'The Big Night In' (TBNi). See note 2 (pg68) to the accounts.

The grant awards of £49.8m (2020: £48.8m) after returns net to £49.2m (2020: £47.9m) and relate to the spending of income generated from the November Appeal (£26.4m) and awards made from TBNi income in response to the Covid-19 pandemic (£22.7m).

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 grantmaker, we incur direct costs. Total direct costs incurred in the year were £10.4m (£10.9m reported as £4.8m on raising funds, £4.7m on grantmaking, policy and impact, £0.3m on governance and gift in kind* of £0.6m) Total costs represent 15% of our total income (2020: 12%) (20% of our total grantmaking (2020: 21%)). Grantmaking costs are 10% (2020: 11%) of grants awarded, other costs are 8% (2020: 7%) 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 2021, Children in Need Limited made a profit of £0.3m (2020: £0.4m).

Our corporate partners that raise funds for the charity by selling Pudsey branded product pay a fee for use of the brand which is accounted for in the Limited Company. The Children in Need Limited profit is paid in full to the Charity under Gift Aid provisions.

Investments

Funds committed for grantmaking but not required for expenditure in the short term are invested. Investment income for the year (including revaluation losses) was £2.3m (2020: £0.5m), representing a return of 1.7% (2020: 0.6%) on the average investment balance. This return is within the Charity's internal 1.5% - 2.5% target as the economic performance improved following the impact of the Covid-19 pandemic. 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 equities directly or through fund managers and social, environmental and ethical considerations are taken into account when making investment decisions.

Funds

At 30 June 2021 the Group (which consists of BBC Children in Need (the Charity) and Children in Need Limited (the trading company)) had total closing funds of £50.1m (2020: £42.8m) representing an increase of £7.3m on the prior year position. The primary reasons for this build in reserves are investment performance which has built general continuity reserves and the shift in our grantmaking calendar which has temporarily built impact reserves. These impact reserves will be awarded in the coming months in line with the revised reserves policy to deliver impact for children and young people where most needed.

Funds £'000	Opening fund 1 Jul 20	Donations	Funding	Legacies	Gift Aid	Product	Investments	Total Income	Grants awarded in year (net of adjustments)	Costs of grantmaking, policy, impact & grantee training	Cost of raising funds and governance	Closing fund 30 June 21
Public Covid	17,923	-	-	-	310	-	-	310	(16,532)	(1,691)	(10)	-
DCMS	4,146	-	2,500	-	-	-	-	2,500	(6,185)	(461)	-	-
YFF	-	-	3,500	-	-	-	-	3,500	(3,220)	(280)	-	-
THF	3,000	-	-	-	-	-	-	-	-	-	-	3,000
Other partnerships	87	2,578	269	-	-	-	-	2,847	(2,423)	(242)	-	269
Restricted Impact Fund	25,156	2,578	6,269	-	310	-	-	9,157	(28,360)	(2,674)	(10)	3,269
Unrestricted Impact continuity Fund	10,208	44,685	-	2,689	-	178	-	47,552	(20,792)	(1,988)	-	34,980
General continuity fund	3,295	965	-	55	5,446	269	1,203	7,938	-	-	(4,602)	6,631
Investment continuity fund	4,066	-	-	-	-	-	934	934	-	-	-	5,000
Development fund	100	-	-	-	-	-	150	150	-	-	-	250
Total unrestricted funds	17,669	45,650	-	2,744	5,446	447	2,287	56,574	(20,792)	(1,988)	(4,602)	46,861
Total funds	42,825	48,228	6,269	2,744	5,756	447	2,287	65,731	(49,152)	(4,662)	(4,612)	50,130

The £65.7m of total income received in the year includes income from donations and other charitable activities of £63.4m plus net investment income of £2.3m. Of this £57.1m (the known figure at the time excluding gift aid, investment income and licence fees) was publicly announced in July 2021 and used to fund projects that make a positive impact and the associated costs. The equivalent figure reported in these statements is now £57.4m.

In the year £49.2m (net of returns) has been spent on grantmaking activity and a further £38.2m is held in reserve and available for grantmaking in advance of generating new income in the autumn 2021 appeal (restricted £3.3m, unrestricted £35.0m).

Restricted Fund - £3.3m

There has been a significant reduction in the restricted fund during the year, as significant support related to Covid-19 has been awarded in the year. The closing fund represented donations received from the Hunter Foundation (THF) which will be used to create positive impact for children deemed to be on the edge of the care system, continuing our support for the existing project. In addition, the Wellcome Trust have granted the Charity additional funds of £0.3m to support our Curiosity Programme.

Income of £2.6m (from Asda to support the Emergency Essential Programme and Boots to support Mental Health Issues) has also been received in the year but fully spent.

Unrestricted Fund - £46.8m

At 30 June 2021 the Charity held designated grant funds representing donation income received and to be awarded to projects in future grantmaking activity of £35.0m (2020: £10.2m). 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 significant increase in the funds held is mainly due to timing of grant rounds and 40% of funds held have been awarded in the first two months of the 2021/22 financial year.

