# B B G CHILDREN IN NEED

# ANNUAL REPORT AND ACCOUNTS

FOR THE FINANCIAL YEAR TO 30 JUNE 2022

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# **MESSAGE FROM THE CHAIR**

This summer, the mood was one of optimism as the UK emerged from the pandemic, yet the legacy of lockdown has been astonishingly tough on children and young people across the nations and regions. Across the UK, as always, members of the public, our corporate partners and the entire BBC have joined in a shared vision to make things better for children and young people. Together, we were there for the children and young people across the UK who needed us most.

In the year ending June 2022 I am proud to state that we have awarded 1,600 grants worth £51 million, supporting local charities and projects addressing urgent needs of children across the UK. This total includes £11m to charities which support the emotional wellbeing and mental health of young people, and £10m in grants to support those facing increased financial uncertainty. In addition to this total of £51m, BBC Children in Need also administered a further £12m for the first phase of the Government's Youth Investment Fund (YIF). This amount was broken down into 419 grants which will benefit over 290,000 children and young people across England and has been spent on capital investment such as transport, equipment and infrastructure for youth clubs.

The impact of Covid-19 has been significant on our children and young people, and it was to cope with this that we launched our Appeal, entitled 'Together, We Can" which sought to help children and young people overcome the lasting effects of the pandemic. From sustained isolation and bereavement, to increased financial uncertainty and damage to education, we sought to avert the very real danger that the crisis could affect the future of a generation.

To support us in this mission, our corporate partners raised millions of pounds to help make a difference, while across the BBC a plethora of inspiring programming and fundraising initiatives burst onto the airwaves and across the internet. Audiences were treated to delights including BBC weather presenter Owain Wyn Evans drumming for 24 hours, five inspirational young people in The One Show's Surprise Squad delivering treats to local communities and BBC Children in Need funded projects, and Rhod Gilbert and his team on DIY SOS transforming 2.5 acres of weeds into a purpose-built adventure campsite for the children of St Michael's Youth Project in Hull. There was a 2021 Ramble special, which saw Countryfile presenters accompany inspirational young people in six breath-taking locations across the UK, and The Great Rickshaw Relay Challenge, in which Matt Baker and his team of young people embarked on a relay ride across the UK. Sophie Ellis-Bextor disco danced in her kitchen for 24 hours on Radio 2 and Dr Alex George fronted a powerful documentary, Our Young Mental Health Crisis.



As always, our Friday night 2021 Appeal united the nation, raising smiles, tears, hope and an astonishing amount of money. The British public's generosity meant £39million was raised on the night, growing to £51million as donations continued over the following months. We have since refreshed our branding, bringing us in line with the BBC family, and devised a five year strategic plan to ensure we are in the best possible place to help meet the huge range of serious needs faced by children and young people across the UK.

Right now, millions of children and young people across the UK have been plunged into poverty by the cost of living crisis. We know that poverty is one of the biggest obstacles to the happiness and secure future of children and young people. We aim to ensure no child is held back or denied access to basic essentials, or misses out on activities and opportunities. We are working hard at it. Thanks to our experience and our structure we have the networks, skills and expertise to deliver funding across the UK quickly and efficiently when it is needed most.

But of course we cannot do this without funds. On behalf of everyone at BBC Children in Need, I would like to thank all of our supporters and partners. The money you have given us has helped change lives and futures. You have helped 450,000 children and young people in communities across the UK. Thank you.



**ROSIE MILLARD Chair of Trustees** 

# **REPORT OF THE TRUSTEES**

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# **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 2022, 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 Children in Need telethon hosted by Sir Terry Wogan, Sue Lawley and Esther Rantzen.

The telethon's 42nd appeal was held during this year. Since inception the Appeal has cumulatively raised over  $\pm 1,232m$  to help children thrive and be the best they can be, right here in the UK.

### **Objectives & Activities**

Throughout 2021/22 our focus has been on continuing to explore how best to find and fund the inspiring work that changes the lives of children and young people through our grantmaking programming, and at the same time to develop the plans to ensure that we are able to be where the need is greatest for children. As a result we agreed with the Board the following objectives for this reporting period:

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

In the year, we finalised and launched our new grantmaking strategy, which will be implemented in the first half of 22/23. The new strategy, which was co-created with young people, staff, grantees and external stakeholders, will simplify and streamline the application process for funding, offer more flexibility for funding and crucially enable the Charity to respond to the growing need for funding of core costs.

To ensure our income and engagement model is fit for the future, a comprehensive review was undertaken of the external landscape to help identify how we can better reach and engage audiences and supporters in the future. We know that much is changing in terms of TV viewing, media consumption and giving behaviour, and that a 'one size fits all' isn't appropriate given the breadth and diversity of our supporter base. We were able to identify where to focus our efforts in order to retain our much-valued existing supporters whilst also attracting new ones. A new audience strategy is now in place which sets the framework for our plans around income generation, marketing and our content strategy with the BBC.

Equity, Diversity and Inclusion (EDI) remains a core priority, and during 21/22, progress included:

- Within our content and storytelling, 27% of stories in our November 2021 Appeal featured children and young people from Black, Asian & Minority Ethnic communities, compared to the BBCs creative diversity target of 20% target. On disability and gender representation we are over indexing;
- We have agreed the steps we will take to increase and retain diversity in our workforce;
- We have begun to address inequalities of outcome and experience in our grantmaking processes and investments by embedding an Equity, Diversity and Inclusion framework in all of our grantmaking including targeting under-represented groups led by those with lived experience and designing an accessible, inclusive application process to remove barriers to access.

During the year, we finalised our new 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.

In this financial year, we have created the structure to bring the charitable ambition to life. This includes considering the following priorities when activating our strategy in line with our new charitable ambition;

- Our Impact themes our focus for change
- Our Principles the way we make a difference
- 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
- Becoming the organisation we need to be





### 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 meeting the requirements of section 172 of the Companies Act:

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

Following the development of the new charitable ambition, further work has been undertaken in translating the new ambition into a five year organisational strategy which will be implemented in 2022/23. The roadmap for this is set out on page 53. We made a commitment to complete this work using information and data collected through the leadership of our Insight Directorate. Ongoing work in the reporting period will continue to be a significant factor going forward. This includes, our strategic work in developing our key impact themes; thinking about our approach to delivering broader impact for children and young people and transforming to become an organisation that is active year round, beyond our November Appeal period. 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 equity, diversity 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. During the year we have been focussing on how we can help support the BBC's net zero ambitions by reflecting the importance of sustainability in our objective setting. Our long term goal is in line with the BBC's ambition to be a Net Positive organisation, giving back more to the planet than what we take. In addition, our focus is on advocating for communities worst affected by the climate crisis, and empowering children and young people to lead on change.

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,

including Donor Acceptance and Community Fundraising polices 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 Equity, Diversity and Inclusion (EDI) and, this remains an organisational objective and an important element of our overall strategy. We have EDI objectives in every directorate business plan, and have recruited a Senior Advisor to support us. Our revised grantmaking programmes have equity at their heart, and a programme of learning events for staff is in place. We will be finalising our EDI strategy in 22/23.

### **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 whilst building our commercial proposition to raise as much money as possible and building on our strengths to ensure we are in the strongest possible position to create lasting change.

# FINDING AND FUNDING THE INSPIRING IDEAS THAT CHANGE THE LIVES OF CHILDREN

# **CHANGING THE LIVES OF CHILDREN**

In 2021/22 BBC Children in Need supported over 450,000 children and young people across the UK who are affected by issues and challenges including poverty, disability, marginalisation, abuse, trauma or loss.

Through the projects we fund, children and young people...

> have stronger Self-Belief 159k

have stronger emotional wellbeing 168k

are more empowered 73k

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



# **TARGETING CHILDREN AND** YOUNG PEOPLE WHO ARE **EXPERIENCING A RANGE**

450,000 children and young

people supported

### **OF CHALLENGES.** Area disadvantage

99,000 children & young people

Family-related challenges 61,000 children & young people

Mental health and emotional wellbeing 56,000 children & young people

Disabled children 66,000 children & young people

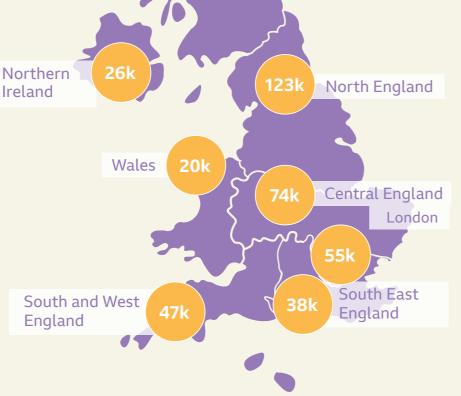
Household poverty & housing difficulties 16,000 children & young people

Behaviour or education engagement issues 9,000 children & young people

Marginalised identities or nationalities 20,000 children & young people

Personal harm 13,000 children & young people

Physical health 45,000 children & young people



35k

Scotland

Differences in the report total relate to the Emergency Essentials programme which supports UK wide.



# **GRANT PORTFOLIO OVERVIEW**

As at June 2022

# We are currently funding 2,183 PROJECTS to the value of

# £154.4M

In 2021/22 we awarded 2,111 GRANTS totalling £62.8M

of this amount, direct responsive funding totalled

# £44.7M (71% of spend)

consisting of 1,578 main and small grants

In addition, 419 YIF grants valued at

£11.9M

of the remaining £6.2m,

# £3M

was awarded to our Emergency Essentials Programme and

£3.2M

across other partnership programmes



## THE DIFFERENCE WE MAKE FOR CHILDREN AND YOUNG PEOPLE

The impact we create for children and young people lies at the heart of our work at BBC Children in Need. This year has been significant for the organisation as we undertook a transformation of our grantmaking to ensure that we reach those children and young people who need us the most, and that we can enable them to be the best they can be.

We are proud to have committed to a substantial and deep period of consultation with our many internal and external stakeholders, including charities, youth groups, sector leaders and young people in order to ascertain how we can best use the donations provided to us, to ensure the change we wish to see. This resulted in creating an innovative new Grantmaking Strategy to articulate our role and responsibilities as a funder and to embody best practices in equitable and inclusive grantmaking.

The new Grantmaking Strategy reflects and responds to the rapidly changing environment faced by children and young people, by emphasising the importance of broad place-based funding whilst recognising the need for more strategic national funding partnerships. It also recognises the importance of our platform with the BBC and the ambition to share our knowledge and collaborate with others, who share our vision.

The Strategy provides a 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 across the UK. Key drivers to the strategy are:

- Sharing Power with Children and Young People ensuring children's views and voices are at the heart of our decision-making processes.
- Equity, Diversity and Inclusion ensuring our grant making practice incorporates approaches to EDI at every level and stage
- Sustainability ensuring that our processes are sustainable and that our grant-making recognises the effects of climate change on the most marginalised communities.

This year saw ongoing challenges for children and young people, where issues emerging from the effects of the pandemic continued to affect their lives. Although schooling returned to some normality, many children and young people continued to experience isolation and exclusion, and mental health was reported as a concern affecting most children, young people and their families.

We also recognise that the increasing cost of living challenges will have significant impact on the children and young people who are already experiencing issues relating to poverty, isolation and deprivation. Our insight from those we work with through data and evidence, has demonstrated that children, young people and their families are facing difficult financial choices in their lives and this will likely increase in the year ahead. BBC Children in Need responded with the following support to help with these issues:

- The return of our Main and Small Grants responsive programmes to enable 2020/21's Covid response programmes to be delivered. £31.7million was distributed through our Main and Small Grants programmes to projects and organisations supporting children and young people across the UK, facing critical issues in their lives.
- Emergency Essentials funding of £3million delivered by Family Fund Business Services, to provide grants for families living in severe financial, health, and social difficulties to provide items which meet children's most basic needs
- Extension grants of £12.9million provided to our grantees to support them to continue to deliver their services during our strategy development period
- Continued management of Inspiring Futures and Next Steps grants, provided in emergency response to the pandemic
- Delivering and managing partnership grants awarded through HSBC Money Heroes

The funding we provide covers a breadth of issues facing children and young people, from poverty and mental health to family relationships and inequality. For example, we funded counselling services such as Mindspace in Perth which dealt with increased demand for mental health services. The specialist and highly trained counsellors which Mindspace provide with BBC Children in Need's funding facilitates a safe place for young people to talk about their thoughts, feelings and the issues that cause them distress, leading to improved emotional wellbeing for them.