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 2p/£ of unrestricted donation income of £965k and legacy income of £55k, together with £5,446k of unrestricted gift aid, license fee £269k and investment returns £2,287k has been used to cover costs and uncertainty of future income.

See the Charity's principal accounting policies on page 65 which explains the structure of reserves and also note 16 on page 77 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, and this was tested over the financial year during the Covid-19 pandemic. 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. We continue 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. 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 grantmaking programmes and the subsequent funding decisions we take.

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 delivered 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 maintain robust fundraising policies, 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 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. In addition, in the year we updated our donor privacy policy.

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. Some of these income streams such as Gift Aid conversion and investment income are driven primarily by factors outside of the Charity's control so we manage the risk of an unexpected drop by retaining sufficient funds in reserve, assuming a prudent view of the anticipated income and using up to 5p/£ to finance our costs not attributable to grantmaking.

The Investment Continuity Fund and the General Continuity Fund are in place to cover any volatility and risk of an unexpected drop in income.

The Reserve Policy for the Charity sets out the long-term target for the Charity's continuity as shown in the table below. In the year, we have increased the minimum level of unrestricted reserves to be held by the Charity by £1.5m (£11.25m to £12.75m) to ensure we have sufficient funds to flex with seasonal income generation, respond to unexpected factors affecting children and young people across the UK and continue operations in periods of uncertainty when external and internal factors influence the range of income outcomes. In addition, due to a change in the timing of grant rounds and a desire to fund pre appeal planned activity, reserves will be held at year end and utilised until new income is received in the Autumn. In effect, the purpose of the reserve is now twofold - a contingency and to fund anticipated activity.

The Impact continuity fund therefore holds funds that will be allocated before new income is generated from our next Appeal in November 2021. It is envisaged that the General continuity fund will drop back in line with forthcoming commitments in the future. The Investment Continuity Fund is in place to manage any future impact on investment returns.

Continuity funds £'000	Contingency Target 30 Jun 21	Forthcoming Commitments 30 Jun 21	Closing 30 Jun 21
Impact continuity fund	5,000	29,980	34,980
General continuity fund	2,500	4,131	6,631
Investment continuity fund	5,000	0	5,000
Development fund	250	0	250
Total	12,750	34,111	46,861

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 with input from our legal team, 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 have continued to monitor the impact of the pandemic on the Charity itself and its likely future financial position. They are satisfied that the assets are in excess of the liabilities at both the balance sheet date and at the date of approval of the financial statements. The Trustees are also satisfied that the liquidity of the portfolio is appropriate for the phasing of grant commitments over 1 to 3 years, and that the risk of market value changes in the Charity's investments can be managed appropriately. Having taken into account all available information about the future for the period of at least, but not limited to, 12 months from the date on which the accounts are approved the Trustees are satisfied that there are no material uncertainties about the Charity's ability to continue. The accounts are therefore prepared on a going concern basis.

FUTURE PLANS

BBC Children in Need has completed the cycle of the strategic plan agreed in 2016 and is introducing a new five year plan to run from July 2021.

This includes a refreshed charitable ambition:

Every child and young person deserves the opportunity to thrive and be the best they can be.

At BBC Children in Need, we act where the need is greatest.

Our ambition is to create positive and lasting change across the UK for the children and young people who need us most.

Together with the BBC and our partners, we aim to inspire the nation and unite communities to support us in our work.

To bring this new charitable ambition to life, the charity will focus on five key principles

- PARTNERSHIP - Maximising the collective difference we can make, through working with others and funding the smallest of local charities through to national networks
- LEADERSHIP - Using our platform and storytelling, our convening power and partnerships, to highlight and address the key challenges faced by children and young people
- INVOLVEMENT - Engaging children and young people as active participants in our work, acting on their input and amplifying their voices
- INCLUSION - Making equity and inclusion fundamental to our work and recognising the potential in all children and young people - helping them to feel safe, happy and secure so they're able to thrive
- INSIGHT - Using insight, evidence and learning across the charity to understand the aspirations, barriers and challenges faced by children and young people

Initial work commencing in July 2021 will help take this important strategic development forward.

We will begin to bring our revised charitable ambition to life and align our strategies and activities behind it, working alongside the BBC. In addition,

1. Implement a new grantmaking strategy, which delivers effective and equitable funding programmes and partnerships that support and champion Children and Young People (CYP) to thrive and be the best they can be
2. Transform the way we engage with audiences and supporters by implementing a modern contemporary income and content strategy, embracing digital opportunities
3. Taking tangible and measurable actions to improve diversity, equity and inclusion as a leading charity, as an employer, a funder, a fundraiser and storyteller

To support this:

4. Learning from the last year to think about future ways of working, evolving day to day systems and processes and strengthening our culture to ensure that we are a resilient, effective organisation set up for future success

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 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.

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

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

Governance Arrangements

As a registered charity and company limited by guarantee BBC Children in Need is governed by company and charity law and by The Statement of Recommended Practice, 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. grantmaking). 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

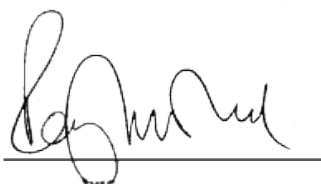
The Trustees are responsible for the Charity's management of risk. During the year the Trustees actively monitored and discussed risk. This process included:

- 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.

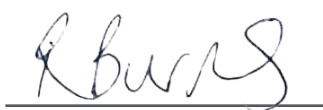
A statement of Trustees' responsibilities in respect of the Trustees' Annual Report and Accounts is given on page 57.

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 12 October 2021 by:



Rosie Millard
Chair



Rhona Burns
Treasurer

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees and Advisors

Chair

Rosie Millard

Vice Chair

Robert Shennan³ BBC Representative

Other Trustees

Matthew Baker

Joanna Berry^{2 3}

Luke Mayhew (resigned 30 Sep 2021)

Gillian Sheldon^{1 4} (resigned 30 Sep 2021)

Kenny Imafidon²

Trevor Bradley^{1 4}

Kieran Clifton²

Rhona Burns^{1 4}

Jonathan Munro

Ade Adepitan (joined 17 Sep 2020)

Suzanne Lamb (joined 7 Dec 2020)

James Fairclough (joined 1 October 2021)

Company Secretary

Tony Okotie (appointed 11 Dec 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
Fozia Irfan	Director of Children & Young People

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

Opinion

We have audited the accounts of BBC Children in Need ('the parent charitable company') and its subsidiaries (the 'group') for the year ended 30 June 2021 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 group's and of the parent charitable company's affairs as at 30 June 2021 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; and
- 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. We are independent of the group and the 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

In auditing the accounts, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charitable company's ability to continue as a going concern for a period of at least, but not limited to, 12 months from the date on which the accounts are approved by the trustees.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report. However, because not all future events

or conditions can be predicted, this statement is not a guarantee as to the group's and parent charitable company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report set out on pages 6 to 57, 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.

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 course of 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 themselves. 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 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 the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report included within the trustees' report.

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

- adequate 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 57, 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 the 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 the directors either intend to liquidate the group or the parent charitable company or to cease operations, or have 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 laws and 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) 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

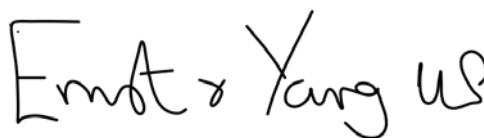
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and the parent charitable company and determined that the most significant are those in relation to FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Companies Act 2006 and the following legislation applicable to charities for both England and Wales, and Scotland:
 - The Charities Act 2011, 2006 & 1992, 2016
 - The Charities and Trustee Investment (Scotland) Act 2005
 - The Charities (Accounts and Reports) Regulations 2008
 - The Charities Accounts (Scotland) Regulations 2006 and The Charities Accounts (Scotland) Amendment Regulations 2010
- We understood how BBC Children in Need is complying with those frameworks by performing inquiry of management and of those charged with governance over the policies in place to ensure compliance and any instances of non-compliance identified. We corroborated our enquiries by reviewing supporting documentation, including board minutes.
- We assessed the susceptibility of the group's and parent charitable company's accounts to material misstatement, including how fraud might occur by performing inquiry of management about the risks of fraud and the controls in place to address these risks.
- We identified risks in relation to corporate income being recognised in advance of contractual terms and/or restrictions on the use of such income not being appropriately recognised. These risks were considered to apply to pre-existing and new agreements. We selected a sample of corporate income transactions applying a lower threshold and testing to ensure that income had been recognised and classified correctly by reference to underlying agreements.

- We also identified risks in relation to grants being recognised prior to the charity's approval policy process being completed and/or not in accordance with the accounting requirements of the SORP. In addition we recognised a risk that grant payments may have been made prior to the year end in advance of approval processes including approved payment dates. In response to these risks we tested controls on the approval and payment of grants in the period and confirmed, for those selected, that controls and procedures had been completed before the recognition and payment of grants awarded. Additionally, we tested individual transactions to a lower threshold back to source documentation, including grant approval and, where relevant, payment documentation.
- We considered there to be a risk of management override including through the recording of manual journals posted to revenue prior to the year end. In response to the risks identified, we incorporated data analytics into our audit approach to assist in our targeted review of journals. Our procedures involved testing journal entries identified by specific risk criteria, including manual journals to record revenue close to the period end. We tested specific transactions back to source documentation.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included reviewing correspondence with the charity's regulators and reviewing the accounts to gain assurance regarding their compliance with relevant laws and regulations.

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

13 October 2021

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.