Our funding has an impact directly on children and young people and this is demonstrated through the stories we hear, such as that of Max who attended the Collyhurst and Moston Boxing Club in Manchester. They were awarded a grant of £30,000 to support children affected by local deprivation. The club provides sport activities and mental health workshops, as well as opportunities for the young people to socialise and build friendships, improving their social behaviour, mental health and helping them to develop aspirations and ambitions for the future. Max was a young person presenting with some significant challenges around his behaviour and attitude to his academic learning and life. In terms of hobbies and interests, prior to this programme Max was not a regular participator in sports activities outside of his mainstream PE lessons but decided to attend this boxing programme. Since then his behaviour improved dramatically and strong relationships with the boxing mentors, has allowed him to deal with difficult situations more effectively. He has developed resilience and his emotional wellbeing has

increased. Max attributes this to the boxing programme, not just in the physical aspect but also the mentoring from the coaches as trustworthy, positive role models.

This is one example amongst thousands, of children and young people across the UK who have benefitted from the funding provided by BBC Children in Need. The grants, which are provided in all four nations to the charities working directly with children and young people, are a lifeline for both the organisations and the children and young people. In the last 12 months, we have amplified and increased our efforts to reach those most in need during the Covid pandemic and we will continue to place them at the core of our mission.



As we look forward to the implementation of our new Grantmaking Strategy through a major re-design of our grantmaking processes, we are mindful of the need to continuously evolve and improve the way we work to ensure that our funding delivers our charitable ambition of helping those children and young people most in need. We know that children and young people are facing challenging times ahead and we remain committed to ensuring that our funding has a meaningful and lasting impact on the organisations we fund, and the children and young people they work with.

### DELIVERING IMPACT THROUGH FUNDING PARTNERSHIPS

Guided by our Grantmaking Strategy and Charitable Ambition, our funding partnerships seek to improve children and young people's lives. We do this by collaboratively funding strategic programmes focussed on innovation and on long term solutions, as well as those which address immediate needs.

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. These families often experience additional pressures such as domestic violence, disability or poor health in the family.

We were also able to continue to support the work of Newlife the Charity for Disabled Children. It provides essential quality of life equipment that makes a significant difference to ensuring a child's physical and emotional wellbeing. We also continued to support The Children's Society's Coordinated Community Support Programme. This grant has now developed 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 ongoing support that might help prevent the recurrence of emergency need.

We also managed grants through our £6.4m Inspiring Futures Programme, funded in partnership with the Youth Futures Foundation. The 107 grants are for not for profit organisations across the UK working to improve employment outcomes for children and young people.

We built on our reducing violence impacting young people (VIYP) work through various partnerships. Two new grants were made this year to Young Westminster for a community grants fund with young people as decision-makers, and to Alliance for Youth Justice, supporting their Young Advocates project. Young Manchester Foundation continue as our grant making partner for the delivery of the violence focussed element of our #iwill partnership. In addition, the final phase of our partnership with the Premier League and Premier League Charitable Fund (PLCF) is underway, whereby the 45 projects supported are now transitioning into their next model, embedding learning from the Kicks Targeted programme.

In the past year, fundraising by McDonald's has enabled us to fund £1.2m directly to 60 projects in urban centres and rurally isolated areas across the UK both on the street and in youth work settings. These projects deliver youth services, employing up to 100 youth workers, many of whom are from the communities where the projects are based. This funding supports around 11,500 young people. The projects deliver a wide variety of activities including: employability/skills development, cooking, budgeting, sport and arts. Most of all, these young people are being supported to have fun with their friends in spaces where they feel safe and supported by adults they trust.

In February 2022, we also launched the pilot of our Community Connections programme, which aims to strengthen connections in communities by offering BBC Children in Need funded projects the opportunity to grow local community relationships by connecting with McDonald's restaurants. Since launch, we have connected 18 projects to restaurants across the UK, with each project on average having the potential to support 250 young people and up to 4,000 across all projects. We have also just launched phase 2 where we're connecting a further 54 projects and restaurants.

We have continued to support informal science opportunities for children and young people and the next year will see a focus on learning, evaluation and influence through events to support grantees as well as disseminating the learning which has noted significant growth for children and young people in the areas of skills outcomes and mental wellbeing.

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. 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. It is currently exploring opportunities for future development.

Through this funding partnership with The Hunter Foundation we also continued our support of Street Soccer London, and provided additional funding to The Legal Education Foundation's Justice First Fellowship programme as well the strategic development grant for the UK Child Law Network which has developed a suite of resources and training materials to develop and improve the practice of child centred lawyering. This is now being developed into a formal e-learning programme.

Missing People's Is This Ok? digital advice service, delivered in partnership with NSPCC, has demonstrated through an independent evaluation the importance of the programme as a key nationally available prevention and intervention service and is exploring further roll out of the programme across the country.

We have also been developing work under our key strategic theme of Sharing Power with Children and Young People launching two youth social action funds. The first to launch in Spring 2022 was the Youth Social Action Programme in partnership with the #iwill Fund and The Hunter Foundation followed shortly by the We Move Fund: Youth Social Action Programme aiming to empower Black children and young people, through youth social action, working in partnership with BBC Radio 1Xtra. This is the first funding stream of the £10 million over 10 years commitment BBC Children in Need made in 2020, to create and invest in opportunities for Black children and young people. These grants will all be awarded later in 2022.

Our partnership with the #iwill Fund has also enabled us to invest in a number of strategic grants including a 2 year grant to the Trussell Trust to deliver a youth social action project that will support and empower young people impacted by severe food insecurity and acute poverty to increase understanding of the drivers of food bank use and to inspire action in support of long-term solutions.

In addition, we have also partnered with The Listening Fund, a small group of funders led by The Blagrave Trust which aims to make the youth sector more accountable to young people.

lives - was identified by CMH as an effective model. The Our work with them is focused on supporting deeper learning across three distinct strands: funding youth organisations to support of an expert Advisory Group and the range of skills develop their listening skills, appointing an advisory youth within the Charity - evaluation, press and PR, content for BBC board, and influencing the wider sector. Nine children's and digital platforms, legal and financial grant management organisations have been funded to develop their listening - offers a framework that allows the projects to focus on capacity and practice, and to support these organisations to outcomes and the needs of children. As well as informing share their learnings more widely. An advisory youth board internal practice and priorities, the learning from A Million & has been recruited from across England and they have been Me will be shared and promoted externally to encourage fun, working on designing a funding strategy with a focus on youth purpose and trusted relationships among children of this age, leadership. An external partner, has been appointed working at a time when they need it most. across all three strands of the Fund to draw together learning In January 2022, we partnered with the Department of and help share those lessons, insights and ideas as widely as Culture, Media and Sport (DCMS) to deliver phase 1 of the possible.

We recognise with the Grantmaking Strategy that our grantmaking will always be broad based, as we strive to deliver change for children and young people across the UK. However, the work we have highlighted above also demonstrates the need for key strategic investment in partnerships that systemically improve the lives of children and young people. We will continue to build on and develop these funding partnerships in the future, as a critical part of the solution to addressing the ever evolving needs of children and young people.

### A Million & Me

In 2018 the BBC Children in Need Trustees made a far-sighted and bold investment of £10 million to explore how children in the tricky transition phase of aged 8-13 could be better supported to avoid mental health challenges needing clinical intervention and becoming embedded in later life.

Since 2019 Centre for Mental Health (CMH) has been a critical friend and learning partner to the programme, producing their final evaluation and review in July 2022, The Power of the Ordinary.

In this the third and final year of A Million & Me, ten funded partners worked with children in the 8-13 age range, offering fun, purpose and trusted company to help those who are beginning to struggle with their mental health. A diverse range of project - from a capacity building programme for project workers to surfing in Cornwall - engaged with children and their parents, carers and friends, supporting them to share their worries and get help how, when and where they feel comfortable.

Tens of thousands of children across the UK have been helped to feel better, and trusted adults in their lives have been given access to information and tools on how to listen to children and offer support. The impact of the Covid-19 pandemic created difficult issues associated with isolation and loneliness but also generated momentum to improve digital accessibility and creative offers, such as the Ollee app developed by Parent Zone and the text helpline Shout.

As projects develop and some conclude the learning identified by CMH is helping inform the next phase of our contribution to supporting children to have good mental health. More than 90% of our main portfolio of responsive grants identify this as a focus for their work. The messages from A Million & Me include the need for additional support to children who are poorly served and who are managing multiple disadvantages, for example as a result of poverty, isolation, or gender or racial inequality. The current cost of living crisis has also had an impact on children's wellbeing, with evidence of increased levels of anxiety and uncertainty.

The approach taken of proactively working with partners to develop proposals over time and with flexibility to respond to need - listening to children and the trusted adults in their

In January 2022, we partnered with the Department of Culture, Media and Sport (DCMS) to deliver phase 1 of the Youth Investment Fund (YIF) on their behalf. The aim of YIF is to create, expand and improve local youth facilities and their services, in order to drive positive outcomes for young people, including improved health and wellbeing, and skills for work/ employability and life.

Phase 1 initially comprised £10m for youth provision in left-behind areas of England, and was funding for smallscale capital projects, including capital equipment, small redevelopments and other capital projects that could be delivered by 31 March 2022. Given the quality of applications and overall demand, DCMS increased the fund to £11.65m, with a small additional contribution from CIN. 419 grants were awarded, including grants for minibuses and vehicular outreach bases for detached youth work; 172 building improvements, and for 225 IT equipment projects, including 80 media technology projects.



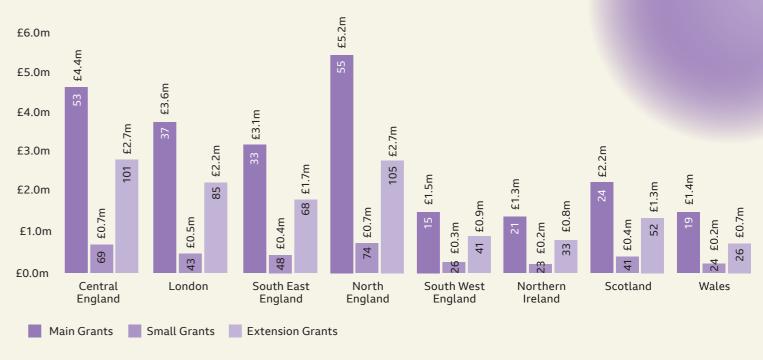
### **Grantmaking Policy**

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

The implementation of our new grantmaking strategy will see some significant changes to our grantmaking model. We will reflect the need to dedicate continued resource to a range of grant sizes including small grants for up to 3 years, and introduce core costs (organisational costs) as a separate grant stream alongside our project based funding stream, similar to how we have in the past. In spring 2023, we will launch a funding stream for smaller, emerging organisations. This stream is aimed at organisations who may need greater support to access our funding.



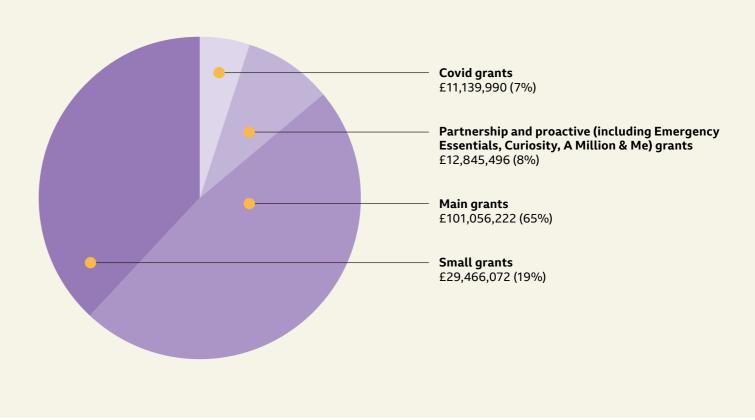
In addition to the above awards, we have continued to fund years 2 & 3 of 462 small grants.