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 JUNE 2021

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

	Notes	Year to 30 June 2021			Year to 30 June 2020		
		Unrestricted fund £'000	Restricted fund £'000	Total funds £'000	Unrestricted fund £'000	Restricted fund £'000	Total funds £'000
INCOME AND ENDOWMENTS FROM:							
Donations and legacies							
Donations	2	45,651	2,887	48,538	43,779	6,247	50,026
Income from joint operation		-	-	-	-	26,558	26,558
Gift aid on donations		5,446	-	5,446	3,651	-	3,651
Legacies	2	2,744	-	2,744	2,067	-	2,067
Charitable activities							
Product income	9	920	-	920	1,069	-	1,069
Partnership funding	2	-	6,269	6,269	-	904	904
Total Income from donations and charitable activities		54,761	9,156	63,917	50,566	33,709	84,275
Investments	11	1,004	-	1,004	895	-	895
Other		-	-	-	-	-	-
Gifts in kind	3	649	-	649	615	-	615
TOTAL INCOME & ENDOWMENTS		56,414	9,156	65,570	52,076	33,709	85,785
EXPENDITURE ON:							
Raising Funds							
Cost of generating voluntary income	7	4,289	-	4,289	4,619	-	4,619
Cost of joint operation	7	-	10	10	-	86	86
Investment management fees	7	140	-	140	155	-	155
Trading operating costs	9	657	-	657	611	-	611
		5,086	10	5,096	5,385	86	5,471
Charitable Activities							
England		13,745	19,964	33,709	26,923	4,816	31,739
Scotland		1,920	2,195	4,115	2,930	1,226	4,156
Wales		1,014	1,283	2,297	2,138	428	2,566
Northern Ireland		1,101	1,351	2,452	2,044	244	2,288
UK wide grants		3,711	3,567	7,278	6,898	1,177	8,075
Grants awarded in the year	4	21,491	28,360	49,851	40,933	7,891	48,824
Adjustments to grants given	6	(699)	-	(699)	(908)	-	(908)
Training and support for grantees	5	16	-	16	32	-	32
Grantmaking, policy and impact	7	2,350	2,674	5,024	4,653	576	5,229
Governance	7	260	-	260	242	-	242
		23,418	31,034	54,452	44,952	8,467	53,419
TOTAL EXPENDITURE		28,504	31,044	59,548	50,337	8,553	58,890
Net (losses) / gains on investments	11	1,283	-	1,283	(384)	-	(384)
Net income / (expenditure) for the year		29,193	(21,888)	7,305	1,355	25,156	26,511
Transfers between Funds	2	-	-	-	-	-	-
Net Movement in Funds		29,193	(21,888)	7,305	1,355	25,156	26,511
RECONCILIATION OF FUNDS							
Total funds brought forward 1 July 2020		17,669	25,156	42,825	16,314	-	16,314
Total funds carried forward 30 June 2021		46,862	3,268	50,130	17,669	25,156	42,825

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 2021

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

	Notes	Year to 30 June 2021			Year to 30 June 2020		
		Unrestricted fund £'000	Restricted fund £'000	Total funds £'000	Unrestricted fund £'000	Restricted fund £'000	Total funds £'000
INCOME AND ENDOWMENTS FROM:							
Donations and legacies							
Donations	2	45,651	2,887	48,538	43,779	6,247	50,026
Income from joint operation		-	-	-	-	26,558	26,558
Gift aid on donations		5,446	-	5,446	3,651	-	3,651
Legacies	2	2,744	-	2,744	2,067	-	2,067
Charitable activities							
Gift aid payment from Children in Need Limited	9	447	-	447	698	-	698
Partnership funding	2	-	6,269	6,269	-	904	904
Total income from donations and charitable activities		54,288	9,156	63,444	50,195	33,709	83,904
Investments	11	1,004	-	1,004	895	-	895
Other		-	-	-	-	-	-
Gifts in kind	3	649	-	649	615	-	615
TOTAL INCOME & ENDOWMENTS		55,941	9,156	65,097	51,705	33,709	85,414
EXPENDITURE ON:							
Raising Funds							
Cost of generating voluntary income	7	4,289	-	4,289	4,619	-	4,619
Cost of joint operation	7	-	10	10	-	86	86
Investment management fees	7	140	-	140	155	-	155
Children in Need Limited Cost Recovery	9	184	-	184	239	-	239
		4,613	10	4,623	5,013	86	5,099
Charitable Activities							
England		13,745	19,964	33,709	26,923	4,816	31,739
Scotland		1,920	2,195	4,115	2,930	1,226	4,156
Wales		1,014	1,283	2,297	2,138	428	2,566
Northern Ireland		1,101	1,351	2,452	2,044	244	2,288
UK wide grants		3,711	3,567	7,278	6,898	1,177	8,075
Grants awarded in the year	4	21,491	28,360	49,851	40,933	7,891	48,824
Adjustments to grants given	6	(699)	-	(699)	(908)	-	(908)
Training and support for grantees	5	16	-	16	32	-	32
Grantmaking, policy and impact	7	2,350	2,674	5,024	4,653	576	5,229
Governance	7	260	-	260	242	-	242
		23,418	31,034	54,452	44,952	8,467	53,419
TOTAL EXPENDITURE		28,031	31,044	59,075	49,965	8,553	58,518
Net (losses)/gains on investments	11	1,283	-	1,283	(384)	-	(384)
Net income/(expenditure) for the year		29,193	(21,888)	7,305	1,356	25,156	26,512
Transfers between Funds	2	-	-	-	-	-	-
Net Movement in Funds		29,193	(21,888)	7,305	1,356	25,156	26,512
RECONCILIATION OF FUNDS							
Total funds brought forward 1 July 2020		17,655	25,156	42,811	16,299	-	16,299
Total funds carried forward 30 June 2021		46,848	3,268	50,116	17,655	25,156	42,811