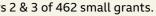
### **CURRENT PORTFOLIO (VALUE) BY GRANT TYPE**

### As at June 2022

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

### **RAISING FUNDS TO TRANSFORM YOUNG LIVES**

Once again supporters and partners across the UK showed their generosity and creativity in generating significant funds for children and young people, with thousands of people joining our Together, We Can fundraising campaign.

Following on from the Covid-19 restrictions that were in place the previous year, this year we saw a return to what makes BBC Children in Need so special – people getting together in schools, communities and work places right across the UK, united in a desire to support children and young people. Our corporate partners stuck with us after a very difficult 2020, bringing back fundraising activity for colleagues and customers alike.

Our BBC programme partners pulled out all the stops for us, including BBC Breakfast delivering an incredible 24 hour Drumathon, fronted by Owain Wyn Evans and a re-vamped Rickshaw Challenge, alongside the Appeal show, inspiring thousands of people across the UK to donate through watching BBC programming.

Following the delivery of the 2021 fundraising campaign, a significant piece of work was undertaken to develop a roadmap for diversifying income over the next five years, in a bid to build on the innovation in fundraising off the back of Covid-19 and to reflect the challenge of the decline of linear TV viewing. The plan adopts an audience-led approach and we look forward to evaluating our progress towards growing share with new opportunity audiences over the coming years.



## DIRECT PUBLIC SUPPORT

### **Direct Public Support**





This year we asked the UK public to add some sparkle to their fundraising and to 'Get their Strictly On'! We rallied the nation to get involved in our Strictly Come Dancing themed fundraising, including glittery cake bakes, epic dance challenges to getting fully glammed up for CiN. The campaign was a hit with community groups, such as Girlguiding, who also many primary schools who got behind the theme.

People were also invited to raise money by taking on their own 'athon' challenge - raising money doing something that they love and turning it into an 'athon', by doing it for longer, making it harder, or completing it with a twist. Supporters were also encouraged to complete their own organised rambles with family and loved ones, getting sponsored to do so. And for those who love cycling, we asked them to Pedal for Pudsey – inspired by the Rickshaw Challenge - and to raise money from their bike rides.





### Teachers and Children in Schools showed that together, we can

We delivered three differentiated campaigns to our school audience again this year. For Early Years, we partnered with CBeebie's Bing, to provide fresh twist on the simple Appeal day activities – including Bing and Pudsey inspired dress-up, games and resources.

Mental wellbeing was a continued focus in primary schools, with Dr Ranj hosting a Mindfulness Moment exercise, and supporting mindfulness resources for teachers provided by Twinkl. On Appeal day, we encouraged schools to take part in a Dress Up Day and Joe Wicks get active activity.

For the secondary schools campaign, we focused on promoting wellbeing (including videos and printable resources) and inspirational Be Yourself stories, culminating on Appeal day by encouraging schools to take part in a Dress Down day.

We were delighted to have been able to partner with ParentPay and with IRIS to enable us to offer parents the chance to donate to BBC Children in Need via their online school payment systems this year.

### Sales of Fantastic Pudsey Products

Once again our brilliant partners and our online shop sold a range of Pudsey-inspired product to help people to show their support for the Charity. Thousands of people across the UK bought Pudsey ears, wristbands and pin badges and enjoyed getting behind our new product range of mugs and tea towels, delivered in partnership with designer, Eleanor Bowmer.

# **HIGH VALUE DONORS AND PARTNERSHIPS**

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



### **ASDA**

Long standing partner of 21 years, Asda raised and incredible £2.4m in 2021. Once again, adults and children alike were able to get all of their Pudseyinspired clothing from the brilliant George at Asda with products from sweatshirts, PJs and socks flying off the shelves. Asda also created our Official T-shirt, which this year was designed by children from BBC Children in Need funded projects across the UK. Asda's fundraising was invested into funding our Emergency Essentials programme which provides items like cookers, washing machines and beds for families in need. They also helped us to expand the campaign far and wide though paid social marketing campaigns and digital fundraising.



### CARFEST

We were delighted to have been able to work with the team at Brand Events and Chris Evans to bring back CarFest in 2021. We were the first festival out of the blocks in 2021 following the cancellations in 2020 due to Covid-19. BBC Children in Need benefited from a 12.5% donation from every ticket sale and brought Pudsey's Spot to the festival – in the North and the South - where we were able to offer children and families the chance to come to our tent and meet Pudsey and Blush. We were also joined by the brilliant Yolanda and her Band Jam who entertained with a high energy set.



### CINEWORLD

The team at Cineworld were able to reopen their doors and raised £0.1m with customer and colleague fundraising and special BBC Children in Need screenings. They also helped us to spread the message of our campaign far and wide through featuring our TV advert on their cinema screens with a gift in kind media value of circa £0.5m.



### **HSBC**

Following HSBC UK's brilliant donation to the Big Night In back in 2020, we were delighted to have been able to have created a year round partnership with them. In 2021 we joined forces to roll out Money Heroes financial wellbeing training & resources to 100 BBC Children in Need projects with co-created adapted resources across braille, audio & large print. They also raised £0.5m via colleague fundraising, paid digital marketing campaigns and company donations.



### THE HUNTER FOUNDATION

Sir Tom Hunter and his Foundation continued their fantastic support of BBC Children in Need in 2021 through a donation of  $\pounds$ 0.2m to the annual Appeal campaign. This was in addition to the programme funding being delivered to support children and young people in and on the edge of care in Scotland.



### DFS

DFS has continued to support BBC Children in Need through its key customer facing activation Give Me 5, which invites customers visiting the store to purchase a raffle ticket, giving them the chance to win back the cost of their sofa. In 2021 DFS raised their highest ever total for BBC Children in Need at £0.8m with funding allocated to mental health projects in line with our charitable ambitions and DFS' Corporate Social Responsibility strategy.



### ENTERPRISE

The team at Enterprise were able to get out and about again in 2021 and ran a hold host of events right across the UK, including golf days, run Pudsey events, colleague fundraising and also donated as a company (the Taylor Family) to raise £0.4m. Enterprise also supported the Rickshaw Challenge by providing a fleet of vehicles to get the children and crew around the UK.



#### GREGGS

Greggs celebrated 16 years of partnership with BBC Children in Need in 2021. Post pandemic donations were back up with £0.6m raised through Greggs staff fundraising and the sale of their much loved Pudsey cakes and biscuits.



### **ONE STOP**

Colleagues and customers at One Stop raised a brilliant £0.1m through the sale of merchandise, fundraising events in store and pop up shops.



### **WELCOME BREAK**

Welcome Break galvanised colleagues and customers across their sites raising £0.1m, through the running of events at sites across the UK, challenge events and top up at the till. They also supported with the marketing of the campaign through the showing of our TV ad on their screens across all sites as well as supporting the Rickshaw Challenge during their many pit stops.



### **MCDONALD'S**

BBC Children in Need and McDonald's launched a 5 year strategic partnership in 2021, aligned to our charitable ambitions and McDonald's Plan for Change strategy. The partnership has to date raised £1.2m for youth focused BBC Children in Need funded projects, and opened up significant opportunities for us to reach and engage our strategic audiences (16-24 year olds and young families) through McDonald's platforms and events, alongside roll out of a UK wide Community Connections programme.

The Community Connections programme matches McDonald's restaurant crew with BBC Children in Need funded projects at local grassroots level to offer a range of direct support. The pilot phase successfully matched 18 restaurants to projects in 2022 and Phase II is now underway.

# **BBC PROGRAMMES**

The 2021 Appeal Campaign saw all parts of the BBC come together to support the Charity in a year of broadcast activity that, whilst still impacted by the pandemic, went on to bring the UK together to help make a difference to young lives. The level of editorial ambition, scale and range of BBC Children in Need content was raised across all channels spanning Television, Radio, Online, Nations & Regions, Children's & Education, and not only inspired the UK to do all they could to make a difference, but shone a spotlight on the challenges facing children and young people today. We re-invented much of our content, created new broadcast partnerships, innovated our portfolio and tried new ways of reaching audiences on BBC platforms – most notably BBC iPlayer.

Despite facing a busy and challenging year, in 2021 BBC Children In Need content permeated every corner of the BBC and saw us significantly increase the number of BBC Programmes we partnered with to inspire and engage our audiences.

### **BBC Programmes & Events**







#### **Friday Night Appeal Show**

For the first time in our 41 year history, the live show came from outside of London and was filmed at dock10 Studios in Salford. Once again this was a 3 hour show packed with an array of sketches, thank you messages, text to win prizes and poignant Appeal films that shed a spotlight on a number of our impact themes and galvanised our wonderful supporters to donate. These ranged from young carers, a focus on food poverty and bereavement support to a truly special moment which saw 13 year old Sam, who benefitted from BBC Children in Need funding after his father's death, take to the stage to give a breathtakingly beautiful performance of Lost Without You by Freya Ridings.

As always, Children & Young people sat at the heart of the show alongside a diverse and eclectic range of star studded entertainment with highlights including:

- A spectacular performance from global superstar, Ed Sheeran MBE, who performed, Overpass Graffiti, to kick-off the show
- An I Can See Your Voice special, hosted by Paddy McGuinness, which saw Jimmy Carr, Alison Hammond and Amanda Holden investigate the musical talents of BBC Sport presenter Mike Bushell, broadcaster and Radio 2 presenter Jason Mohammad and Newsreader Kate Silverton
- A hilarious sketch which saw EastEnders' Janine Butcher (played by Charlie Brooks) looking for love and turning to Channel 4's hit dating show First Dates to help with her search
- A heart-warming special of The Repair Shop, which a very special teddy restoration for Billy and his mum, Mandy. The poignant special reflected on the support Billy had received from a BBC Children in Need funded project, and saw his beloved teddy, Henry, restored to his former glory.
- A poignant performance from children and young people with the BBC Children in Need choir singing a beautiful cover of Andra Day's Rise Up

- A standout sketch which saw the likes of Basil Brush, Zippy, George, Bungle, Dodge, Hacker T Dog and Mr Blobby (and many more) join forces for one of the biggest singalongs BBC Children in Need has ever seen
- Mel Giedroyc and Graham Norton facing the iconic black chair and the glare of the spotlight as they took on Mastermind for BBC Children in Need, under the watchful eye of Clive Myrie
- The cast of 9-5: The Musical treating viewers to showstopping performance alongside some of the stars from Drag Race UK
- Star of BBC Three's Angels of the North, Sammyjo, and her team of Longlox girls welcoming two very special guests for a well-deserved pampering session at the infamous Gateshead super salon
- A Graham Norton Red Chair special, which saw Stephen Fry, Oti Mabuse, Johnny Vegas, and Shaun Wallace having their fate decided by a group of children who took control of the notorious lever!

#### The Great Rickshaw Relay Challenge

After 10 years of The Rickshaw Challenge on The One Show, in 2021 we re-invented the format into a relay challenge that was made into a one hour primetime documentary on BBC One during Appeal Week. The documentary saw Matt Baker MBE lead a team of 5 young riders on a journey to their hometowns in a heart-warming and life affirming journey that once again resonated with the public.

With support from the new BBC Daytime series Morning Live, it became it became clear that appetite for The Rickshaw Challenge remains as strong as ever from our supporters judging by the  $\pounds$ 2.3m raised after the documentary had aired. The documentary has had the highest conversion rate of donations for any show outside of the Appeal Show.

#### The One Show Surprise Squad

This was a new fundraising proposition from The One Show. The premise featured a squad of young people supported by BBC Children in Need 'giving back' to projects by surprising and delighting them on location. The One Show devoted significant airtime to this brand new fundraising proposition. Running over 3 weeks and filmed around the UK, The Surprise Squad raised £1.8m in its first year and will be returning in 2022.

#### 24 hour Challenges

Appeal 2021 saw us undertake two very different and highly successful 24 hour challenges with BBC Radio 2 and the iPlayer supported by BBC Breakfast.