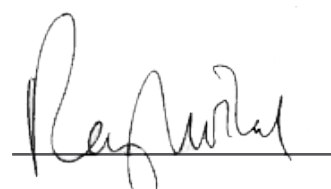
The Charity has no recognised gains or losses for the above two financial periods other than the net movement in funds shown above, all of which are derived from continuing operations.

CONSOLIDATED AND CHARITY BALANCE SHEETS

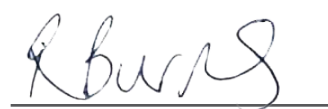
AS AT 30 JUNE 2021

	Notes	Group 30 June 2021 £'000	Group 30 June 2020 £'000	Charity 30 June 2021 £'000	Charity 30 June 2020 £'000
FIXED ASSETS					
Tangible assets	10	97	123	97	122
Investment in subsidiary	9	-	-	-	-
Investments	11	28,893	24,240	28,893	24,240
		28,990	24,363	28,990	24,362
CURRENT ASSETS					
Investments	11	59,166	65,462	59,166	65,462
Stock		191	107	-	-
Debtors (including amounts due after more than one year)	12	10,563	26,421	10,834	26,658
Cash and cash equivalents		8,081	12,372	7,960	12,201
		78,001	104,362	77,960	104,321
Creditors: amounts falling due within one year	13	(43,015)	(58,745)	(42,988)	(58,717)
NET CURRENT ASSETS		34,986	45,617	34,972	45,604
TOTAL ASSETS LESS CURRENT LIABILITIES		63,976	69,980	63,962	69,966
Creditors: amounts falling due after more than one year	13	(13,846)	(27,155)	(13,846)	(27,155)
NET ASSETS		50,130	42,825	50,116	42,811
RESERVES					
Unrestricted funds	16	46,862	17,669	46,848	17,655
Restricted Grant Funds	16	3,268	25,156	3,268	25,156
Total Designated Funds		50,130	42,825	50,116	42,811
TOTAL RESERVES		50,130	42,825	50,116	42,811

The accounts on pages 61 to 80 were approved by the Trustees on 12 October 2021 and signed on their behalf by:



Rosie Millard
Chair



Rhona Burns
Treasurer

CONSOLIDATED CASH FLOW STATEMENT

FOR YEAR ENDED 30 JUNE 2021

	Schedule	Year to 30 June 2021 £'000	Year to 30 June 2020 £'000
Cash flow from operating activities:			
Net cash provided by operating activities	A	(8,180)	(12,501)
Cash flow from investing activities:			
Interest from investments		1,004	895
Purchase of equipment		(48)	(154)
Purchase of investments		(588,443)	(49,680)
Proceeds from sale of investments		591,377	72,364
Net cash used in investing activities		3,890	23,425
Change in cash and cash equivalents in the reporting period		(4,290)	10,924
Cash and cash equivalents at the start of the reporting period		12,371	1,447
Cash and cash equivalents at the end of the reporting period		8,081	12,371

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

	Year to 30 June 2021 £'000	Year to 30 June 2020 £'000
Net income for the year	7,305	26,511
Depreciation charges	73	124
Investment income	(1,004)	(895)
Loss / (gain) on investments	(1,283)	384
(Increase) in stock	(90)	(6)
(Increase) / decrease in debtors	15,860	(18,033)
(Decrease in creditors)	(29,041)	(20,586)
Net cash inflow provided by operating activities	(8,180)	(12,501)

B. Analysis of cash and cash equivalents

	At 30 June 2020 £'000	Cash Flows £'000	At 30 June 2021 £'000
Cash at bank	12,371	(4,290)	8,081
Money market deposits	-	-	-
Total cash and cash equivalents	12,371	(4,290)	8,081

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2021

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 57 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 12 October 2021 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.

The Charity funds the costs of generating income and governance from Gift Aid, interest earned on Investments and with effect from the 19/20 financial year, 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).

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 grantmaking is supported, processed and governed responsibly. This includes costs of staff who support the grantmaking 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 2021, 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 2021, 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 2021 (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 grantmaking activity, grantmaking 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 2021, 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 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 £48,228k (2020: £75,193k) 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 £63,444k (2020: £83,904k). Total income per the Charity Statement of Financial Activities is £65,097k (2020: £84,414k).