Our 24 hour Drumathon with Owain Wyn Evans was a major breakthrough for BBC Children in Need. Supported on air by BBC Breakfast on BBC One, BBC Children in Need's Content Team produced a 24hr stream on iPlayer. Pan BBC support came from across the BBC including BBC Radio 1, 5Live, 6 Music, BBC Children's and most significantly a simulcast across every BBC English Region featuring weather presenters at 6.50pm. The peak of viewing across BBC England came via the 'Big Bang' moment where a cast of drummers joined Owain in playing out the BBC News theme tune. This clip has gone viral with millions of views and attracted international coverage in The Washington Post, The Delhi Times and across Europe – France, Germany, Italy. and the challenge has proved to be our most lucrative 24 hour initiative to date – raising £3.8 million

Most significantly the challenge brought new activations for the BBC iPlayer and new supporters who donated to BBC Children in Need for the first time. The diversity and range of contributors over the 24 hours gave our campaign a contemporary edge with Owain exuding warmth, authenticity and passion for BBC Children in Need and the projects we support. **BBC Radio 2** also produced their own 24 hour challenge in the shape of Sophie Ellis Bextor's Kitchen Disco Danceathon which raised over £1.3m. Broadcast across every R2 show and streamed on the iPlayer and via the red button the iPlayer team confirmed that BBC Children in Need was the 2nd highest activating brand for under 35's on iPlayer during our Appeal Week.

BBC Radio 2 also held their Annual BBC Children in Need Takeover Day featuring projects supported by the Charity selecting music throughout Appeal Day and Michael Ball's show celebrated our Sir Terry Wogan Fundraiser of The Year Award with the winner receiving their award on the Friday night Appeal Show.

Our **2021 DIY SOS BBC Children in Need Special** saw Rhod Gilbert as guest presenter, stepping into Nick Knowles' steel capped boots to deliver a heart-warming edition featuring a big build at St Mikes Youth Project in Hull. The Big Build was promoted in a range of press as well as The One Show, Morning Live, Lorraine, and This Morning on ITV. The show tapped into Rhod's social media following and alongside leaving a lasting legacy in Hull it raised £0.5million.

There are many highlights from our traditional big fundraisers including the **Countryfile Ramble** which saw Countryfile presenters and inspirational children and young people rambling in six breath-taking locations across the UK, contributing to Countryfile's incredible 2021 fundraising total of £5.1m

The mental health of young people was one of the key impact themes for our 2021 campaign and we were delighted that Dr Alex George gave his time to present and front a powerful documentary on BBC One: **Our Young Mental Health Crisis.** This high impact BBC One documentary provoked debate and shone the spotlight on an issue that is all too real for so many of the children and young people we support. The documentary featured case studies of young people and projects supporting mental health and well-being.

### The Numbers

Thanks to the amazing support of our fundraisers, donors and corporate partners, we were able to announce a total fundraising figure of £39m on the night of the televised Appeal Show in November 2021. This represents an increase of £2.4m on the previous year like-for-like, due mainly to being able to take advantage of a brief respite in Covid-19 restrictions allowing the return to more traditional face to face production processes and in some ways a return to normality for audiences.

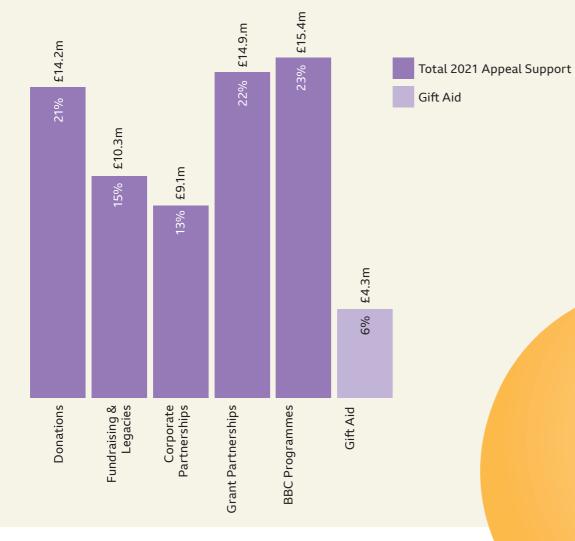
There was continued support that followed after the show and a further £28.8m (2021: £26.4m) was added to the total as people continued to send us their fundraising amounts and their donations together with follow-on income from both corporate and BBC partners.

The Charity closed the year with a fundraising total of £68.2m (2021: £63.4m, 7.5% up). This is higher than our headline figure of £51m as it includes other sources of income, as explained below.

Income from donations and charitable activities	Nov 2021 Appeal Income £'000	2021/22 Follow On £'000	2021/22 FINAL Income £'000	Nov 2020 Appeal Income £'000	2020/21 Follow On £'000	2020/21 FINAL Income £'000
Other Fundraising	13,087	6,852	19,939	13,068	10,481	23,549
Schools Fundraising	2,904	1,647	4,551	2,000	2,122	4,122
Direct Public Support	15,991	8,499	24,490	15,068	12,603	27,671
High Value Donors & Partnerships	9,909	14,098	24,007	8,198	4,553	12,751
BBC Programmes and Events	13,489	1,929	15,418	13,767	3,499	17,266
Gift Aid	-	4,284	4,284	-	5,756	5,756
Total Fundraising Income	39,389	28,810	68,199	37,033	26,411	63,444

The income from donations and charitable activities of £67.9m (2021: £63.3m) as shown on the Charity's Statement of Financial Activities excludes income from licensing activity (£0.3m). £67.4m of this reported income will be used to fund projects which create positive impact and associated costs.

In July 2022 the Charity publicly declared a total of £51m which excluded gift aid and licensing activity of £4.6m and income from the Department for Digital, Culture and Media and Sport (DCMS) of £12.2m. 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 constantly using insight and evidence to inform our strategic direction, decision making and storytelling. We implement monitoring, evaluation and learning approaches across all our funding, so that we can better understand and respond to the needs of children and young people and the organisations that support them. We seek to understand the outcomes they are achieving and the ways in which they're achieving them.

We use our insight to inform future funding decisions via our national and regional grantmaking plans. 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 within their geographic regions.

We conducted our first comprehensive grantee survey since 2014. The 2021 version focused on the experiences of applicants and grantees when applying to BBC Children in Need for funding. It also asked about their experiences of supporting children and young people. The survey and follow-up interviews provided insight on the ongoing impact of the pandemic and emerging messaging on the cost of living crisis. We have since followed up on these themes in our 2022 survey.

We continue to evaluate and learn from the wide range of projects and in-depth programmes we fund. Notable learning and evaluation events over the past year include:

- The final evaluation report written by the Centre for Mental Health on 'A Million and Me' - our mental health and wellbeing programme for 8 to 13 year olds. The programme has been successful in making a positive difference and left a blueprint for a future preventative system of 'ordinary magic' that will ensure children's mental health will not get worse.
- After six years of continuous learning and evolution, our partnership with the Premier League has led to targeted support for preventing youth violence being embedded in the open access community offers of football clubs across England and Wales.
- The year two evaluation report for our 'Curiosity' programme has shown a positive connection between informal science learning and personal and social outcomes for children and young people.
- The integrated learning approach for 'What Matters to You', a jointly funded programme with The Hunter Foundation supporting families and helping them thrive in Dundee & East Ayrshire, has led to a commitment to extend the initiative and sparked interest to scale out the approach to other local authorities in Scotland.
- The recommendations from last year's comprehensive review into the needs of young people and the role of community-based youth workers in supporting them, have informed the strategic direction and impact focus of our partnership with McDonald's – who have committed to connect each of their 1,400 UK restaurants with a youth project.

Alongside our funding work, insight is integral to the development of our Marketing and Fundraising activity.

We continue our focus on ensuring we have a comprehensive understanding of public response to our annual appeal. We have a dialogue with audiences through appeal night, we run a large scale public survey in the week following our appeal, and we survey schools and fundraisers directly to help us to understand their attitudes and behaviours. This insight helps us to identify challenges and opportunities which we can then use to inform future appeal development.

Alongside this, we monitor public perceptions of BBC Children in Need alongside other charities on an ongoing basis, to ensure that we remain salient and relevant, and that the work we do is understood.

We track such measures amongst others via digital performance dashboards to ensure we keep focused on the continuing strength of the Charity with the public going forward.

This year we also undertook a comprehensive review of the external landscape to help identify how we can continue to successfully reach and engage audiences and supporters in the future. We know that much is changing in terms of TV viewing, media consumption and giving behaviour, and that 'one size fits all' isn't appropriate given the breadth and diversity of our supporter base. We were able to identify where to focus our efforts in order to retain our much-valued existing supporters whilst also attracting new ones. Audience research helped us to bring this to life and thus shape our audience engagement strategy for the future.



## **BUILDING A STRONG CHARITY**

Every charity requires strong foundations to support their charitable ambitions, and that is equally true of BBC Children in Need if we are to be able to create positive and lasting change across the UK for the children and young people who need us most.

Having an engaged workforce and strong culture continues to be key to our success. Over the previous two years, Covid-19 provided operational and strategic challenges for the Charity and tested our adaptability and resilience. 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. During this year, as we emerged from the pandemic and restrictions eased we have reflected on our approach, undertaking a comprehensive learning review with our staff team, to gather feedback on wellbeing, engagement and development. We have used this colleague feedback and insight to develop the 'The Pudsey Way' – the culture and the associated behaviours we expect of all colleagues across the organisation.

With the end of Covid-19 restrictions during the year we have also focussed on 'future ways of working', supporting "hybrid working" where the team spend some of their working week in the office and some time at home, aiming to encourage good work-life balance, productivity and wellbeing.

Business Continuity and risk management continue to be significant areas of focus, in relation to the pandemic, especially when planning for significant events such as CarFest and the mass fundraising events during the autumn appeal period.

The financial challenges for the Charity, including our donors propensity to give, volatility in the value of, and return from, our investments, cashflow and availability of liquid funds, have been exacerbated by worsening of the UK and global economy. However, our internal funding model, reserves policy, and investment policy have provided financial stability and 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.

Sufficient cash and investments are held to fund all grant commitments made and provide a minimum level of reserves. This provides certainty of funding to our grantees, funds anticipated activity until new income is generated and provides a level of contingency 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.

During the year to June 2022, an average of 95% of donations went into grantmaking activity with 5p in every pound donated funding costs not attributable to grantmaking. This funding has allowed the Charity to invest in a five year financial plan which underpins the achievement of the long term strategy.

We continued to draw on the expertise and support of our Finance, Audit and Risk Committee and our Investment Committee, investment advisers and fund managers to identify and mitigate risks to the Charity.

### **Climate Justice and Sustainability**

We continue to recognise our responsibility to care for the environment and aim to minimise our environmental impact in all our activities.

We are mindful of the resources we use and how we use them, and our long term goal regarding sustainability is to reduce our impact on the environment by not exhausting natural resources and not contributing to climate change through carbon emissions. This is in line with the BBC's ambition to be a Net Positive organisation by 2030, giving back more to the planet than what we take. During the year we have been focussing on how we can help support the BBC's net zero ambitions by reflecting the importance of sustainability in our objective setting.

In addition, we are committed to advocating for communities worse affected by the climate crisis and empowering children and young people to lead on change.

Advocating for climate justice means focussing on people, communities, intersectionality and fairness and our aim is to support the shift in power to poor and marginalised communities across the UK and focus on diversity, equity and inclusion to address human rights and social inequality.

In the year the Charity has signed up to the Funder Commitment on Climate Change. BBC Children in Need has taken significant steps to play our part in tackling the causes and impacts of the climate crisis, alongside many other funders. The spirit of the Funder Commitment is that we all pledge to strive to do more and we've committed to educate and learn, commit resources, integrate, steward our investments for a post carbon future and decarbonise our operations. We've already made progress by engaging other charities in learning conversations; putting resources towards research into the impact of the climate crisis on children and young people in the UK. We are supporting our grantees by offering training to learn alongside us to recognise the intersectionality of climate justice, empowering them to make sustainable choices in their own sphere of work alongside young people, enabling them to lead on change. We continue to review our statement of investment principles and holding asset managers to account for ESG decisions, increasing the use of recycled materials in our merchandise and agreeing to focus on sustainability in our business plans. We've committed ongoing staff resource to evolve and deliver our plan and committed time and space for teams to engage.