	Unrestricted funds				Restricted funds		Total 2021 £000	Total 2020 £000
	Direct public support £000	High value donors & partnerships £000	BBC programmes £000	Other £000	Direct public support £000	High value donors & partnerships £000		
Schools	4,122	-	-	-	-	-	4,122	5,061
Public fundraising	3,264	-	-	-	-	-	3,264	3,936
Donations	17,363	3,635	17,266	-	-	2,578	40,842	66,196
TOTAL DONATIONS	24,749	3,635	17,266	-	-	2,578	48,228	75,193
Partnership funding	-	-	-	-	-	6,269	6,269	904
Legacies	2,744	-	-	-	-	-	2,744	2,067
Product income	178	269	-	-	-	-	447	698
Gift aid on donations	5,446	-	-	-	310	-	5,756	5,042
TOTAL INCOME FROM CHARITABLE ACTIVITIES	33,117	3,904	17,266	-	310	8,847	63,444	83,904
Return on investments				1,004			1,004	895
Gift in Kind				649			649	615
RECONCILIATION TO CHARITY SOFA							65,097	85,414
Less Gift in Kind				(649)			(649)	(615)
Less (losses) / plus gains on investments				1,283			1,283	(384)
TOTAL INCOME				56,574		9,157	65,731	84,415

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

USED TO COVER					
Grant Awards		(20,792)	(28,360)	(49,152)	(47,916)
Costs of grantmaking		(1,988)	(2,674)	(4,662)	(4,904)
Costs of Generating Income and Governance		(4,602)	(10)	(4,612)	(5,084)
Movement in reserves		(29,192)	21,887	(7,305)	(26,511)
		(56,574)	(9,157)	(65,731)	(84,415)

Income from donations of £48,228k plus gift aid from The Big Night In follow on donations of £310k reconciles to the donation income reported on the face of the SOFA.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2021 (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.

The costs of support through the provision of office space and other services for the last financial year have been calculated as £649k (2020 - £615k) based on actual office space utilised by BBC Children in Need during the year. This amount has been recorded as income, with an equal amount included in expenditure, in the statement of financial activities as it meets the recognition criteria set out in the Charities SORP second edition (FRS 102) issued by the Charities Commission in October 2019.

	Group 2021 £'000	Group 2020 £'000
Provision of office space	649	615
	649	615

Please refer to note 1 on page 65 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	2021 £'000	Qty	2020 £'000
£1 - £1,000	1	1	6	6
£1,001 - £5,000	26	102	976	3,062
£5,001 - £10,000	712	6,792	1,162	10,971
£10,001 - £25,000	175	3,026	60	1,160
£25,001 - £100,000	478	30,803	221	14,005
Over £100,000	37	9,127	111	19,620
	1,429	49,851	2,536	48,824

In the year ended June 2021 £49,851k before returns (2020: £48,824k) was awarded to projects and programmes.

Of this amount direct responsive funding totalled £42,617k (2020: £40,794k), £3,000k (2020: £4,135k) was awarded to our Emergency Essentials programme and £4,234k (2020: £3,940k) across other partnership programmes.

For further details on the purpose and policy grantmaking 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 2021 amounted to a value of £16k (2020: £32k).

6 ADJUSTMENTS TO GRANTS GIVEN

An amount of £699k (2020: £908k) 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.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2021 (CONTINUED)

7 OPERATING COSTS

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 grantmaking. 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	2021 total £'000	2020 total £'000
Costs of generating funds					
Cost of generating voluntary income <i>including joint operation</i>	2,081	1,080	1,138	4,299	4,705
Investment management fees	-	-	140	140	155
Trading operating costs	75	-	582	657	611
Charitable activities					
Grantmaking, policy & Impact	3,129	1,168	727	5,024	5,229
Governance	76	180	3	260	242
	5,361	2,428	2,590	10,380	10,942
Gifts in kind				(649)	(615)
Operating costs				9,731	10,327

Specific expenditure items included in the figures above are:

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Depreciation	73	124	72	112
Operating leases	16	22	16	22
Reimbursement of trustees expenses	-	6	-	6
Auditors' remuneration:				
Audit of these accounts	46	46	46	46
Audit of the charity's subsidiary pursuant to the legislation	2	2	-	-
Taxation compliance services	1	2	1	1
Legal fees	33	36	33	36

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2021 (CONTINUED)

Support costs are broken down as:

	Staff costs £'000	Office and IT costs £'000	Depreciation £'000	Professional fees £'000	Gifts in kind £'000	2021 total £'000	2020 total £'000
Costs of generating funds							
Cost of generating voluntary income	594	138	33	53	262	1,080	1,328
Charitable activities							
Grant giving costs	574	133	32	51	378	1,168	1,326
Governance	124	29	7	11	9	180	179
	1,292	300	72	115	649	2,428	2,833

8 EMPLOYEE AND PENSION INFORMATION

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

	Group 2021	Group 2020	Charity 2021	Charity 2020
Generating funds	55	55	53	53
Grant giving	84	77	84	77
Governance	3	3	3	3
	142	135	140	133

The equivalent number of full time staff is 133 (2020: 128).