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 2021 to March 2022. Electricity consumption is measured at 241,097kwh (2021: 252,967 kwh) and gas at 135,144kwh (2021: 123,678) which equates to the following emissions:

#### Greenhouse gas emissions 2021/22

Greenhouse gas emissions (tonnes/CO2e emissions) Emissions per FTE

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 = 30.6 and therefore 0.22 tonnes/CO2e emissions per FTE.

#### **Gross emissions**

75.9 reduced by 1% in year 0.57

2022 FINANCIAL REVIEW





# **FINANCIAL REVIEW**

The accounts for the year ended 30 June 2022 cover:

- income from the BBC Children in Need Appeal 2021, which was live across Autumn 2021;
- other income received year-round from 1 July 2021 to 30 June 2022; 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 2021 to 30 June 2022.

# **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 £67.9m (2021: £63.3m) including donation income and gift aid of £50.9m (2021: £54.3m), legacy income £2.1m (2021: £2.7m) and partnership funding £14.9m 2021: £6.3m). This represents an increase in the Charity's normal activity of £4.6m on the prior year. See note 2 (page 68) to the accounts.

The grant awards net of returns of £62.2m (2021: £51.1m) relate to the spending of income generated from the November Appeal and grant partnership funding received in the year.

To ensure BBC Children in Need is a strong charity, administered appropriately, able to raise income creatively, manage the funds raised professionally and operate as an effective grant maker, we incur direct costs. Total direct costs incurred in the year were £11.6m (£12.3m reported as £6.5m on raising funds and governance, £5.1m on grantmaking, impact and gift in kind\* of £0.7m). Total costs represent 17% of our total income (2021: 15%) (19% of our total grantmaking (2021: 20%)). Grantmaking costs are 9% (2021: 10%) of grants awarded, other costs are 10% (2021: 8%) of income generated.

\* Gifts in kind includes provision of office space. 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 2022, Children in Need Limited made a profit of £0.2m (2021: £0.3m).

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 gains) was £1.2m (2021: £2.3m), representing a return of 1.4% (2021: 1.7%) on the average investment balance. This return is within the Charity's internal 1.0% to 1.5% target which was reduced to reflect the lower return environment as the economic performance was still impacted by the Covid-19 pandemic and the war in Ukraine. The investment policy stipulates the type and terms of investments that may be purchased and investment objectives being to:

- 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 2022 the Group (which consists of BBC Children in Need (the Charity) and Children in Need Limited (the trading company) had total closing funds of £37.5m (2021: £41.5m) representing a reduction of £4.0m on the prior year position. Impact reserves have reduced as we deliver impact for children and young people where most needed and these funds will be awarded in the coming months in line with our reserves policy.

Funds £'000	Restated Opening Fund 1 Jul 21	Total Income	Grants awarded in year (net of adjustments)	Cost of grant making, policy, impact and grantee training	Cost of raising funds & governance	Closing fund 30 June 22
Restricted impact fund	3,268	16,333	(14,240)	(987)	(118)	4,256
Unrestricted designated impact fund	26,320	44,979	(48,009)	(4,115)	-	19,175
General continuity fund	6,632	8,052	-	-	(5,889)	8,795
Investment continuity fund	5,000	-	-	-	-	5,000
Development fund	250	-	-	-	-	250
Total unrestricted funds	38,202	53,031	(48,009)	(4,115)	(5,889)	33,220
Total funds	41,470	69,364	(62,249)	(5,102)	(6,007)	37,476

The £69.4m of total income received in the year includes income from donations and other charitable activities of £67.9m plus net investment income of £1.2m and trading income of £0.3m. Of this, £62.2m has been used to fund projects that make a positive impact, and £5.1m has funded the associated costs of grantmaking and impact. £23.4m is held in reserve and available for grantmaking in advance of generating new income in the autumn 2022 appeal (restricted: £4.3m, unrestricted but designated for grantmaking: £19.2m).

### Restricted Fund - £4.3m

The closing fund represents £3m of 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, £1.2m of income from iWill will be used to continue our joint support of Youth Social Action. In the year funds have been received, but fully spent, including £2.3m from Asda in support of the Emergency Essential Programme and £12.2m from The Department for Digital, Culture, Media and Sport (DCMS) to fund the Youth Investment Fund (YIF) of capital grants to the youth sector.

### Unrestricted Fund - £33.2m

At 30 June 2022 the Charity held designated grant funds representing donation income received and to be awarded to projects in future grantmaking activity of £19.2m (2021: £26.3m). These funds will be awarded over the coming months but it is the intention of the Charity to maintain a level of funds to cover uncertainty of income or exceptional requirement for funding.

The Charity also holds funds to cover general operating costs in periods of uncertainty of income, to manage volatility of investment returns (capital value or income) and to allow for future investment and respond to growth opportunities. This represents unspent gift aid, investment income, licence fees and a small proportion of donations (limited to  $5p/\pounds$  donated). In this financial year  $5p/\pounds$  of unrestricted donation income and legacy income, together with gift aid, trading income and investment returns totalling £8.1m has been used to cover costs, provide contingency for any uncertainty over future income.

See the Charity's principal accounting policies on page 67 which explains the structure of reserves and also note 15a on page 78 which provides more detail of the restricted funds.

### Change in Accounting Policy

In 2022 the Charity changed its policy on how it accounts for small grants. In the prior year, the accounting policy assumed the conditions in the grant agreement meant the 3 year liability should not be recognised, however, we have aligned our approach to our main grant accounting policy.

The long standing practice for our 'main' grant accounting is to recognise multi year awards in full on the day of making the commitment and recognising this obligation to pay in full in order to give our grantees certainty of their award. This is in line with the recognition principles of obligation, probability and measurability, despite their being conditions imposed. Our premise is that the main grant accounting policy reflects the substance of the agreement in that we usually fund for the full term because the conditions imposed are met. As long as our grantees use the funds as intended and deliver the outcomes then all commitments will be paid. This is proven by an established pattern of practice and time always being given to meet conditions.

In addition to the above, the Charity has changed its accounting policy regarding legacies. Legacies are now accounted for based on settlement of the estate or receipt of payment, whichever is the earlier. Previously, pecuniary legacy income was recognised once probate had been granted and where sufficient information had been received to meet the criteria of probability, measurement and entitlement. We believe the new policy is preferable to ensure we mitigate financial risk.

The change in legacy policy does not require a material adjustment, however the 2021 numbers shown in these accounts have been restated to reflect the change in grant accounting, the effects of which are shown in Note 7 on page 73.

# **PRINCIPAL RISKS AND UNCERTAINTIES**

Avoiding any harm to children and young people is our first priority and as such we have maintained robust safeguarding governance and practice across the organisation and due-diligence of those charities and projects we fund.

Every child and young person deserves the opportunity to thrive and be the best they can be and our ambition is to create positive and lasting change across the UK for the children and young people who need us most. To avoid the risk that we do not keep up with the ever evolving areas of need for Children and Young People across the UK, to understand the disadvantages we should be addressing, and to remain relevant, we have reviewed and refreshed our charitable ambition, and set out the actions we will take to achieve our aspirations for and with children and young people. This includes finalising our work on our impact themes and developing a broader impact strategy, which will provide greater clarity about the areas where we can have maximum impact; developing an approach to external communications, voice, and influence, so that we can raise awareness of the challenges and barriers facing children and young people, on an all-year-round basis; and ensuring that our work and decisions are underpinned by data, evidence and insight. A major foundation of this work is the increased engagement, participation and involvement of children and young people in our work and informing and influencing the decisions we take.

Maintaining levels of income, in light of the changing nature of the way people watch television and donate or fundraise, continues to be one the principal risks for the Charity. Delivery of our audience and supporter engagement strategy, and the development of a longer term content strategy, are designed 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 continue to put our supporters, children and young people at the heart of everything we do to ensure we build sustainable income sources.

There remains 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 controls and financial management are an essential defence for charities against fraud and financial crime and we continue remaining vigilant 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. 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. During the year, BBC Internal Audit undertook an audit for us on our data protection practice which has helped us further reflect and refine our approach. The risk of cyber-crime remains, and to mitigate this risk the BBC and the Charity has extensive policies and procedures in place to prevent/detect cyber threats, recovery plans are in place and we adequately train our employees.

There are also risks attached to the levels of funds which are used to finance the costs of governance and generating income for the Charity. Some of these income streams such as Gift Aid conversion and investment income are driven primarily by factors outside of the Charity's control. 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 Reserve Policy for the Charity sets out the long-term target for the Charity's continuity as shown in the table on the next page. The minimum unrestricted reserves held by the Charity of £12.75m is 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, additional 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 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 2022. It is envisaged that the General continuity fund will drop back in line with forthcoming commitments over the next five years as we invest funds in our future strategic ambition. The Investment Continuity Fund is in place to manage volatility in capital value or returns.

Continuity funds £'000	Contingency Target 30 Jun 22	Forthcoming Commitments 30 Jun 22	Closing 30 Jun 22
Impact continuity fund	5,000	14,175	19,175
General continuity fund	2,500	6,295	8,795
Investment continuity fund	5,000	0	5,000
Development fund	250	0	250
Total	12,750	20,470	33,220

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

Trustees continuously monitor the impact of external factors on the Charity and its likely future financial position. In reviewing the going concern position the Charity takes into account its ability to:

- 1. fund grant commitments
- 2. cover impairment in assets
- 3. satisfy going concern for 12 months based on matching assets to liabilities
- 4. cover costs
- 5. maintain healthy cashflow; and ultimately
- 6. continue to make grants

The Trustees 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 implemented a five year plan which 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 live our charitable ambition and achieve our aspirations for children and young people, we are developing, finalising, and implementing the following strategies and plans. These twelve areas of focus will set out, in a more detailed way, the approach and actions we will take – the how we will deliver our new charitable ambition - supporting children and young people to thrive and be the best they can be, in a modern, contemporary way, at the same time addressing the overall decline in income:

- Finalising and implementing our Audience and Supporter Engagement Strategy, which will set out how we evolve our income generation over the next 3-5 years
- 2. Developing a Content Strategy, across the BBC, which will work hand in hand with our Audience and Supporter Engagement strategy, setting out our approach to diversify audiences. The development of a Content Board will spearhead this work
- 3. Implementing our new grantmaking strategy, setting out where and how we invest our funding to help children and young people be the best they can be
- 4. Finalising our work on our impact themes and developing a broader impact strategy, which will provide greater clarity about the areas where we can have maximum impact
- 5. Developing an approach to external communications, voice, and influence, so that we can raise awareness of the challenges and barriers facing children and young people, on an all-year-round basis
- 6. Purposefully strengthening our BBC Relationship

### These will be supported and underpinned by:

- 7. Work on our long-term funding model and organisational design
- 8. Digital transformation
- 9. Taking tangible steps to improve equity, diversity and inclusion
- 10. Evolving our approach to campaign planning and the Appeal Hub
- 11. Developing a strategic insight cycle, to underpin our new ambition and priorities
- 12. An organisational approach to Participation, developing how we work with, as well as for, children and young people.

### The Charity we want to become

This is how BBC Children in Need should look and 'feel' over the next few years- think of it as the activities which capture our spirit, a compass to guide our decisions, and a chart to measure our progress, providing us with renewed perspective.

- ALWAYS CELEBRATING We believe in children and young people and we will always champion, empower and celebrate who they are today and what they will be tomorrow.
- ALWAYS ON We are an all year round charity, always on and relevant. There is always a story to be told and work to be done...an audience to engage with and a partner to enthuse...a question to ask and an answer to seek.
- ALWAYS DISTINCTIVE We will make the most of our unique position within the BBC alongside others, to be the best that we can be, as a force for good and an inspiration for the UK to do all they can for children and young people.
- ALWAYS LOOKING We never stop discovering, nurturing and developing new thinking and ways of working that will make a positive transformation for children and young people.

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### **Formal Structure**

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

With effect from the 1 October 2003 the Charity's assets and activities were transferred to a Company Limited by Guarantee ('The BBC Children in Need Appeal') with the 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 licence 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. Trustees regularly review the charity's governance arragements against the voluntary Governance Code for Charities, and in 22-23 will formally undertake a governance review, undertaken every three years.

### **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 7 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 Grantmaking 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 6 December 2022 by:

Rosie Millard Chair

Rhona Burns Treasurer

## **REFERENCE AND ADMINISTRATIVE DETAILS**

**BBC** Representative

(joined 1 Oct 2021)

(joined 14 Oct 2021)

(joined 11 May 2022)

(joined 17 Jan 2022)

(joined 1 Oct 2022)

(resigned 21 Jun 2022)

(resigned 30 Sep 2021)

(resigned 21 Jun 2022)

(resigned 30 Sep 2021)

**Trustees and Advisors** 

### Chair

Rosie Millard

Vice Chair

Robert Shennan<sup>3</sup>

### **Other Trustees**

Matthew Baker Kenny Imafidon<sup>2</sup> Trevor Bradley <sup>1 3 4</sup> Rhona Burns 14 Kieran Clifton<sup>2</sup> Jonathan Munro Suzanne Lamb James Fairclough Sandeep Bhamra<sup>14</sup> Cherrie Bija<sup>23</sup> Randel Bryan Leigh Tavaziva Joanna Berry Luke Mayhew Ade Adepitan Gillian Sheldon

### Company Secretary

Tony Okotie

### Principal Officers

Simon Antrobus Karen Bass Claire Hoyle Tommy Nagra Joanne Ruddock Fozia Irfan Chief Executive Chief Operating Officer (resigned Oct 22) Commercial Director Director of Content Director of Insight Director of Impact

### Auditors

Crowe UK LLP St James House St James Square Cheltenham GL50 3PR

### **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 City of London branch Queen Victoria Street London EC4N 4TR

### Solicitors

Fieldfisher LLP 35 Vine Street London EC3N 2AA

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

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

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

1 Members of Finance, Audit & Risk Committee

2 Members of Impact Committee

3 Members of Nominations and Remuneration Committee

4 Members of Investment Committee

# 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.

Registered Company 04723022

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

### Opinion

We have audited the financial statements of BBC Children in Need ('the charitable company') and its subsidiary ('the group') for the year ended 30 June 2022 which comprise the Consolidated Statement of Financial Activities, the Charity Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 30 June 2022 and of the group's 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 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements 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 charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this 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 light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

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

### **Responsibilities of trustees**

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

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the 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 regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-

compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/ auditorsresponsibilities. This description forms part of our auditor's report.

### *Extent to which the audit was considered capable of detecting irregularities, including fraud*

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of noncompliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be with the completeness and timing of legacies, grant and corporate income, the recognition of grant expenditure and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance, and the General-Purpose Audit & Risk Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Scottish Charity Regulator, designing audit procedures over the completeness and timing of legacies, grants and corporate income streams and grant expenditure and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements. even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

### 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 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 and 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.

**Guy Biggin** Senior Statutory Auditor For and on behalf of Crowe U.K. LLP Statutory Auditor

4th Floor St James House St James' Square Cheltenham Gl50 3PR

19 December 2022

### **CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES** FOR THE YEAR ENDED 30 JUNE 2022

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

### 

		Year	to 30 June 202	2	Year		
	Notes	Unrestricted fund £'000	Restricted fund £'000	Total funds £'000	Unrestricted fund £'000	Restricted fund £'000	Restated total funds £'000
INCOME AND ENDOWMENTS FROM:					1		
Donations and legacies							
Donations	23	48,249	2,432	50,681	51,097	2,887	53,984
Legacies	2	2,147	-	2,147	2,744	-	2,744
Charitable activities							
Partnership funding	2	1,000	13,901	14,901	-	6,269	6,269
Total Income from donations		51,396	16,333	67,729	53,841	9,156	62,997
and charitable activities	-		,	-		-,	
Income from trading activities	8	979	-	979	920	-	920
Investments	10	564	-	564	1,004	-	1,004
Other income		656	-	656	649	-	649
TOTAL INCOME & ENDOWMENTS		53,595	16,333	69,928	56,414	9,156	65,570
EXPENDITURE ON:							
Raising Funds							
Cost of generating voluntary income and governance	5	5,753	118	5,871	4,549	-	4,549
Cost of joint operation		-	-	-	-	10	10
Investment management fees	5	116	-	116	140	-	140
Trading operating costs	5	806	-	806	657	-	657
		6,675	118	6,793	5,346	10	5,356
Charitable Activities							
England		34,392	11,712	46,104	14,642	19,964	34,606
Scotland		4,513	-	4,513	2,077	2,195	4,272
Wales		2,702	-	2,702	1,084	1,283	2,367
Northern Ireland		2,737	-	2,737	1,193	1,351	2,544
UK wide grants		3,665	2,528	6,193	3,727	3,567	7,294
Grants awarded in the year	4	48,009	14,240	62,249	22,723	28,360	51,083
Costs of grant making & impact	5	4,493	987	5,480	2,350	2,674	5,024
		52,502	15,227	67,729	25,073	31,034	56,107
TOTAL EXPENDITURE		59,177	15,345	74,522	30,419	31,044	61,463
Net gains on investments	10	600	-	600	1,283	-	1,283
Net income / (expenditure) for the year		(4,982)	988	(3,994)	27,278	(21,888)	5,390
Net Movement in Funds		(4,982)	988	(3,994)	27,278	(21,888)	5,390
RECONCILIATION OF FUNDS							
Total funds brought forward 1 July 2021		38,202	3,268	41,470	10,924	25,156	36,080
Total funds carried forward		30,202	5,200	41,470	10,924	23,130	50,000
30 June 2021		33,220	4,256	37,476	38,202	3,268	41,470

### 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.

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.

The notes on pages 65 to 80 form part of these financial statements.

## **CHARITY STATEMENT OF FINANCIAL ACTIVITIES**

### FOR THE YEAR ENDED 30 JUNE 2022

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

		Year	to 30 June 202	2	Year		
	Notes	Unrestricted fund £'000	Restricted fund £'000	Total funds £'000	Unrestricted fund £'000	Restricted fund £'000	Restated Total funds £'000
INCOME AND ENDOWMENTS FROM:							
Donations and legacies							
Donations	2	48,249	2,432	50,681	51,097	2,887	53,984
Gift aid payment from Children in Need Limited	8	173	-	173	263	-	263
Legacies	2	2,147	-	2,147	2,744	-	2,744
Charitable activities							
Partnership funding	2	1,000	13,901	14,901	-	6,269	6,269
Total Income from donations and charitable activities		51,569	16,333	67,902	54,104	9,156	63,260
Income from trading activities		298	-	298	184	-	184
Investments	10	564	-	564	1,004	-	1,004
Other income		656	-	656	649	-	649
TOTAL INCOME & ENDOWMENTS		53,087	16,333	69,420	55,941	9,156	65,097
EXPENDITURE ON:							
Raising Funds							
Cost of generating voluntary income & governance	5	5,753	118	5,871	4,549	-	4,549
Cost of joint operation		-	-	-	-	10	10
Investment management fees	5	116	-	116	140	-	140
Children in Need Limited Cost Recovery	5	299	-	299	184	-	184
		6,168	118	6,286	4,873	10	4,883
Charitable Activities							
England		34,392	11,712	46,104	14,642	19,964	34,606
Scotland Wales		4,513	-	4,513	2,077	2,195	4,272
Northern Ireland		2,702 2,737	_	2,702 2,737	1,084 1,193	1,283 1,351	2,367 2,544
UK wide grants		3,665	2,528	6,193	3,727	3,567	7,294
Grants awarded in the year	4	48,009	14,240	62,249	22,723	28,360	51,083
Cost of grant making and impact	5	4,493	987	5,480	2,350	2,674	5,024
5 5 1		52,502	15,227	67,729	25,073	31,034	56,107
TOTAL EXPENDITURE		58,670	15,345	74,015	29,946	31,044	60,990
Net gains on investments	10	600	-	600	1,283	-	1,283
Net income/(expenditure) for the year		(4,983)	988	(3,995)	27,278	(21,888)	5,390
Net Movement in Funds		(4,983)	988	(3,995)	27,278	21,888	5,390
RECONCILIATION OF FUNDS							
Total funds brought forward 1 July 2021		38,188	3,268	41,456	10,910	25,156	36,066
Total funds carried forward		33,205	4,256	37,461	38,188	3,268	41,456
30 June 2022							

# **CONSOLIDATED AND CHARITY BALANCE SHEETS**

### **AS AT 30 JUNE 2022**

Company Number 04723022

	Notes	Group 30 June 2022 £'000	Restated Group 30 June 2021 £'000	Charity 30 June 2022 £'000	Restated Charity 30 June 2021 £'000
FIXED ASSETS					
Tangible assets	9	28	97	28	97
Investment in subsidiary	8	-	-	-	-
Investments	10	15,666	28,893	15,666	28,893
		15,694	28,990	15,694	28,990
CURRENT ASSETS					
Investments	10	65,480	59,166	65,480	59,166
Stock		230	191	-	-
Debtors	11	6,923	10,563	7,152	10,834
Cash and cash equivalents		13,540	8,081	13,515	7,960
		86,173	78,001	86,147	77,960
Creditors: amounts falling due within one year	12	(47,515)	(51,675)	(47,504)	(51,648)
NET CURRENT ASSETS		38,658	26,326	38,643	26,312
TOTAL ASSETS LESS CURRENT LIABILITIES		54,352	55,316	54,337	55,302
Creditors: amounts falling due after more than one year	12	(16,876)	(13,846)	(16,876)	(13,846)
NET ASSETS		37,476	41,470	37,461	41,456
RESERVES					
Unrestricted funds	15	33,220	38,202	33,205	38,188
Restricted Grant Funds	15	4,256	3,268	4,256	3,268
Total Funds		37,476	41,470	37,461	41,456
TOTAL RESERVES		37,476	41,470	37,461	41,456

The accounts on pages 61 to 80 were approved by the Trustees on 6 December 2022 and signed on their behalf by:

Rosie Millard Chair

Rhona Burns Treasurer

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.

The notes on page 65 to 80 form part of these financial statements.

### **CONSOLIDATED CASH FLOW STATEMENT** FOR THE YEAR ENDED 30 JUNE 2022

	Schedule	Year to 30 June 2022 £'000	Restated year to 30 June 2021 £'000
Cash flow from operating activities:		(2, 2, 2)	
Net cash provided by operating activities	A	(2,618)	(8,180)
Cash flow from investing activities:			
Interest from investments		564	1,004
Purchase of equipment		-	(48)
Purchase of investments		(1,111,786)	(588,443)
Proceeds from sale of investments		1,119,299	591,377
Net cash used in investing activities		8,077	3,890
Change in cash and cash equivalents in the reporting period		5,459	(4,290)
Cash and cash equivalents at the start of the reporting period		8,081	12,371
Cash and cash equivalents at the end of the reporting period		13,540	8,081

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

	Year to 30 June 2022 £'000	Year to 30 June 2021 £'000
Net expenditure / income for the year	(3,994)	(1,355)
Depreciation charges	69	73
Investment income (Gain) in investment (Decrease) in stock	(564) (600) (39)	(1,004) (1,283) (90)
Decrease in debtors	3,640	15,858
(Decrease) in creditors	(1,130)	(20,379)
Net cash (outflow) provided by operating activities	(2,618)	(8,180)

### B. Analysis of cash and cash equivalents

	At 30 June 2021 £'000	Cash Flows £'000	At 30 June 2022 £'000
Cash at bank Money market deposits	8,081	5,459	13,540
Total cash and cash equivalents	8,081	5,459	13,540

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2022

#### 1 Principal accounting policies

#### **Basis of preparation**

BBC Children in Need is a registered charity in England and Wales 802052 and Scotland SC039557 and a company limited by guarantee incorporated in England 04723022. The Registered Office is Bridge House, MediaCity 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.