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

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Wages and salaries	5,442	5,284	5,391	5,196
Social Security costs	550	542	545	533
Pension costs	493	472	489	468
Other staff costs	154	144	154	140
	6,639	6,442	6,579	6,337

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 £493k in the year (2020: £472k).

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. No expenses were paid in the period to any trustees (2020: £5,989 to 5 trustees).

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

	Group 2021	Group 2020
£60,000 - £69,999	7	5
£70,000 - £79,999	2	2
£80,000 - £89,999	1	1
£90,000 - £99,999	1	2
£100,000 - £109,999	1	2
£110,000 - £119,999	1	-
£120,000 - £129,999	-	-
£130,000 - £140,000	1	1
	14	13

The emoluments paid to the Chief Executive in the year were £138,198 (2020: £137,917).

Retirement benefits are accruing under defined benefit schemes for one (2020: one) of the above higher paid members of staff.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2021 (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 £651k is derived from the sale of merchandise to the public through our online store and fundraising events (2020: £561k). 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 £269k (2020: £509k).

	Year to 30 Jun 21 £'000	Year to 30 Jun 20 £'000
Turnover	920	1,070
Product cost of sales	(473)	(371)
Contribution	447	699
Other cost of sales	(62)	(75)
Gross profit	385	624
Operating expenses	(122)	(166)
Net profit	263	458
Gift aid payment to BBC Children in Need Appeal	(263)	(458)
Retained in Children in Need Limited	-	-
	30 Jun 21 £'000	30 Jun 20 £'000
Fixed assets		
Tangible assets	-	1
Current assets		
Stock	191	107
Debtors	242	61
Cash at bank and in hand	122	172
TOTAL CURRENT ASSETS	555	340
Creditors: amounts falling due within one year	(540)	(326)
Net current assets / (liabilities)	15	14
Total assets less current liabilities	15	15
Creditors: amounts falling due after more than one year		
Net assets	15	15
Share capital	-	-
Profit and loss account	15	15
Total funds	15	15

10 TANGIBLE ASSETS

Group	IT equipment & software £'000	Furniture, fixtures & fittings £'000	Total £'000
Cost			
As at 01 July 2020	731	1	732
Additions	48	-	48
Disposals	-	-	-
As at 30 June 2021	779	1	780
Accumulated depreciation			
As at 01 July 2020	609	1	610
Charge for the year	73	-	73
Disposals	-	-	-
As at 30 June 2021	682	1	683
Net Book Value			
As at 30 June 2020	122	-	122
As at 30 June 2021	97	-	97
Charity			
Charity	IT equipment & software £'000	Furniture, fixtures & fittings £'000	Total £'000
Cost			
As at 01 July 2020	656	1	657
Additions	48	-	48
Disposals	-	-	-
As at 30 June 2021	704	1	705
Accumulated depreciation			
As at 01 July 2020	535	1	536
Charge for the year	72	-	72
Disposals	-	-	-
As at 30 June 2021	607	1	608
Net Book Value			
As at 30 June 2020	121	-	121
As at 30 June 2021	97	-	97

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2021 (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 and Alternatives. Fixed Income includes certificates of deposit, floating rate notes, gilts and high-quality corporate bonds. Alternatives include other income generating assets, such as property and securitised credit funds. Investments are valued at current market value as at 30 June 2021.

Income in the year of £2,287k relates to interest earned on investments held in the year £1,004k plus revaluation gains £1,283k (2020: £511k (£895k interest and £384k losses)).

	2021 £'000	2020 £'000
Market Value at 1 July 2020	89,702	112,772
Add: acquisitions at cost	585,200	47,735
Less: disposals at market value	(591,377)	(72,364)
Add: net gains / (losses) on revaluation	1,283	(384)
Market Value at 30 June 2021	84,808	87,759
Add: deposits held at financial institutions	6,502	3,251
Less: deposits held at financial institutions at 30 June 2020	(3,251)	(1,308)
Total Investments at 30 June 2021	88,059	89,702

The investments can be analysed as follows:

	2021		2020	
	Valuation £'000	Cost £'000	Valuation £'000	Cost £'000
Fixed income				
-maturing in more than 1 year	7,614	7,611	28,818	28,422
-maturing in less than 1 year	40,506	40,570	18,428	18,156
Alternatives				
-maturing in more than 1 year	33,437	31,846	39,205	39,187
-maturing in less than 1 year	-	-	-	-
Deposits held with financial institutions	6,502	6,502	3,251	3,251
	88,059	86,529	89,702	89,016
Included as:				
Fixed asset investments	28,893	28,893	24,240	24,240
Current investments	59,166	57,636	65,462	64,776
	88,059	86,529	89,702	89,016

Included within the above totals are cash and cash equivalents of £6,502k (2020: £3,251k) and listed investments of £30,928k (2020: £46,400k).