#### Going concern

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.

Trustees continuously monitor the impact of external factors on the Charity 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.

The accounts were authorised for issue on 6 December 2022 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 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. 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).

### 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 2022, 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 licence 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.

### Relationship with the BBC

Although the Charity and the BBC are respectively separately governed, they remain closely associated and both parties recognise the mutual benefit of their association and collaboration: The Charity in pursuit of its charitable purposes is able to support the BBC in fulfilling its Mission and Public

Purposes, including providing access to younger audiences, increasing awareness and understanding of the issues affecting children and young people in UK, and a charitable vehicle for BBC staff engagement. In return, the Charity benefits from an annual season of broadcast programming, and a range of marketing and operational support, enabling it to promote its work, raise support and money to in turn improve the lives of children and young people across the UK.

### 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.

In 2022 the Charity changed its policy on how it accounts for small grants. In the prior year, the accounting policy assumed the conditions in the grant agreement meant the liability should not be recognised, however, we have aligned our approach to our main grant accounting policy. See note 7 on page 73 for further details.

### 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 5.

### Tangible fixed assets

Tangible assets costing more than £1,000 are capitalised, included at cost and depreciated 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 9.

### Investments

Grants are paid 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 midmarket 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 10.

### Stock

Stock is held by Children in Need Limited. Further details of the accounts of Children in Need Limited are given in Note 8. 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 14.

### 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.

### **Basic financial instruments**

### (a) Financial assets

Basic financial assets represents stocks, trade debtors including amounts due by group undertakings; and cash and bank balances which are initially recognised at transaction price. At 30 June 2022, 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 2022, 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.

### Structure of Reserves

### **Unrestricted Funds including Designated**

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.

### 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 CHARITY INCOME**

Income from donations and gift aid totalling £50,681k (2021: £53,984k) is generated from direct public support, our Corporate Partners and BBC Programmes. Together with partnership funding and legacies the total reported from charitable activities is £67,902k (2021: £63,260k). Total income per the Charity Statement of Financial Activities is £69,420k (2021: £65,097k).

	Unrestricted funds			Restrict	ed funds			
	Direct public support £000	High value donors & partner- ships £000	BBC programmes £000	Other £000	Direct public support £000	High value donors & partnerships £000	Total 2022 £000	Total 2021 £000
Schools	4,551	-	-	-			4,551	4,122
Public fundraising	3,398	-	-	-			3,398	3,264
Donations	14,143	6,454	15,418	-	78	2,354	38,447	40,842
Gift aid on donations	4,285	-	-	-	-	-	4,285	5,756
TOTAL DONATIONS	26,377	6,454	15,418	-	78	2,354	50,681	53,984
Gift aid payment from Children in Need Limited	173	-	-	-	-	-	173	263
Partnership funding	-	1,000	-	-	-	13,901	14,901	6,269
Legacies	2,147	-	-	-	-	-	2,147	2,744
TOTAL INCOME FROM CHARITABLE ACTIVITIES	28,697	7,454	15,418	-	78	16,255	67,902	63,260
Licence fee income	-	298	-	-	_	-	298	184
Return on investments	-		-	564	-	-	564	1,004
Other income - Gift in Kind	-	-	-	656	-	-	656	649
RECONCILIATION TO CHARITY SOFA				53,087		16,333	69,420	65,097
Gift in Kind				(656)			(656)	(649)
Plus gains on investments				600	I		600	1,283
RECONCILIATION TO REPORTED INCOME				53,030			69,364	65,731

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

<b>3,030)</b> (16,333)	(69,364)	(65,731)
4,902) (900)	5,554	(3,330)
4,982) (988)	3.994	(5,390)
5,889) (118)	(6,007)	(4,612)
4,115) (987)	(5,102)	(4,646)
8,009) (14,240)	(62,249)	(51,083)
	4,115) (987) 5,889) (118)	4,115)(987)(5,102)5,889)(118)(6,007)

Income as reported by the Charity is £68,200k which is the income reported on the SOFA of £69,421k excluding gift in kind of £657k and investment returns of £564k (2021: £63,444k).

### 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;
- 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 £656k (2021 - £649k) 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.

Please refer to note 1 on page 65 for disclosure of key judgements in relation to Gifts in Kind.

• the extensive support of programmes across all platforms both on the day of the Appeal and the campaign build up;

### **4 GRANT EXPENDITURE**

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

Postatod

### 5 OPERATING COSTS EXCLUDING GIFTS IN KIND

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

Where staff work across more than one area, costs are allocated based on the proportion of time spent on the areas of generating voluntary income, governance and making an impact which includes the cost of 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.

Create Descussilisation	Group 2022	Restated		
Grants Reconciliation	£'000	Group 2021 £'000		Costs of generating funds
Grants outstanding as at 1 July 2021	65,055	81,558		Cost of generating voluntary income
Grants awarded in the period	62,249	51,083		Investment management fees
Grants paid in the period	(65,730)	(67,586)		Trading operating costs
Grants outstanding as at 30 June 2022	61,574	65,055		Governance
			_	Charitable activities
Total Grants Awarded In The Period	Qty	Group 2022 £'000	Restated Group 2021 £'000	Grantmaking, policy & Impact
Open Call grant award				
Main & Small Grants	1,578	44,663	21,195	Gifts in kind
Youth Investment Fund	419	11,917	-	Operating costs
Inspiring Futures		-	6,419	operating costs
Covid response		-	17,109	Specific expenditure items included in the figures ab
	1,997	56,580	44,723	
In Partnership with:				
A Million & Me Programme	6	814	1,122	
Hunter Foundation	1	507	352	
iWill	3	481	-	Depreciation
NSPCC	1	168	75	Operating leases
Premier League	1	667	667	Reimbursement of trustees expenses
Children's Society	1	133	133	
Legal Education Foundation	1	220	145	Auditors' remuneration:
Alliance for Youth Justice	1	47	-	Audit of these accounts
HSBC	1	97	-	Audit of the charity's subsidiary pursuant to the legislation
Others	-	-	188	Taxation compliance services
	112	3,134	2,682	Legal fees
Emergency Funding	2	3,100	4,361	Legal rees
Total Grant Awards	2,111	62,814	51,766	
Grant Underspends		(593)	(699)	
Training of Grantees		28	16	
	_	62,249	51,083	Support costs are broken down as:

In the year ended June 2022 £62,814k before returns and training support (2021: £51,766k) was awarded to projects and programmes.

Of this amount direct open call funding totalled £56,580k (2021: £44,723k), £3,100k (2021: £4,361k) was awarded in Emergency funding and £3,134k (2021: £2,682k) across other partnership programmes.

### Adjustments to grants

An amount of £593k (2021: £699k) 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.

### Support, education 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 2022 amounted to a value of £28k (2021: £16k).

For further details on the purpose and policy grantmaking refer to the Trustee Report (page 24).

### Support costs are broken down as:

	Staff costs £'000	Office and IT costs £'000	Depreciation £'000	Professional fees £'000	Gifts in kind £'000	2022 total £'000	2021 total £'000
Costs of generating funds							
Cost of generating voluntary income	655	92	32	72	271	1,122	1,080
Governance	170	24	8	19	8	229	180
Charitable activities							
Grant making, policy and impact	578	81	29	64	378	1,130	1,168
	1,403	197	69	155	657	2,481	2,428

2021 total £'000	2022 total £'000	Other direct costs £'000	Support costs £'000	Staff costs £'000
4,299	5,557	2,000	1,122	2,435
140	116	116	-	-
657	806	662	-	144
260	314	10	229	74
5,024	5,480	754	1,130	3,596
10,380	12,273	3,542	2,481	6,249
(649)	(657)			
9,731	11,616			
5,751	. 1,010			

Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
69	73	69	72
35	16	35	16
3	-	3	-
50	49	50	49
2	2	-	-
2	-	1	1
33	33	33	33

### **6 EMPLOYEE AND PENSION INFORMATION**

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

	Group 2022	Group 2021	Charity 2022	Charity 2021
Generating funds	60	55	57	53
Grant giving	87	84	87	84
Governance	3	3	3	3
	150	142	147	140

The equivalent number of full time staff is 141 (2021: 133).

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

	Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
Wages and salaries	6,007	5,442	5,892	5,391
Social Security costs	634	550	623	545
Pension costs	599	493	591	489
Other staff costs	406	154	402	154
	7,646	6,639	7,508	6,579

### **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  $\pm$ 599k in the year (2021:  $\pm$ 493k).

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. £3k of expenses were paid in the period to 6 trustees (2021: £nil).

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

	Group 2022	Group 2021
£60,000 - £69,999	5	7
£70,000 - £79,999	4	2
£80,000 - £89,999	2	1
£90,000 - £99,999	1	1
£100,000 - £109,999	-	1
£110,000 - £119,999	2	1
£120,000 - £129,999	-	-
£130,000 - £140,000	1	1
	15	14

The emoluments paid to the Chief Executive in the year year were £138,198 (2021: £138,198).

Retirement benefits are accruing under defined benefit schemes for one (2021: one) of the above higher paid members of staff.

### **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 £794k (2021: £738k).

### **7 CHANGE IN ACCOUNTING POLICIES**

In 2022 the Charity changed its policy on how it recognises small grants. In the prior year, the accounting policy assumed the conditions in the grant agreement meant the 3 year liability should not be recognised, however, we have aligned our approach to our main grant accounting policy.

The prior year figure for grant awards has been adjusted to reflect a commitment to year 2 and 3 small grants of  $\pm 8.7$ m previously not recognised giving our grantees certainty of their award by setting aside the funds to cover future payments.

The 2021 comparatives have been restated to take account of a prior year adjustment to reflect the change to the small grant accounting policy. The impact of this adjustment means that unrestricted reserves at 1 July 2020 and 30 June 2021, have decreased by £6.7m and £8.7m respectively.

The effects of the change is detailed in the table below:

#### Reconciliation of 2021 unrestricted reserves:

Reserves (as previously stated) Grant accounting - change in basis **Reserves (as restated):** 

### Reconciliation of 2021 surplus for the period:

2021 Surplus (as previously stated) Grant accounting movement - change on basis 2021 Surplus (as restated):

In addition to the above, the Charity has changed its accounting policy regarding legacies. Legacies are now accounted for based on settlement of the estate or receipt of payment, whichever is the earlier. Previously, pecuniary legacy income was recognised once probate had been granted. However, the change in legacy policy does not require a material adjustment to the prior period financial statements.

Group At 30 June 2021 £'000	Group At 1 July 2020 £'000	Charity At 30 June 2021 £'000	Charity At 1 July 2020 £'000
46,862	17,669	46,848	17,655
(8,660)	(6,745)	(8,660)	(6,745)
38,202	10,924	38,188	10,910
29,193		29,193	
(1,915)		(1,915)	
27,278		27,278	

### **8 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 £687k is derived from the sale of merchandise to the public through our online store and fundraising events (2021: £651k). 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 licence fee is charged £292k (2021: £269k).

The Trading Company has gifted its net profit of £172k (2021: £263k) to the Charity.

	Year to 30 Jun 22 £'000	Year to 30 Jun 21 £'000
Turnover	979	921
Product cost of sales	(508)	(473)
Contribution	471	448
Other cost of sales	(108)	(63)
Gross profit	363	385
Operating expenses	(191)	(122)
Net profit	172	263
Gift aid payment to BBC Children in Need Appeal	(172)	(263)
Retained in Children in Need Limited	-	-
	30 Jun 22 £'000	30 Jun 21 £'000
Fixed assets		
Tangible assets	-	-
Current assets		
Stock	230	191
Debtors	89	242
Cash at bank and in hand	25	122
TOTAL CURRENT ASSETS	344	555
Creditors: amounts falling due within one year	(329)	(540)
Net current assets / (liabilities)	15	15
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

Within the creditors amount of £329k is £318k (2021: £513k) owing to the Charity. This is made up of an outstanding loan of £150k not due for repayment, £173k of gift aid and £6k of recharged salary costs not yet transferred back to the Charity. The movement in the creditor balance in the year of £195k is explained as follows:

### Inter Company Transactions in year

Staff & staff expenses recharged by charity Donations deposited with the trading company Trading vat transactions paid through the charity Loan interest charged by the charity Gift aid payment donated to charity Merchandise and storage costs recharged to charity Cash transferred to charity in part settlement of the above Movement

### **9 TANGIBLE ASSETS**

Group	IT equipment & software £'000	Furniture, fixtures & fittings £'000	Total £'000
Cost			
As at 01 July 2021	779	1	780
Additions	-	-	-
Disposals	-	-	-
As at 30 June 2022	779	1	780
Accumulated depreciation			
As at 01 July 2021	682	1	683
Charge for the year	69	-	69
Disposals	-	-	-
As at 30 June 2022	751	1	752
Net Book Value			
As at 30 June 2021	97	-	97
As at 30 June 2022	28	-	28
Charity	IT equipment & software £'000	Furniture, fixtures & fittings £'000	Total £'000
Cost			
As at 01 July 2021	704	1	705
		1	705
Additions	-	-	-
Additions Disposals		-	-
	-	- - 1	705
Disposals	-	-	-
Disposals As at 30 June 2022	-	-	-
Disposals As at 30 June 2022 Accumulated depreciation	704	- - 1	- - 705
Disposals As at 30 June 2022 Accumulated depreciation As at 01 July 2021	- - 704 607	- - 1	- - <b>705</b> 608
Disposals As at 30 June 2022 Accumulated depreciation As at 01 July 2021 Charge for the year	- - 704 607 70	- - 1	- - <b>705</b> 608
Disposals As at 30 June 2022 Accumulated depreciation As at 01 July 2021 Charge for the year Disposals	- 704 607 70 -	- - 1 - -	- - <b>705</b> 608 70 -

27

As at 30 June 2022

2022 £'000
155
199
81
7
173
(20)
(790)
(195)

27

### **10 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 2022.

Income in the year of £1,164k relates to interest earned on investments held in the year £564k plus revaluation gains £600k (2021: £2,287k (£1,004k interest and £1,283k gains)).

Group and Charity	2022 £'000	2021 £'000
Market Value at 1 July 2021	88,059	89,702
Add: acquisitions at cost	1,119,375	585,200
Less: disposals at market value	(1.119,299)	(591,377)
Add: net gains / (losses) on revaluation	600	1,283
Market Value at 30 June 2022	88,735	84,808
Add: deposits held at financial institutions	(1,087)	6,502
Less: deposits held at financial institutions at 30 June 2021	(6,502)	(3,251)
Total Investments at 30 June 2022	81,146	88,059

The investments can be analysed as follows:

	2022		2021		
	Valuation £'000	Cost £'000	Valuation £'000	Cost £'000	
Fixed income					
-maturing in more than 1 year	13,535	14,013	7,614	7,611	
-maturing in less than 1 year	38,701	38,674	40,507	40,571	
Alternatives					
-maturing in more than 1 year	29,997	27,274	33,437	31,846	
-maturing in less than 1 year	-	-	-	-	
Deposits held with financial institutions	(1,087)	(1,086)	6,502	6,502	
	81,146	78,875	88,060	86,530	
Included as:					
Fixed asset investments	15,666	15,666	28,893	28,893	
Current investments	65,480	63,209	59,166	57,636	
	81,146	78,875	88,059	86,529	

Included within the above totals are cash and cash equivalents of £6,502k (2021: £3,251k).

### **11 DEBTORS**

Trade debtors

Amounts owed by subsidiary undertaking Other debtors Taxation Prepayments and accrued Income

Amounts falling due after more than one year

Other debtors

Included in the £318k (2021:£513k) amount owed by subsidiary undertaking is a receivable from Children In Need Limited for gift aid of £173k and £150k intercompany loan which is repayable on demand, (2021: £263k and £150k respectively).

Prepayments and accrued income of £2,440k are split £22k and £2,418k (2021: £5,669k split £55k and £5,614k) respectively.

The accrued income relates mainly to 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 to fund ongoing partnership activity.

### **12 CREDITORS**

	Group 2022 £'000	Restated Group 2021 £'000	Charity 2022 £'000	Restated Charity 2021 £'000
Amounts falling due within one year				
Trade creditors	1,589	67	1,583	65
Grants payable	44,698	51,209	44,698	51,209
Accruals and deferred income	1,228	397	1,223	374
Taxation	-	2	-	-
	47,515	51,675	47,504	51,648
Amounts falling due after more than one year				
Grants payable	16,876	13,846	16,876	13,846
	16,876	13,846	16,876	13,846

Within grants payable, £44,698k (2021: £51,209k) is due to be paid within one year and £16,876k (2021: £13,846k) paid within the next two to three years. Of the total grant payable amount of £61,574k, £56,320k relates to our main and small resposive grants awarded over the last 1-3 years, £2,550k relates to our emergency essential programme that is funded for the next 11 months and the balance of £2,703k relates to proactive grant partnerships including Premier League, iWill and Wellcome Trust.

Included in accruals and deferred income is an amount of £nil (2021: £25k) related to a deferred marathon event.

Group 2022 £'000	Group 2021 £'000	Charity 2022 £'000	Charity 2021 £'000
241	437	155	385
-	-	318	513
3,824	3,886	3,824	3,886
160	2	157	2
2,440	5,669	2,440	5,479
6,665	9,994	6,894	10,265
258	569	258	569
258	569	258	569

### **13 FINANCIAL INSTRUMENTS**

The group has the following financial instruments:

	Notes	Group 2022 £'000	Group 2021 £'000
Financial assets measured at amortised cost are: trade debtors, accrued income, cash and other debtors excluding prepayments	11	19,096	24,520
Financial assets measured at fair value through income and expenditure	10	82,233	81,557
Financial liabilities at amortised cost are: trade creditors, grants payable, other creditors, accruals excluding deferred income	12	64,391	65,519

### **14 OPERATING LEASES**

	Group		Group		
	Land & buildings 2022 £'000	Other 2022 £'000	Land & buildings 2021 £'000	Other 2021 £'000	
Operating leases future minimum payments:					
- within one year	-	47	-	19	
- later than one year and not later than five years	-	54	-	23	
	-	101	-	42	

### **15a FUNDS**

The fund balances are shown below.

Funds £'000	Restated Opening Fund 1 Jul 21	Donations	Funding	Legacies	Gift Aid	Product	Investments	Total Income	Grants awarded in year (net of adjustments)	Cost of grant making, policy, impact and grantee training	Cost of raising funds & governance	Closing fund 30 June 22
DCMS	-	-	12,173	-	-	-	-	12,173	(11,650)	(523)	-	-
iWill	-	-	1,728	-	-	-	-	1,728	(481)	-	-	1,247
YFF	-	-	-	-	-	-	-	-	9	-	-	9
THF	3,000	-	-	-	-	-		-	-	-	-	3,000
TBNI	-	78	-	-	-		-	78	(71)	(7)	-	-
Other partnerships	268	2,354	-	-		-	-	2,354	(2,047)	(457)	(118)	-
Restricted Impact Fund	3,268	2,432	13,901	-	-	-	-	16,333	(14,240)	(987)	(118)	4,256
Unrestricted designated impact fund	26,320	41,766	1,000	2,040	-	173	-	44,979	(48,009)	(4,115)	-	19,175
General continuity Fund	6,632	2,198	-	107	4,285	298	1,164	8,052	-	-	(5,889)	8,795
Investment continuity Fund	5,000	-	-	-	-	-	-		-	-	-	5,000
Development Fund	250	-	-	-	-	-	-	-	-	-	-	250
Total unrestricted funds	38,202	43,964	1,000	2,147	4,285	471	1,164	53,031	(48,009)	(4,115)	(5,889)	33,220
Total funds	41,470	46,396	14,901	2,147	4,285	471	1,164	69,364	(62,249)	(5,102)	(6,007)	37,476

The closing restricted fund of £4.3m (2021: £3.3m) represents £3m of donations received.

The closing fund represents £3m of 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, £1.2m of income from iWill will be used to continue our joint support of support of Youth Social Action. In the year funds have been received but fully spent including £2.3m from Asda in support of the Emergency Essential Programme and £12.2m from The Department for Digital, Culture, Media and Sport (DCMS) to fund our Youth investment Fund (YIF) of capital grants to the youth sector.

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

Further income in respose to The Big Night In (TBNI) Appeal in April 2020 was received in the year and was spent on Covid-19 related issues. Grant returns of £9k relate to the Youth Futures Foundation (YFF) funding which improved employment outcomes for chldren and young people. This amount will be re-awarded in line with agreed restrictions.

Unrestricted funds totalling £33.2m (2021: £38.2m) are held for the following purposes:

- The 'Designated Impact Fund' of £19.2m (2021: £26.3m) is designated for grant making and will be awarded prior to the next Appeal with the exception of a £5m contingency held to cover the uncertainty of income available to fund impact activity and /or exceptional requirement for funding.
- The 'General Continuity Fund' of £8.8m (2021: £6.6m) is held to cover uncertainty of income available to fund general operating costs.
- The 'Development Fund' of £0.3m (2021: £0.3m) is to allow for future investment and respond to growth opportunities.
- The 'Investment Continuity Fund' of £5.0m (2021: £5.0m) is to manage volatility or total return (capital value or income) from income generating assets.

### **15b COMPARATIVE FUNDS NOTE**

Funds £'000	Opening Fund 1 Jul 20	Donations	Funding	Legacies	Gift Aid	Product	Investments	Total Income	Grants awarded in year (net of adjustments)	Cost of grant making, policy, impact and grantee training	Cost of raising funds & governance	Restated Closing fund 30 June 21
Public Covid	17,923	-	0	-	310	-	-	310	(16,532)	(1,691	10	-
DCMS	4,146	-	2,500	-	-	-	-	2,500	(6,185)	461	-	0
YFF	-	-	3,500	-	-	-	-	3,500	(3,220)	280	-	0
THF	3,000	-	-	-	-	-		-	-	-	-	3,000
Other partnerships Restricted Impact Fund	87 <b>25,156</b>	2,578 <b>2,578</b>	269 <b>6,269</b>	-	310	-	-	2,847 <b>9,157</b>	(2,423) <b>(28,360)</b>	(242) <b>(2,674)</b>	(1) <b>(11)</b>	268 <b>3,268</b>
Unrestricted Designated Impact Fund	3,463	44,685	-	2,689	-	178	-	47,552	(22,707)	(1,988)	-	26,320
General continuity Fund	3,295	965	-	55	5,446	269	1,203	7,938	-	-	(4,601)	6,632
Investment continuity Fund	4,066	-	-	-	-	-	934	934	-	-	-	5,000
Development Fund	100	-	-	-	-	-	150	150	-	-	-	250
Total unrestricted funds	10,924	45,650	-	2,744	5,446	447	2,287	56,574	(20,792)	(1,988)	(4,602)	38,202
Total funds	36,080	48,228	6,268	2,744	5,756	447	2,287	65,731	(49,152)	(4,662)	(4,612)	41,470

### **15c ANALYSIS OF NET ASSETS BY FUND**

Fund balances at 30 June 2022 are represented by:

Group	Unrestricted designated impact funds £'000	Restricted funds £'000	Unrestricted general funds £'000	Total £'000
Fixed assets	15,694	-	-	15,694
Net current assets	20,357	4,256	14,045	38,658
Long-term liabilities	(16,876)	-	-	(16,876)
Net assets	19,175	4,256	14,045	37,476

### Fund balances at 30 June 2021 are represented by:

Group	Unrestricted designated impact funds £'000	Restricted funds £'000	Unrestricted general funds £'000	Total £'000
Fixed assets	28,990	-		28,990
Net current assets	11,176	3,268	11,882	26,326
Long-term liabilities	(13,846)	-	-	(13,846)
Net assets	26,320	3,268	11,882	41,470

### **16 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.

### **17 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 2022 are as follows:

	2022 £'000	2021 £'000
Subsidiary Undertaking	318	513

At the year end BBC Children in Need had a creditor balance with the BBC Group of £0.7m (2021: nil) relating to the recharge of employee costs.

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