12 DEBTORS

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Trade debtors	437	500	385	439
Amounts owed by subsidiary undertaking	-	-	513	298
Other debtors	3,886	4,785	3,886	4,785
Taxation	2	2	2	2
Prepayments and accrued Income	5,669	21,134	5,479	21,134
	9,994	26,421	10,265	26,658
Amounts falling due after more than one year				
Other debtors	569	-	569	-
	569	-	569	-

Included in the £513k amount owed by subsidiary undertaking is a receivable from Children In Need Limited for gift aid of £263k and £150k intercompany loan which is repayable on demand, these amounts are net of income owed to the subsidiary.

The accrued income relates mainly Corporate and Grant Partnership income still to be received and amounts falling due after more than one year relates to income due from The Hunter Foundation.

13 CREDITORS

	Group 2021 £'000	Group 2020 £'000	Charity 2021 £'000	Charity 2020 £'000
Amounts falling due within one year				
Trade creditors	67	1,278	65	1,278
Grants payable	42,549	56,318	42,549	56,318
Accruals and deferred income	397	1,123	374	1,123
Taxation	2	26	-	-
	43,015	58,745	42,988	58,717
Amounts falling due after more than one year				
Grants payable	13,846	27,155	13,846	27,155
	13,846	27,155	13,846	27,155

Within grants payable, £42,549k (2020: £56,318k) is due to be paid within one year and £13,846k (2020: £27,155k) paid within the next two to three years.

Included in accruals and deferred income is an amount of £25k (2020: £25k) related to deferred income.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2021 (CONTINUED)

14 FINANCIAL INSTRUMENTS

The group has the following financial instruments:

	Notes	Group 2021 £'000	Group 2020 £'000
Financial assets measured at amortised cost are: trade debtors, accrued income, cash and other debtors excluding prepayments	11, 12	24,520	41,923
Financial assets measured at fair value through income and expenditure	11	81,557	86,451
Financial liabilities at amortised cost are: trade creditors, grants payable, other creditors, accruals excluding deferred income	13	56,859	85,900

15 OPERATING LEASES

	Group		Group	
	Land & buildings 2021 £'000	Other 2021 £'000	Land & buildings 2020 £'000	Other 2020 £'000
Operating leases which expire:				
- within one year	-	19	-	2
- later than one year and not later than five years	-	23	-	1
	-	42	-	3

16 FUNDS

The fund balances and movements are shown in the table on page 50, the targeted funds are shown on page 52.

Unrestricted Funds are held for the following purposes:

- The 'Impact Continuity Fund' of £35.0m is held to cover uncertainty of income available to fund impact activity and/or exceptional requirement for funding
- The 'General Continuity Fund' of £6.6m is held to cover uncertainty of income available to fund general operating costs.
- The 'Development Fund' of £0.3m is to allow for future investment and respond to growth opportunities.
- The 'Investment Continuity Fund' of £5.0m is to manage volatility or total return (capital value or income) from income generating assets.

Restricted Funds - £3.3 million (2020: £25.2m)

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

		Public £'000	DCMS £'000	The Hunter Foundation £'000	Corporate Partnerships £'000	Youth Futures Foundation £'000	Total £'000
Opening Balance	Impact	17,923	4,146	3,000	87	-	25,156
Asda	Emergency Essentials				1,846		1,846
Boots	Mental Health				732		732
Wellcome Trust	Curiosity				269		269
Youth Futures Foundation	Employability					3,500	3,500
TBNI & DCMS	Covid Issues	310	2,500				2,810
Income		310	2,500	-	2,847		9,157
England		12,355	4,389			3,220	19,964
Scotland		1,782	413				2,195
Wales		1,052	231				1,283
Northern Ireland		1,151	200				1,351
UK wide grants		192	952		2,423		3,567
Grant Spend		16,532	6,185	-	2,423	3,220	28,360
Costs Of Grantmaking		1,691	461		242	280	2,674
Costs of Generated Income		10					10
Closing Balance		-	-	3,000	269	-	3,269

Income generated by the public response to The Big Night In (TBNI) in April 2020 together with funding from the Department for Digital, Culture, Media and Sport (DCMS) was fully spent in the year on Covid-19 related issues. Support from our Corporate Partner Asda was fully spent in the year on the Emergency Essential programme which provides basic essential items to families affected by severe poverty and Donations from Boots continued to support work supporting Mental Health. The Youth Futures Foundation provided joint funding to the Inspiring Futures Programme which was developed to improve employment outcomes for children and young people aged 10-24.

Unspent restricted funds include £3m from The Hunter Foundation (THF) and £0.3m from Wellcome Trust. A programme funded by THF is being developed to support Children on the edge of the care system and will start to be spent in the 21/22 financial year, and additional funding from Wellcome Trust will enable BBC Children in Need to deliver the remainder of the Curiosity programme.

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 2021 (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:

	2021 £'000	2020 £'000
Subsidiary Undertaking	513	278

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 £0m (2020: £1.1m) as the recharge of employee costs for the year was fully paid up.

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 £738k (2020: £765k).

